SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Ref: D: STEC

July 5, 2019

The Secretary,
BSE Ltd
P J Towers,
Dalal St,
Mumbai 400 001

The Manager
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra- Kurla Complex Bandra (E)
Mumbai 400 051

Sir,

Ref: Scrip Code: BSE – 532498 and NSE – SHRIRAMCIT

As required under Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year ended March 31, 2019 alongwith the 33rd AGM Notice and Addendum Notice together with the explanatory statement, attendance slip and proxy form which is being sent to the members of the Company by the prescribed mode.

We request you to kindly take the above information on records.

Thanking you,

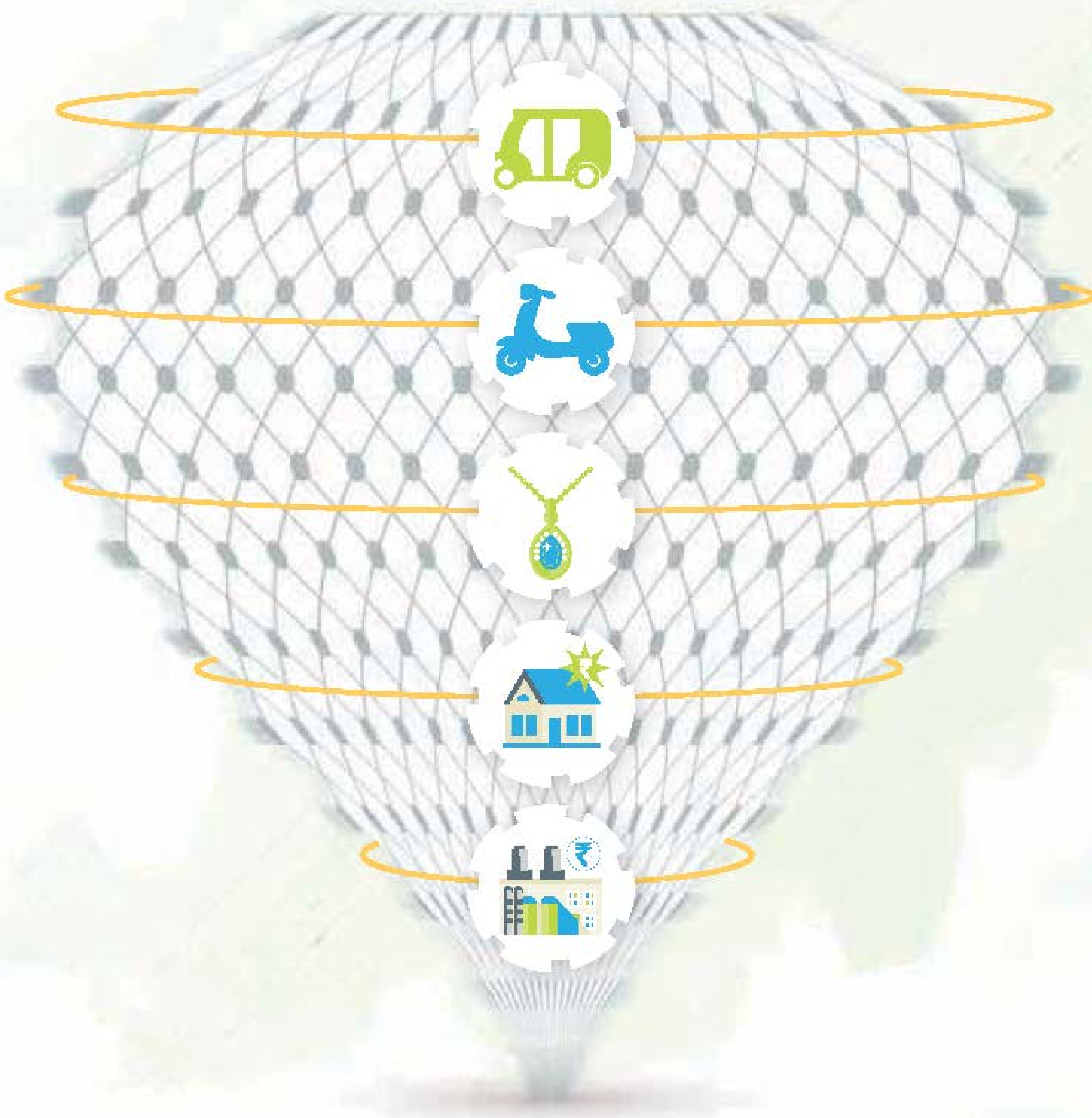
Yours faithfully,
For Shriram City Union Finance Limited,

5/7/19

C R Dash
Company Secretary

Encl:a..a

SHRIRAM City
MONEY WHEN YOU NEED IT MOST



Resilience and Stability

Shriram City Union Finance Limited | Annual Report 2018-19

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Financial Section 84 – 319

Investor information

Market Capitalisation as at March 31, 2019	₹ 12,210 crores
CIN	L65191TN1986PLC012840
BSE Code	532498
NSE Symbol	SHRIRAMCIT
Bloomberg Code	SCUF:IN
Dividend Declared	₹ 6 per share (Interim)
AGM Date	July 29, 2019
AGM Venue	Narada Gana Sabha (Mini Hall), No. 314 , T. T K. Road, Alwarpet, Chennai - 600 018

Please find our online version at
https://www.shriramcity.in/index.aspx

Or simply scan to download:

Disclaimer

This document contains statements about expected future events and financials of Shriram City Union Finance Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

KPIs for 2018-19

20.22%

Yield

Our definition of resilience is quite simple: "It is the capacity of an organisation to survive, adapt and flourish in the face of turbulent change and uncertainty."

The year 2018-19 saw Shriram City Union Finance Limited ('SCUF' or 'the Company') staying resilient amidst the turbulent environment in the NBFC space. Over the years, the Company has dynamically reinvented its business model and adopted proactive strategies. The result was eventually visible in the way the Company remained stable and embraced the challenges without much hassles.

In a broader sense, our unrelenting customer focus in serving the unserved sections of the society, combined with our internal capabilities of ensuring the right asset mix, positive liquidity, identifying the right business segments and technological leverage led to a stable growth during the year.

We continued to embrace new opportunities to learn, grow and deliver – and continue to drive value for our stakeholders.

7.3%
Growth in AUMs (Asset Under Management)

12.1%
Growth in Total Operating Income

8.8%
Growth in Net Interest Income

39.7%
Growth in Profit Before Tax

13.29%	8.06%	2.68%	23.12%
Net Interest Margin	**Pre Provision Profits**	**Net NPA**	**Capital Adequacy Ratio**

Vision

- Serving the underserved
- Creating value at the bottom of the pyramid

Mission

Striving to serve the largest number of common people through quality non-banking financial services

About Us

Shriram City Union Finance is a part of the Shriram Group, India's premier financial services chain. It is one of the leading and most preferred Non-Banking Financial Company (NBFC), serving the financing needs of the growing population residing in rural and semi-urban areas of India.

SCUF is primarily engaged in providing range of retail financing which includes Micro Small and Medium Enterprise (MSME) loans, two-wheeler loans, gold loans and personal loans, among others. Our long-standing experience and expertise allow us to understand the financing needs of our customers. Our strong distribution strength further helps us in reaching into the deeper pockets of the nation.

₹ 24,071 crores

Total loan disbursed

969

Branches

38 lacs

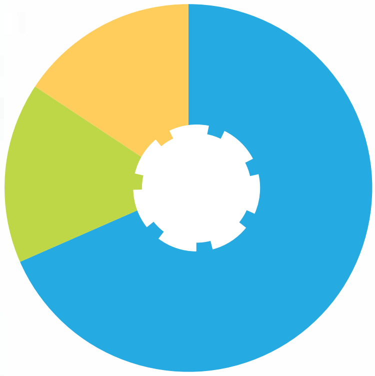
Active customer base

27,267

No. of employees as on March 31, 2019

Geographic break up of:

Branch Network

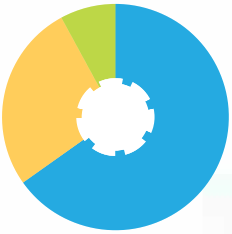


- South: **68.42%,** Branch count: **663**
- West: **15.89%,** Branch count: **154**
- North: **15.69%,** Branch count: **152**

Geographic break up of AUM

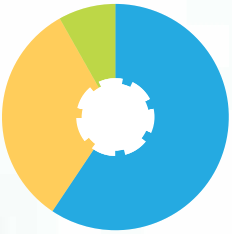
(%)

Total AUM March 2018



- South: **65.17%**
- West: **26.91%**
- North: **7.92%**

Total AUM March 2019



- South: **59.37%**
- West: **32.46%**
- North: **8.17%**

What made us resilient and stable?

- Market leadership in the under-served retail segment
- Strong parentage and established track record
- Strong business model with diversification-led growth
- Healthy capitalisation and balance sheet with sufficient liquidity
- Robust technology
- Team

Credit ratings

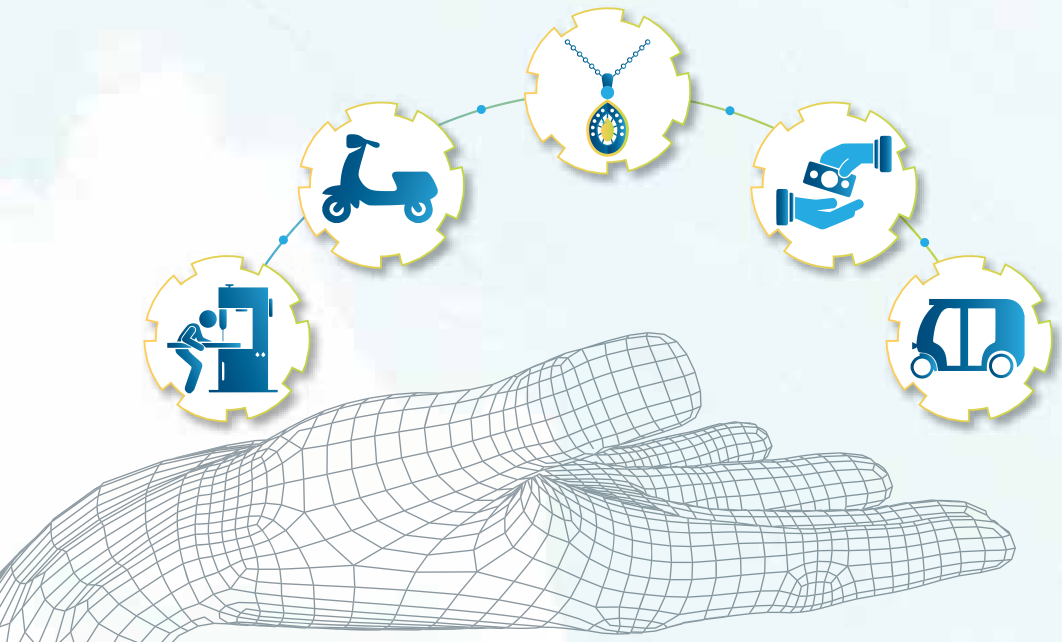
LONG-TERM

AA+	AA	AA	AA
CARE Ratings	India Ratings & Research	ICRA	CRISIL (upgraded from AA- in July 2018)

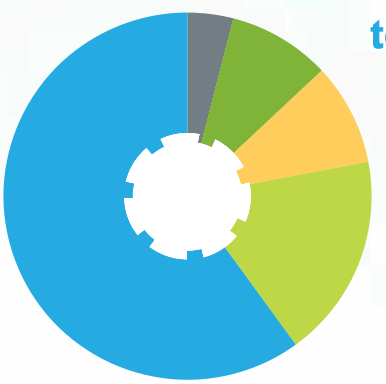
SHORT-TERM

A1+	A1+
CARE Ratings	ICRA

Driving resilience and stability through a well-diversified product offerings and asset quality



Our well diversified portfolio of AUMs has led us to deliver stable outcomes.



₹ 29,582 crores

AUMs in 2018-19

MSME Financing

The Company dominates the MSME financing segment in India.

Strategies adopted:

- Established relations and contacts with the local community for deeper understanding on the customer requirement in the rural and semi-urban areas
- Developed a tailor-made credit appraisal model with decentralised branch model, wherein local field force is appointed for pre-lending investigation and appraisals
- Follows a cash flowbased lending model rather than collateral-based one
- Established strong presence in Andhra Pradesh, Telangana, Tamil Nadu and Maharashtra - economically advanced states with uniqueness of language, acting as a barrier to competition in large scale

Two-Wheeler Loans

The Company is a market leader in this segment with 20% market share.

Strategies adopted:

- Ensures faster turnaround time with the help of technology along with feet-on-street strategy
- Emphasises on non-salaried class with operations in rural and semi-urban areas
- Builds long lasting relationships with dealers and OEMs – despite being the lowest in dealer payouts
- Established market leadership in South with penetration into newer geographies across West, North and Central India

Loan Against Gold

The Company provides gold loans to individuals who do not have access to formal loan.

Strategies adopted:

- Product offered as an add on product through existing branches for a better operating leverage
- Robust risk monitoring systems through systematised controls and technology
- Efficient collection mechanism
- Flexibility offering based on the movement of gold prices led by usage of existing infrastructure & systematised controls

Personal Loans

The Company offers personal loans to salaried and self-employed individuals.

Strategies adopted:

- Provides loans to the existing customers of the company with good credit score and default-free track record of payments
- Implements cross-selling model for better operating leverage and higher conversions

Auto Loans

The Company offers loans for new and used cars.

Strategies adopted:

- Finances purchase of new and pre-owned passenger and commercial vehicles
- Covers both, three-wheeler as well as four-wheeler automobile segments


MILK
MILK
MILK
MILK
MILK
CHEESE
CHEESE
CHEESE
MILK
CHEESE
CHEESE
MILK

Driving resilience and stability with robust business model and asset mix

Post demonetisation, several NBFCs primarily relied on short-term borrowing to gain market shares amid easy access to money. As a result, between FY14-1HFY19, the share of commercial paper (short-term notes) in overall resources increased from 7% to 16% for NBFCs and 4% to 13% for HFCs. This helped in at least 40-50 bps cost saving, which in turn, helped (at the RoA level) generate 20-25 bps of additional profitability.

In the aftermath of the recent crisis, there has been an enhanced focus on the Asset Liability Management to reduce the risk of loss from not meeting debt obligations. The companies with a robust business model, with larger exposure to the retail segment ensured strong liquidity, strong governance and sound risk management standards. They were well-positioned to take advantage of the opportunity.

At SCUF, we are a niche player in the retail NBFC space, with a focus on 2Ws and MSME lending. Our business model offers high growth potential with strong profitability. With the liquidity crisis looming in the second half of the financial year, the cost of borrowing remained elevated. However, there was a muted impact on us as we always had a strong emphasis on the retail financing. Our retail asset quality remained healthy, as demand at the ground level was strong.

Driving resilience and stability by adopting technologically backed processes and systems

With increasingly stringent regulations, it is necessary for our business to be agile and responsive. Our business model is powered by technologies that facilitate in developing tailormade products, lowering operational costs, automating processes for enhance customer servicing and more importantly, de-risking the portfolio while trying to overcome the increasing formal credit penetration in a growing economy.

Besides, our customised credit assessment models optimise business processes, thereby reducing the time to market and helping improve customer experience. Our investments in implementing newer technologies through Core Business System (CBS), Mobile Application Technology and Customer Relationship Management (CRM) applications, further build robust relationships with their target customer segments.

Driving resilience and stability through sustained team efforts

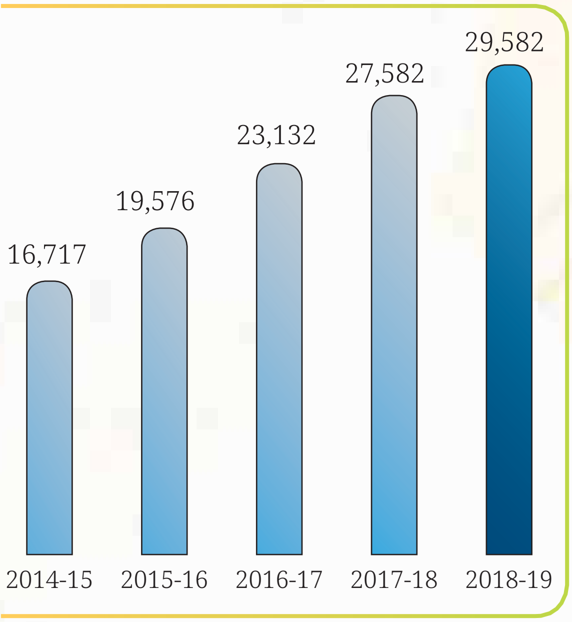
At SCUF, we measure team resilience based on five underlying attributes: direction, connection, alignment, performance and attitude. We identified diverse set of people with special skills and experience to grow business. These people mastered these attributes and produced great business results over a sustained period. These teams share a clear purpose, understand their customers and other stakeholders, and agree on the overall strategy of their business. They are decisive and have a significant bias for action. These teams get things done even during the toughest of business scenarios.

During the year, we continuously focussed on training and skill development of our diversified team. Various training opportunities were offered, based on object-oriented trainings to our workforce. These trainings encouraged entrepreneurship, innovation and accountability. Besides, we recruited employees locally to take advantage of their understanding of the demand of the customers and maintain well-established relationships.

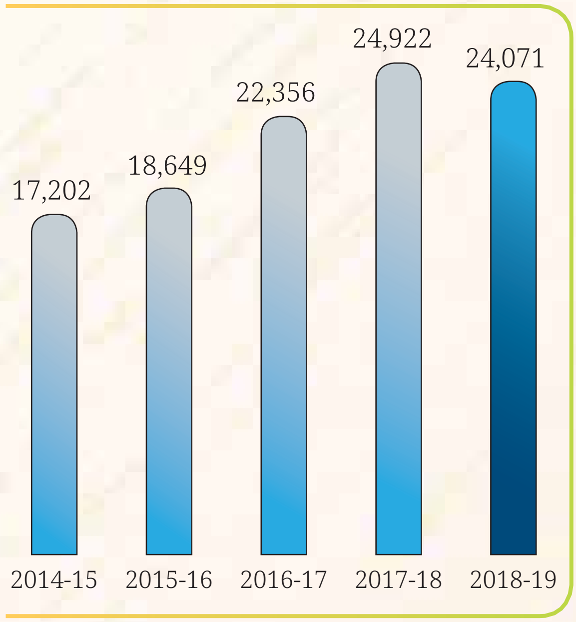
We are very confident that we have the right people, skills and technologies to take advantage of opportunities in our identified markets and to service customers effectively.

Key Performance Indicators

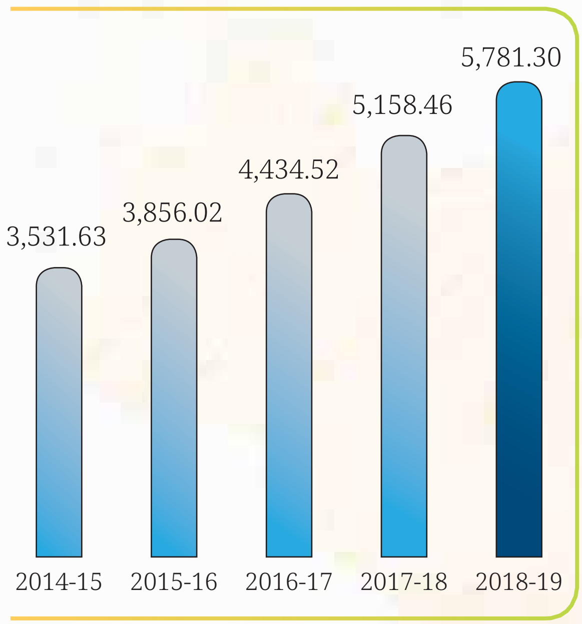
Asset under management
(₹ crores)



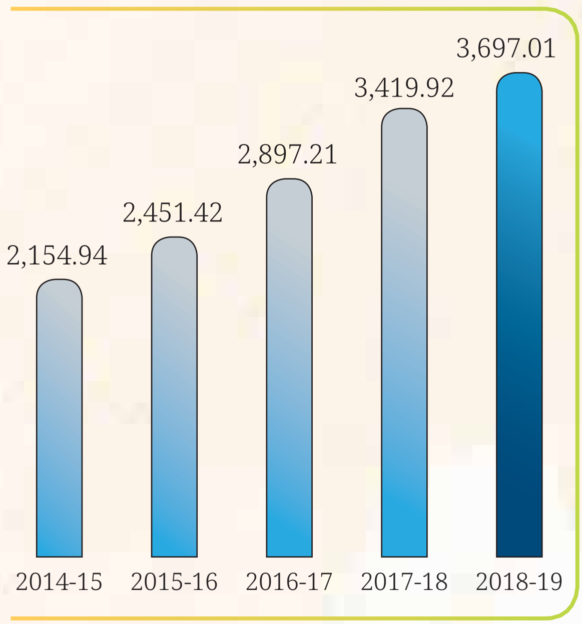
Disbursement
(₹ crores)



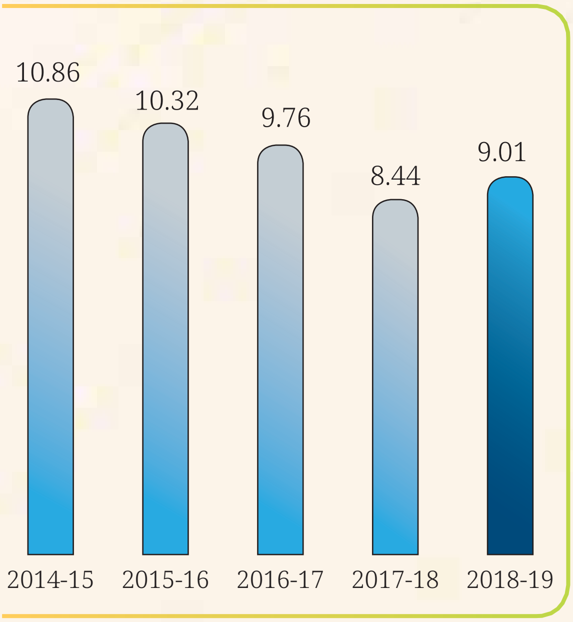
Total Income
(₹ crores)



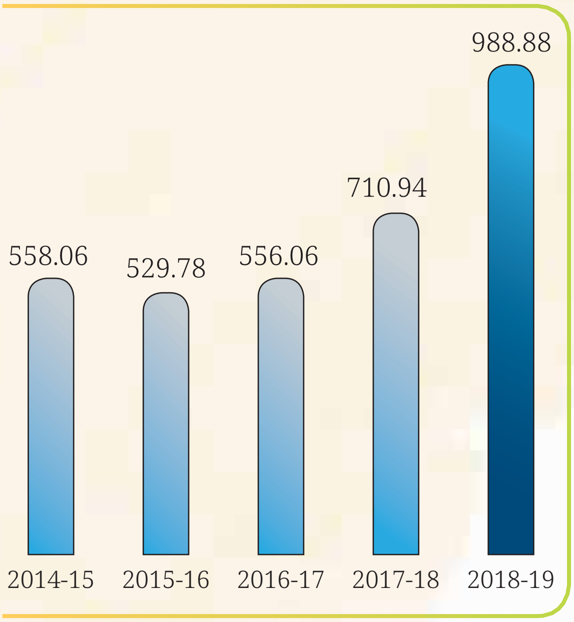
Net Interest Income
(₹ crores)



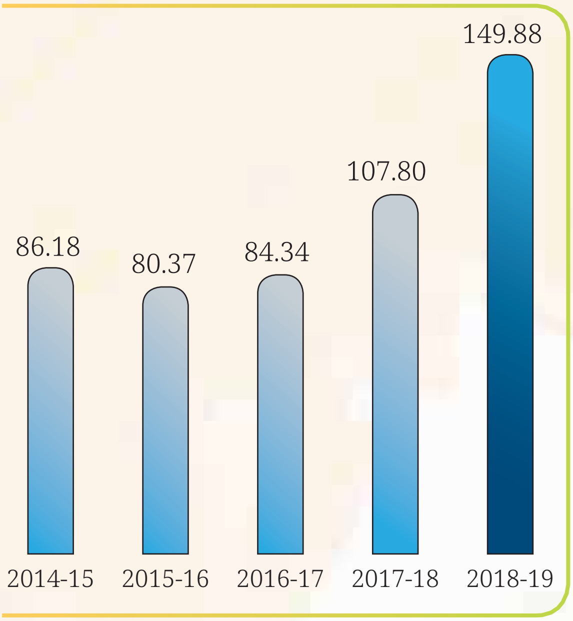
Average Cost of Borrowing
(%)



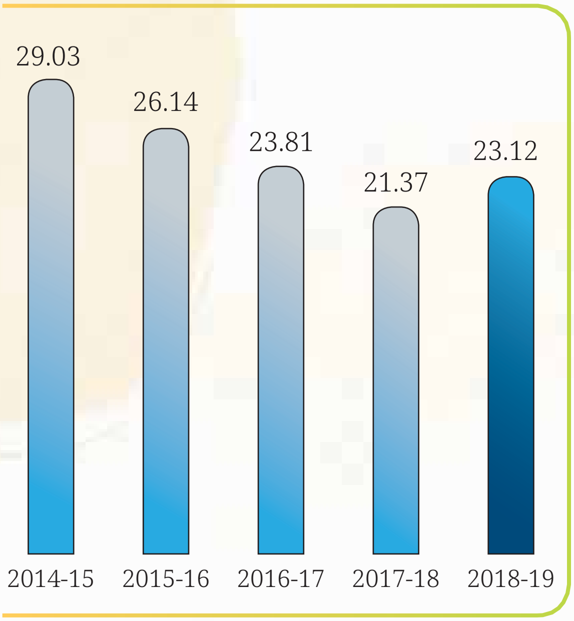
Profit After Tax
(₹ crores)



Earnings per Share
(₹)



Capital Adequacy Ratio Tier- I
(%)



Corporate Information

CORPORATE IDENTIFICATION NUMBER (CIN)

L65191TN1986PLC012840

BOARD OF DIRECTORS

(as on April 24, 2019)

Sri Debendranath Sarangi
Chairperson, Non-Executive, Independent

Sri Duruvasan Ramachandra
Managing Director and Chief Executive Officer, Executive, Non-Independent

Sri C R Muraldiharaan
Additional Director,
Non-Executive, Independent
(Appointed as an Additional Director w.e.f. April 1, 2019)

Sri Diwakar Bhagwati Gandhi
Additional Director,
Non-Executive, Independent
(Appointed as an Additional Director w.e.f. April 1, 2019)

Sri Gerrit Lodewyk Van Heerde
Director, Non-Executive, Non-Independent

Smt Maya S Sinha
Director, Non Executive, Independent

Sri Pranab Prakash Pattanayak
Additional Director, Non-Executive, Independent
(Appointed as an Additional Director w.e.f. April 1, 2019)

Sri Ranvir Dewan
Director, Non-Executive, Non-Independent

Sri Shashank Singh
Director, Non-Executive, Non-Independent

Sri Venkataraman Murali
Additional Director, Non-Executive, Independent
(Appointed as an Additional Director w.e.f. April 1, 2019)

CHIEF FINANCIAL OFFICER

Sri Ramasubramanian Chandrasekar

BANKS

Allahabad Bank • Abu Dhabi Commercial Bank • Andhra Bank • Axis Bank Ltd • Bank of Baroda • Bank of India • Bank of Maharashtra • Canara Bank • Citibank N A • Catholic Syrian Bank Ltd • Dena Bank • Development Credit Bank Ltd • Federal Bank • HDFC Bank Ltd • The Hong Kong and Shanghai Banking Corporation • ICICI Bank Ltd • IDBI Bank Ltd • Indian Bank • Indian Overseas Bank • IndusInd Bank Ltd • Kotak Mahindra Bank Ltd • Karur Vysya Bank • Oriental Bank of Commerce • Punjab National Bank • Standard Chartered Bank PLC • State Bank of India • State Bank of (Mauritius) Ltd • Syndicate Bank • The South Indian Bank Ltd • Union Bank of India • United Bank of India • Vijaya Bank

COMPANY SECRETARY

Sri C R Dash

AUDITORS

G D Apte & Co.
Chartered Accountants
Office No. 83-87, 8th Floor,
B Wing, Mittal Tower,
Nariman Point, Mumbai- 400 021

INSTITUTIONS

Citicorp Finance (India) Ltd
Small Industries Development Bank of India Limited (SIDBI)

LISTED AT

BSE Limited
National Stock Exchange of India Limited

REGISTERED OFFICE

123, Angappa Naicken Street,
Chennai - 600 001
Phone No: + 91 44 2534 1431

SECRETARIAL OFFICE

No.144, Santhome High Road
Mylapore, Chennai 600 004
Phone No: + 91 44 43925300
Fax No: + 91 44 43925430

SHARE TRANSFER AGENTS

Integrated Registry Management Services Pvt Ltd
2nd Floor, 'Kences Towers', No. 1,
Ramakrishna Street,
Off North Usman Road, T. Nagar,
Chennai 600 017
Phone No: + 91 44 2814 0801 - 03

DEBENTURE TRUSTEES

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor,
17, R Kamani Marg, Ballard Estate,
Mumbai 400 001

Catalyst Trusteeship Ltd
GDA House, First Floor,
Plot No 85, Bhusari Colony (Right),
Paud Road, Pune 411 038

REPORT OF THE BOARD OF DIRECTORS

To,

The Members of Shriram City Union Finance Limited

Dear Members,

The Board of Directors ("Board") is pleased to present this Report with the audited standalone as well as consolidated financial statements of the Company for the financial year ended March 31, 2019 ("Year"). The consolidated financial statements presented pursuant to section 129 (3) of the Companies Act 2013 ("Act") and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The report on corporate governance, management discussion and analysis and other annexures referred to form a part of this Report.

1. RESULTS OF OPERATION

The summary of standalone and consolidated financial performance of the Company for the Year is as under. The details of financials are provided in the annual financial statements

₹ in crores

Particulars	Standalone		Consolidated	
	Year Ended March 31		Year Ended March 31	
	2019	2018	2019	2018
Total Income	**5,781.30**	**5,158.47**	**6,069.86**	**5,438.97**
Finance Charges	**1,979.91**	**1,664.13**	**2,105.83**	**1,779.62**
Depreciation	**31.20**	**33.26**	**33.53**	**35.19**
Total expenses	**4,260.98**	**4,070.00**	**4,524.47**	**4,292.49**
Profit before tax ("PBT")	**1,520.32**	**1,088.47**	**1,545.39**	**1,146.48**
Total Tax expenses	**531.44**	**377.53**	**539.86**	**397.18**
Profit after Taxation ("PAT")	**988.88**	**710.94**	**1,005.53**	**749.30**
Paid up equity share capital (Face value of ₹ 10/- per share)	65.99	65.97	65.99	65.97
Earning per equity share (Face value of ₹ 10/- each)				
(i) Basic	149.88	107.80	151.83	112.29
(ii) Diluted	149.83	107.72	151.78	112.21
Appropriation/Transfers:				
Profit available for appropriation	2,955.77	2,313.93	3,034.96	2,384.72
General reserve	(99.90)	(66.48)	(99.90)	(66.48)
Statutory reserve	(199.80)	(132.96)	(202.41)	(137.43)
Debenture redemption reserve	(3.66)	(20.60)	(3.66)	(20.60)

Appropriation for the purpose of dividend is mentioned below. The Board in their meeting held on April 24, 2019 have proposed to transfer/carry amounts mentioned above to different reserves for the Year in compliance with the requirements of regulations of Reserve Bank of India ("RBI") and the Act. Investment made during the Year are mentioned in the notes to financial statements. Loans, guarantees and investments covered under section 186 of the Act forms a part of the Annual Financial Statements provided in this Annual Report. There were no material changes and commitments affecting financial position of the Company occurring between March 31, 2019 and the date of this report.

REPORT OF THE BOARD OF DIRECTORS (Contd.)

2. DIVIDEND

The Board had formulated Dividend Distribution Policy as required under LODR. This policy is attached as Annexure -13 and is displayed on the website of the Company (Refer Table - 1). Dividends are recommended and paid in line with the Dividend Distribution Policy of the Company. The dividend declared/ recommended are as under. The Board in their meeting held on April 24, 2019 have proposed final dividend for the Year as mentioned below for the approval of share holders at the ensuing Annual General Meeting ("AGM"). The final dividend for the Year proposed, if approved would be paid to the members, whose names appear on the register of members as on the record date for payment of dividend for the Year.

Dividend on equity shares of ₹ 10 each	No of Shares	Per share (₹)	Dividend Payout Ratio	Dividend Payout (₹ in crores)	Date of payment
Interim (FY19)	6,59,84,382	6.00	17.69%	47.73	November 20, 2018
Proposed Final (FY19)	6,59,92,317	16.00		127.29	
Total		**22.00**		**175.02**	
Interim (FY18)	6,59,58,377	6.00	21.53%	47.64	November 23, 2017
Final (FY18)	6,59,68,562	12.00		95.43	August 17, 2018
Total		**18.00**		**143.07**	

FY– Financial year ending March 31

Dividend payout is inclusive of dividend distribution tax. No of shares indicate the numbers of shares existed on respective record date for payment of dividend except final dividend for FY19, which is number of shares existed on March 31, 2019. There were no delay in payment of dividend/interim dividend during the Year.

The Register of Members and Share Transfer Books will remain closed from July 23, 2019 to July 29, 2019 (both days inclusive) for the purpose of final dividend for the Year and for 33rd AGM scheduled to be held on July 29, 2019.

3. CONTRACT OR ARRANGEMENT WITH RELATED PARTY AND ANNUAL RETURN

All the transactions during the Year with related parties referred to in Section 188 of the Act, were on arm's length basis in ordinary course of business with requisite approval of the Audit and Risk Management Committee. The Company has formulated an approved policy on related party transactions, which is displayed on the web site of the Company (Refer Table - 1) in compliance with regulations of RBI, the Act and LODR. The details of and transactions with the related parties as required under Regulation 34(3) and 53(f) of the LODR appear in note no.47 of the notes to financial statements. The Audit and Risk Management Committee, during the Year, approved the related party transactions requiring it's approval. There were no material related party transactions during the Year with promoters, directors, key managerial personnel or other designated persons in potential conflict with the interest of the Company at large and this information were filed with both BSE Ltd ("BSE") and National Stock Exchange of India Ltd ("NSE") on quarterly basis on or before respective due dates during the Year. The extract of the Annual Return in the form MGT - 9 as required under Section 92 (3) and 134 (3) of the Act is attached to this Report as Annexure – 6 and is also displayed on the web site of the Company (Refer Table - 1)

4. STATE OF AFFAIRS

The Company is engaged in providing loans to customers and the loans are disbursed under it's different products i.e. Enterprise Finance, Two wheeler loans, Loan against Gold, Auto Finance, Personal loans etc. There was no change in business of the Company during the Year. The business involves sourcing borrowers, understanding their requirement, provide them appropriate finance, recovery etc. The business outlets of the Company are concentrated in semi-urban and rural areas. Our customer centric approach continues to bring us more number of customers resulting in higher business. 11.50 lacs number of customers were added during the Year. Total number of customers and total number of branches/ business outlets were 38.32 lacs and 969 respectively as on March 31, 2019.

REPORT OF THE BOARD OF DIRECTORS (Contd.)

Total disbursements of loans under different products were ₹ 24,071.40 crores during the Year (2017-18 : ₹ 24,922.19 crores). Income from operations for the Year grew by 12.06% to ₹ 5,778 crores resulting in a profit before tax of ₹ 1,520 crores for the Year (2017 -18 : ₹ 1,088 crores). As at March 31, 2019 the total assets under management stood at ₹ 28,915.60 crores (March 31, 2018 : ₹ 27,579.11 crores).

During the Year, the total consolidated disbursements of loans under different products were ₹ 24,830.22 crores (2017-18 : ₹ 25,681.05 crores). Consolidated Income from operations for the Year grew by 11.59% to ₹ 6,067 crores (2017 -18 : ₹ 5,437 crores) and the same resulted in a profit before tax of ₹ 1,545 crores for the Year (2017 -18 : ₹ 1,146 crores). As at March 31, 2019 the consolidated assets under management stood at ₹ 30,763.26 crores (March 31, 2018 : ₹ 27,579.11 crores).

The Company borrows money in order to lend and to meet other requirements. Borrowing by the Company are made from banks/institutions, individuals and others through public issue/private placement of non convertible debentures (“NCDs”), acceptance/renewal of fixed deposits, issue of commercial papers, cash credit/working capital loans and other loans. The summary of borrowings by the Company is as under.

During the Year ended March 31,	Deposits	Privately placed NCDs	Public issue of NCDs	Term loans	Others	Total
2019	1,463.11	1,590.00	-	2,581.57	-	5,634.68
2018	1,295.03	1,585.00	-	4,445.00	-	7,325.03

Balance outstanding on cash credit as on March 31, 2019 was ₹ 1,581.87 crores (March 31, 2018: ₹ 1,464.19 crores), Working capital demand loans as on March 31, 2019 was ₹ 766.85 crores (March 31, 2018: ₹ 806.26 crores), Commercial Papers as on March 31, 2019 was ₹ 1,785.83 crores (March 31, 2018: ₹ 2,188.31 crores) and Securitisation linked Term Loan as on March 31, 2019 was ₹ 1,112.51 crores (March 31, 2018: ₹ 93.49 crores)

The Company serviced all its repayments and interests for different borrowings including due during the Year on respective due dates. The deposits and debentures issued/allotted in non-dematerialised form were paid on submission of the claim with documents. 9,718 number of deposits amounting to ₹ 115.82 crores were outstanding to be claimed or renewed on maturity as an March 31, 2019. Subsequent follow-up by the Company for repayments/renewals brought it to 6,634 number of deposits amounting to ₹ 74.65 crores on the date of this report. There were no deposits which had matured and claimed, but were not paid by the Company. The Company takes steps to arrange for repayment/renewal of these unclaimed deposits.

The Company is required to be rated by any of the rating agencies in India for its different kinds of borrowings. Such ratings were undertaken and the ratings obtained are mentioned in notes to financial statements.

There are no significant and material orders passed by the regulators or courts or tribunals impacting going concern status and company’s operation in future. There is no change in the nature of business of the Company.

During the Year, no frauds were detected. The status of frauds detected are reported in notes to financial statements. The Audit and Risk Management Committee (“ARM”) and the Board had discussed about the status of the frauds committed and existing. The Company has formulated whistle blower and vigil mechanism policy for, in addition to other matters, bringing frauds to light by the whistle blowers.

5. CAPITAL, LISTING AND IEPF

As on March 31, 2019 ,the paid up capital was ₹ 65.99 crores with an increase of ₹ 0.03 crores over the paid up capital on March 31, 2018 due to allotment of 26,555 no (2017 - 18 : 22,360) shares on exercise of options under Employees Stock Options Scheme 2006 by the eligible employees on exercise of their options under ESOP Scheme 2006. The ESOP Scheme titled SCUF ESOP Scheme 2013 as approved by the members in the Extraordinary General Meeting held on May 31, 2013 has not been implemented. The required disclosures on ESOP as on March 31, 2019 under SEBI Regulations are set out in Annexure -

REPORT OF THE BOARD OF DIRECTORS (Contd.)

7 to this report. The Company has received the certificate as attached in Annexure - 8 from the auditors of the Company certifying that the ESOP Scheme is implemented in accordance with the SEBI Guidelines and in accordance with the resolution passed by the members. There was no buy back of its shares and no issue of sweat equity by the Company during the Year.

In compliance with Section 124 (5) of the Act, the Company transfers the dividend that has remained unclaimed for a period of seven years from the date of its transfer to unpaid dividend account to Investor Education and Protection Fund ("IEPF"). An amount of ₹ 0.92 crores (2017-18: ₹ 0.93 crores) is lying in unpaid equity dividend account of the Company. The unpaid dividends till March 31, 2012 were transferred to IEPF. The Company as provided under Section 124(6) of the Act, transferred all shares in respect of which unclaimed dividends were transferred to IEPF during the Year. In compliance with section 125 (2) of the Act, matured deposits, matured debentures and interest accrued on these that had remained unclaimed/unpaid for a period of seven years from the date it became due for payment were transferred to IEPF during the Year as mentioned below.

₹ in crores

Year	Dividend	Deposits	Debentures	Equity shares in nos.
FY 19	0.090	0.000	0.664	52,794
FY 18	0.066	0.003	0.646	47,788

The Company has displayed the details of unpaid dividend on its web site (Refer Table - 1). The Company also posted individual letters to the last known address of the share holder on May 29, 2018 and September 15, 2018 and advertised at different points of time in news papers on May 30, 2018 and September 17, 2018. There will be no claim lie on the Company on account of dividend, debentures and deposits which were transferred to IEPF. However the investors can claim it from IEPF Authority by following the required process.

The unclaimed equity shares existing in physical form available with the Company/RTA, are dematerialised when required to be transferred to IEPF Authorities as required under Regulation 34 (3) read with para F Schedule V of the LODR. The status of the same is as under.

₹ in crores

S. No	Particulars	No of equity shares holders	No of unclaimed equity shares
1	Unclaimed equity shares as on April 1, 2018	11	550
2	Shares claimed by shareholders during the Year		
3	Transfer of unclaimed equity shares to IEPF during the Year as per IEPF Rules	2	50
4	Unclaimed equity shares as on March 31, 2019	9	500

The voting rights for the above said unclaimed equity shares shall remain frozen till the concerned shareholders claim the shares. No equity shares were issued with differential rights to voting, dividend or otherwise.

The listing fees to BSE and NSE for the Year were paid on time. The shares of the Company continue to be listed on BSE Ltd and National Stock Exchange of India Limited.

6. HUMAN RESOURCE

Our human resource is the best in class. In order to re-skill and enhance skill we constantly hold programmes in respective areas. This helps for growth in career of employees and achievement of Company's goal. We focus on localisation of employees and have increased our emphasis on rewards and recognisition in order to keep our work force motivated. The relations among employees at all levels are guided by mutual respect, openness, honesty, co-operation and trust. The information is shared among employees on need to know basis. During the Year, the relation of the Company with employees was cordial with no unrest. The Company has formulated policy on prevention of sexual harassment of women employees in work place. The Company had constituted Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received during the Year. The total

REPORT OF THE BOARD OF DIRECTORS (Contd.)

employee strength of the Company as on March 31, 2019 was 27,267 with 8210 number of employees added during the Year. As required under Section 197(12) of the Act read with Rule - 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the information on remuneration is given in table 2.1 of the Corporate Governance Report and other details are attached as Annexure – 9 to this Report.

7. SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENTS

M/s Shriram Housing Finance Ltd CIN - U65929TN2010PLC078004) ("SHFL") is the unlisted subsidiary of the Company with 77.25% holding by the Company in the equity of SHFL. SHFL is a housing finance company registered with National Housing Bank ("NHB") (Registration Number-08.0094.11) with registered office at Chennai. There was no entity which became or ceased to become subsidiary during the Year. The entities shown in the Notes to Accounts under Related party disclosures as Associates are "subsidiaries" of Shriram Capital Limited and hence such entities are treated as "associates" as per paragraph 9(b)(ii) of IndAS 24. The equities of SHFL are not listed on any stock exchange, but has debt securities listed on BSE. SHFL follows April to March as the financial year. SHFL provides housing loans to cross section of customer segments. SHFL has 10,378 customers with 11,896 loans in its portfolio as on March 31, 2019. The total employee strength of SHFL as on March 31, 2019 was 677.

SHFL provides home loans, loans against property and finances housing projects. The CAGR of loan disbursement of SHFL over last five years was 26.23% with total disbursement during the Year being ₹ 758.82 crores. The total borrowings of SHFL as on March 31, 2019 was ₹ 1,688.83 crores, out of which ₹ 580.14 crores was from allotment of NCDs and the balance amount was from borrowings from Bank and National Housing Bank (NHB).

Consolidated financial statements of the Company for the Year prepared as per Section 129(3) of the Act and in compliance with applicable accounting standards and LODR were audited by the statutory auditors of the Company. The consolidated financial statements along with the report of the auditors of the Company thereon are attached to this Report. Statement containing salient features of the financial statements for the Year in form AOC- 1 is attached to the financial statements of the Company.

The annual accounts, annual reports and the related detailed information on SHFL shall be made available to the shareholders of the Company and to the shareholders of SHFL seeking such information at any point of time. In accordance with Section 136 of the Act, audited annual financial statements, consolidated financial statements and related information of the Company and the audited financial statements of SHFL are displayed on the web site (Refer Table - 1) and the same shall be kept at the respective Registered Office of the Company and SHFL for inspection by any shareholder during business hours. Shriram Capital Limited and SHFL continued as promoter and subsidiary of the Company respectively.

8. RESERVE BANK OF INDIA (RBI) DIRECTIONS/ GUIDELINES

Being an NBFC registered with RBI, the Company is regulated by the applicable regulations of the RBI. The Company continues to comply with all applicable regulations of RBI. The details of registration with RBI appear on note no -1 to notes to the financial statements. The Board confirms that the Company followed the corporate governance standards prescribed by the RBI. The note nos 48, 52 to 78 and other notes of the notes to financial statements contain the information required to be reported under the regulations of the RBI. The disclosure with under the Act with respect to deposits is not applicable to our Company as our Company is a NBFC regulated by RBI. The Company accepts/ renews deposits as per Master Direction – Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

Description	March 31	
	2019	2018
Capital Adequacy and Reserve Ratio ("CRAR")*	23.12%	21.37%
Net owned funds (₹ in crores)	6,140.38	5,412.69
Statutory Liquidity Requirement in (₹ in crores)	530.50	610.57
Deposits (₹ in crores)	3,254.04	3,227.23

* The RBI prescribes the maintenance of CRAR 15 percent and above.

REPORT OF THE BOARD OF DIRECTORS (Contd.)

Our principal source of liquidity are cash, cash equivalent, current investments and cash flow from operations. We maintain sufficient cash to meet strategic and operational needs. We understand that the liquidity in the Balance sheet need to balances between return and risk. We believe that our working capital is adequate to meet our current requirements.

9. CORPORATE GOVERNANCE

The Company follows the corporate governance practices and standards prescribed under LODR, regulations of RBI and other regulations. Report on corporate governance as required under Regulation 34(3) of LODR together with a certificate for the purpose from the auditors of the Company confirming the compliance with the corporate governance is attached to this Report (Annexure - 2). As required under Regulation 34(2)(e) and 34(3) of LODR, the Management Discussion and Analysis on the business of the Company is attached as Annexure – 3. As required under Regulation 17 (8) of the LODR, a compliance certificate, duly signed by the Managing Director & Chief Executive Officer and Chief Financial Officer on the financial statements of the Company for the Year, was submitted to the Board at their meeting held on April 24, 2019 (Annexure - 4). The relevant provisions of the voluntary guidelines are adopted in the areas deemed appropriate.

10. BUSINESS RESPONSIBILITY REPORT ("BRR")

Regulation 34(2)(f) of the LODR requires top 500 listed entities based on market capitalisation as on March 31, 2016 to include BRR as a part of the Annual Report. The Company being one such entity, has included BRR in this Annual Report (Annexure - 14).

11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company constituted a CSR Committee consisting of three Directors including two independent directors as required under Section 135 of the Act. The details of the CSR Committee appear on the Annual Report on CSR. Annual Report on CSR activities as required under Rule 9 of the Companies CSR Policy Rules, 2014 of the Act is attached to this report as Annexure – 10. The CSR policy of the Company as recommended by the CSR Committee, was reviewed and approved by the Board and is displayed on the website of the Company (Refer Table - 1). The CSR policy contains the details of CSR initiatives of the Company as required under Section 134 (3) (o) of the Act. During the Year, the Company undertook CSR Projects on health, education, skill development through implementing Agent. The spend on CSR amounting to ₹ 4.50 crores (2017-18 : ₹ 14.00 crores) during the Year was approved by the Board of the Company as recommended by the CSR Committee. The Board affirms that the CSR activities are implemented in accordance with CSR Policy.

12. BOARD AND COMMITTEES

The Company had optimum number of Directors and during the Year. Board met 4 times during the Year and interval between two meeting did not exceed 120 days. Members of the Board possess requisite knowledge and experience to steer the Company. The brief profile of each director appear on the website of the Company (Refer Table - 1). Details of meetings of the Board and committees held and the details about appointment, induction, training, retirement and resignation of Directors/KMPs during the Year are mentioned in the Corporate Governance report (Annexure – 1). The Company complied with Secretarial Standards issued by the Institute of Company Secretaries of India. The Board has Audit and Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") as specified under Section 177 and 178 of the Act respectively. As required under Section 149 (7) and 134(3) (d) of the Act, the Company received necessary declaration from each independent director about his/her meeting the criteria of independence as laid down under of the Act and LODR. A statement by the Managing Director confirming receipt of this declaration from each independent director of the Company is attached as Annexure - 11 . The Company received required deed of covenant at the time of appointment of directors and declaration during the Year from the Directors as required under regulations of RBI. The Board on the recommendation of NRC has formulated a policy for selection, appointment and remuneration of directors, senior management personnel as required under Section 178 (3) and 134 (3) (e) of the Act, the details of which appear in the Annexure – 13 and the same is displayed on the web site of the Company (Refer Table - 1). As required

REPORT OF THE BOARD OF DIRECTORS (Contd.)

under section 134(3)(p) of the Act and LODR, annual performance evaluation of it's own, the Committees, Chairman of the Board and individual directors based on the criteria and frame work adopted by the Board was carried out during the Year consisting of participation, attendance, duties, obligations, contribution for effectiveness of Board etc. The outcome of such evaluation done during the Year was discussed by the NRC/Board and both found it satisfactory. Each Director has given his/her declaration to the Company for not holding any shares in the Company and having no relation inter se with any Director. Independent Directors attend familiarisation programme on joining the Board and annually the details of which is displayed on the web site (Refer Table - 1). Sri C R Muralidharan (DIN – 02443277), Sri Diwakar B Gandhi (DIN – 00298276), Sri Pranab Prakash Pattanayak (DIN – 00506007) and Sri Venkataraman Murali (DIN – 00730218) who were appointed as addition directors with effect from April 1, 2019. Sri C R Muralidharan, Sri Diwakar B Gandhi, Sri Pranab Prakash Pattanayak and Sri Ventakaraman Murali have expressed their intention and confirmed their eligibility to be appointed as Directors of the Company. The details on their appointment as directors forms a part of the Notice of the ensuing AGM. It would be the second term as independent directors, if Sri Pranab Prakash Pattanayak and Sri Venkataraman Murali are appointed in the ensuing AGM. There was no appointment/resignation of Key Managerial Personnel (KMPs) during the Year. As per provisions of the Act and Articles of Association of the Company, Gerrit Lodewyk Van Heerde holding (DIN – 06870337) will retire by rotation and has expressed that he would not be available for directorship in the Company and has not sought for re-appointment at the ensuing AGM. In compliance with requirements under section 149(7) of the Act and Regulation 16(1) of the LODR the Board has received the declaration from all the Independent Directors about their independence and the Board is satisfied about it

13. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements were prepared by following Indian Accounting Standard ("Ind AS") prescribed under Section 133 (3) of the Act and relevant rules and guidelines issued by Securities and Exchange Board of India ("SEBI"). Pursuant to Sections 134 (3) (c) and 134 (5) of the Act with respect to Directors' responsibility statement, the Directors of the Company hereby confirm, in the preparation of annual accounts for the Year that :

(i) the applicable accounting standards have been followed and proper explanations have been made in notes to accounts for material departures, if any;

(ii) the accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and statement of the profit and loss of the Company for the year ended on that date;

(iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

(v) internal financial controls to be followed were laid down, which were adequate and were operating effectively and

(vi) proper systems had been devised to ensure compliance with provisions of applicable laws, which were adequate and were operating effectively

14. AUDIT AND AUDITORS

Internal audits were conducted periodically during the Year by the internal auditor appointed by the ARM and the Board. In addition to others matters, internal audit did independent and objective assessment to monitor adequacy, effectiveness and adherence to the internal controls, processes and procedures instituted by the management and extant regulations and conducted a Risk-based approach of Internal Audit (RBIA) by taking into account the RBI guidelines and established practices. The internal audit reports were submitted by the internal auditor to the Audit and Risk Management Committee ("ARM") and were circulated to the relevant management teams. The ARM regularly reviewed the audit findings and the adequacy and effectiveness of the internal control measures.

REPORT OF THE BOARD OF DIRECTORS (Contd.)

The Company has documented its internal financial controls considering the essential components of various processes, physical and operational. This includes its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance which are commensurate with the nature of its business and the size of its operations. This ensures conducting business in orderly and efficiently by adhering to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The auditors of the Company, M/s G.D. Apte & Co. Firm Registration No – 100515W Chartered Accountants ("GDA") have submitted to the members of the Company the attached Independent Auditors Reports for the Year on standalone financials and consolidated financials. Both the reports are unqualified, without any reservation or adverse remark or disclaimer and thus the Board does not have any explanation or comment. M/s P. Sriram & Associates, Company Secretaries in practice, Chennai ("PSA") appointed by the Company as the secretarial auditors pursuant to Section 204 of the Act have conducted audit and have submitted their report as attached in Annexure - 15 to the Members, which is unqualified, without any reservation or adverse remark or disclaimer. Therefore, Board does not have any explanation or comment on such Secretarial Audit Report. Maintenance of Cost records and conducting of cost audits specified under section 148(1) of the Act are not applicable for the business activities carried out by the Company. During the Year neither GDA nor PSA reported to ARM under Section 143(12) of the Act any instances of fraud committed by officers or employees of the Company. The Board appointed PSA as secretarial auditor of the Company for the financial year 2019-20.

GDA was appointed by the members as the auditors of the Company from 32nd AGM till conclusion of 36th AGM of the Company. GDA have confirmed their eligibility and have communicated their willingness to continue as auditors. Necessary resolution to fix remuneration of GDA as Auditors is proposed at the ensuing AGM.

15. MANAGEMENT OF RISK

The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has a risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors and the matters required under Section 134 (n) of the Act. In the opinion of the Board, there are no risk existing to threaten the existence of the Company. Report on risk assessment is presented to ARM at its meeting by the risk management team of the Company.

16. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO

Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 specify the information to be furnished on conservation of energy, absorption of technology and foreign exchange earnings/outgo, which for the Year are furnished below.

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required were taken. The Company did not absorbed any technology. There were foreign exchange earnings of ₹ 1.67 crores (FY2017 -18 : ₹ 1.45 crores). The outgo of foreign exchange was ₹ 0.25 crores (FY2017 – 18 : Nil)

17. ACKNOWLEDGEMENT

We thank our customers, investors, bankers, employees, trustees, vendors, auditors, deposit holders and debentureholders. The Board expresses its appreciation and gratitude for the guidance and cooperation extended to the Company by RBI, statutory authorities and regulators. The Board acknowledges the guidance of M/s GDA and M/s PSA to the Company. The Board records the commitment and dedication of employees. The Board is grateful to the shareholders, depositors, debenture holders and debt holders of the Company for their patronage.

For and on behalf of the Board of Directors

Place : Chennai — Debendranath Sarangi
Date : April 24, 2019 — Chairperson

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The philosophy of the Company on Corporate Governance aims at enhancing the stake holders' value by efficiently conducting business, meeting obligation to stake holders by being guided by the principles of transparency, accountability, compliance with regulations and integrity.

2. BOARD OF DIRECTORS

2.1 Composition and appointment

The Board of Directors of the Company ("Board") consist of Executive, Non-Executive, Independent and Non Independent Directors to ensure independent functioning of the Board. We feel that this is appropriate mix of executive, non executive and independent Directors to maintain independence and separate the functions of governance and management. Total number of Directors as on March 31, 2019 was ten. Six out of ten Directors, which is more than half of the number of members of the Board are Independent. One Independent Director is Woman. The Independent Directors meet the criteria of independence specified in Regulation 16 (1) (b) and other applicable regulations of LODR and they are independent of the management. The Independent Directors meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by the Board. NRC has formulated a Policy on Appointment, Remuneration and Diversity of Board (Annexure – 13), which is displayed on the web site of the Company (Refer Table - 1). This ensures diversity of qualification, skill, experience, expertise, gender and age of the Board. The appointment of Directors is made through a transparent process as specified in the policy. Directors appointed are issued appointment letters. The format of such appointment letter is displayed on the web site of the Company (Refer Table - 1). The Company has taken Directors & Officers liability ('D and O insurance') Insurance Policy for all the Directors as per LODR. The Board periodically evaluates the need for change in size and composition of the Board. Independent Directors were appointed for a fixed period of five years from the date of their respective appointments and their appointments were approved by the members in respective meetings. Non Independent Directors were appointed as per provisions of law. On appointment, each Independent Director is familiarised with the Company, business, industry, roles and responsibilities, the details of which are displayed on the website of the Company (Refer Table - 1). The chairperson presides over BMs and meetings of the share holders. The MD and CEO acts as a link between the Board and the management team. The Board has identified the following skills/ expertise/ competencies for the effective functioning of the Company which are currently available with the Board are financial, regulatory affairs, capital market/treasury, sales/ marketing/ recovery, technology, risk management, planning, business analysis, investor servicing, decision making, diversifying the products, Human Resource Management/ Leadership and Mergers and Acquisitions.

All Directors are required to declare holding of equity shares or convertible instruments in their name or on beneficial basis by them in the Company as per para C (2) (f) of Schedule V of LODR. Accordingly all Directors declared no such holding by them. All Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations for the Year were placed before the Board Meeting ("BM") held on April 24, 2019. None of the Directors is related inter se in terms of 'relative' defined under the Act. Monitoring and managing misuse of Company's assets, potential conflicts of interest of management, board members and shareholders and related party transactions are done by the Board on quarterly basis.

2.1 Composition and appointment (Contd.)

DETAILS OF DIRECTORS

S No	Name of the Director	DIN	Category of Directorships		Position	Name of other listed entities	Chairmanship of Committees	Membership of Committees	BM	ALCO	ARMC	BSMC	CSR	ITS	NRC	SRC	IDM	AGM #	*	**	***	Remuneration (₹ in crores)	% of increase	Ratio of remuneration
1	Sri Debendranath Sarangi	01408349	NE	I	Chairperson	Voltas Ltd - Independent Director	-	CSR, NRC	4				2		4		1	Present	5	3	-	0.0525		3.6
2	Sri Duruvasan Ramachandra	00223052	E	NI	MD and CEO	CES Ltd - Independent Director	BSMC	ALCO, CSR, ITS	4	4			1	2			-	Present	1	2	-		11	45.33
3	Sri C R Muralidharan	02443277	NE	I	Additional Director	GMR Infrastructure Ltd - Independent Director		-	-										3				-	-
4	Sri Diwakar B Gandhi	00298276	NE	I	Additional Director	-		-	-										10				-	-
5	Sri Gerrit Lodewyk Van Heerde	06870337	NE	NI	Director	Shriram Transport Finance Limited - Non-Independent Director	-	NRC	4						4		-	Present	3	-	-	-	-	-
6	Sri Khushru Burjor Jijina	00209953	NE	NI	Director	-		-	-															
7	Smt Maya S Sinha	03056226	NE	I	Director	Shreyas Shipping and Logistics Ltd - Indpendent Director	CSR	CSR, SRC	4				2			4	1	Present	12	5	1	0.0395	-	2.71
8	Sri Pranab Prakash Pattanayak	00506007	NE	I	Director	-	ALCO	ARMC	3	3	3						-	Present	2	-	-	0.04	-	2.74
9	Sri Ranvir Dewan	01254350	NE	NI	Director	-	-	ARMC	2		-						-	Present	2		-	-	-	-
10	Sri Shashank Singh	02826978	NE	NI	Director	Zensar Technologies Ltd - Non-Independent Director	-	-	4								-	Present	5	2	-	-	-	-
11	Sri Subramaniam Krishnamurthy	00140414	NE	I	Director	Kerala Ayurveda Ltd - Independent Director	SRC	ARMC	4		4			2		4	1	Present	2	1	1	0.0595	-	4.08
12	Sri Venkataraman Murali	00730218	NE	I	Director	Take Solutions Ltd - Independent Director	ARMC	SRC	4		4					4	1	Present	3	1	1	0.0545	-	3.73
13	Sri Vipen Kapur	01623192	NE	I	Director	-	NRC	SRC	4						4	4	1	Present	3	1	-	0.0545	-	3.73

BM - Board Meeting, ALCO - Asset Liability Management Committee, ARMC - Audit and Risk Management Committee, ITS-IT Strategy Committee, BSMC - Banking and Securities Management Committee, CSR - Corporate Social Responsibility Committee, NRC - Nomination and Remuneration Committee, SRC - Stakeholders Relationship Committee, IDM - Independent Directors Meeting, AGM - Annual General Meeting

Sri Khushru Burjor Jijina resigned from the Company w.e.f. May 7, 2018 due to his pre-occupation and other commitments

The term of office of the following Directors Sri Pranab Prakash Pattanayak, Sri Subramaniam Krishnamurthy, Sri Venkataraman Murali and Sri Vipen Kapur was completed on March 31, 2019

Sri C R Muralidharan, Sri Diwakar B Gandhi, Sri Pranab Prakash Pattanayak and Sri Venkataraman Murali were appointed as Additional Directors in the capacity of Non Executive Independent Director w.e.f. April 1, 2019 and shall hold office upto the conclusion of ensuing AGM. The term of office for Sri Pranab Prakash Pattanayak and Sri Venkataraman Murali would be second term as Independent Directors which shall be considered at the ensuing AGM.

ALCO was reconstituted with Sri Pranab Prakash Pattanayak as the Chairperson, Sri Duruvasan Ramachandra, Sri Ramasubramanian Chandrasekar and Sri Y S Chakravarti as the Members of the Committee w.e.f. May 1, 2019.

ARMC was reconstituted with Sri Venkataraman Murali as the Chairperson, Sri Pranab Prakash Pattanayak, Sri C R Muralidharan and Sri Ranvir Dewan as the Members of the Committee w.e.f. May 1, 2019.

NRC was reconstituted with Sri Diwakar B Gandhi as the Chairperson, Sri Debendranath Sarangi, Sri Gerrit Lodewyk Van Heerde as the Members of the Committee w.e.f. May 1, 2019.

SRC was reconstituted with Sri C R Muralidharan as the Chairperson, Smt Maya S Sinha, Sri Venakataraman Murali and Sri Diwakar B Gandhi as the Members of the Committee w.e.f. May 1, 2019.

ITS was reconstituted with Sri C R Muralidharan as the Chairperson, Sri Ramasubramanian Chandrasekar, Sri Y S Chakravarti, Sri Prafulla Kumar Mohanty, Sri R Jayaraman and Sri M Karthikeyan as the Members of the Committee w.e.f. May 1, 2019.

Sri Ramasubramanian Chandrasekar and Sri Y S Chakravarti are members of the ALCO and BSMC but not members of the Board

Sri Ramasubramanian Chandrasekar, Sri Y S Chakravarti, Sri Prafulla Kumar Mohanty, Sri R Jayaraman and Sri M Karthikeyan are members of the IT Strategy Committee but not members of the Board

Non - Executive ("NE"), Executive ("E"), Non Independent ("NI"), Independent ("I"), Managing Director and Chief Executive Officer ("MD and CEO")

***Number of directorships (including alternate directorship) held in other companies except Shriram City Union Finance Ltd **Membership of the Committees of the Board of Directors of other companies. ***Chairmanship of the Committees of the Board of Directors of other companies.** "Committee" of other comapanies here means Audit committee and shareholders'/investors' grievance committee public limited companies in India.

Remuneration : Independent Directors are paid sittimg fees only. The sitting fees for ALCO, ARMC, CSR, NRC, SRC, IDM and General Meeting is ₹ 50,000 per meeting per Independent Director and for ITS is ₹ 25,000 per meeting per Independent Director. For MD and CEO it is salary and other perquisites as per terms of his appointment.

4 meetings of ALCO, ARMC, NRC, SRC, 2 meeting of CSR and ITS and 1 meeitng of IDM were held during the year ended on March 31, 2019.

Percent increase-Increase in remuneration in FY19 over FY18 in the Company

Ratio of remuneration-Ratio of remuneration of each Director/ to median remuneration of employees

Name of Other listed entities : Name of other listed entities where directorship is held and category of directorship

REPORT ON CORPORATE GOVERNANCE (Contd.)

2.2 Board process

BM takes place at least once in each calendar quarter with specific agenda to review, in addition to other matters, the performance and financial results. Management team apprises the Board/ Committees by way of required presentations on the operations, financial results, strategy, internal audit, risk management and human resource. On specific needs, additional BMs are held by giving appropriate notice. The maximum time gap between two BMs does not exceed 120 days. The calendar of BMs for the next financial year are decided in advance. Notice and Agenda of each BM is given to each Director in advance. In addition to Directors and Senior Management team, persons who can give insight to respective subjects are invited to the BMs. In special and exceptional circumstances, additional or supplementary item(s) is/are permitted. The Chairman and Company Secretary draft the agenda for each BM in consultation with MD & CEO and CFO with inputs from Directors where it is not practicable to attach any document to the agenda of BM, the same is tabled at the BM. In cases of business exigencies or urgent matters, agenda with required papers and draft of the resolution to be passed are circulated. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in regulation 17 (7) of LODR. The Board is also free to take up any matter for discussion in agreement of specified number of Directors and in consultation with the Chairman. The required decisions taken in the BM are communicated to the concerned functional heads of the Company and an action taken report is placed at each BM. The Board has complete access to all the information and employees of the Company.

The deliberations and decisions occurring in every BM are entered in the minute book. The draft minutes are circulated within specified time to the members of the Board. The minutes are prepared by suitably incorporating the suggestions and changes given by members and are finalised by the chairperson. The minutes are signed by the chairperson of the same meeting or by the chairperson of the succeeding meeting within the specified time line. The minutes of the BM are circulated to all the members of the Board.

The process specified above for BMs are followed for the meetings of all the Committees constituted by the Board as far as practicable. The minutes of the meetings of the Committees are placed before the BM for discussion, action if any and noting. The minutes of the subsidiary company of the Company are placed before the BM on quarterly basis. The performance evaluation of all independent directors is done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the NRC .The Board also evaluate the fulfillment of the independence criteria as specified in LODR and their independence from the management. The criteria of performance evaluation of independent directors as laid down by the NRC is attached as Annexure - 13.

2.3 Functioning of the Board

The Board is the apex body constituted by share holders for overseeing the overall functioning of the Company. The day to day affairs of the Company is managed by senior management team headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision, and control of the Board. The Board and Committees review and guide on the matters specified in different regulations in addition to strategies, plans, risk management, budgets, setting performance objectives and monitors implementation and corporate performance. The Board monitors the effectiveness of practices with respect to governance, disclosure, communication and compliance with regulatory requirements. Board has delegated some of its power to different Committee(s) constituted by it. The Committees are constituted as required under different regulations and business requirement of the Company. On constitution of Committees, the Board defines the terms of reference and names chairperson of the Committee and the Committee is named accordingly .The Committees are constituted or re-constituted depending on business or regulatory need. The Board thus exercises close control over the functioning of the Company with a view to enhancing the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non- compliance, if any. Independent Directors play an important role in the governance process of the Board.

REPORT ON CORPORATE GOVERNANCE (Contd.)

2.4 Board meetings and attendance of Directors

Four BMs were held during the Year - on April 26, 2018, July 25, 2018, October 25, 2018 and January 25, 2019 and the time gap between the two BMs did not exceed 120 days during the Year .The attendance and other relevant details of each Director are mentioned in table 2.1

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees across all listed entities as required under regulation 26 (1) of LODR. Directors submitted their requisite disclosures to the Company regarding their directorship and Committee positions in other Companies. The quorum for the BMs is as per provisions of law. The BMs are attended by in addition to, the members of the Board, senior management team and persons who can give insight to different subjects. Board Members attend the BMs being present personally or through video facilities. The meetings of Committees are held as per provisions of law. The number meetings held during the Year is mentioned in the table 2.1. As far as possible, same process is followed for meetings of Committees as BMs.

2.5 Meeting of Independent Directors

A meeting of Independent Directors was held on October 24, 2018 as required under Regulation 25 (3) of the LODR and Schedule IV of the Act to discuss the matters specified therein. The attendance and other relevant details of each Director are mentioned in table 2.1

2.6 Code of Conduct for Directors and senior management

The Board has laid down "Code of Conduct for Board Members and Senior Management" ('CCBS') for the members of the Board and for designated senior management personnel as required under regulation 17 (5) of the LODR. The CCBS is displayed on the web site of the Company (Refer Table - 1). All the Board members and the designated senior management personnel affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached as Annexure - 12

2.7 Remuneration of Directors

The remuneration of the Directors is governed by the policy of the Company named "Policy on Appointment, Remuneration and Diversity of Board" displayed on the web site of the Company (Refer Table - 1). Non Executive Independent Directors get sitting fees for each of the meeting attended. Such fees paid to them during the Year are mentioned in the table 2.1. The Managing Director and CEO of the Company is paid remuneration as per terms of his appointment approved by the Members. No other remuneration is paid to the Directors except mentioned above. No member of the Board is granted stock options.

3. COMMITTEES OF THE BOARD

The Board has constituted different committees as per guidelines set out in regulation 18, 19, 20, 21 and other applicable regulations of LODR, RBI regulations, the Act and as required for business purposes. The Board defines terms of reference, appoints members and chairperson and make any changes thereof of each committee as and when required. The committees are constituted or reconstituted based on business, regulatory and change requirement. The committees constituted by the Board are Asset Liability Management Committee, Audit and Risk Management Committee, Banking & Securities Management Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Brief terms of reference and the number of meetings of the committees held during the Year are provided below. The related attendance of members and composition of each Committee are mentioned in table 2.1.

3.1. Asset Liability Management Committee

This Committee was constituted as required under RBI notification no. DNBS. (PD).CC No. 15/02.01./2000-2001 dated June 27, 2001 applicable to Non Banking Finance Companies.

3.1.1Brief terms of reference

(i) Formulate, review monitor and recommend Policy on Investment, Asset-Liability Management, Private Placement of NCDs, Securitisation, Interest

REPORT ON CORPORATE GOVERNANCE (Contd.)

Rate Approach and Gradation of Risk and other related matters, (ii) Formulation of business strategy in line with the Budget, (iii) provide frame work for measuring, monitoring and managing assets liabilities/interest risk/liquidity risk/ business risk/ other risk, (iv) decide risk management objectives and ensuring adherence to the limits set by the Board, (v) monitor the asset liability gap, (vi) any other subject as may be specified by RBI from time to time.

3.1.2 Composition and Meetings

During the Year, the Committee met 4 times on April 25, 2018, July 24, 2018, October 24, 2018 and January 24, 2019.

3.2 Audit And Risk Management Committee

The Audit and Risk Management Committee constituted as required under Section 177 of the Act, regulation 18 and 21 of the LODR and regulation of the RBI

3.2.1 Brief description of the terms of reference

(i) Review financial reporting process, financial conditions, financial statements, results of operations and ensure financial statements are correct, sufficient and credible, (ii) Review internal control and it's adequacy, financial controls, risk management systems, risk assessment reports, management letters, audit report, (iii) Recommend appointment, re-appointment, terms of appointment/ reappointment and remuneration of statutory auditors and review performance and independence of auditor, (iv) review effectiveness of audit process, adequacy and structure of internal audit, internal audit report, investigation report and follow up action thereon, (v) Review repayment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors and scrutiny of inter-corporate loans, inter corporate investments and if necessary valuation of assets or undertaking, (vi) review and recommend monitor different policies including Risk Management Policy and formulate Related Party Transaction ("RPT") Policy and approve RPTs as required, (vii) review cybersecurity, (viii) approve appointment of Chief Financial Officer (CFO) and seek information from employees, obtain legal or professional advice. The Company Secretary of the Company acts as the Secretary for the Committee.

3.2.2 Composition and Meetings

The Committee met 4 times during the Year on April 25, 2018, July 24, 2018, October 24, 2018 and January 24, 2019. Attendance is given in table 2.1

3.3 Banking & Securities Management Committee

The Banking and Securities Management Committee is formed for the purpose of banking, borrowing, securities management and other day-to-day business requirement purposes. There were 70 meetings held during the Year.

3.4 Corporate Social Responsibility Committee

The Corporate Social Responsibility ("CSR") Committee was constituted as required under section 135 of the Act.

3.4.1 Brief description of the terms of reference

(i) Formulate, amend, change and recommend to the Board CSR Policy, implement and monitor CSR Policy of the Company, (ii) recommend the amount of expenditure and report utilisation of money on CSR projects/programs/activities and approve CSR projects, all the activities thereto and expenditure thereon.

3.4.2 Composition and Meetings

The Committee met 2 times during the Year on April 25, 2018 and October 24, 2018.

3.5 IT Strategy Committee

The Committee was formed as required under RBI/DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17 dated June 08, 2017 and other applicable regulations of RBI.

3.5.1 Brief description of terms of reference :

(i) Approve and monitor implementation of IT strategy balancing risk and benefits etc, (ii) Formulate, evaluate and review effectiveness of IT outsourcing policy, contingency plan, (iii) Evaluate IT risks and materiality assessing significant risks and reporting to the Board of such risks, (iv) review independent audit report on IT policies and procedures and action taken on such reports

3.5.2 Composition and Meetings

The Committee met 2 during the Year on June 28, 2018 and December 20, 2018. Attendance is given in table 2.1

REPORT ON CORPORATE GOVERNANCE (Contd.)

3.6 Nomination And Remuneration Committee

This Committee was constituted as required under Section 178 of the Act, regulation 19 of the LODR and regulations of RBI

3.6.1 Brief description of terms of reference :

(i) Identify fit and proper persons to be directors/ members of senior management and should such a need arise, (ii) recommend removal of director from the Board, (iii) Performance evaluation of directors, Board and Committee on an annual basis, (iv) Scrutiny of the declarations/undertakings by the Directors, (v) Formulation of the attributes for fit & proper person and independence of directors, (vi) Remuneration of directors and key managerial personnel ("KMP"), Management of employee talent, welfare, incentive scheme and stock option scheme.

3.6.2 Composition and Meetings :

The Committee met 4 times during the Year on April 25, 2018, July 24, 2018, October 24, 2018 and January 24, 2019.

3.7 Stakeholders Relationship Committee

The Committee was constituted as required under Section 178 of the Act, regulation 20 of the LODR and regulations of RBI. The Committee looks into redressal of grievances of shareholders, debenture holders, other security holders.

3.7.1 Brief description of terms of reference:

(i) Investor/customer services/relations and resolution of grievances, (ii) Issue and listing of securities, (iii) Investor Education and Protection Fund ("IEPF") matters, (iv) Review of security holding patterns, (v) Monitor Code of Conduct for Insider Trading.

3.7.2 Composition and Meetings :

The Committee had met 4 times during the Year on April 25, 2018, July 24, 2018, October 24, 2018 and January 24, 2019. The Company has not received any complaint from the shareholder during the Year and no complaint was pending as on March 31, 2019.

4 SUBSIDIARY COMPANY

M/s Shriram Housing Finance Limited, CIN : U65929TN2010PLC078004 ("SHFL") is the only subsidiary of the Company. SHFL is managed by it's Board of Directors. Since, SHFL is an unlisted non material subsidiary, the Company is not required to nominate one of it's independent directors on the Board of SHFL. However, the Board nominated Sri Venkataraman Murali, an independent director of the Company as a director on the Board of SHFL. The financial statements, in particular the investments made by SHFL were reviewed during the Year by ARMC of the Company. The minutes of the meetings of BM and ARM of SHFL were placed before the BM and ARMC of the Company quarterly. A statement containing all the significant transactions and arrangements entered into by SHFL was placed before ARMC of the Company. The Policy on Material Subsidiaries and Events is available at the website of the Company (Refer Table - 1).

5 RELATED PARTY TRANSACTIONS

Related party is determined based on Section 188 of the Act, regulation 23, Part A of Schedule V and other applicable regulations of the LODR, RBI regulations and applicable accounting standard. The ARMC of the Company and the Board have approved policy on RPTs, which is displayed on the web site of the Company(Refer Table - 1). The RPTs were reported to the ARMC and the Board on quarterly basis. Requisite approvals of ARMC and the Board were taken for RPTs. The details of transactions with entity(ies) belonging to promoter/ promoter group which holds 10% or more shareholding in the Company is given in note no. 48 of the notes to accounts. There were no material RPTs during the Year. RPTs are reported in Note No. 48 of the Notes to financial statements.

6 SHARE HOLDER INFORMATION AND DISCLOSURES

6.1 Corporate

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840. The Company is registered as a Non Banking Finance Company ("NBFC") with RBI with registration number - 07-00458. The equity shares of the Company are listed in M/s BSE Ltd ("BSE") and M/s National Stock Exchange of India Limited ("NSE").

REPORT ON CORPORATE GOVERNANCE (Contd.)

6.2 Appointment/reappointment of Directors

One third of the Directors liable to retire by rotation, retires by rotation and if eligible seek re-appointment at AGM. As per provisions of the Act and Articles of Association of the Company, Sri Gerrit Lodewyk Van Heerde holding (DIN – 06870337) will retire by rotation at the ensuing AGM and has expressed that he would not be available for directorship in the Company. The notice of the AGM contains this. Sri C R Muralidharan (DIN – 02443277), Sri Diwakar B Gandhi (DIN – 00298276), Sri Pranab Prakash Pattanayak (DIN – 00506007) and Sri Venkataraman Murali (DIN – 00730218) who were appointed as addition directors with effect from April 1, 2019, retire at the ensuing AGM. Sri C R Muralidharan, Sri Diwakar B Gandhi, Sri Pranab Prakash Pattanayak and Sri Ventakaraman Murali have expressed their intention and confirmed their eligibility to be appointed as Directors of the Company. Sri Pranab Prakash Pattanayak (DIN – 00506007) and Sri Venkataraman Murali (DIN – 00730218), who were appointed as Independent Directors of the Company for a period of five years commencing from April 1, 2014, if appointed/reappointed in the ensuing AGM. It shall be their second term in office as Independent Directors of the Company. The details on their appointment as directors forms a part of the Notice of the ensuing AGM. The notice of the 33rd AGM states details about the appointment of above named Directors. The profile of the directors as per Regulation 36(3) of LODR are referred to in the Notice of AGM.

6.3 General body meetings / Postal Ballots

The date, time and venue of last three AGMs held and special resolutions passed thereat are as follows. No Extraordinary General Meetings ("EGMs") was held during the last three years.

Year ended March 31	AGM	Location	Date	Time	Special Resolutions passed
2016	30th AGM	Narada Gana Sabha (Mini Hall), No 314 (Old No 254) T T K Road, Alwarpet, Chennai – 600 018	July 28, 2016	10.00 am	*
2017	31st AGM		June 30, 2017	10.00 am	**
2018	32nd AGM		July 25, 2018	10.00 am	***

* Borrowing powers under section 180 (1) (c) of the Act for an amount not exceeding ₹ 30,000 crores, private placement of securities and alteration of Articles of Association of the Company.

**Borrowing powers under section 180 (1) (c) of the Act for an amount not exceeding ₹ 30,000 crores and private placement of securities.

***Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 36,000 crores and private placement of securities

The following special resolutions were passed for amendment in Memorandum of Association by insertion of clause 12A, under Section 180 (1) (a) of the Act through postal ballot for creation of security on the assets/ receivables of the Company and for securitisation.

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	58	4,17,43,594	97.01	14	12,86,011	2.99	July 28, 2015
PBF	166	12,81,551	99.94	9	553	0.04	
E	72	4,99,04,913	92.14	32	42,46,650	7.84	July 28, 2016
PBF	72	9,777	0.02	7	292	0.00	
E	100	5,85,57,370	99.85	6	80,871	0.14	June 12, 2018
PBF	74	8,009	0.01	5	127	0.00	
E	64	54,781,018	95.30	37	2,697,401	4.69	July 25, 2018
PBF	58	4,074	0.01	4	95	0.00	

Electronic ("E") and Postal Ballot Forms ("PBF")

REPORT ON CORPORATE GOVERNANCE (Contd.)

Sri P Sriram, M/s P. Sriram & Associates, Company Secretaries in practice was appointed as the scrutiniser for carrying the process of postal ballot in fair and transparent manner.

All business set out in the notice of 33rd AGM shall be conducted through remote e-voting in compliance with sections 108, 110 and other applicable Sections of the Act, relevant rules and regulation 44 (3) of the LODR provided by the Company through CDSL. The notice of postal ballot and the notice of 33rd AGM state the process of respective voting. The voting rights are based on the number shares of the Company held by the member on the cut off date. The scrutiniser appointed by the Board shall submit his report on results of the respective voting to the Chairman after completion of his scrutiny within permissible time. The facility of voting shall be made available at the 33rd AGM with the assistance of scrutinisers for the members, who have not casted their votes through remote e-voting.

6.4 Materially significant related party transactions

During the Year, there were no materially significant RPTs entered into, which were in potential conflict with the interest of the Company at large. The details of RPTs are presented in note no 48 of the financial statements attached hereto.

6.5 Accounting treatment

The details of accounting treatment followed during the Year are mentioned in the Notes to Financial Statements.

6.6 Risk management

Our business is subject to uncertainties and risks. The impact of these risks may impact our performamce. If any of the risks materialise, our business, financial and prospectus could be materially and adversely affected. The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors is attached to this report (Annexure - 3) Act. Risk management is reviewed by ARMC of the Company on quarterly basis.

6.7 Details of non compliance and penalties, strictures imposed

There were no instances of non compliance by the Company on any matter relating to capital market during last three Years. No penalties, strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority(ies) last 3 years.

6.8 Whistle Blower, Vigil Mechanism and Prohibition of Insider Trading

The Company promotes ethical behaviour in all it's business activities. Accordingly ,the Company has formulated "Whistle blower and Vigil Mechanism Policy" in line with regulation 22 of the LODR and RBI regulations for employees to report concerns about unethical behavior providing for adequate safeguard against victimisation of directors/ employees, who avail of the mechanism. This policy is disclosed in the web site of the Company (Refer Table - 1). No person is denied access to the ARMC. The Company has formulated "Code for Fair Disclosure and Conduct", which is displayed on the web site of the Company (Refer Table - 1).

6.9 Audit of Reconciliation of share

Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 mandates for audit of reconciliation of share capital .Accordingly, this audit for reconciliation of share capital admitted with National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Ltd ("CDSL") with the total issued and listed capital were carried out on a quarterly basis during the Year by M/s P.Sriram & Associates, PCS appointed by the Board. The audit reports did not have any adverse comment and the same were submitted quarterly to BSE and NSE within stipulated time.

6.10 Means of communication

The Company communicated with shareholders and investors through multiple channels of communications such as individual letters, publication in news papers, disclosure to BSE/NSE, display on it's web site etc. The annual and quarterly financial results during the Year were published in newspaper in english in "Business Standard" and in Tamil in "Makkal Kural" within 48 hours of

REPORT ON CORPORATE GOVERNANCE (Contd.)

conclusion of the Board Meetings at which the respective financial results were approved. The same results are displayed at Company's website (Refer Table - 1). The Company's website www.shriramcity.in contains a separate section "INVESTOR", where shareholder/security holder information are displayed. The annual report of the Company is also displayed at the website of the Company (Refer Table - 1). The Annual Report of the Company containing director's report, standalone financial statements, consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto. The investor complaints are processed in centralised web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system ("SCORES"). The Company has designated email ids sect@shriramcity.in and scufncd18@shriramcity.com exclusively for respective investor servicing, which appear in the investor section of the web site of the Company. The Company has been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and quarterly financial results in the website of NEAPS (National Electronic Application Processing System) viz https://www.connect2nse.com/LISTING and on BSE Listing Centre https://listing.bseindia.com. The presentations made by the Company to analysts are displayed on the web site of the Company (Refer Table - 1). The SRC of the Board examines and redresses grievances of the shareholders and investors. The status of grievances of shareholders and investors are reviewed by the Audit and Risk Management Committee and Board.

6.11 Details of 33rd AGM

a. Date and Time	**Monday July 29, 2019 at 10 am**
b. Venue	Narada Gana Sabha (Mini Hall), No.314, T T K Road, Alwarpet, Chennai 600 018.
c. Book Closure	July 23, 2019 to July 29, 2019 (both days inclusive)
d. Dividend	Interim dividend of ₹ 6.00 per equity share declared by the Board at its meeting held on October 25, 2018 was paid on November 20, 2018. The payment of final dividend upon declaration by the shareholders at the AGM, will be made on or after August 3, 2019 to those members, whose name appear on the Register of members as on record date.

6.12 Financial Year

The financial year under review was from April 1, 2018 to March 31, 2019. The next financial Year is from April 1, 2019 to March 31, 2020. The financial year of the Company is from April 1 to March 31.

6.13 Details of listing on stock exchanges

The Company paid annual listing fees for the Year to BSE and NSE and annual custodian fees to NSDL and CDSL on time. The equity shares of the Company with ISIN – INE722A01011 are listed in BSE with stock code 532498 and NSE with stock code SHRIRAMCIT. The details of listed secured redeemable non-convertible debentures (NCDs) of the Company are displayed on the website of the Company (Refer Table - 1)

The Company submitted the documents/information to the respective Trustees to the issues and allotment of NCDs were made on time during the Year in compliance of Regulation 55 of the LODR.

REPORT ON CORPORATE GOVERNANCE (Contd.)

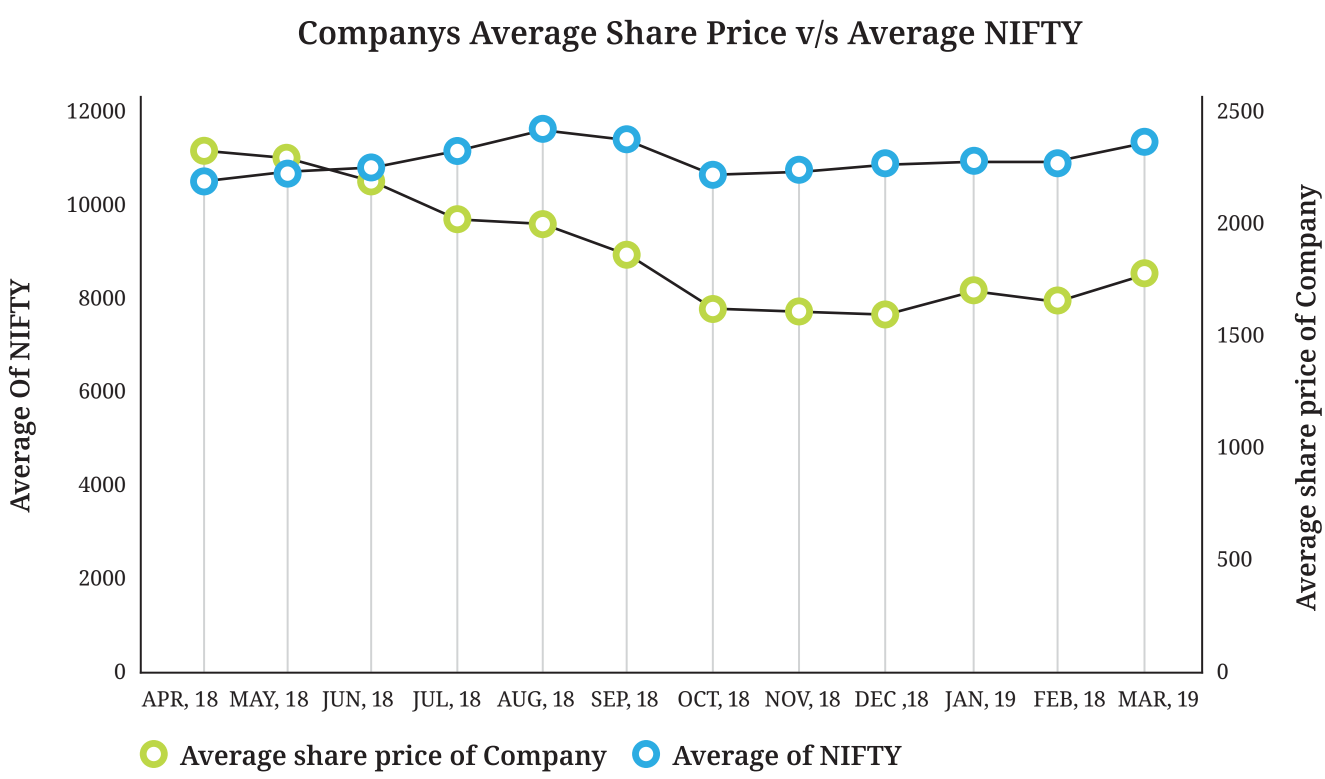
6.15 Stock market price data

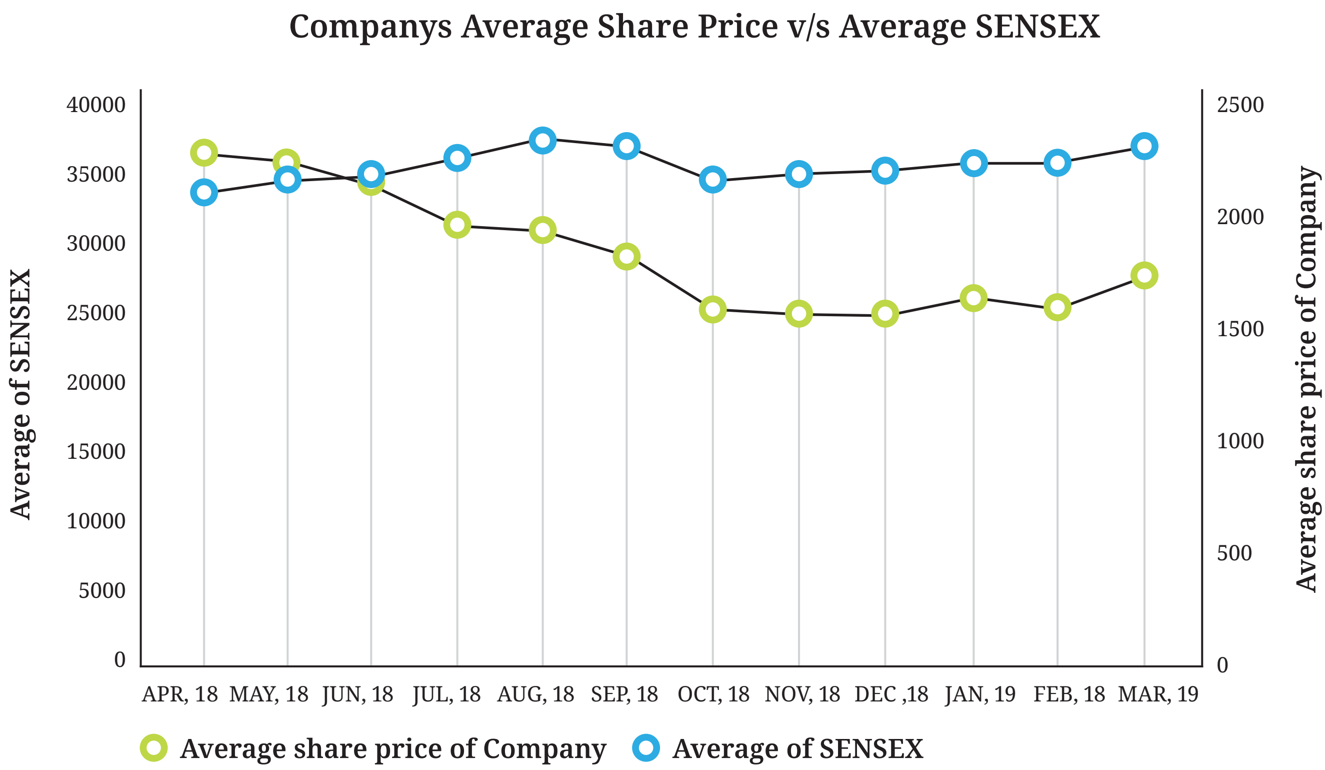
The volume and market price (high and low) of equity shares of the Company traded during each month during the Year are given below.

	NSE							BSE						
	Per share price (in ₹)			Volume of Shares traded	NIFTY (in ₹)			Per share price (in ₹)			Volume of Shares traded	SENSEX (in ₹)		
Month	High	Low	Average		High	Low	Average	High	Low	Average		High	Low	Average
APR '18	**2408.65**	**2193.45**	**2301.05**	**451981**	**10739.35**	**10128.40**	**10433.88**	**2412.15**	**2182.70**	**2297.43**	**548351**	**35160.36**	**33019.07**	**34089.72**
MAY '18	2394.95	2145.70	2270.33	201008	10806.60	10430.35	10618.48	2399.95	2137.55	2268.75	8718	35556.71	34344.91	34950.81
JUNE'18	2356.25	1971.05	2163.65	413470	10856.70	10589.1	10722.90	2365.95	1960.20	2163.08	126696	35739.16	34903.21	35321.19
JULY'18	2091.10	1900.15	1995.63	574908	11356.50	10657.3	11006.90	2084.55	1876.80	1980.68	48742	37606.58	35264.41	36435.50
AUG '18	2024.85	1915.80	1970.33	2101694	11738.50	11244.70	11491.60	2026.3	1897.60	1961.95	264752	38896.63	37165.16	38030.90
SEP '18	2019.20	1653.35	1836.28	569430	11589.10	10930.45	11259.78	2026.85	1652.00	1839.43	6808	38389.82	36227.14	37308.48
OCT '18	1671.85	1519.65	1595.75	377651	11008.30	10030.00	10519.15	1677.30	1535.45	1606.38	4107	36526.14	33349.31	34937.73
NOV'18	1637.65	1530.00	1583.83	293715	10876.75	10380.45	10628.60	1643.40	1526.00	1584.70	3463	36194.30	34431.97	35313.14
DEC'18	1606.85	1519.40	1563.13	362354	10967.30	10488.45	10727.88	1621.20	1539.65	1580.43	1713	36484.33	34959.72	35722.03
JAN '19	1773.40	1574.25	1673.83	597612	10961.85	10651.80	10806.83	1763.65	1546.25	1654.95	54887	36578.96	35513.71	36046.34
FEB '19	1729.60	1520.80	1625.20	276803	11069.40	10604.35	10836.88	1708.70	1504.25	1606.48	2425	36975.23	35352.61	36163.92
MAR '19	1850.20	1647.20	1748.70	144968	11623.90	10863.50	11243.70	1859.65	1647.80	1753.73	303791	38672.91	36063.81	37368.36

Average price per share = (High price per share + Low price per share)/2

6.16 Movement of share price of the Company in comparison to NIFTY and SENSEX





REPORT ON CORPORATE GOVERNANCE (Contd.)

6.17 Contact Details

Particulars		Name	Address	Contact person name	Telephone number	Fax Number	E-mail id
Registrar and Transfer Agents (RTA)	Equity Shares & Dividend	Integrated Registry Management Services Private Limited	2nd Floor, Kences Towers , No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai – 600 017	Ms. Anusha N	+ 91 44 2814 0801 /02/03	+ 91 44 2814 2479	csdstd@ integratedindia. in
	Public issue of NCDs allotted in 2019			Mr. K Balasubramanian			scuf@ integratedindia. in
Trustees for NCDs		Catalyst Trusteeship Limited	GDA House, First Floor, Plot No. 85, S No. 94 & 94, Bhusari Colony (Right), Kothrud, Pune – 411 038	Ms. Rakhi Kulkarni	+ 91 20 2528 0081	+ 91 20 2528 0275	dt@ctltrustee. com or grievance@ ctltrustee.com
		Ministry of Corporate Affairs	'A' Wing, Shastri Bhawan, Rajendara Prasad, New Delhi – 110 001		+91 11 2338 4660/ 2338 4659		
		Securities and Exchange Board of India (SEBI)	Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051		+91 22 2644 9000/ 4045 9000	+91 22 2644 9019 – 22 / 4045 9019-22	sebi@sebi. gov.in
		Reserve Bank of India (RBI)	16th Floor, Central Office Building Shahid Bhagat Singh Marg, Mumbai – 400 001		+91 22 2260 1000		
Stock Exchanges		National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051		+91 22 2659 8100 - 8114	+91 22 2659 8120	
		BSE Ltd	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001		+91 22 2272 1233	+91 22 2272 1919	corp.comm@ bseindia.com
Depository		National Securities Depository Limited (NSDL)	Trade World, A wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013		+91 22 2499 4200 Toll free 1800 222 990	+91 22 2497 6351	info@nsdl.co.in
		Central Depository Services (India) Limited (CDSL)	Marathon Futurex, A – wing, 25th floor, N M Joshi Marg, Lower Parel, Mumbai – 400 013		+91 22 2305 8640/8624/8639/ 8663 Toll free 1800 22 5533		helpdesk@ cdslindia.com

REPORT ON CORPORATE GOVERNANCE (Contd.)

6.20 Share transfer system:

Transfer of shares held in dematerialised form are done through the depositories with no involvement of the Company. Transfer of shares held in physical form are processed by RTA and duly endorsed share certificates are issued within stipulated time subject to documents lodged being valid. The transfer documents can be lodged with respective RTAs as mentioned above for transfer of securities existing in physical form. The Board has delegated the authority to approve transfer, transmission etc of shares and securities of the Company to it's Banking and Securities Management Committee. As stipulated under Regulation 40(9) of the LODR, the Company obtained half yearly certificates of compliance with share transfer formalities from M/s P. Sriram & Associates, Company Secretary in practice and filed copies of the said certificates with BSE & NSE during the Year within stipulated time. There were no deviations reported in the said certificates.

6.21 Updation of Demographic Details :

Updation of Nomination, Permanent Account Number ("PAN") Bank account details and other required details can be made by applying in the specified form with necessary enclosure to the RTA or Depository Participant as the case may be. SEBI has made PAN card as mandatory for transfer/transmission of securities By virtue of notification SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 there was amendment in Regulation 40 of SEBI (LODR) Regulations, 2015 wherein it has become mandatory for registration of transfer of shares/securities in demtaterialised form. BSE & NSE issued circular LIST/COMP/15/2018-19 dated July 05, 2018 and NSE/CML/2018/26 dated July 9, 2018 respectively in order to implement the notification of SEBI to transfer the shares/securities mandatorily in dematerialised form from December 5, 2018. SEBI vide press release 51/2018 dated December 3, 2018 extended the timeline for mandatory transfer of shares/securities in dematerialised form from April 1, 2019 instead of December 5, 2018.

6.22 Distribution of shareholding as at March 31, 2019

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
UPTO 500	10689	94.28	7,11,652	1.08
501-1000	312	2.75	2,24,247	0.34
1001-2000	135	1.19	1,91,595	0.29
2001-3000	42	0.37	1,06,467	0.16
3001-4000	16	0.14	55,370	0.08
4001-5000	16	0.14	73,219	0.11
5001-10000	40	0.35	2,81,191	0.43
10001 AND ABOVE	87	0.78	6,43,48,576	97.51
Total	**11,337**	**100.00**	**6,59,92,317**	**100.00**

6.23 Shareholding pattern (in %) as at March 31, 2019

Promoters	Mutual Funds	Banks	FII	Bodies Corporate	Individuals	Limited Liability Partnership	Foreign Company	Foreign Portfolio Investor	NRIs	FI-Others	Others	Alternative Investment Fund	Total
33.7747	5.8703	0.0049	0.0557	10.2724	2.5158	0.0340	20.3386	26.1291	0.2656	0.0021	0.0889	0.6779	**100**

6.24 Dematerialisation of shares and liquidity

The Company's equity shares are tradable compulsorily in dematerialised form in BSE and NSE. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2019, 6,59,92,317 nos of equity shares (99.77% of the shares), existed in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

REPORT ON CORPORATE GOVERNANCE (Contd.)

6.25 Outstanding GDR/ADR/Convertible warrants, conversion date and impact on equity

The Company has not issued any GDRs / ADRs. The Company has granted stock options to the eligible employees of the Company under Employees Stock Option Scheme, 2006. The details of the scheme are set out under annexure to Report of Directors.

6.26 Location

The Company is in the business of Non Banking Finance and operates through various offices in India.

6.27 Address for correspondence

Registered Office :123, Angappa Naicken Street, Chennai 600 001, Ph: +91 44 2534 1431

Secretarial Office :144, Santhome High Road, Mylapore, Chennai 600 004.

Ph : +91 44 4392 5300 Fax No : +91 44 4392 5430 Email : sect@shriramcity.in

6.28 Calendar for the financial Year 2019 – 2020 (tentative)

Annual General Meeting	September, 2020
Unaudited results for the quarter ending June 30, 2019	Last week of July, 2019
Unaudited results for the quarter / half –Year ending September 30, 2019	Last week of October, 2019
Unaudited results for the quarter ending December 31, 2019	Last week of January, 2020
Audited results for the Year ending March 31, 2020	Last week of May, 2020

6.29 Adoption of Mandatory and Non Mandatory requirements under LODR

The Company has complied with all mandatory requirements as per regulation 17 (7) and 27 (1) read with Part A and E respectively of Schedule II of the LODR and has also adopted the non mandatory requirements deemed appropriate. The report of the auditors of the Company does not contain any qualification on the financial statements. The posts of Chief Executive Officer ("CEO") and Chairman of the Company are held by two separate persons.

7. COMPLIANCE ON FINANCIAL REPORTING

The Company complies with the requirements of Financial Reporting. The MD & CEO give annual certification on financial reporting and internal control to the Board in terms of regulation 17(8) read with Part B of Schedule II of the LODR. The said certificate issued for the Year is attached to this report as Annexure - 4. The CEO & MD and CFO also issue certificate on financial results every quarter, while placing the quarterly financial results before the BM in terms of Regulation 33 (2) (a) of the LODR.

8. COMPLIANCE WITH CORPORATE GOVERNANCE

We have complied with the requirements of Corporate Governance. A certificate from the auditors of the Company, M/s GDA Apte & Co., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Part E of Schedule V of the LODR is attached to this report (Annexure No - 2).The certificate is without any adverse remarks, reservation

9. ELIGIBILITY FOR APPOINTMENT/CONTINUANCE AS A DIRECTOR

Each directors has declared to the Company stating that he/she is not disqualified or debarred by the Board / Ministry of Corporate Affairs ("MCA") or any such statutory authority from being appointed as a director on the board of company or to continue as director of company.

REPORT ON CORPORATE GOVERNANCE

Annexure 2

To
The Members,
Shriram City Union Finance Limited

G.D. Apte & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We as the Statutory Auditors of Shriram City Union Finance Limited (the Company) have examined the compliance of conditions of Corporate Governance by, for the year ended March 31, 2019, as stipulated under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the Regulations).

The compliance of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Regulations. It is neither an audit nor an expression of opinion on the Financial Statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and in accordance with the explanations given to us, we certify that the Company has as at March 31, 2019 complied with the applicable conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **G.D. Apte & Co.**

Chartered Accountants

Firm Registration No : 100515W

Umesh S Abhyankar

Partner

Membership No. : 113053

Place : Chennai

Date : April 24, 2019

UDIN : 19113053AAAABM2058

MANAGEMENT DISCUSSION ANALYSIS

Annexure 3

GLOBAL ECONOMY:

Global growth is expected to have eased to 3.6% in 2018-19, amidst several unsettling activities during the year. These include the growing trade tensions and related tariff hikes between the United States (US) and China, tightening financial conditions and higher policy uncertainty across many economies. With recovery in the US maturing over time, monetary policy accommodation will gradually be pared down, moderating the growth to its potential rate going ahead. As the economic cycle matures in developed economies, global growth will rely increasingly on momentum in the emerging markets, particularly India.

Global growth is expected to remain at 3.0 per cent in 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the World Economic Situation and Prospects 2019. The outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest long-term potential.

INDIAN ECONOMY:

India remains one of the key growth drivers of the world. Since 2000, India's share in the global economy has double from 1.5% to 3.2%. Per capita income is now nearing USD 2,000, which is twice the level 10 years ago. According to the data released by the International Monetary Fund (IMF) in April 2019, the Indian economy expanded by a sharp 7.1% in 2018 as compared to 6.7% in 2017. Even though the GDP has increased from the last fiscal, the overall momentum witnessed a temporary slowdown owing to declining growth of private consumption, tepid increase in fixed investment, and muted exports. Despite this, India remained the fastest growing economy in the world for a second year in a row as it continued its climb on an upward growth path. The structural reforms undertaken by the government helped India climbed 53 points in the World Bank's Ease of Doing Business index to 77th place, becoming the top ranked country in South Asia for the first time and third among the BRICS. Interestingly, India overtook France in 2018 to become the world's 6th largest economy. It is now on its course to achieve 5th position from the UK this year and on its way to USD 3 trillion GDP by 2020. Further, recapitalisation of public sector banks will allow funding support from banks and support growth.

International Monetary Fund (IMF) has pared India's growth forecast for the just-concluded fiscal and the next two years, citing softer recent growth and weaker global outlook, but expects the country to retain its place as the fastest growing major economy.

In its flagship World Economic Outlook (WEO), IMF said the reduction in India's estimate is on account of the 'the recent revision to the national account statistics that indicated somewhat softer underlying momentum'. It has suggested reforms to hiring and dismissal regulations to help intensive job creation and absorb the country's large demographic dividend. According to India's official estimates, Indian economy grew 7% in FY19, slowest in the last five years. IMF expects growth to recover in the current fiscal and the next.

'In India, growth is projected to pick up to 7.3% in 2019 and 7.5% in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy,' the WEO noted.

Over the medium term, the multilateral institution expects growth to stabilise at just under 7.75%, based on continued implementation of structural reforms and easing of infrastructure bottlenecks. It expects inflation to remain below the Reserve Bank of India's threshold of 4% in the current fiscal at 3.9% and marginally exceed at 4.2% next year. Current account deficit is seen at around 2.5% of GDP (Source: The Economic Times)

OUTLOOK:

Going ahead, IMF expects India's growth rate is expected to improve to 7.3% in 2019 and further to 7.5% in 2020, attributed by the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. In addition, there is a downside risk to this number if oil prices sustain at the current levels. The elevated oil price increases the risks of fiscal slippage, greater inflationary pressures and lowers the likelihood of an interest rate cut by the RBI. The growth revival in fiscal 2019 would be consumption-led, with mild support from investments.

MANAGEMENT DISCUSSION ANALYSIS
Annexure 3 (Contd.)

Setting the agenda for the next government, to be formed after general election results are declared on 23 May, IMF said continued implementation of structural and financial sector reforms with efforts to reduce public debt remain essential to secure the Indian economy's growth prospects. "In the near term, continued fiscal consolidation is needed to bring down India's elevated public debt. This should be supported by strengthening goods and services tax compliance and further reducing subsidies," IMF said in its World Economic Outlook.

INDUSTRY REVIEW

Indian Financial Services Sector:

The financial services sector is the backbone of economic growth and plays a key role in the development of a nation. It enables creation of new businesses and expansion of existing ones. The financial services industry can be segregated into commercial banks, insurance companies, non-banking financial companies (NBFC), co-operatives, pension funds, mutual funds and several other smaller financial entities.

The financial services industry has seen drastic technology-led changes over the past few years. Also, customers have set their expectations high by demanding better services, seamless experiences regardless of channel, and more value for their money.

Further, artificial intelligence solutions, such as chatbots, often assist customers in simple tasks such as making payments. The organizations that can leverage big data, advanced analytics and new technologies to improve the customer experience can build trust, loyalty and revenues that are the keys to success in the future.

Indian non-banking financial companies (NBFCs):

NBFCs are financial intermediaries engaged in the business of delivering credit, playing an important role in channelizing the scarce financial resources and contributing to capital formation. The NBFC drives financial inclusion by reaching out to areas that are unbanked (smaller towns/rural areas), taking care of the category of borrowers who are not being fully serviced by the banking sector. NBFCs have a large share of around 53% for micro-finance and as high as 50% in auto-finance's total credit requirements. The sector meets 40% of infrastructure and housing finance credit requirements as well. (Source: Financial Express dated March 6, 2019) Further, they play a key role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSMEs).

NBFC's have outperformed banks in the Mortgage Industry, by leveraging technology in credit deployment. Technology has made NBFCs expand into underserved segments. The total credit market of NBFCs has gone up from 13% 2016 to 16% 2017 to 20% 2018, growing at an average of 4-6% every year. (Source: PwC dated October 2018)

During financial year ended March 31 ,2019 ("FY19"), there was a temporary liquidity crisis in the NBFC segment. There were concerns over the ability of financial institutions in repaying their short-term commitments. This led to a sharp decline in usage of commercial papers, NCDs, and other short-term money market instruments as a source of borrowing for NBFCs. A large proportion of borrowings suddenly moved to the banking sector, causing tightening of liquidity and a higher cost of funds. This led to a sharp drop in disbursements by NBFCs, highlighting the vulnerability and crisis of confidence for the sector. This led to a need of closer monitoring/ regulations to prevent further deterioration in the asset quality of NBFCs and manage a perfect balance between asset-liability management. The NBFCs with strong legacy and parentage survived the crisis and emerged unscathed.

With reference to this backdrop, RBI intervened with the much-needed liquidity boost. It infused around ₹ 500 billion in the month December 2018. Other regulatory measures such as increased concentration limits for banks' exposure and priority-lending norms were also taken in order to release pressure. During April 2019, the RBI further announced another ₹ 250 billion liquidity injection through purchase of government securities. The purchase, called as open market operations (OMOs), will be undertaken in two equal tranches with the first one in May 2019.

Outlook:

Regardless of the recent panic, NBFCs play an important role in economic growth and financial inclusion, ensuring capital to a vast array of consumers. They have brought new borrowers into the ambit of formal finance with their underwriting skills and inculcating financial discipline among the borrowers. India has been witnessing good growth in consumer lending in recent years and NBFCs have been growing this business much better than banks. NBFCs are recognised as being critical for growth. The liquidity situation has improved and is gradually returning to normalcy even as borrowing costs stand elevated.

MANAGEMENT DISCUSSION ANALYSIS
Annexure 3 (Contd.)

Indian MSME segment:

Micro, Small and Medium Enterprises (MSME) sector is the most vibrant and dynamic sector promising high growth potential for the Indian economy. There are more than 63 million MSME units in the country, contributing around 6.11% of the manufacturing GDP and 24.63% of the GDP from service activities as well as 33.4% of India's manufacturing output. It generates employment to over 110 million people across various sectors. The MSME share to the total Gross Domestic Product (GDP) is about 37% and they also contribute to 45% of exports. (Source: Confederation of Indian Industry, Ministry of Micro, Small and Medium Enterprises)

Over the past few years, the MSMEs are playing an important role in the growth and improvement of the economy. The Union Budget 2019-20 further strengthened the sector by making key structural changes, enabling ease of doing business and providing tax benefits. These changes include:

- A scheme of sanctioning loans up to ₹ 1 crore in 59 minutes
- GST-registered SME units will get 2% interest rebate on an incremental loan of ₹ 1 crore
- The requirement of sourcing from SMEs by Government enterprises has been increased to 25%; of this, the material to the extent of at least 3% will be sourced from women-owned SMEs
- GST exemptions for small traders, manufacturers and service providers doubled from ₹ 20 lacs to ₹ 40 lacs
- Small businesses having turnover up to ₹ 1.5 crore have been given an attractive composition scheme wherein they pay only 1% flat rate and must file one annual return only
- Similarly, small service providers with turnover up to ₹ 50 lacs can now opt for composition scheme and pay GST at 6% instead of 18%.
- Government E-procurement Marketplace (GeM) platform extended to Central Public Sector Enterprises
- MSME segment with increasing availability of digital data i.e., tax payments, introduction of GST will drive digital point of sale payments, credit offtake has the potential to grow in the future.

Role of NBFC in MSME financing:

New business units or the MSMEs usually depend on the self-financing mode of operations. This results in insufficiency of capital. The organised banking systems consider small businesses to be high-risk borrowers. This is because the banks assume that these companies have high fluctuations in their earnings and hold a high mortality rate. Thus, the banks hesitate in offering loans to such ventures. This paves the way for NBFCs to leverage this opportunity.

MSMEs, in increasingly large numbers prefer taking loans and credit from non-banking financial institutions on account of less paperwork and quick release of funds compared to formal banks. Consequently, NBFCs have attracted new business ventures because of their trouble-free, timeliness and favorable processes.

Role of NBFC in automobile loans financing:

NBFCs have exposure to wholesale and retail assets. The retail exposure includes vehicle financing, microfinance, and housing loans, while wholesale assets include infrastructure, developer loans among others. Around 85% of NBFCs' vehicle finance portfolio comprises commercial vehicle (CVs) and car/utility vehicle (UVs) financing. The balance includes tractor and two/three-wheeler financing. In the passenger vehicle segment, the overall year was challenging as the festive season sales was dampened owing to high fuel prices, non-availability of credit owing to the temporary liquidity crunch. Two-wheeler financing was also tepid in the festival season on account of demand-side issues, such as higher insurance costs, high fuel prices and elevated vehicle prices. According to Crisil Estimates, the commercial vehicle financing segment is expected to clock a CAGR of 14% till 2020, with NBFCs accounting to over 65% share in the overall CV finance market. (Source: Financial Express, Economic Times)

Role of NBFC in gold loans:

Gold is often seen as one of the safest investment options in India. People hold gold in large quantities as long-term investment and to encash it easily either by sale or by pledge. Pledging gold also enables quick funding. FY19 saw loan against pledge of gold in NBFCs achieving a new high. In addition, this loan product has given positive returns of ~50%, amidst the liquidity crisis during the year. The gold loan NBFCs achieved positive ALMs, low leverage, pricing power and highly liquid collateral. Also,

MANAGEMENT DISCUSSION ANALYSIS
Annexure 3 (Contd.)

with other forms of financing being adversely impacted in tight liquidity conditions, the outlook for gold loans looks more promising.

Role of NBFCs in housing loan:

NBFCs have been the biggest drivers of housing finance growth in the country over the past decade on the back of their multi-pronged distribution model and their last-mile connectivity in tier II and tier III cities. They have developed efficient loan processing capabilities using analytics-based technology platforms and big data-driven processes and have faster loan turnaround time.

The Indian Government's sustained support has allowed the affordable housing industry to thrive in India. The Government's policy (Pradhan Mantri Awas Yojana) to ensure 'Housing for All by 2022' is the key enabler behind housing loan demand. Besides, the implementation of the Real Estate Regulatory Act (RERA) will pave a way for timely constructions, speedy settlement of housing disputes and will amplify foreign and domestic investments owing to increased transparency. This will improve the buyers' confidence and increase the sale of houses. With the Government further granting infrastructure status to affordable housing, there has been an increasing trend in home loan financing. According to ICRA estimates, the home loan portfolio of housing finance companies grew 18% y-o-y till 30 September 2018 with an average loan ticket size of around ₹ 25 lacs. Over 80% of the home loan portfolio ranged between ₹ 10 lacs-1 crore bracket, with better asset quality performance compared to lower and higher ticket sizes. Going ahead, the growth in the housing finance companies' AUMs will be driven by the massive opportunity in the affordable housing segment and slower credit growth from the banks.

Outlook

According to consulting firm FSG, low-income housing finance is expected to grow at 30-40% over the next five years. Two-thirds of India's population is below 35 years of age with the average age of a first-time homebuyer in India being is about 37-38 years. Thus, over the long term, structural demand for housing in India will always remain strong. Overall, HFCs are expected to continue doing well with home loan AUM likely to grow at 18-20% per annum, according to CRISIL. The growth will be driven by: Housing shortage in the affordable segment, regulatory facilitation, entry of a large number of HFCs with sharp focus on the affordable segment, among other factors.

Personal Loan:

Personal loans have become a prudent way of financing. With the ease of access, consumers are now turning to personal loans to finance their acquisition of assets or consumption purposes. Besides banks, NBFCs too now offer personal loans at competitive terms and conditions. According to a report by the Reserve Bank of India, unsecured finance, which includes personal loans and credit card debt, amounted to ₹ 576,600 crores or $82 billion at the end of 2018. As the lending and borrowing process is getting simpler by the day, the rate of preference for personal loans is getting exceptionally high. Modern day Indians are no more skeptical when it comes to taking loans, unlike the older days.

COMPANY REVIEW:

Incorporated in 1986, Shriram City Union Finance Limited ('Company') is an important player in the retail finance industry with an AUM of ₹ 29582 crores and employee base of 27,267 as on March 31, 2019. Its operations are spread across India with 969 branches. The Company provides various loan services to small scale business owners and for acquiring assets such as two wheelers, commercial vehicles, passenger vehicles, loan against gold and personal loan.

Asset under management as at March 31

₹ in crores

2017	2018	2019
23,132	27,582	29,582

Product wise performance review:

₹ in crores

Type loan	Disbursement In FY19	AUM
MSMEs	10457	17755
Two-Wheelers	4919	5370
Gold Loans	5729	2712
Personal	2337	2562
Auto	630	1183

Key highlights FY19:

- Strong financial metrics: We got back to our regular levels of 3.25+ in terms of ROA and close to be 18%-20% by 2020 in terms of ROE.

MANAGEMENT DISCUSSION ANALYSIS
Annexure 3 (Contd.)

- Digitally enabled & well-positioned to exploit multiple growth opportunities
- Focus on credit quality and collections
- Differentiated product offerings with high entry barriers
- Our spread has increased led by:
  - i) The increase in the lending rates in the market for certain segment of customers that is looking to tract up
  - ii) The implementation of the Ind-AS as a function of which we have the processing fee amortisation impact coming in, so these are two reasons why the spread has gone up

Opportunities and Threats

Opportunities:

- Increasing customer base: with customers moving from unorganized players to licensed players, will create opportunity to penetrate entry level market with a no-frill offering
- Increasing government regulations are making it difficult for unorganized players to sustain. Thus, creating opportunity to increase the customer base.
- Competitive position in SME and two-wheeler segments have helped them to grow significantly in the unique space created by them
- The Company's strong brand recognition and excellent customer service will help them to explore the large customers base from its chit fund
- Startup India government initiatives: Governments push for startups will help us increase our loan portfolio relating to MSME's
- Rise in the disposable income will increase the demand for loans which in turn will increase the opportunity for us to penetrate further.

Threats:

- Commoditization of the product segment: The biggest challenge for Company is the increasing commoditization of the products in Financial industry.
- Competitors catching up with the product development: stiff challenges from international and local competitors
- Regulatory changes in the NBFC and ancillary sectors

Key Financial Ratios as on March 31

Particulars	2018	2019
Return on Average Total Assets	2.81%	3.49%
Return on Average Net Worth	13.51%	16.56%
Earnings Per Share (₹)	107.80	149.88
Book value per share (₹)	842	969
Capital Adequacy Ratio (IGAAP)	21.37%	23.12%
Interest Coverage Ratio	1.65	1.77
Current Ratio	1.49	1.33
Debt Equity Ratio	3.90	3.59

Core Competencies

- Experienced Management
- Strong credit appraisal techniques
- Hub & Spoke model
- Consistent growth
- Shriram Group parentage
- Stringent risk-management framework

The Company has continued to evolve on its digital journey – and has, over the last few years, invested in IT infrastructure to improve efficiency, deliver best-in-class solutions to its customers and enhance productivity.

With new-age solutions emerging at every corner, the Company has adapted by creating a robust and scalable set of solutions for all its retail customers.

HUMAN RESOURCES:

We consider our employees as our most valuable assets and endeavour to help them realize their full potential. Company strives to build a culture based on the philosophy that 'Talent is and will be the key differentiator propelling our success'. It is your Company's constant endeavour to create an environment of continuous learning and growth for its workforce. Company remains focused on attracting the best talent in the industry, nurturing them through robust learning and development mechanisms, and retaining them through progressive employee centric policies and practices.

The Company aims to provide an environment for its people that helps them align their goals with Company's

MANAGEMENT DISCUSSION ANALYSIS
Annexure 3 (Contd.)

mission. The primary factor that drives the People's framework is the ever-growing customer needs. The Company constantly works towards providing the best suited framework in partnership with business leadership. With the feedback received from the current, past and potential employees have helped us craft the employee value proposition for the organisation. The Company is committed towards its people's development with training and institutionalisation of the people review process. The employees at all hierarchy level are encouraged for honest, positive and developmental conversations. The work force planning is strategically designed and put to action. This has helped us create a long-term road map for gaining and managing future capabilities in the most optimum manner. The Company enjoyed a cordial relation with employees with no discrepancies. The Company provides equal opportunity and has implemented policy on prevention of sexual harassment of women employees at workplace. Total number of employees as on March 31, 2019 was 27,267.

RISK MANAGEMENT:

Risk Management is an integral part of the Company's business strategy with focus on building risk management culture across the organisation. The Risk Management oversight structure includes Committees of the Board and Senior Management. The Risk Management process is governed by the Comprehensive Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an ongoing process. It entails establishment of robust systems and processes within the Risk Management Framework to mitigate risks effectively. Risk Management Committee, which meets a minimum of four times a year, reviews the risk management policy, implementation of risk management framework, monitoring of critical risks, and review of various other initiatives with a structured plan. The risk management division has established a comprehensive risk management framework across the business and provides appropriate reports on risk exposures and analysis in its pursuit of creating awareness across the company about risk management. This provides the level and direction of the risks, which are arrived at based on the two-level risk thresholds for the identified key risk indicators and are aligned to the overall company's risk appetite framework approved by the board. The company also developed such risk reporting and monitoring mechanism for the risks at business/vertical level. The company identifies and monitors risks periodically. This process enables the company to reassess the top critical risks in a changing environment that need to be focused on.

We have a robust risk management framework over the years. Being engaged in retail financing, the Company manages various risks such as credit risk, market risk and operational risk. The Audit and Risk Management Committee review and monitor these risks on regular intervals. With over three decades of experience the Company manages credit risk through strict credit norms in retail lending. We also have in place proper procedure to assess every borrower credibility before any commitments. Thus, risk management forms an important part of the Company's effective risk management practice.

Credit risk:

Credit risk arises when a borrower defaults in payment. This situation would arise either because of wrong assessment of the borrower's credibility or due to uncertainties in future. An efficacious management of credit risk requires the establishment of relevant credit risk policies and processes in practice. The Company has compendious and detailed credit policies across various businesses, products and segments. It further incorporates credit approval process for all businesses along with set of guidelines for minimizing the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, tele-verifications and field visits. The Company underwrites loans on the basis of assessed cash flows of customers or other such credit evaluation tools as it deems necessary, including inputs from credit bureaus information reports as required. Also considers various other factors like the underlying collateral and the LTV ratios approved for the customer. These policies are regularly monitored against desired outcomes for the organisation and revised as necessary.

The Credit Risk management structure includes separate credit policies and procedures for various businesses. The risk policies define prudential limits, portfolio criteria, exceptional approval metrics, etc. Concentration Risk is managed by analysing counterparty, industry sector, geographical region, single borrower and borrower group. Periodic scenario analysis of the credit portfolio is conducted and necessary corrective measures are implemented.

MANAGEMENT DISCUSSION ANALYSIS
Annexure 3 (Contd.)

The Company developed a business decision model with support of McKinsey for credit assessment of its retail - MSME portfolio. The Company also has post sanction process to pro-actively identify credit portfolio trends and early signal of default. This enables us to implement important alterations to the credit policy, whenever the need arises.

Market risk:

Market Risk is the loss due to changes in equity prices, interest rates, credit spreads, foreign-exchange rates, commodity prices, and other indicators whose values are set in a public market. The Company's exposure to market risk is a function of asset liability management activities. The Company being susceptible to interest rate risk and liquidity risk, it regularly monitors and manages them through appropriate risk assessments. Further, the Asset Liability Management Committee (ALCO) watches constantly market trends and risks by adopting different practices and strategies related to assets and liabilities, in line with the Company's risk management framework. Market Risk is assessed by using quantitative techniques such as sensitivity and stress testing.

A robust Market Risk Management System is in place supporting advanced risk management functionalities for pro-active management of risks. Valuation of all portfolios and the risk sensitivities are monitored on daily basis.

Operational risk:

Operational risks arise due to incompetent or failed internal processes, people and systems or from external events. These are adequately addressed by the internal control systems. These systems are regularly reviewed, monitored and modified, as per the needs. The experienced management team provides the required continuity and expertise in managing the dynamic changes in the market environment.

The continuous skill development, training and development programs are important activities in the employees' training modules, as well. The standard operating procedures ensures better control over the transactions, processes and regulatory compliance. The risk-based audit helps to assess the effectiveness of control framework through self-assessment and thereby checking the adherence to internal financial controls. The Company reduces the enterprise exposure by conducting the risk-based audit on frequent intervals across all business functions.

The Company has laid out a brief Disaster Recovery (DR) plan, which is periodically tested. In addition, Business Continuity Plan (BCP) to ensure harmonious continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, among others. The timely tests are carried out to address disparity in the framework, if any. DR and BCP audits are conducted on a frequent interval in order to give assurance regarding the effectiveness of the Company's readiness. The Company provides various training on risk management tools for risk awareness programs. Company has formulated the contingency plan to address data recovery in case of a natural disaster. The Management also periodically reviews vigilance and fraud reports, recovery reports and audit reports to detect failures with the objective of systemic remediation.

To manage the Operational Risk, company has implemented a comprehensive operational risk management policy with a framework to identify, assess and monitor risks, strengthen controls, improve services and minimise operational losses. Your Company attempts to mitigate operational risk by maintaining a system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training.

Any event or incident, which has the potential risk to company's brand name or reputation, is continuously watched out for and company has in place related risk controls to manage such risks, with a special focus on the ones which can cause any legal or compliance complications.

Interest rate risk:

The Company has put in practice various risk management techniques to determine the risk tolerance appetite and examine the interest rate risk. The different types of funding that is wholesale, retail, fixed rate instruments, floating rate instruments are determined by taking into consideration the enhancement of relationship, the long-term interest. In addition, the various effects are taken into considerations to analyze and monitor the risk profiles forecasts in market related to the balance sheet and arrive at the action needed to be within the internal limits. Further, to ensure that exposure to fluctuations in interest rates is kept within acceptable limits, the

MANAGEMENT DISCUSSION ANALYSIS
Annexure 3 (Contd.)

Company follows a prudent policy on the management of its assets and liabilities. Interest rate swaps are used on a limited basis for hedging interest rate mismatches, the ALM periodically reviews the treasury operations, as well as the pricing of products, at specific intervals.

Rate-sensitive asset-liability gap analysis is used to measure exposure to interest rate fluctuations, providing a static view of the maturity profile of balance sheet positions. An interest rate gap is prepared by classifying all assets and liabilities into various time-period categories in accordance with contracted maturities or anticipated re-pricing date. The difference in the amount of assets and liabilities maturing, or being repriced in any time period category, indicates the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

Liquidity risk:

It is of utmost importance to manage the liquidity risk effectively. The liquidity is the ability to be able to pay liabilities when they become due. Liquidity can have an impact on profitability in a conflicting situation. The asset liability mismatch can lead to crisis which affected entire NBFC sector which was seen in the last 6 months of financial year.

The management of assets and liabilities broadly depends upon the interest rates, liquidity and respective risk profiles. Thus, measuring and managing interest risks and liquidity risks becomes of utmost important. The liquidity can be tracked through maturity or cash flow errors. The use of a maturity ladder and calculation of cumulative surplus/deficit of funds at selected maturity dates is adopted as a standard tool for determining the interest and liquidity risk. The liquidity position is measured on a regular basis, however same is done under multiple scenarios at various stress levels.

Also, after the recent crisis, the RBI is supposed to impose new limits on the liquidity mismatches that non-banking financial companies (NBFCs) operate with as part of its plan to nudge them towards more stable sources of funding. The new guidelines, are expected to be introduced in a phased manner, will cover both systemically important non-deposit taking, and all deposit taking entities, and consider the sectors they operate in.

The Company operates within its Asset Liability Management ('ALM') Policy. The ALCO constituted by the Board of Directors of the Company to review the different liquidity positions (Structural and Dynamic) of the Company, periodically. The ALCO comprising Senior Management Team, lays down and monitors respective policies limits. The ALCO monitors, on an ongoing basis, liquidity, interest rate and funding risks to which the Company is susceptible. Unexpected increases in the cost of funding an asset portfolio, at the appropriate maturity, and the risk of being unable to liquidate a position in a timely manner at a reasonable price, are some of the triggers of this risk.

Company actively monitors its liquidity position to ensure that it can meet all requirements of its borrowers, while also meeting the requirements of its lenders, and also strengthen its ability to consider investment opportunities as they arise.

With its diverse sourcing of liquidity to facilitate flexibility in meeting funding requirements, your Company funds its operations mainly by borrowings from banks, financial institutions and capital markets. It also funds from Public (Fixed) Deposits.

Cyber risk:

Cybersecurity is one of the major concerns for small businesses, individuals, large enterprises, the government and essentially anyone who participates in modern society.

SCUF has set up an effective cybersecurity framework to manage cyber threats. To protect critical assets from cyber-attacks, the Cybersecurity Operations Center (SoC) operates on 24/7 basis. During the year, we further enhanced SoC to manage, respond and resolve ever-evolving cybersecurity threats.

In addition, to the cybersecurity practice SCUF also conducts:

- Regular vulnerability assessments and penetration tests to assess/ remedy vulnerabilities in applications and IT infrastructure.
- Anti-phishing services have been subscribed to ensure that the phishing sites are observed in a timely manner and customers are prevented from being attracted to the fraudulent sites.
- Risk engine and process monitoring systems are enforced to analyze and validate potential flow of transactions on Internet and through various other mediums. The important websites of the organisation are scanned and monitored continuously for early detection of any malware.

MANAGEMENT DISCUSSION ANALYSIS
Annexure 3 (Contd.)

There are continuous awareness programs that is carried out among the employees and associates. A testimony of that the organisation is ready for crisis is that it has secured ISO 27001 certification for its critical information assets. Particularly in FY19 , SCUF took important initiatives in strengthening protection against Distributed Denial of Service (DDoS) attacks and Web Application Firewall (WAF). The organisation also performs regular and strict cyber security drills to identify weak links and strengthen defense. It will continue to invest further in future, in the areas of cybersecurity to take it to the next level. Also, we implemented a multi-faced disaster recovery solution for its backbone ERP application in case of a cyber-attack which ensured that the Core Business Application went without any prolonged outage.

Company lays emphasis on protecting customer data and have put in place strong controls to protect customer data across the life cycle regardless of whether data is at rest or in motion, within the Company's environment or external environment. Company also mandated to take stronger measures in areas such as authentication and risk-based transaction monitoring to prevent fraud.

Company have established strong programmes focussed on customer awareness to reduce the incidence of attacks like phishing. Company with an objective to protecting data & IT infrastructure from unauthorised access, uses various strategy to manage cyber security program.

We have implemented Information Security Management System (ISO 27001) that covers all IT processes and is aligned with the globally best available security measures. Our Information Technology Policy, Information Security Management System Framework and Cybersecurity Policy include detailed directions to ensure the protection of business information at all levels.

Information technology risk:

Information technology risk seeks to establish strict information security structure to prevent data loss and threats.

The Company has implemented a compelling IT Policy & Information Security Policy in line with best international practices. To address the emerging and ever-evolving cyber threats these policies are periodically reviewed. Also, the employees are educated through regular security drills and employee awareness programs to ensure security and increase awareness. The Company is a precursor in setting up a state-of-the-art Security Operations Centre (SoC) for 24 x 7 monitoring the attacks and threats on its IT infrastructure.

The SoC has the following attributes:

It helps in detecting the security threats from within and outside of the organisation and improves Incident Reporting and Management.

To achieve best RPO (Recovery Point Objective) and RTO (Recovery Time Objective) Disaster Recovery Drills are conducted on frequent basis as an initiative. The Company has a tight security reviews before launching an application, to ensure there is no potential loss to the users and the organisation. In an ever-changing environment, where threat perceptions keep evolving, the SoC is ready to mitigate the risk and address the challenges continuously under the set principles of confidentiality, integrity and availability.

Company's Business Continuity and Disaster Recovery Plan ensures that critical business functions are available to customers even if one hub is completely compromised. Backup and restore policy have been implemented to safeguard critical data. We undertake vulnerability assessment and penetration testing regularly through internal resources as well as external experts to test and improve the implemented control measures.

Company's "Privacy Policy" ensures the protection of customers' personal information. The company explicitly discloses the manner in which customer information is collected, stored and used. The policy also ensures that the usage of customer information is in compliance with various statutory and regulatory authorities' requirements.

In general, humans are the weakest link in cybersecurity chain and hence to increase the awareness , periodical programme are carried out among employees and interested parties.

INTERNAL AUDIT:

The Audit and Risk Management Committee of the Board reviews the performance of Internal Audit Department, the effectiveness of controls laid down by the Company, and compliance with regulatory guidelines so as to be in alignment with the best global practices in corporate governance.

The Internal Control System in the Company commensurate with the size, scale, nature and complexity of its operations. The company conducts its internal audit

MANAGEMENT DISCUSSION ANALYSIS
Annexure 3 (Contd.)

within the parameters of regulatory framework including preparation and the execution of annual internal audit plan. The internal audit function includes assessing the adequacy, efficiency and effectiveness of internal control system across the organization.

The Internal audit department carries out a defined assessment by the management and extant regulations to monitor adequacy, effectiveness and adherence to the internal controls, processes and procedures. Thus, helps in safeguarding Company's assets. The Company has adopted a Risk-based approach of Internal Audit (RBIA). The vital focus of the audit is on key risk areas, which are of substantial importance. The structure of RBIA has been thoughtfully crafted after considering the RBI guidelines and internationally established practices.

The Internal Audit department reports to the Audit Committee for Audit Planning & Reporting. The relevant audit reports are circulated to the management teams and the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Company has an adequate system of internal controls for business processes, operations, financial reporting, fraud control, and compliance with applicable laws and regulations, among others. These internal control and systems are devised as part of the principles of good governance; and are accordingly implemented within the framework of proper check and balances. Company ensures that a reasonably effective internal control framework operates throughout the organisation, which provides assurance about safeguarding the assets, reliability of financial and operational information, compliance with applicable statues, execution of transactions as per the authorisation and compliance with the internal policies of the Company. This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Management had reviewed the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

COMPLIANCE CERTIFICATE BY CEO / CFO

Annexure 4

To
The Board of Directors
Shriram City Union Finance Limited
Chennai

We, Duruvasan Ramachandra, Managing Director and Chief Executive Officer and Ramasubramanian Chandrasekar, Chief Financial Officer of M/s Shriram City Union Finance Limited ("Company") pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, to the best of our knowledge and belief, certify that

(i) we have reviewed the Balance Sheet as at March 31, 2019, Statement of Profit and Loss for the year ending on same date, Cash Flow statement as on the same date and the notes there to (together known as financial statements).

(ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.

(iii) these financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iv) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(v) we accept responsibility for establishing and maintaining internal controls for financial reporting of the Company.

(vi) we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.

(vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the Audit and Risk Management Committee.

(viii) we have indicated to the auditors of the Company and the Audit and Risk Management Committee that there were

a) no significant changes in internal control over financial reporting during the year covered by this report;

b) no significant changes in accounting policy has been made during the year covered by this report;

c) no significant instances of fraud detected during the year except the frauds reported in note no -77 of Notes to Accounts.

Duruvasan Ramachandra
Managing Director and Chief Executive Officer
DIN - 00223052

Ramasubramanian Chandrasekar
Chief Financial Officer

Place : Chennai
Date : April 24, 2019

FORM NO. AOC - 2

Annexure 5

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT ARM'S LENGTH BASIS

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions	-
f)	Date(s) of approval by the Board	Not applicable
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not applicable

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sl. No.	Particulars	-
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Not applicable
e)	Date(s) of approval by the Board	-
f)	Amount paid as advances, if any	Not applicable

FORM NO. MGT - 9

Annexure 6

EXTRACT OF ANNUAL RETURN

as on the financial Year ended on March 31, 2019

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	L65191TN1986PLC012840
ii)	Registration Date	March 27, 1986
iii)	Name of the Company	Shriram City Union Finance Limited
iv)	Category/Sub- Category of the Company	Non Banking Finance Company
v)	Address of the Registered Office and contact details	123, Angappa Naicken Street, Chennai – 600 001, Tel No. +91 44 2534 1431
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited 2nd Floor, 'Kences Towers',No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017 Tel No.:+9144 2814 0801 - 03

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Non Banking Financial Services	64990	100%

III. PARTICULARS OF ~~HOLDING,~~ SUBSIDIARY AND ~~ASSOCIATE~~ COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	~~HOLDING/~~ SUBSIDIARY / ~~ASSOCIATE~~	% of shares held	Applicable section of the Companies Act, 2013
1	Shriram Housing Finance Limited	U65929TN2010PLC078004	Subsidiary	77.25	2 (87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TO TOTAL EQUITY)

i) Category-wise share holding

Sl. No.	Category of shareholders	No. of shares held at the beginning of the Year				No. of shares held at the end of the Year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	**Promoters**									
1.	**Indian**									
a)	Individual/ HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt (s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	22,268,877		22,268,877	33.76	22,268,877		22,268,877	33.74	-
e)	Banks/FIs	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	**22,268,877**	**-**	**22,268,877**	**33.76**	**22,268,877**	**-**	**22,268,877**	**33.74**	**-**

Form No. MGT - 9
Annexure 6 (Contd.)

Sl. No.	Category of shareholders	No. of shares held at the beginning of the Year				No. of shares held at the end of the Year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2.	**Foreign**									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks /FIs	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	**22,268,877**	**-**	**22,268,877**	**33.76**	**22,268,877**	**-**	**22,268,877**	**33.74**	**-**
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	35,06,801	-	35,06,801	5.32	38,73,955	-	38,73,955	5.87	0.56
b)	Banks / FI	24,749	-	24,749	0.04	24,749	-	4,633	0.01	(0.03)
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs / FPI	1,71,61,345	-	1,71,61,345	26.02	1,72,79,938	-	1,72,79,938	26.18	0.18
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify) Qualified Foreign Portfolio Investor									
	Alternative Investment Fund	4,36,959	-	4,36,959	0.66	4,47,353	-	4,36,959	0.68	0.02
	Sub-total (B) (1)	**2,11,29,854**	**-**	**2,11,29,854**	**32.03**	**2,16,05,879**	**-**	**2,16,05,879**	**32.74**	**0.72**
2.	**Non - Institutions**									
a)	Bodies Corporate									
i)	Indian	69,27,086	1,950	69,29,036	10.50	67,77,042	1,950	67,78,992	10.27	(0.23)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal Share Capital upto ₹ 1 lacs	11,04,369	1,82,827	12,87,196	1.95	10,25,727	1,47,080	11,72,807	1.78	(0.17)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lacs	5,90,460	-	5,90,460	0.90	4,87,468	-	4,87,468	0.74	(0.16)

Form No. MGT - 9
Annexure 6 (Contd.)

Sl. No.	Category of shareholders	No. of shares held at the beginning of the Year				No. of shares held at the end of the Year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c)	**Others (specify)**									
	Clearing Members	4,819	-	4,819	0.01	5,352	-	5,352	0.01	0.00
	Trusts	5,600	-	5,600	0.01	-	-	-	-	(0.01)
	NRI	2,55,889	-	2,55,889	0.39	1,75,307	-	1,75,307	0.27	(0.12)
	Limited Liability Partnership	23,804	-	23,804	0.04	22,452	-	22,452	0.03	(0.00)
	Corporate Bodies (Foreign Bodies)	1,34,21,889	-	1,34,21,889	20.35	1,34,21,889	-	1,34,21,889	20.34	0.00
	Unclaimed Securities Suspense A/c	550	-	550	0.00	500	-	500	0.00	(0.00)
	IEPF Authority	47,788	-	47,788	0.07	52,794	-	52,794	0.08	0.01
	Sub-total (B) (2)	**2,23,82,254**	**1,84,777**	**2,25,67,031**	**34.21**	**2,19,68,531**	**1,49,030**	**2,21,17,561**	**33.52**	**(0.68)**
	Total Public Shareholding (B) = (B) (1) + (B) (2)	**4,35,12,108**	**1,84,777**	**4,36,96,885**	**66.24**	**4,35,74,410**	**1,49,030**	**4,37,23,440**	**66.26**	**0.04**
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**6,57,80,985**	**1,84,777**	**6,59,65,762**	**100.00**	**6,58,43,287**	**1,49,030**	**6,59,92,317**	**100.00**	**0.04**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year			No. of shares held at the end of the Year			% Change in shareholding during the Year
		No. of shares	% of total shares of the Company	% of Share Pledged / Encumbered to total shares	No. of Shares	% of total shares of the Company	% of Share Pledged / Encumbered to total shares	
1.	Shriram Capital Limited	22268877	33.76	-	22268877	33.74	-	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change) – There is no change in the Promoters' shareholding.

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the Year	22268877	33.76	22268877	33.74
	Date wise Increase/ Decrease in Promoters Share holding during the Year specifying the reasons for increase/decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc)	-	-	-	-
	At the end of the Year	22268877	33.76	22268877	33.74

Form No. MGT - 9
Annexure 6 (Contd.)

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the shareholder	Shareholding at the beginning (April 1, 2018)/ End of the the Year (March 31, 2019)					Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	No. of Shares	% of total shares of the Company
1	Dynasty Acquisition FPI Ltd	13421889	20.354	Apr 1, 2018	-	Acquisition of shares from TPG India Investments I INC in off market transaction	13421889	20.339
		13421889	20.354	Mar 31, 2019			13421889	20.339
2	Piramal Enterprises Limited	6579840	9.978	Apr 1, 2018	-	-	6579840	9.971
		6579840	9.978	Mar 31, 2019	-	-	6579840	9.971
3	East Bridge Capital Master Fund Limited	2562364	3.886	Apr 1, 2018	-	-	2562364	3.883
		2562364	3.886	Mar 31, 2019	-	-	2562364	3.883
4	Matthews India Fund	1873192	2.841	Apr 1, 2018	-	-	1873192	2.839
		1873192	2.841	Mar 31, 2019	-	-	1873192	2.839
5	Morgan Stanley Asia (Singapore) Pte.	1482094	2.248	Apr 1, 2018			1482094	2.248
				Aug 3, 2018	-1318912	Transfer	163182	0.247
				Sep 14,2018	-157	Transfer	163025	0.247
				Oct 12, 2018	-162	Transfer	162863	0.247
				Oct 19, 2018	-3	Transfer	162860	0.247
				Oct 26, 2018	-17	Transfer	162843	0.247
				Nov 2, 2018	-34	Transfer	162809	0.247
				Jan 25, 2019	-162809	Transfer	0	0.000
6	Aditya Birla Sun Life Trustee Private Limited (under various sub accounts)	1352118	2.050	Apr 1, 2018	-	-	1352118	2.050
				Jun 15, 2018	-120000	Transfer	1232118	1.867
				Jun 22, 2018	120000	Transfer	1352118	2.049
				Jun 29, 2018	745	Transfer	1352863	2.050
				Sep 07, 2018	-2371	Transfer	1350492	2.046
				Oct 12, 2018	-8800	Transfer	1341692	2.033
				Feb 08, 2019	-109292	Transfer	1232400	1.867
				Feb 22, 2019	-10708	Transfer	1221692	1.851
				Mar 31, 2019	-	-	1221692	1.851
7	Cornalina Acquisition (FII) Limited	1223810	1.856	Apr 1, 2018	-	-	1223810	1.854
		1223810	1.856	Mar 31, 2019	-	-	1223810	1.854

Form No. MGT - 9
Annexure 6 (Contd.)

Sl. No.	Name of the shareholder	Shareholding at the beginning (April 1, 2018)/ End of the the Year (March 31, 2019)					Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	No. of Shares	% of total shares of the Company
8	WF Asian Smaller Companies Fund Limited	1113589	1.689	Apr 1, 2018	-	-	1113589	1.689
				Aug 10, 2018	174953	Transfer	1288542	1.953
				Aug 24, 2018	191278	Transfer	1479820	2.242
				Aug 31, 2018	36997	Transfer	1516817	2.298
				Mar 31, 2019	-	-	1516817	2.298
9	Acacia Partners, LP	1000000	1.516	Apr 1, 2018	-	-	1000000	1.516
		1000000	1.515	Mar 31, 2019	-	-	1000000	1.515
10	SBI Mutual Funds (under various sub accounts)	972398	1.475	Apr 1, 2018	-	-	972398	1.475
		972398	1.474	Mar 31, 2019	-	-	972398	1.474
11	East Bridge Capital Master Fund I Ltd	0	0.000	April 1, 2018	-	-	0	0.000
				Aug 10, 2018	1331467	Transfer	1331467	2.018
				Sep 21, 2018	2240	Transfer	1333707	2.021
				Sep 28, 2018	121512	Transfer	1455219	2.205
				Oct 05, 2018	23200	Transfer	1478419	2.240
				Jan 25, 2019	162809	Transfer	1641228	2.487
				March 31, 2019	-	-	1641228	2.487
12	WF Asian Reconnaissance Fund Limited	650493	0.986	Apr 1, 2018	-	-	650493	0.986
				Aug 10, 2018	100047	Transfer	750540	1.137
				Aug 24, 2018	109384	Transfer	859924	1.303
				Aug 31, 2018	21156	Transfer	881080	1.335
				Nov 09, 2018	39100	Transfer	920180	1.394
				Nov 16, 2018	24000	Transfer	944180	1.431
				Nov 23, 2018	50229	Transfer	994409	1.507
				Nov 30, 2018	7000	Transfer	1001409	1.517
				Dec 07, 2018	205336	Transfer	1206745	1.829
				Jan 25, 2019	4446	Transfer	1211191	1.835
				Feb 01, 2019	303875	Transfer	1515066	2.296
				Feb 08, 2019	2879	Transfer	1517945	2.300
				Mar 31, 2019	-	-	1517945	2.300

Form No. MGT - 9
Annexure 6 (Contd.)

Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning (April 1, 2018)/ End of the the Year (March 31, 2019)					Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	No. of Shares	% of total shares of the Company
1	Sri Duruvasan Ramachandra, MD & CEO	-	-	Apr 1, 2018	-	-	-	-
		-	-	Mar 31, 2019	-	-	-	-
2	Sri Ramasubramanian Chandrasekar, CFO	-	-	Apr 1, 2018	-	-	-	-
		-	-	Mar 31, 2019	-	-	-	-
3	Sri C R Dash, CS	8277	0.00	Apr 1, 2018			8277	0.00
				May 9, 2018	105	Transfer	8172	0.00
		8172	0.00	Mar 31, 2019			8172	0.00

Managing Director and Chief Executive Officer ("MD & CEO"), Chief Financial Officer ("CFO"), Company Secretary ("CS"). None of the Directors hold any shares in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in crores

	Particulars	Secured Loans	Unsecured Loans excluding Deposits	Deposits	Total Indebtedness
Indebtedness as on April 1, 2018	i) Principal Amount	**14,651.32**	**3,347.20**	**2,979.46**	**20,977.98**
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	136.52	227.80	231.96	596.28
	Total (i+ii+iii)	**14,787.84**	**3,575.00**	**3,211.42**	**21,574.25**
Change in Indebtedness during the financial Year	Addition	11,559.37	8,215.83	1,451.33	21,226.53
	Reduction	9,554.98	9,158.01	1,410.70	20,123.69
Net Change		2,004.38	(942.17)	40.63	1,102.84
Indebtedness at the end of the financial Year	i) Principal Amount	16,655.70	2,405.03	3,020.08	22,080.81
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	275.25	168.09	215.14	658.48
	Total (i+ii+iii)	**16,930.95**	**2,573.11**	**3,235.23**	**22,739.29**

Form No. MGT - 9
Annexure 6 (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager :

₹ in crores

Sl. No		Particulars of Remuneration	Sri Duruvasan Ramachandra*	Total Amount
1.	**Gross Salary**			
	(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.66	0.66
	(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961		
	(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option		-	-
3.	Sweat Equity		-	-
4.	Commission		-	-
5.	Others, please specify		-	-
	Total (A)		0. 66	0.66

B. Remuneration to other directors:

₹ in crores

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Sri Debendranath Sarangi	Smt Maya S Sinha	Sri Pranab Prakash Pattanayak	Sri Subramaniam Krishnamurthy	Sri Venkataraman Murali	Sri Vipen Kapur	
I	Independent Directors							
	Fee for attending Board Committee Meetings	0.0525	0.0395	0.04	0.0595	0.0545	0.0545	0.3005
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (I)	0.0525	0.0395	0.04	0.0595	0.0545	0.0545	0.3005
II	Other Non-Executive Directors							
	Fee for attending Board Committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (II)	-	-	-	-	-	-	-
	Total (B) = (I+II)	0.0525	0.0395	0.04	0.0595	0.0545	0.0545	0.3005
	Total Managerial Remuneration (A + B)	-	-	-	-	-	-	**0.9605**

Form No. MGT - 9
Annexure 6 (Contd.)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ in crores

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		0.473	0.479	0.952
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961		-	-	-
(c)	Profits in lieu of salary under section 17(3) of Income Tax, 1961		-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission		-	-	-
5.	Others, please specify		-	-	-
	Total		**0.473**	**0.479**	**0.952**

Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Company Secretary ("CS"). Sri Duruvasan Ramanchandra is the Managing Director and CEO of the Company. Since the remuneration paid to him is mentioned in the table A above, it is not mentioned here again.

VII. PENALITIES / PUNISHMENT / COMPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of the Penalty/ Punishment/ Compounding/ fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
A.	**Company**	NIL				
	Penalty					
	Punishment					
	Compounding					
B.	**Directors**					
	Penalty					
	Punishment					
	Compounding					
C.	**Other Officers in default**					
	Penalty					
	Punishment					
	Compounding					

Annexure 7

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2019.

PARTICULARS		SCUF Employees Stock Option Scheme, 2006
	Date of shareholder's approval	October 30, 2006
a)	Options Granted	13,55,000 equity shares of ₹ 10/- each
	Vesting requirements	Options granted shall be vested after the period of one Year
b)	Exercise price or pricing formula	₹ 35/- per option
	Maximum term of options granted	Options granted can be vested after the gap of a one Year and the vested options can be exercised within a period 10 Years
	Source of shares	Primary
c)	Options vested	13,55,000
d)	Options exercised	13,31,435
	Number of options outstanding at the beginning of the period	50,120
	Number of options granted during the Year	-
	Number of options forfeited / lapsed during the Year	-
	Number of options vested during the Year	26,555
	Number of options exercised during the Year	26,555
e)	Number of shares arising as a result of exercise of option	
f)	Options lapsed	-
g)	Variation of terms of options	-
h)	Money realised by exercise of options	₹ 4,66,00,225
	Number of options outstanding at the end of the Year	23,565
	Number of options exercisable at the end of the Year	-
i)	Total number of options in force	-
j)	Employee wise details of options granted to:	
	i) Senior Management Personnel	-
	ii) Any other employee who receives a grant of option amounting to 5% or more of option granted	-
	iii) identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-

Annexure 7 (Contd.)

PARTICULARS		SCUF Employees Stock Option Scheme, 2006
k)	Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	₹ 149.83
	i) Method of calculation of employee compensation cost	Intrinsic value method
	ii) Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Fair Value method (Using Black Scholes Model): ₹ 30.82 crores Intrinsic Value method: ₹ 30.69 crores Difference in cost : ₹ 0.13 crores
	iii) The impact of this difference on profits and on EPS of the Company	Fair Value method - (Using Black Scholes Model) Intrinsic Value method - Impact on Profit - Impact on Diluted EPS -
l)	Weighted average exercise price	₹ 35.00
	Weighted average fair value	₹ 227.42
m)	Fair value of options based on Black Scholes methodology	
	Assumption risk free rate	7.67%
	Expected life of options (in Years)	5 Years
	Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)	55.36%
	Expected Dividends per share	₹ 3.00
	Closing market price of share at NSE on date of option granted	₹ 261.45

Annexure 8

G.D. Apte & Co.
Chartered Accountants

To
The Members,
Shriram City Union Finance Limited

This is to certify that the `SCUF Employees Stock Options Scheme 2006' of Shriram City Union Finance Limited (CIN – L65191TN1986PLC012840), has been implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed by the company at its Extraordinary General Meeting held on October 30, 2006 wherein the aforesaid scheme was approved by the shareholders.

This Certificate is issued under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

For **G.D. Apte & Co.**
Chartered Accountants
Firm Registration No : 100515W

Umesh S Abhyankar
Partner
Membership No. : 113053
Place : Chennai
Date : April 24, 2019
UDIN : 19113053AAAABK4387

Annexure 9

DISCLOSURE UNDER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration of Sri Ramasubramanian Chandrasekar, Chief Financial Officer ("CFO") and Sri C R Dash, Company Secretary ("CS") during Financial Year 2018-19 ("FY19") was ₹ 0.479 crores and ₹ 0.473 crores respectively. There was an increase of 12% in the remuneration of Sri C R Dash, CS during FY19.

The percentage increase in the median remuneration of employees in the FY19 was 14% (FY 18: 16.30)

The total number of employees on the rolls of the Company as on March 31, 2019 was 27,267 (March 31, 2018 : 28,665).

The average percentile increase in salaries of employees of the Company other than key managerial personnel in FY19 was 25%. Average increase in key managerial remuneration was 8%. There were no exceptional circumstances for increase in the managerial remuneration.

INFORMATION AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employees in receipt of remuneration of not less than ₹ 1.02 crores per annum

FY : 2018-19

Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
Sri Gouse Mohiddin Jilani	Executive Director	2.16	Permanent	B.Sc	27	July 1, 2014	51	M/s Shriram Chits (Maharashtra) Pvt. Ltd	No
Praveen Kumar V	Executive Director	1.16	Permanent	B.Com, PGDBM	25	June 1, 2007	48	M/s Shriram Chits Pvt. Ltd	No

None of the above said employees held not less than 2% of the equity shares of the Company.

*includes value of perquisites on exercise of options under Employee Stock Option Scheme of the Company

Annexure 9 (Contd.)

Top 10 Employees in terms of remuneration drawn

FY : 2018-19

Sl. No.	Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
1	Gouse Mohiddin Jilani	Executive Director	2.16	Permanent	B.Sc	27	July 1, 2014	51	Shriram Chits (Maharashtra) Pvt. Ltd	No
2	Praveen Kumar V	Executive Director	1.16	Permanent	B.Com, PGDBM	25	June 1, 2007	48	Shriram Chits Pvt. Ltd	No
3	Subramanian Jambunathan	Executive Director	1.00	Permanent	BE, PGDBM	26	September 6, 2010	48	Hong Kong and Shanghai Banking Corporation	No
4	Ramchandran Nair	President	0.97	Permanent	BA, PGDBM	25	March 12, 2010	50	Fullerton India Credit Co Ltd	No
5	Siddhartha Pakrasi	President	0.95	Permanent	B.Com, PGDM	21	June 27, 2011	45	Hong Kong and Shanghai Banking Corporation	No
6	Nagendra Singh	Head Personal Loan & Corporate Lending	0.69	Permanent	B.Sc, PGDM	21	October 23, 2017	46	Equifax	No
7	Sameer J Karekatte	Senior Vice President	0.67	Permanent	B.Com, BGL	27	August 1, 2017	53	Tata Motors Finance Ltd	No
8	Monika Kapoor	National Sales Manager	0.67	Permanent	B.Com, LLB, MBA	15.2	May 7, 2018	44	Capital First	No
9	Duruvasan R	Managing Director & Chief Executive Officer	0.66	Permanent	B.Com	28	June 6, 2012	57	Shriram Chits P Ltd	No
10	Anand Wagh	Senior Vice President	0.66	Permanent	B.Com, LLB	28	September 15, 2016	53	Consultant	No

Annexure 10

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. –**

   Shriram City Union Finance Ltd ("Company") formulated a policy named "Corporate Social Responsibility ("CSR") Policy in line with Section 135 of the Companies Act 2013 ("CA13"), Schedule VII to CA13 and Companies (Corporate Social Responsibility Policy) Rules 2014. The Company's CSR Projects/Activities are carried on by the Company directly or through implementing agency as approved from time to time by the CSR Committee in accordance with CSR policy of the Company.

   The CSR spend is planned in advance keeping in view the amount specified under the Companies Act 2013, CSR Policy, scalability and other related matters. The CSR projects of the Company during the financial year 2018-19 were undertaken on education, skill development, livelihood, art and culture. The Company is open to join hands with other implementing agencies for optimal use of resources and skill. The CSR policy of the Company continues to be displayed at Link to be given

2. **The Composition of the CSR Committee**

Sl. No.	Name of the Director	DIN	Type of Director	Position
i	Smt Maya S Sinha	03056226	NE, I	Chairperson
ii	Sri Debendranath Sarangi	01408349	NE, I	Member
iii	Sri Duruvasan Ramachandra	0223052	E, NI	Member

Executive ("E"), Non Executive ("NE"), Non Independent ("NI"), Independent ("I")

3. **Average net profit of the Company for last three financial years :** ₹ 901.99 crores
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 18.04 crores
5. **(a) Details of CSR spent during the financial year 2018-19 :** ₹ 8.50 crores (Refer Notes no- 38 of Notes to account)

   (b) Total amount to be spent for the financial year : ₹ 18.04 crores

   (c) Amount unspent if any : ₹ 9.54 crores

   (d) Manner in which the amount spent during the financial year is detailed below

Sl. No.	Name of the Program (s)	Name of Project	Location	Total proposed amount	Total Amount Spent (actual)	Date of commencement	Purpose	% of progress
1	Shriram Matriculation School,		Mangalagiri, Guntur District, Andhra Pradesh	1.02	0.9490	Apr-18	Essential infrastructure, teacher training and student activities	Ongoing
2	Shriram Matriculation School, Tiruneermalai		Tiruneermalai, Chennai, Tamil Nadu	2.98	2.7902	Apr-18	Essential infrastructure, teacher training and student activities	Ongoing
3	Mission 25		Krishna District, Andhra Pradesh	3.08	3.0070	Apr-18	Essential infrastructure, teacher training and student activities	Ongoing- Exit will be in March 2020

Annexure 10 (Contd.)

Sl. No.	Name of the Program (s)	Name of Project	Location	Total proposed amount	Total Amount Spent (actual)	Date of commencement	Purpose	% of progress
4	Two wheeler mechanic program	Skill Development and Livelihood	Multiple locations in UP, Chattisgarh and Telengana	2.07	1.7278	Apr-18	Proving livelihood through training and placement	Ongoing
5	Commercial Tailoring program		Vijayawada, Krishna District, Andhra Pradesh	0.1	0.0260	Apr-18		
6	South India Club, New Delhi	Art and culture	New Delhi	4 .00		Apr-18	Support for art and culture	
	Total			**13.25**	**8.50**			

Eligible amount of CSR spend for FY19 is calculated based on the profits appearing in respective financial statements published following Indian Generally Accepted Accounting Practices for FY18, FY17 and FY16

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial Years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Company had spent ₹ 8.50 crores during the year ended March 31, 2019 (March 2018 ₹ 14.00 crores). There was a short spending to the tune of ₹ 9.54 crores due to the time taken in identifying executable projects, suitable training partners, and working out modalities. The CSR projects tried in new locations could not start full fledged due to difficulty in mobilising participants/trainees/students and midway drop outs. Having able teachers in schools at remote locations and mobilising adequate number of students posed a challenge. The Company is committed to spend resources on CSR activities and projects. By virtue of learning from past experiences, the Company would act differently and is confident that it would be able to spend the amount allocated for CSR. The efforts of past years is expected to fructify in future.

We hereby affirm that the CSR Policy ("Policy") of the Company as approved by the Board of Directors of the Company is monitored by the CSR Committee and the CSR activities have been implemented in accordance with the Policy.

Duruvasan Ramachandra
Managing Director and Chief Executive Officer
DIN - 00223052

Maya S Sinha
DIN – 03056226
Chairperson – CSR Committee

Place : Chennai
Date : April 24, 2019

Annexure 11

DECLARATION ON CERTIFICATE OF INDEPENDENCE FROM INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from each of the independent directors namely Sri Debendranath Sarangi, Sri C R Muralidharan, Sri Diwakar B Gandhi, Smt Maya S Sinha, Sri Pranab Prakash Pattanayak, Sri Subramaniam Krishnamurthy, Sri Venkataraman Murali and Sri Vipen Kapur certificate stating his/her independence as required under section 149 (6) of the Companies Act, 2013.

R. Duruvasan

Place : Chennai
DIN - 00223052

Date : April 24, 2019
Managing Director and CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

To,
The Members of
SHRIRAM CITY UNION FINANCE LIMITED
123, ANGAPPA NAICKEN STREET,
CHENNAI – 600001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shriram City Union Finance Limited having CIN L65191TN1986PLC012840 and having registered office at 123, Angappa Naicken Street, Chennai – 600001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Type of Director	Position
1	DURUVASAN RAMACHANDRA	00223052	06/06/2012	27/07/2012
2	DEBENDRANATH SARANGI	01408349	29/01/2015	28/07/2015
3	GERRIT LODEWYK VAN HEERDE	06870337	01/08/2014	28/07/2015
4	MAYA S SINHA	03056226	28/05/2015	28/07/2015
5	PRAKASH PRANAB PATTANAYAK	00506007	31/10/2012	01/04/2019
6	RANVIR DEWAN	01254350	01/12/2010	28/07/2011
7	SHASHANK SINGH	02826978	28/10/2015	28/07/2016
8	SUBRAMANIAM KRISHNAMURTHY	00140414	28/04/2005	28/04/2005
9	VENKATARAMAN MURALI	00730218	01/12/2011	01/04/2019
10	VIPEN KAPUR	01623192	15/06/2007	01/11/2012

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

P. Sriram
Membership No: F4862
CP No: 3310

Place : Chennai
Date : June 12, 2019

Annexure 12

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company during the year ended March 31, 2019.

R. Duruvasan
DIN - 00223052
Managing Director and CEO

Place : Chennai
Date : April 24, 2019

Annexure 13

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

1. BACKGROUND :

Companies Act 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") require the Nomination and Remuneration Committee of a company to recommend to the Board to approve a Policy on Appointment, Remuneration and Diversity of Board ("Policy"). Regulations of Reserve Bank of India ("RBI") also requires NBFCs to have a policy on Fit and Proper criteria for appointment of Directors. Accordingly, the Board of Directors ("Board") of M/s Shriram City Union Finance Ltd ("Company") has approved this policy considering the recommendation of its Nomination and Remuneration Committee ("Committee").

2. APPLICABILITY :

This Policy covers the appointment, remuneration of Directors, Key Managerial Personnel ("KMP"), and Senior Management personnel of the Company and performance appraisal of the Directors.

3. DEFINITION :

All terms used in the Policy shall have the same meaning as ascribed to them under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. OBJECTIVES :

The objective of this policy is to stipulate criteria for

- Appointment, re-appointment, continuance, discontinuance and extension of term of directors KMPs and senior management
- Increase diversity at Board level and to make maximum use of the skills and industry experience of the directors.
- Retain, motivate, promote and sustain talent in the Company
- Remuneration payable to the Directors, KMP and Senior Management personnel.
- Ensure the remuneration is reasonable, sufficient to attract and retain talents and is proportional to the effort, performance, dedication and achievement relating to the Company's operations of the concerned individual.
- Strike the balance between fixed component and variable incentive of remuneration.

5. CRITERIA FOR APPOINTMENT :

The appointment shall be based on the following criteria.

- Qualification, technical expertise, track record, and relevant experience for the concerned position
- Age, number of years of service, specialised expertise and period of employment or association with the Company.
- Special achievements and Operational Efficiency which contributed to growth in business in the relevant functional area.
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a bona fide manner in the interest of the Company.
- Sufficient devotion of time to the assigned tasks.
- Diversity of the Board keeping in view the skills, qualification, experience in varied fields of finance, banking, administrative etc. of directors in different industry and other related matters.

Annexure 13 (Contd.)

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

CRITERIA FOR REMUNERATION:

The remuneration shall be sufficient based on the criteria of appointment mentioned above and shall be subjected to the limits mentioned below.

Category	Remuneration	Remarks
Whole-time Director & Managing Director	Basic Pay, allowances, Perquisites, Retirement benefits, ESOP and reimbursement of expenses incurred in performance of office duties	Subject to the ceiling limits prescribed under the Act/ approval of Shareholders.
Director (other than Independent Director)	Sitting Fees and reimbursement of reasonable expenses for attending the meetings of Board and Committees, where such director is a member as decided by the Board from time to time.	Sitting Fees are subject to the applicable ceiling limits prescribed under the Act.
Independent Directors	Sitting Fees of ₹ 50,000/- per meeting of the Board, per meeting of each Committee	
Senior Management Personnel/ KMP	Basic Pay, allowances, Perquisites, retirement benefits, ESOP, reimbursement of expenses incurred in performance of office duties.	To be decided by the Managing Director based on appointee

The Managing Director shall decide about the remuneration of the executives based on the criteria mentioned above, subject to ceiling fixed under any applicable law at the time of appointment and shall decide about reasonable annual increase keeping in view the prevailing market condition, statutory requirements and the objectives/criteria mentioned above. The following matters shall be brought to the attention of the Committee for evaluation and recommendation.

a. Remuneration to any person in excess of Rupees two crore per annum

b. Appointment / remuneration of Directors, KMPs, Senior management personnel.

The maximum remuneration payable to all the Directors/managerial personnel shall be capped as provided under Section 197,198, Schedule V of the Act.

On appointment, the Company shall issue appointment letter.

PROCESS OF EVALUATION:

The evaluation of the Board, Committee, Director and Chairperson shall be carried out at least once a year. The evaluation of performance of each independent director shall be done by all the directors except the concerned independent director. The evaluation of performance of non-independent directors shall be carried out by the Independent Directors. Independent Directors shall also evaluate the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information. The evaluation shall be carried out through an evaluation sheet based on different criteria, i.e. qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. The evaluation and the results thereof shall be confidential.

PERFORMANCE EVLUATION OF THE BOARD/COMMITTEE:

Each director shall be provided with rating sheet on the preset criteria. The rating sheet shall be filled in by each director with scores awarded by him/her and shall be handed over to the Company Secretary. The total score given by all the directors participating in the evaluation shall be totaled up and averaged out by dividing the total score with number of participating directors. Based on the average score, the Board may decide on the necessary improvemental activities to be undertaken.

Annexure 13 (Contd.)

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

PERFORMANCE EVALUATION OF THE DIRECTORS:

Each director shall be provided with rating sheet on the preset criteria. The rating sheet shall be filled in by each director for all the directors except himself/herself with necessary details with scores awarded by him/her. The filled in rating sheet shall be handed over to the Company Secretary .The total score given by all the directors participating in the evaluation shall be totaled up and averaged out by dividing the total with number of participating directors.

OUTCOME OF THE EVALUATION

The outcome of the evaluation shall be placed before the Board, Nomination and Remuneration Committee and before the meeting of Independent Directors .The Nomination and Remuneration Committee, Meeting of Independent Directors based on their observation of the awarded scores placed before them, can suggest to the Board for action, if any. Based on the recommendation of relevant Committee and based on its own observation, Board can decide about continuance, discontinuance and extension.

EFFECT AND REVISION:

This policy shall come into effect from April 1, 2019 and shall remain in force till amended by the Board with recommendation of the Committee. Any regulatory changes affecting this Policy shall prevail over this Policy.

DIVIDEND DISTRIBUTION POLICY

1. Preamble :

Dividend is the payment made by a company to its shareholders, usually in the form of distribution of its profits. The profits earned by a company can either be retained in business and or be used for acquisitions, expansion, diversification, business growth or it can be distributed to the shareholders. A company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to balance between these. This Dividend Policy ("Policy") will guide dividend declaration and its pay-out by the Shriram City Union Finance Limited ("Company") in accordance with the provisions of Companies Act 2013 ("CA13"), Rules thereunder ("Rule") Secretarial Standard ("SS"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and any other applicable rules and regulations. The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Board of Directors of the Company ("Board") will refer to the policy for declaring/ recommending dividends. This policy is framed as required under SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016.

2. Applicability and Review :

It shall come into force with effect from April 1, 2019. Any change in applicable law, regulation shall prevail over this Policy. This policy shall be reviewed by the Board periodically for any changes or amendments. The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

3. Definitions :

i. Company : Shriram City Union Finance Limited

ii. Board : Board of Directors of the Company

iii. Current Financial Year : The financial year for which the dividend is declared/ recommended

iv. Dividend : Distribution of any sums to Members out of Profits of the Company and included both interim and final dividend

v. Dividend Pay Out Ratio: The percentage of dividend paid/recommended bears to Profit determined for Dividend purposes.

vi. Interim Dividend: Dividend declared by the Board

vii. Final Dividend: Dividend recommended by the Board and declared by the Members at the Annual General Meeting of the Company.

Annexure 13 (Contd.)

DIVIDEND DISTRIBUTION POLICY

4. CATEGORY OF DIVIDENDS :

The CA13 provides for two forms of Dividend - Final and Interim.

(i) Interim Dividend

The Board shall have the absolute power to declare interim dividend during a financial year, as and when it considers fit .The Board may endeavor to declare an interim dividend one or more times in a financial year after finalisation of quarterly/half yearly/yearly financial accounts based on the profits of the Company.

(ii) Final Dividend

The Final dividend shall be recommended to the shareholders/members of the Company by the Board after the annual financial statements are approved by the Board. The Board shall recommend the payment of Final Dividend to the shareholders/members for their approval as an ordinary business item of the Annual General Meeting. If the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.

5. FACTORS TO BE CONSIDERED FOR DECLARING DIVIDEND :

The payment/recommendation of dividend is to determine the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. As a leading Non banking finance Company operating in rapidly developing, yet volatile, markets, its primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for the Company. The Board from time to time will decide utilisation of the retained earnings for organic/inorganic growth, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders. The decision regarding recommendation/declaration of dividend will depend upon various external and internal factors including the following:

(i) External Factors:-

State of Economy - in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

Capital Markets - when the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory and Contractual Restrictions- The Board needs to keep in mind the restrictions imposed under the Act and any other laws, the regulatory developments with regard to declaration of dividend, the Company's contractual obligations under the loan agreements / debenture trust deed and other agreements, documents, writings limiting / putting restrictions on dividend pay-out

(ii) Internal Factors:- In addition to the matters mentioned in CA13, regulations and this Policy, the following factors shall be considered.

Profitability, cash flow, cost of funds, business growth/expansion, diversification, additional investments, acquisition of business, modernisation and any other matter as may be decided by the Board from time to time.

The Shareholders of the Company may or may not expect dividend for a financial year(s) in the circumstances of (a) challenging/sluggish market conditions, (b) tough liquidity position, (c) losses /no profits/inadequate profits.

Annexure 13 (Contd.)

DIVIDEND DISTRIBUTION POLICY

6. QUANTUM OF DIVIDEND :

Dividend shall be recommended/declared by the Board out of profits of the Current Financial Year of the Company. It shall not be recommended/paid out of Free Reserves or Profits of earlier financial years or both. No dividend shall be declared/paid if there is default in redemption of debentures, payment of interest on debentures, creation of debenture redemption reserve, creation of capital redemption reserve, payment of dividend declared. The following matters shall be considered for determining the quantum of dividend. Company shall declare/recommend and disclose the Dividend on per share basis only

i) Current financial year's profit as determined for the purpose of Dividend in terms of applicable provisions of CA13.

ii) Transfer to reserves such amount as may be prescribed under the CA13,RBI regulation and other applicable regulation

The determination of dividend pay-out shall depend upon regulatory, internal and external factors. The Board may maintain a Dividend pay-out ratio (including the applicable dividend distribution tax) in the range of 20 – 25% or such other range as may be decided by the Board from time to time of profits after tax (PAT).

7. PROCESS FOR PAYMENT OF DIVIDEND :

» The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.

» The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.

» The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend. Persons appearing as members in the register of members or benpose of the Company shall be entitled for Dividend.

» The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).

» Payment of Dividend shall be made through electronic mode or cheques or payable at par warrants. If dividend is payable by at par warrants or cheques, they shall be sent by speed post, if it exceeds one thousand five hundred rupees. The Company shall be discharged of its responsibility of payment of Dividend on the amount debited to the Dividend Banking account of the Company with such dividend paying Bank.

» The dividend declared shall be deposited in a scheduled bank in a separate account within five days form the date of declaration of such dividend.

8. UNCLAIMED/UNPAID DIVIDEND :

» Dividend declared by a Company remaining unpaid or unclaimed within 30 days from the date of declaration of Dividend, the Company shall within 7 days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in any Scheduled bank to be called the Unpaid Dividend Account.

» Any money transferred to the Unpaid Dividend Account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with Interest accrued, if any, thereon to the Fund established by the Central Government called the Investor Education and Protection Fund and the investor can claim from such fund.

BUSINESS RESPONSIBILITY REPORT

Annexure 14

	BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED ON MARCH 31, 2019	
	SECTION A : GENERAL INFORMATION ABOUT THE COMPANY	
1	Corporate Identity Number (CIN) of the Company	L65191TN1986PLC012840
2	Name of the Company	Shriram City Union Finance Limited
3	Registered address	123, Angappa Naicken Street, Chennai - 600 001
4	Website	www.shriramcity.in
5	E-mail id	sect@shriramcity.in
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code-64990
8	List three key products/services that the Company manufactures/ provides (as on March 31, 2019)	Please refer “Driving resilience and stability through a well-diversified product offerings and asset quality” of this Annual Report
9	Total number of locations where business activity is undertaken by the Company	
a)	Number of International Locations (Provide details of major 5)	NIL
b)	Number of National Locations	969
10	Markets served by the Company - Local/State/National/International	National
	SECTION B : FINANCIAL DETAILS OF THE COMPANY	
1	Paid up Capital (₹ in lacs) (Consolidated)	6,599
2	Total Turnover (₹ in lacs) (Consolidated)	6,06,986
3	Total profit after taxes (₹ in lacs) (Consolidated)	1,00,553
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	0.45%
5	List of activities in which expenditure in 4 above has been incurred	Education, Health care, Welfare and Culture and skill development
	SECTION C : OTHER DETAILS	
1	Does the Company have any Subsidiary Company / Companies	Yes. M/s Shriram Housing Finance Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company ? If yes, then indicate the number of such subsidiary Company (s)	The Subsidiary does not participate in the BR initiatives of the Company
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? (Less than 30%, 30%-60%, More than 60%)	No other entity participates in the BR initiatives of the Company
	SECTION D : BR INFORMATION	
1	Details of Director/Directors responsible for BR	Sri Duruvasan Ramanchandra, Managing Director, DIN-00223052, Telephone No. +91 44 4392 5300, email id - md@shriramcity.com
a)	Details of the Director/Director responsible for implementation of the BR policy/policies	
b)	Details of BR Head	

BUSINESS RESPONSIBILITY REPORT
Annexure 14 (Contd.)

2. PRINCIPLE-WISE (AS PER NVGS) COMPLIANCE WITH BR POLICY(IES)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	N	Y	N	N	Y	N	N	N
3	Does the policy conform to any national/international standards? If yes, specify(50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board ? If yes, has it been signed by MD/owner/CEO/appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board /Director official to oversee implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Refer to the Note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

Yes (“Y”) ,No (“N”)

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Business should promote the wellbeing of all employees

P4 Business should respect the interest of and be responsive towards all stake holders, especially those who are disadvantaged, vulnerable and marginalised

P5 Business should respect and promote human rights

P6 Business should respect, protect and make efforts to restore the environment

P7 Business,when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Business should support inclusive growth and equitable development

P9 Business should engage with and provide value to their customers and consumers in a responsible manner

BUSINESS RESPONSIBILITY REPORT
Annexure 14 (Contd.)

If answer to the question at serial number 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

Answers to the question at 1 in the above table for all the Principles is Yes. So, explanation is not required.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

Notes for Sl no 3 to the above table : The policies are formulated based on applicable regulations/general practices and therefore the polices conform to national standards

Note for Sl no 6 to the above table: The web link for the policies of the Company are as follows https://www.shriramcity.in/Investors---> Company Information--->Policies. The remaining policies are not displayed on the web site as they are internal to the Company

3. GOVERNANCE RELATED TO BR

The Business Responsibility Policy constitute different policies of the Company. Those policies were implemented and the compliance of such policies were discussed in the meeting of the Board of Directors of the Company each quarter during the Year. This report will be available on the link https://www.nseprimeir.com/z_SHRIRAMCIT/files/SCUF_Annual_Reports_2018-19.zip

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / suppliers / Contractors / NGOs / Others?	Yes. It extends to Company only
2		How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	Please refer to the notes to accounts
1	P2	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	The Company is in financial services. This is not applicable
2		For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	Not Applicable
a		Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain	Not Applicable
b		Reduction during usage by customers (energy, water) has been achieved since the previous year	Not Applicable

BUSINESS RESPONSIBILITY REPORT
Annexure 14 (Contd.)

3	P2	Does the Company have procedures in place for sustainable sourcing (including transportation)	Not Applicable
a		If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4		Has the Company taken any steps to procure goods and services from local & Small producers, including communities surrounding their place of work	The Company is in financial services and prefers employment of local persons. Goods are also procured locally
		If yes, what steps have been taken to improve their capacity and capability of local and small vendors	
5		Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	No. Not Applicable.
1	P3	Please indicate the Total number of employees	27,267
2		Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	381 as on March'19 Consultants on contract, Temporary &Casual – NIL.
3		Please indicate the Number of permanent women employees	3,490
4		Please indicate the Number of permanent employees with disabilities	54
5		Do you have an employee associated that is recognised by management	No
6	P3	What percentage of your permanent employees is members of this recognised employee association	Not applicable
7		Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on end of the financial year	Nil
8		What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees,(b) Permanent Women Employees, (c) Casual/Temporary/ Contractual Employees, (d) Employees with disabilities	All New Joinees and , (a) Permanent Employees – 52% of existing employees. (b) Permanent Women Employees – 50% of existing employees. (c) Casual/ Temporary/ Contractual Employees - NA Employees with disabilities – 54% of existing Employees.
1	P4	Has the Company mapped its internal and external stakeholders	Yes
2		Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders	Yes
3		Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. Please refer to Note below.

BUSINESS RESPONSIBILITY REPORT
Annexure 14 (Contd.)

1	P5	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs / Others	Yes. Only to Company
2		How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	Please refer to the notes to accounts
1	P6	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others	Company
2		Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc. If yes, please give hyperlink for webpage etc.	Yes
3		Does the Company identify and assess potential environment risks	No
4		Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed	No
5		Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. If yes, please hyperlink for web page etc.	No
6		Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported	Not Applicable
7		Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil
1	P7	Is your Company a member of any trade and chamber or association ? If yes, Name only those major ones that your business deals with	Yes. M/s South India Hire Purchase Association, M/s Madras Chamber of Commerce and Industry
2		Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Governance and Administration
1	P8	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Refer Note below
2		Are the programmes/projects undertaken through in-house team/ own foundation /external NGO/government structures / any other organisation?	Programmes/Projects are undertaken by the Company, in house, external NGOs and combination of these.
3		Have you done any impact assessment of your initiative	Yes
4		What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken	Please refer "ANNUAL REPORT ON CSR"
5		Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Steps have been taken for community development through our lending activities and by our CSR activities

BUSINESS RESPONSIBILITY REPORT
Annexure 14 (Contd.)

1	P9	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Please refer to the notes to accounts
2		Does the Company display product information on the product label, over and above what is mandated as per local laws	Not Applicable
3		Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti -competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4		Did your Company carry out any consumer survey/ consumer satisfaction trends?	No

Notes

P4.3: A significant number of our borrowers belong to low income group and persons not having access to formal line of credit. This is our special initiative to identify such borrowers and meet their credit requirement. We also meet the education and welfare need of marginalised persons through our corporate social responsibility activity.

P8.1:The Company is driven by one of it's objective of financial inclusiveness, in which the financial needs of persons not having access to formal banking system are provided with finance. This in turn contributes to inclusive growth and equitable development

SECTION E

PRINCIPLE -WISE PERFORMANCE

Business Responsibility ("BR") of the Company takes into consideration the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("NVG"). To enable it further, the Company has got Policies, Framework, Codes, Management Systems and Monitoring tools. The BR matters are monitored by the respective functional heads of the Company

Principle 1: Businesses should conduct and govern themselves with Ethics, transparency and accountability

The Company is governed with ethics, transparency, accountability and in compliance with applicable laws. Corporate Governance of the Company reflects ethics, transparency and accountability. The Code of Conduct for Board Members and Senior Management ("CCBS") governs the conduct of Directors and Senior Management personnel and they confirm adherence to the CCBS annually. CCBS is reviewed and upgraded regularly. The Company regularly communicates in different modes with it's members, security holders, other agencies and public at large. The Whistle Blower Policy of the Company is aimed at bringing out unethical conducts and thereby making transactions ethical and transparent. The Company conducts familiarisation programme for Independent Directors, which together with fair disclosure make activities transparent. The roles of Chairman and CEO are separately held by different individuals and the Chairman is an Independent Director ,which bring in transparency and ethics.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is engaged in the business of financing and provides loans to its borrowers and accepts deposits from public. The products and services provided by the Company, not being physical in nature are safe and sustainable. The Company as a whole works towards reducing our environmental foot prints.

Principle 3: Businesses should promote wellbeing of employees

The Company is an equal opportunity provider to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Our employees belong to all parts of the country and are selected based on individual merit without any discrimination or preference. We encourage the capable employees reaching senior positions and be a part of Company's decision making process. Employee welfare measures on

BUSINESS RESPONSIBILITY REPORT
Annexure 14 (Contd.)

counseling on stress free living, medical and eye checkup, yoga etc. were conducted during the year. We maintain cordial relationship with our employees. We train our employees on upgrading functional and soft skills. In order to ensure healthy working conditions and prevent sexual harassment of women employees, we have constituted Internal Complaint Redressal Committee at various workplaces with a Policy on Prevention of Sexual Harassment at Workplace for Women in force. Employee continuing policies and compliance with regulation have promoted wellbeing of employees.

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

The Company respects the interests of stake holders. The grievances of share/security/deposit holders, borrowers, customers, regulators, government agencies, lenders others, public and society at large are responded to within stipulated time. In such response the interest of such stake holders and the Company are considered. Committee of the Board which meets quarterly overseas this. Our policy is to treat all customers in fair and transparent manner. The loan recovery and collection operation are in-house, which ensures relationship based recovery procedures well-suited to our customers. The Company pays dividend, interest, redemption value and other dues on their respective due dates subject to the requirement of process. The award of credit rating, which indicates high, consider these. The Company's CSR programmes are focused on education, skill development for disadvantaged sections of the society.

Principle 5: Businesses should respect and promote human rights

The Company employs without discrimination and pays fair wages to employees. The employees are given equal opportunity to suggest for betterment. The Company has implemented policy on Prevention of Sexual Harassment of women. Employees are treated equally with dignity. We comply and adhere to all the human rights laws and guidelines.

Principle 6: Business should respect, protect and make efforts to restore the environment

The Company has made many of its processes automated making it less paper based information. We appeal to our shareholders, security holders, NCD/FD holders, borrowers for dealing with us electronically (demat, email, direct credit to bank a/c etc), thereby reducing use of paper . We continue to create awareness about environment protection among employees & customers. The Company adheres to all pollution control measures. We use electronic methods of communication within and outside our offices and avoid use of paper as far as possible.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of and actively participates in organisations representing NBFC industry, through which different matters of NBFC industry are represented and influenced. Additionally, the Company also represents business interest of NBFC industry to regulatory authorities in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development

We meet the financial need of persons of areas generally in unbanked/less banked areas with many of our branches at semi urban and rural areas. We also mobilise deposits from these areas. These two promote the 'financial inclusion' which is the focus point of all welfare initiatives of the government. Our CSR activities contribute the development and growth of persons in semi urban and rural areas.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Our customers have derived value by being associated with us in availing finance and keeping money deposited with us. When availing finances have helped in achieving advancement, progress, growth in their business, the deposits have helped them with reasonable return to carry out their objectives. We engage with our customers to understand their need in order to offer a suitable product to them on timely basis. The redressal of customer grievances within reasonable time helps us to serve our customers in responsible manner. Our other services like insurance, settlement of insurance claims, support for housing loans have helped us to value to our services to customers.

TABLE - 1 OF WEB LINK FOR POLICIES/OTHERS MATTERS APPEARING IN DIRECTORS REPORT OF THE COMPANY

Sl. No.	Name of the Policies	Web Link
1.	Dividend Distribution Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Dividend_Distribution Policy.zip
2.	Related Party Transaction Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/RELATED_PARTY_TRANSACTION_POLICY.zip
3.	Whistle Blower and Vigil Mechanism Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/WHISTLE_BLOWER_AND_VIGIL_MECHANISM_POLICY.zip
4.	Policy on Appointment Remuneration and Diversity of Board	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/POLICY_ON_APPOINTMENT_REMUNERATION_AND_ DIVERSITY_OF_BOARD.zip
5.	Terms and conditions of appointment of Independent Director	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Terms_and_conditions_of_appointment_of_Independent_Directors.zip
6.	Familiarisation Programme for Independent Directors	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Familiarisation_Programme_for_Independent_Directors.zip
7.	Code of Conduct for Board Members and Senior Management	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/CODE_OF_CONDUCT_BOARD_MEMBERS_AND_SENIOR_ MANAGEMENT.zip
8.	Policy on Material Subsidiary(ies) and Events	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/POLICY_ON_MATERIAL_SUBSIDIARY(IES)_AND_EVENTS.zip
9.	Code for Fair Disclosure and Conduct	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/CODE_FOR_FAIR_DISCLOSURE_AND_CONDUCT.zip
10.	Corporate Social Responsibility Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/CORPORATE_SOCIAL_RESPONSIBILITY_(CSR)_POLICY.zip
11.	Extract of Annual Return MGT-9	https://www.nseprimeir.com/z_SHRIRAMCIT/files/Extract_of_Annual_Return_2018-19.pdf
12.	Unclaimed Deposits/ Debentures/ Sub Debt	https://www.nseprimeir.com/z_SHRIRAMCIT/files/SCUF_unclaimeddeposits_debentures_and_sub-ordinated_debts_2017-18.zip
13.	Unclaimed/ Unpaid Dividend	https://www.nseprimeir.com/z_SHRIRAMCIT/files/unclaimed/SCUF_Unclaim_Unpaid_2017-18.zip
14.	Standalone and Consolidated Financial Statements	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/SCUF_Annual_Reports_2018-19.zip
15.	Financial Results of the Company	https://www.nseprimeir.com/pages_new/FinResultSummary.aspx?value=7UgP1IltRM3M600MSHCcMw==
16.	Annual Report of the Company	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/SCUF_Annual_Reports_2018-19.zip
17.	Investors Presentation	https://www.nseprimeir.com/z_SHRIRAMCIT/investor_presentation.aspx?value=7UgP1IltRM3M600MSHCcMw==
18.	Listed Secured redeemable Non-Convertible Debentures (NCDs)	https://www.nseprimeir.com/z_SHRIRAMCIT/files/DETAILS_OF_LISTED_SECURED_REDEEMABLE_NCDs.pdf
19.	Financial Statements of SHFL	https://www.nseprimeir.com/z_SHRIRAMCIT/files/SHFL_Annual_Report_2018-19.zip
20.	Profile of Directors	https://www.nseprimeir.com/pages_new/companyboardofdir.aspx?value=7UgP1IltRM3M600MSHCcMw==

Form No. MR-3

Annexure 15

SECRETARIAL AUDIT REPORT

Financial Year Ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
THE MEMBERS,
SHRIRAM CITY UNION FINANCE LIMITED
123, ANGAPPA NAICKEN STREET,
CHENNAI -600001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram City Union Finance Limited, Corporate Identification Number L65191TN1986PLC012840 ("Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions as amended from time to time of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder;

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3) The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;

4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

5) The following Regulations and Guidelines as amended from time to time prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

Form No. MR-3
Annexure 15 (Contd.)

6) Reserve Bank of India Act, 1934

7) Master Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and circulars of Reserve Bank of India thereon.

8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

9) Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

10) Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

(iii) The Debt Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For M/s. P. Sriram & Associates
P. Sriram

Proprietor

Place : Chennai
Date : April 24, 2019

Certificate of Practice No - 3310
Membership No – F4862

To
THE MEMBERS,
SHRIRAM CITY UNION FINANCE LIMITED

My report of event date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide are reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M/s. P. Sriram & Associates
P. Sriram

Proprietor
Certificate of Practice No - 3310
Membership No – F4862

Place : Chennai
Date : April 24, 2019

A. PROMOTER

Shriram Capital Limited

B. PROMOTER GROUP

The followings are the entities in Promoter Group as defined under section 2 (1) (t) of SEBI Substantial Acquisition and Take over SAST Regulations, 2011:

1.Shriram Ownership Trust 2. Shriram Financial Ventures (Chennai) Private Limited 3. Shriram Transport Finance Company Limited 4. Shriram Asset Management Company Limited 5. Shriram Life Insurance Company Limited 6. Shriram General Insurance Company Limited 7. Shriram Credit Company Limited 8. Shriram Overseas Investments Private Limited 9. Bharat Investments Pte. Limited, Singapore 10. Shriram Fortune Solutions Limited 11. Shriram Wealth Advisors Limited 12. Shriram Insight Share Brokers Limited 13. Shriram Financial Products Solutions (Chennai) Private Limited 14. Insight Commodities and Futures Private Limited 15. Shrilekha Business Consultancy Private Limited 16. Shriram Seva Sankalp Foundation 17. SGI Philippines General Insurance Co Inc.18. Shriram Value Services Limited * 19. Novac Technology Solutions Private Limited ** 20. Techfactory Services Private Limited **

C. PAC

The followings are the entities in Persons Acting in Concert (PAC) as defined in the SAST Regulations, 2011 for the purpose of Regulation 10 of SAST Regulations, 2011: 1. Shriram Housing Finance Limited 2. Sanlam Emerging Markets (Mauritius) Limited 3. Shriram Mutual Fund (SMF) 4. Sri Subramaniam Krishnamurthy (Trustee of SMF) 5. Sri S M Prabhakaran (Trustee of SMF) 6. Sri V N Shivashankar (Trustee of SMF) 7. Dr. Qudsia Gandhi (Trustee of SMF) 8. Sri Mani Sridhar (Trustee of SMF) 9. Sanlam Life Insurance Limited.

D. Except Shriram Capital Limited none of the entities mentioned above holds shares in Shriram City Union Finance Limited (TC).

E. All the entities mentioned above are PG and PACs for not less than three years except the entities under Sl. Nos 18, 19 & 20 (under Promoter Group)

*Became Subsidiary of Shriram Capital Limited with effect from February 28, 2019

**Novac Technology Solutions Private Limited and Techfactory Services Private Limited became step down subsidiary of Shriram Capital Limited through Shriram Value Services Limited with effect from February 28, 2019

INDEPENDENT AUDITOR'S REPORT

The Members of Shriram City Union Finance Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying standalone financial statements of Shriram City Union Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss, statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Independent Auditor's Report (Contd.)

Sr. No	Key Audit Matter	Auditors Response
1	**Transition date accounting policies** Effective 1 April 2018, the Company has adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The following are the major impact areas for the Company upon transition: • Business model assessment • Classification and measurement of financial assets and financial liabilities • Measurement of loan losses (expected credit losses) • Accounting for assignment • Accounting for loan fees and costs • Accounting for actuarial gain / loss on post employment benefit Migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.	Our key audit procedures included: **Design / controls** • Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. • We have also confirmed the approval of Audit Committee for the choices and exemptions made by the Company for compliance / acceptability under Ind AS 101. **Substantive tests** • Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition and tested the computation. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS. • Evaluated the adequacy of the disclosure required by Ind AS 101
2	Impairments and Write Offs The Recognition and measurement of Impairment and Write Off of Loans and Advances involves estimates, management judgments and appropriate processing of information from the IT Systems because of which the same has been identified as a key audit matter	Our key audit procedures included: • We test checked the computation of the ratio of the Probable Default (PD) which denotes the statistical pattern of occurrence defaults in individual accounts over a period five years. • We also test checked the computation of the ratio of the Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. • We reviewed the Internal financial controls and ERP system controls over data extraction and data validation from the ERP System for computation of PD and LGD with the participation of our internal IT Expert • We examined the computation of the Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. • We Performed analytical procedures for ascertaining of reasonableness of Impairment provisions • We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written Off.

Independent Auditor's Report (Contd.)

4. **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

   The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, the Report of the Board of Directors and the Report on the Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

   If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. **Management's Responsibility for the Standalone Financial Statements**

   The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

   In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. **Auditor's Responsibilities for the Audit of the Financial Statements**

   Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

Independent Auditor's Report (Contd.)

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening Balance Sheet as at April 01, 2017 included in these Standalone Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated April 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 2, 2017 respectively expressed an unmodified opinion on those Standalone Financial Statements; as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Independent Auditor's Report (Contd.)

8. **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 46 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100 515W

Umesh S Abhyankar
Partner
Membership Number: 113 053

Place: Chennai
Date: April 24, 2019

ANNEXURE 1 referred to in paragraph 8 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2019.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management and based on our verification we report that the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, we are of the opinion that the provisions of section 185 of the Act have been complied with by the Company and the provisions of section 186 of the Act are not applicable to the Company.

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We were informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us and from the records of the company, there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding of income-tax, value added tax and service tax dues disputed by the Company, are as follows:

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax, 2003	Value Added Tax	4.65	AY 2007-08	Dy. Commissioner (Appeals) Ernakulum, Kerala
Karnataka Value Added Tax, 2003	Value Added Tax	6.50	Assessment Year 2011-12 to 2012-13	Joint Commissioner Commercial Tax (Appeals), Bengaluru, Karnataka
Finance Act, 1994	Service Tax	3,630.00	April 2008 to September 2014	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	864.14	AY 2016-17	Commissioner of Income Tax (Appeals)

Annexure 1 (Contd.)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though funds which were not required for immediate utilization were invested during intervening period.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no fraud by the Company or fraud on the Company by the officers and employees of the Company has been noticed or reported during the year except fraud of ₹ 12.40 lacs in the nature of misappropriation of funds by an employee against whom the company has initiated legal course of action.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100 515W

Umesh S Abhyankar
Partner
Membership Number: 113 053

Place: Chennai
Date: April 24, 2019

ANNEXURE 2 referred to in paragraph 8 (f), 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100 515W

Umesh S Abhyankar
Partner
Membership Number: 113 053

Place: Chennai
Date: April 24, 2019

STANDALONE BALANCE SHEET
as at March 31, 2019

₹ in lacs

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I ASSETS				
1 Financial assets				
Cash and cash equivalents	10	98,228.89	33,426.48	43,259.94
Bank balance other than above	11	30,189.86	20,065.11	21,770.69
Loans	12	26,98,910.93	25,78,729.72	21,64,872.08
Investments	13	86,622.55	73,552.19	71,306.33
Other financial assets	16	3,442.49	1,883.85	3,395.22
2 Non-financial assets				
Current tax assets (net)	39	4,224.50	4,505.86	5,947.80
Deferred tax assets (net)	39	4,840.74	7,857.18	7,576.44
Property, plant and equipment	14	7,924.47	7,577.70	6,974.96
Other intangible assets	15	157.36	312.08	841.14
Other non-financial assets	17	6,983.30	4,654.73	3,461.23
Total assets		**29,41,525.09**	**27,32,564.90**	**23,29,405.83**
II LIABILITIES AND EQUITY				
Liabilities				
1 Financial liabilities				
Derivative financial instruments	18	297.39	-	-
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(II) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	5,509.89	7,003.39	3,050.59
Debt securities	20	3,68,689.96	2,30,102.27	1,25,826.19
Borrowings (other than debt securities)	21	15,11,070.92	14,85,078.77	11,96,531.15
Deposits	22	3,11,940.61	3,07,365.15	3,52,136.35
Subordinated liabilities	23	65,370.95	1,17,561.75	1,29,475.58
Other financial liabilities	24	35,458.51	25,908.59	22,458.76
2. Non-financial liabilities				
Provisions	25	2,527.25	2,441.13	1,611.94
Other non-financial liabilities	26	1,527.16	1,638.27	1,432.86
Total liabilities		**23,02,392.64**	**21,77,099.32**	**18,32,523.42**
3 Equity				
Equity share capital	27	6,599.23	6,596.58	6,594.34
Other equity	28	6,32,533.22	5,48,869.00	4,90,288.07
Total equity		**6,39,132.45**	**5,55,465.58**	**4,96,882.41**
Total liabilities and equity		**29,41,525.09**	**27,32,564.90**	**23,29,405.83**

Notes forming part of the Financial Statements 1 -78

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT & LOSS
for the year ended March 31, 2019

₹ in lacs

Particulars		Note	Year ended March 31, 2019	Year ended March 31, 2018
	Revenue from operations			
(i)	Interest income	29	5,67,691.63	5,08,404.37
(ii)	Dividend income		166.76	144.50
(iii)	Fee and commission income	30	15.60	227.92
(iv)	Net gain on fair value changes	31	864.24	854.08
(v)	Net gain on derecognition of financial instruments under amortised cost category		1,306.61	-
(vi)	Bad debts recovery		7,806.53	4,536.51
(vii)	Gain on sale of Investment	32	26.16	1,505.31
(I)	**Total revenue from operations**		**5,77,877.53**	**5,15,672.69**
(II)	Other income	33	252.25	174.06
(III)	**Total income (I + II)**		**5,78,129.78**	**5,15,846.75**
	Expenses			
(i)	Finance cost	34	1,97,990.79	1,66,412.87
(ii)	Net loss on derecognition of financial instruments under amortised cost category		-	978.58
(iii)	Fees and commission expenses		15,481.11	13,035.81
(iv)	Impairment on financial instruments	35	13,467.86	39,348.45
(v)	Bad Debts Written Off		64,737.84	62,966.96
(vi)	Employee benefit expenses	36	83,851.29	70,631.30
(vii)	Depreciation, amortization and impairment	37	3,119.55	3,325.93
(viii)	Royalty		6,301.61	5,583.92
(ix)	Professional Charges		10,477.00	11,642.66
(x)	Other expenses	38	30,670.47	33,073.06
(IV)	**Total expenses (IV)**		**4,26,097.52**	**4,06,999.54**
(V)	Profit/(loss) before exceptional items and tax (III - IV)		1,52,032.26	1,08,847.21
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V- VI)		1,52,032.26	1,08,847.21
(VIII)	**Tax Expense:**			
	(1) Current tax	39	49,637.03	38,129.64
	(2) Deferred tax (credit)	39	3,507.43	(376.66)
(IX)	Profit/(loss) for the period from continuing operations		98,887.80	71,094.23
(X)	Profit/(loss) from discontinued operations		-	-
(XI)	Tax expense of discontinued operations		-	-
(XII)	Profit/(loss) from discontinued operations (after tax)		-	-
(XIII)	**Profit/(loss) for the period (IX+XII)**		**98,887.80**	**71,094.23**
(XIV)	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		(1,404.93)	277.19
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(491.00)	95.93
	Subtotal (A)		**(913.93)**	**181.26**
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other comprehensive income (A + B)		**(913.93)**	**181.26**
(XV)	**Total comprehensive income(XIII + XIV)**		**97,973.87**	**71,275.49**
(XVI)	**Earnings per equity share**			
	Basic (₹)	40	149.88	107.80
	Diluted (₹)	40	149.83	107.72

Notes forming part of the Financial Statements 1 -78

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT
for the year ended March 31, 2019

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxes	1,52,032.26	1,08,847.21
Adjustments for :		
Depreciation, amortization and impairment	3,119.55	3,325.93
(Profit)/Loss on sale of fixed assets (net)	50.62	27.45
Public issue expenditure for non-convertible debentures	120.01	184.89
Deferred lease rental	78.25	4.82
Bad Debts Written Off	64,737.84	62,966.96
Impairment of financial instruments	13,467.85	39,348.31
(Gain)/Loss on sale of investments	(26.16)	(1,505.31)
Financial Guarantee obligation	(15.60)	(15.60)
Premium on Govt Securities	123.60	249.39
Dividend Income	(166.76)	(144.50)
Net (Gain)/Loss on fair value changes on investments	(1,161.63)	(854.08)
Net (Gain)/Loss on fair value changes on derivatives	297.39	-
Amortisation of Transaction Cost	(359.15)	780.63
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(1,306.61)	978.58
Operating profit before working capital changes	**2,30,991.46**	**2,14,194.68**
Movements in Working capital:		
(Increase) / decrease in loans and advances	(1,98,386.91)	(5,16,173.05)
(Increase) / decrease in other non-financial assets	(2,631.03)	(1,640.50)
(Increase) / decrease in other financial assets	(252.03)	532.78
(Increase) / decrease in Bank Deposits	(10,124.75)	1,705.58
(Increase) / decrease in Investments	8,048.05	(2,854.85)
Increase / (decrease) in other financial liabilities	10,027.44	(1,298.93)
Increase / (decrease) in other non-financial liabilities	(111.11)	205.41
Increase / (decrease) in other Payables	(1,493.48)	3,952.80
Other provisions	(1,318.82)	1,106.38
Cash generated from operations	**34,748.82**	**(3,00,269.70)**
Direct taxes paid (net of refunds)	(49,355.67)	(36,687.70)
Net Cash from/(used in) operating activities (A)	**(14,606.85)**	**(3,36,957.40)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(3,407.79)	(3,450.89)

STANDALONE CASH FLOW STATEMENT
for the year ended March 31, 2019 (Contd.)

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Investment	70,026.16	2,968.52
Capital advance for assets	(19.40)	7.90
Proceeds from sale of fixed assets	45.57	23.84
Purchase of investments	(89,956.78)	-
Dividend Income	166.76	144.50
Net Cash from/(used in) investing activities (B)	**(23,145.48)**	**(306.13)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	9.29	7.83
Increase/(Decrease) of debt securities	1,38,140.32	1,03,293.04
Increase/(Decrease) of Borrowings	26,488.80	2,88,540.22
Increase/(Decrease) of Deposits	2,680.79	(40,464.78)
Increase/(Decrease) of Subordinated liabilities	(50,447.56)	(11,255.72)
Dividend paid on equity shares including dividend tax	(11,875.90)	(10,542.37)
Tax on Dividend Paid	(2,441.00)	(2,148.15)
Net Cash from/(used in) financing activities (C)	**1,02,554.74**	**3,27,430.07**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	64,802.41	(9,833.46)
Cash and cash equivalents at the beginning of the year	33,426.48	43,259.94
Cash and cash equivalents at the end of the year	**98,228.89**	**33,426.48**

₹ in lacs

Components of cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Cash on hand	8,384.79	6,134.11
Cheques on hand		
Balances with Banks		
- in unclaimed dividend accounts	91.95	92.56
- in current accounts	48,007.30	27,049.78
- in deposit accounts having original maturity less than three months	41,744.85	150.03
Total	**98,228.89**	**33,426.48**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2019

A. Equity Share Capital

	No. of shares	₹ in lacs
As at April 01, 2017	6,59,43,402	6,594.34
Issued during the year - ESOP	22,360	2.24
As at March 31, 2018	6,59,65,762	6,596.58
Issued during the year - ESOP	26,555	2.66
As at March 31, 2019	**6,59,92,317**	**6,599.23**

B. Other Equity

Statement of changes in Equity for the period ended 31 March, 2019

₹ in lacs

Particulars	Reserves and Surplus								Other items of other comprehensive income- retirement benefits	Total
	Statutory reserve	Share options outstanding	Securities premium account	Debenture redemption reserve	Capital Redemption Reserve	General Reserve	Capital reserve	Retained Earnings		
Balance as at April 1, 2017	75,135.30	164.13	1,75,369.25	6,422.54	2,328.98	62,697.35	7,871.88	1,60,298.64	-	4,90,288.07
Profit/ (Loss) for the period	-	-	-	-	-	-	-	71,094.23	-	71,094.23
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	277.19	277.19
Transferred from Surplus in the statement of Profit & Loss	13,296.00	-	-	2,059.53	-	6,648.00	-	(22,003.53)	-	-
Amount transferred to General Reserve on Redemption of debentures	-	-	-	(3,996.04)	-	3,996.04	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	56.22	-	-	-	-	-	-	56.22
Adjustment on Exercise of ESOPs	-	(50.63)	-	-	-	-	-	-	-	(50.63)
Final Equity Dividend FY 2016-17	-	-	-	-	-	-	-	(6,594.51)	-	(6,594.51)
Tax on Final Equity Dividend FY 2016-17	-	-	-	-	-	-	-	(1,342.49)	-	(1,342.49)
Interim Dividend FY 2017-2018	-	-	-	-	-	-	-	(3,957.50)	-	(3,957.50)
Tax on Interim Dividend Fy 2017-18	-	-	-	-	-	-	-	(805.65)	-	(805.65)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(95.93)	(95.93)
Balance as at March 31, 2018	88,431.30	113.50	1,75,425.47	4,486.03	2,328.98	73,341.39	7,871.88	1,96,689.19	181.26	5,48,869.00
Profit/ (Loss) for the period	-	-	-	-	-	-	-	98,887.80	-	98,887.80
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(1,404.93)	(1,404.93)
Transferred from Surplus in the statement of Profit & Loss	19,980.00	-	-	366.14	-	9,990.00	-	(30,336.14)	-	-
Less: Amount transferred to General Reserve on Redemption	-	-	-	(2,007.88)	-	2,007.88	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	66.77	-	-	-	-	-	-	66.77
Adjustment on Exercise of ESOPs	-	(60.13)	-	-	-	-	-	-	-	(60.13)
Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(7,916.23)	-	(7,916.23)
Tax on Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(1,627.20)	-	(1,627.20)
Interim Dividend FY 2018-2019	-	-	-	-	-	-	-	(3,959.06)	-	(3,959.06)
Tax on Interim Dividend FY 2018-19	-	-	-	-	-	-	-	(813.80)	-	(813.80)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-		491.00	491.00
Balance as at March 31, 2019	1,08,411.30	53.37	1,75,492.24	2,844.29	2,328.98	85,339.27	7,871.88	2,50,924.56	(732.67)	6,32,533.22

The accompanying notes are an integral part of the Financial Statements

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

Umesh S Abhyankar
Partner
Membership No.113053

Place: Chennai
Date: April 24, 2019

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2019

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans and auto loans. The Company is a Deposit Accepting Non- Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI 07-00458

Corporate Identity Number (CIN) L65191TN1986PLC012840

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on April 24, 2019.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lacs, except when otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

4. STATEMENT OF COMPLIANCE

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

5. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

The Standards that are issued, but not yet effective, are disclosed below. The Company intends to adopt these standards when they became effective:

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 on Leases. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

» How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

» The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

» How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

» The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

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(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, Loans, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVOCI.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Company does not have any financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

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Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Company does not have any financial instruments designated as measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

(v) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

» Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

» It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

» It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(vii) Financial guarantees

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

» The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

(viii) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2017-18 and until the year ended March 31, 2019.

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(ix) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on

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substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Company does not have any financial liabilities which have been derecognised.

(x) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss as outlined in Note 5.6.2).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans, Two Wheelers Loans and Personal Loans.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the company has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 50.

Exposure at Default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 50.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 50.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active

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market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xi) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 5.1(iii) to 5.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

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Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

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Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 35), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

6.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits

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other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) Rent Expense:

Identification of Lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to April 01, 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis

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over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

(iv) Other income and expenses

All Other income and expense are recognized in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Notes
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Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

6.4 Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated. .

Notes
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The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/ sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

6.10 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

7. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial

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assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/ expense that are integral parts of the instrument

7.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

8. FIRST TIME ADOPTION

These financial statements, for the year ended March 31, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

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Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

8.1 Investment in Subsidiaries, associates

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary at the Previous GAAP carrying amount as its deemed cost on the transition date.

8.2 Lease arrangements

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the company has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on date of transition.

8.3 Property, plant, equipment & intangible assets

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at March 31, 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on April 01, 2017.

8.4 Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

8.5 Derecognition of previously recognised financial instruments

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past. However, for loans and advances securitised, the Company has applied the derecognition requirements retrospectively.

8.6 Fair value measurement of financial assets or financial liabilities at initial recognition

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Company has opted for this

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exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

Following mandatory exceptions are applicable to the Company:

9.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

9.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

NOTE 10: CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	8,384.79	6,134.11	5,562.57
Balances with bank in:			
-Current Account	48,007.30	27,049.78	36,662.77
-Bank deposit with maturity less than 3 months	41,744.85	150.03	951.68
On Escrow accounts			
Unclaimed dividend account	91.95	92.56	82.92
Total	**98,228.89**	**33,426.48**	**43,259.94**

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

NOTE 11: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with original maturity for more than 12 months	2,515.16	-	-
Fixed deposits with original maturity for more than 3 months but less than 12 months*	13,051.22	16,648.84	17,482.38
Margin Money Deposit for securitisation	14,623.48	3,416.27	4,288.31
Total	**30,189.86**	**20,065.11**	**21,770.69**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits ₹ 500.48 lacs (March 31, 2018: NIL April 1, 2017: NIL) as margin for foreign currency derivative contract

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NOTE 12: LOANS AND ADVANCES

₹ in lacs

Particulars	As at March 31, 2019					As at March 31, 2018					As at April 01, 2017				
		At fair value					At fair value					At fair value			
	At amortised Cost	Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	Total	At amortised Cost	Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	Total	At amortised Cost	Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	Total
(A)															
i) Term loans	28,91,560.11	-	-	-	28,91,560.11	27,57,911.04	-	-	-	27,57,911.04	23,04,704.95	-	-	-	23,04,704.95
ii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**28,91,560.11**	**-**	**-**	**-**	**28,91,560.11**	**27,57,911.04**	**-**	**-**	**-**	**27,57,911.04**	**23,04,704.95**	**-**	**-**	**-**	**23,04,704.95**
Less: Impairment loss allowance	1,92,649.18	-	-	-	1,92,649.18	1,79,181.32	-	-	-	1,79,181.32	1,39,832.87	-	-	-	1,39,832.87
Total (A) - Net	**26,98,910.93**	**-**	**-**	**-**	**26,98,910.93**	**25,78,729.72**	**-**	**-**	**-**	**25,78,729.72**	**21,64,872.08**	**-**	**-**	**-**	**21,64,872.08**
(B)															
i) Secured by tangible assets	22,04,272.43	-	-	-	22,04,272.43	21,94,712.77	-	-	-	21,94,712.77	18,39,695.44	-	-	-	18,39,695.44
ii) Unsecured	6,87,287.68	-	-	-	6,87,287.68	5,63,198.27	-	-	-	5,63,198.27	4,65,009.51	-	-	-	4,65,009.51
Total (B) - Gross	**28,91,560.11**	**-**	**-**	**-**	**28,91,560.11**	**27,57,911.04**	**-**	**-**	**-**	**27,57,911.04**	**23,04,704.95**	**-**	**-**	**-**	**23,04,704.95**
Less : Impairment loss allowance	1,92,649.18	-	-	-	1,92,649.18	1,79,181.32	-	-	-	1,79,181.32	1,39,832.87	-	-	-	1,39,832.87
Total (B) - Net	**26,98,910.93**	**-**	**-**	**-**	**26,98,910.93**	**25,78,729.72**	**-**	**-**	**-**	**25,78,729.72**	**21,64,872.08**	**-**	**-**	**-**	**21,64,872.08**
(C)															
Loans in India															
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others															
Corporate	1,37,496.59	-	-	-	1,37,496.59	1,65,323.91	-	-	-	1,65,323.91	1,18,340.90	-	-	-	1,18,340.90
Retail	27,54,063.52	-	-	-	27,54,063.52	25,92,587.13	-	-	-	25,92,587.13	21,86,364.05	-	-	-	21,86,364.05
Total - Gross	**28,91,560.11**	**-**	**-**	**-**	**28,91,560.11**	**27,57,911.04**	**-**	**-**	**-**	**27,57,911.04**	**23,04,704.95**	**-**	**-**	**-**	**23,04,704.95**
Less: Impairment loss allowance	1,92,649.18	-	-	-	1,92,649.18	1,79,181.32	-	-	-	1,79,181.32	1,39,832.87	-	-	-	1,39,832.87
Total - Net	**26,98,910.93**	**-**	**-**	**-**	**26,98,910.93**	**25,78,729.72**	**-**	**-**	**-**	**25,78,729.72**	**21,64,872.08**	**-**	**-**	**-**	**21,64,872.08**
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (C)	**26,98,910.93**	**-**	**-**	**-**	**26,98,910.93**	**25,78,729.72**	**-**	**-**	**-**	**25,78,729.72**	**21,64,872.08**	**-**	**-**	**-**	**21,64,872.08**

Notes
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NOTE 12: LOANS AND ADVANCES

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 50.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 50.2.

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade												
Performing												
High grade	20,59,886.65	-	-	20,59,886.65	20,36,472.82	-	-	20,36,472.82	14,88,120.79	-	-	14,88,120.79
Standard grade	1,15,412.71	-	-	1,15,412.71	2,84,863.64	-	-	2,84,863.64	3,64,871.39	-	-	3,64,871.39
Sub-standard grade	-	3,82,974.59	-	3,82,974.59	-	1,09,542.47	-	1,09,542.47	-	1,49,555.00	-	1,49,555.00
Past due but not impaired	-	75,617.25	-	75,617.25	-	67,646.87	-	67,646.87	-	95,838.67	-	95,838.67
Non- performing	-	-	2,57,668.91	2,57,668.91	-	-	2,59,385.24	2,59,385.24	-	-	2,06,319.10	2,06,319.10
Total	**21,75,299.36**	**4,58,591.84**	**2,57,668.91**	**28,91,560.11**	**23,21,336.46**	**1,77,189.34**	**2,59,385.24**	**27,57,911.04**	**18,52,992.18**	**2,45,393.67**	**2,06,319.10**	**23,04,704.95**

Notes
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An analysis of changes in the gross carrying amount, as follows:

₹ in lacs

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	23,21,336.46	1,77,189.34	2,59,385.24	27,57,911.04	18,52,992.18	2,45,393.67	2,06,319.10	23,04,704.95
New assets originated or purchased	23,01,011.28	84,116.03	22,012.80	24,07,140.11	23,96,242.52	60,202.98	35,773.57	24,92,219.07
Assets derecognised or repaid (excluding write offs)	(18,56,863.13)	(2,70,656.73)	(81,298.63)	(22,08,818.49)	(17,03,093.56)	(1,86,360.07)	(86,592.39)	(19,76,046.02)
Transfers to Stage 1	39,171.66	(21,760.63)	(17,411.03)	-	52,584.30	(47,371.52)	(5,212.78)	-
Transfers to Stage 2	(5,28,808.68)	5,31,283.35	(2,474.67)	-	(1,63,793.09)	1,68,797.08	(5,003.99)	-
Transfers to Stage 3	(96,037.17)	(38,047.92)	1,34,085.09	-	(1,05,296.21)	(61,688.97)	1,66,985.18	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(4,511.06)	(3,531.60)	(56,629.89)	(64,672.55)	(8,299.68)	(1,783.83)	(52,883.45)	(62,966.96)
Gross carrying amount closing balance	**21,75,299.37**	**4,58,591.84**	**2,57,668.91**	**28,91,560.11**	**23,21,336.46**	**1,77,189.34**	**2,59,385.24**	**27,57,911.04**

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	49,509.40	7,331.25	1,22,340.68	1,79,181.32	31,021.85	7,363.94	1,01,447.08	1,39,832.87
New assets originated or purchased	42,680.60	5,263.21	7,920.79	55,864.60	36,612.43	2,477.07	14,911.72	54,001.22
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	9,940.48	(1,306.77)	(8,633.71)	-	4,612.85	(1,692.74)	(2,920.11)	-
Transfers to Stage 2	(11,464.63)	12,655.37	(1,190.74)	-	(3,254.85)	6,051.43	(2,796.58)	-
Transfers to Stage 3	(2,384.32)	(2,202.19)	4,586.51	-	(2,072.04)	(2,656.10)	4,728.14	-
Impact on year end ECL of exposures transferred between stages during the year	(24,854.27)	3,149.02	43,981.06	22,275.81	(9,111.16)	(2,428.52)	59,853.86	48,314.18
Unwind of discount	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Amounts written off	(4,511.06)	(3,531.60)	(56,629.89)	(64,672.55)	(8,299.68)	(1,783.83)	(52,883.44)	(62,966.95)
ECL allowance - closing balance	**58,916.20**	**21,358.29**	**1,12,374.69**	**1,92,649.18**	**49,509.40**	**7,331.25**	**1,22,340.67**	**1,79,181.32**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 13: INVESTMENTS

₹ in lacs

Particulars	Amortised Cost	At Fair value			Sub-total	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account			
As at 31 March 2019							
i) Mutual funds	-	-	20,366.72	-	20,366.72	-	20,366.72
ii) Government securities	20,800.08		-	-	-	-	20,800.08
iii) Equity instruments	-	-	10,684.01	-	10,684.01	-	10,684.01
iv) Subsidiary	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Treasury Bills	18,043.83	-	-	-	-	-	18,043.83
Total Investments	**38,843.91**	**-**	**31,050.73**	**-**	**31,050.73**	**16,727.91**	**86,622.55**
(i) Investments Outside India	-	-	10,603.97	-	10,603.97	-	10,603.97
(ii) Investments in India	38,843.91		20,446.76	-	20,446.76	16,727.91	76,018.58
Total Investments	**38,843.91**	**-**	**31,050.73**	**-**	**31,050.73**	**16,727.91**	**86,622.55**
As at 31 March 2018							
i) Mutual funds	-	-	322.29	-	322.29	-	322.29
ii) Government securities	20,800.08	-	-	-	-	-	20,800.08
iii) Equity instruments	-	-	9,566.81	-	9,566.81	-	9,566.81
iv) Subsidiaries	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Pass through certificate	43.22	-	-	-	-	-	43.22
vii) Treasury Bills	26,091.88	-	-	-	-	-	26,091.88
Total Investments	**46,935.18**	**-**	**9,889.10**	**-**	**9,889.10**	**16,727.91**	**73,552.19**
(i) Investments Outside India	-	-	9,516.15	-	9,516.15	-	9,516.15
(ii) Investments in India	46,935.18	-	372.95	-	372.95	16,727.91	64,036.04
Total Investments	**46,935.18**	**-**	**9,889.10**	**-**	**9,889.10**	**16,727.91**	**73,552.19**
As at 1 April 2017							
i) Mutual funds	-	-	294.59	-	294.59	-	294.59
ii) Government securities	21,389.79	-	-	-	-	-	21,389.79
iii) Equity instruments	-	-	9,655.68	-	9,655.68	-	9,655.68
iv) Subsidiaries	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Pass through certificate	606.92	-	-	-	-	-	606.92
vii) Treasury Bills	22,631.44	-	-	-	-	-	22,631.44
Total Investments	**44,628.15**	**-**	**9,950.27**	**-**	**9,950.27**	**16,727.91**	**71,306.33**
(i) Investments Outside India	-	-	8,608.01	-	8,608.01	-	8,608.01
(ii) Investments in India	44,628.15	-	1,342.26	-	1,342.26	16,727.91	62,698.32
Total Investments	**44,628.15**	**-**	**9,950.27**	**-**	**9,950.27**	**16,727.91**	**71,306.33**

More information regarding the valuation methodologies can be found in Note 49.7

The company received dividends of ₹ 166.76 lacs (March 31, 2018: ₹ 144.50 lacs) from its FVTPL securities, recorded as dividend income

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 13: INVESTMENTS (CONTD.)

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Company's internal grading system are explained in note 50.2.

₹ in lacs

Internal Grade Rating	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing												
High grade	86,622.55	-	-	86,622.55	73,552.19	-	-	73,552.19	71,306.33	-	-	71,306.33
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Non-performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	86,622.55	-	-	86,622.55	73,552.19	-	-	73,552.19	71,306.33	-	-	71,306.33

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	73,552.19	-	-	73,552.19	71,306.33		-	71,306.33
New assets originated or purchased	1,07,850.01	-	-	1,07,850.01	73,416.02	-	-	73,416.02
Assets derecognised or matured (excluding write-offs)	(95,941.28)	-	-	(95,941.28)	(72,024.24)	-	-	(72,024.24)
Change in fair value	1,161.63	-	-	1,161.63	854.08	-	-	854.08
Closing balance	**86,622.55**	**-**	**-**	**86,622.55**	**73,552.19**	**-**	**-**	**73,552.19**

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Unwind of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Closing balance in ECL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

₹ in lacs

Particulars	Land- Freehold	Building	Office equipment	Electrical Installation	Computer Equipment	Furniture & Fixtures	Vehicles	Leasehold Improvement	Total
Cost:									
As at April 01, 2017	2.31	12.94	2,976.43	2,416.65	6,309.36	2,104.07	32.71	10,009.30	23,863.77
Additions	-	-	114.18	454.44	1,226.85	266.82	24.76	1,275.61	3,362.66
Disposals	-	-	18.07	34.06	602.69	8.54	0.20	11.54	675.10
As at March 31, 2018	2.31	12.94	3,072.54	2,837.03	6,933.52	2,362.35	57.27	11,273.37	26,551.33
Additions	-	-	314.93	571.29	877.74	227.98	0.44	1,257.88	3,250.26
Disposals	-	-	156.63	102.36	551.31	13.42	0.36	66.59	890.67
As at March 31, 2019	2.31	12.94	3,230.84	3,305.96	7,259.95	2,576.91	57.35	12,464.66	28,910.92
Accumulated depreciation and impairment:									
As at April 01, 2017	-	3.50	2,177.64	892.93	4,929.52	1,089.69	14.45	7,781.08	16,888.81
Disposals	-	-	16.41	16.56	572.32	7.03	0.06	11.43	623.81
Depreciation charge for the year	-	0.18	297.86	245.21	708.15	178.22	5.36	1,273.65	2,708.63
As at March 31, 2018	-	3.68	2,459.09	1,121.58	5,065.35	1,260.88	19.75	9,043.30	18,973.63
Disposals	-	-	140.34	59.15	523.65	12.35	0.34	58.65	794.48
Depreciation charge for the year	-	0.17	237.14	285.94	890.97	189.04	5.97	1,198.07	2,807.30
As at March 31, 2019	-	3.85	2,555.89	1,348.37	5,432.67	1,437.57	25.38	10,182.72	20,986.45
Net carrying amount as at April 01, 2017	**2.31**	**9.44**	**798.79**	**1,523.72**	**1,379.84**	**1,014.38**	**18.26**	**2,228.22**	**6,974.96**
Net carrying amount as at March 31, 2018	**2.31**	**9.26**	**613.45**	**1,715.45**	**1,868.17**	**1,101.47**	**37.52**	**2,230.07**	**7,577.70**
Net carrying amount as at March 31, 2019	**2.31**	**9.09**	**674.95**	**1,957.59**	**1,827.28**	**1,139.34**	**31.97**	**2,281.94**	**7,924.47**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2019 is ₹ 2.31 lacs (March 31 2018: ₹ 2.31 lacs, April 01, 2017: ₹ 2.31 lacs).

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 15: OTHER INTANGIBLE ASSETS

₹ in lacs

Particulars	Computer Software
Cost:	
As at April 01, 2017	3,640.65
Additions	88.24
Disposals	-
As at March 31, 2018	3,728.89
Additions	157.53
Disposals	-
As at March 31, 2019	3,886.42
Accumulated amortisation and impairment:	
As at April 01, 2017	2,799.51
Disposals	-
Depreciation charge for the year	617.30
As at March 31, 2018	3,416.81
Disposals	-
Depreciation charge for the year	312.25
As at March 31, 2019	3,729.06
Net carrying amount as at April 01, 2017	**841.14**
Net carrying amount as at March 31, 2018	**312.08**
Net carrying amount as at March 31, 2019	**157.36**

Intangible assets are not internally self generated assets

NOTE 16: OTHER FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	2,135.88	1,870.48	1,652.26
Assignment receivable	1,306.61	2.44	573.56
Others	-	10.93	1,169.40
Total	**3,442.49**	**1,883.85**	**3,395.22**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 17: OTHER NON-FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	409.79	120.84	305.73
Deferred lease rental	580.57	547.61	435.90
Goods and Service tax credit (input) receivable	3,361.22	1,488.69	83.58
Advances recoverable in cash	966.26	1,018.41	1,907.10
Statutory duties paid under protest	608.61	507.49	156.20
Capital advances	66.64	47.24	55.14
Prepaid expenses	647.46	458.10	517.58
Amortisation of Govt. Sec Premium	342.75	466.35	-
Total	**6,983.30**	**4,654.73**	**3,461.23**

NOTE 18 - DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

₹ in lacs

Particulars	As at March 31, 2019	
	Notional Amounts	Fair Value - Liabilities
(i) Currency derivatives:		
-Spots and forwards	7,098.00	297.39
-Currency futures	-	-
-Currency swaps	-	-
Sub total (i)	**7,098.00**	**297.39**
(ii) Interest rate derivatives:		
-Forward rate agreements and interest rate swaps	-	-
-Futures	-	-
Sub total (ii)	-	-
(iii) Credit derivatives:	-	-
(iv) Equity linked derivatives:	-	-
(v) Other derivatives:	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	**7,098.00**	**297.39**

There were no Derivative Financial Instruments as at April 01, 2017 and during the year 2017-18

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 50.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.

NOTE 19 - OTHER PAYABLES

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,509.89	7,003.39	3,050.59
Total	**5,509.89**	**7,003.39**	**3,050.59**

NOTE 20: DEBT SECURITIES

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)												
Public issue	11,377.18	-	-	11,377.18	20,920.73	-	-	20,920.73	39,476.63	-	-	39,476.63
Privately placed	3,57,312.78	-	-	3,57,312.78	2,09,181.54	-	-	2,09,181.54	86,349.56	-	-	86,349.56
Total	3,68,689.96	-	-	3,68,689.96	2,30,102.27	-	-	2,30,102.27	1,25,826.19	-	-	1,25,826.19
Debt securities in India	3,68,689.96	-	-	3,68,689.96	2,30,102.27	-	-	2,30,102.27	1,25,826.19	-	-	1,25,826.19
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	**3,68,689.96**	**-**	**-**	**3,68,689.96**	**2,30,102.27**	**-**	**-**	**2,30,102.27**	**1,25,826.19**	**-**	**-**	**1,25,826.19**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 20: DEBT SECURITIES

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) of ₹ 1,000/- each - Quoted

(i) Issued in 2012

₹ in lacs

Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Option II	11.75%	-	-	7,539.12	06-Oct-17
	10.75%	-	-	107.07	06-Oct-17
Option IV	11.75%	-	-	5,781.01	06-Oct-17
	10.75%	-	-	2.83	06-Oct-17
Total		**-**	**-**	**13,430.03**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

(ii) Issued in 2013

₹ in lacs

Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series II	10.75%	-	-	7.18	04-Jan-18
	11.25%	-	-	318.40	04-Jan-18
Series III	10.75%	-	536.13	3.07	04-Jan-19
	11.50%	-	4,619.86	5,152.26	04-Jan-19
Series V	10.75%	-	-	83.48	04-Jan-18
	11.25%	-	-	311.56	04-Jan-18
Series VI	10.75%	-	452.02	430.39	04-Jan-19
	11.50%	-	4,076.73	3,694.04	04-Jan-19
Series VII	10.75%	-	0.14	-	04-Jan-19
	11.25%	-	67.09	134.40	04-Jan-19
Total		**-**	**9,751.97**	**10,134.78**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1 ,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

(iii) Issued in 2014

₹ in lacs

Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series III	10.85%	3,328.38	3,327.02	35.16	03-May-19
	11.75%	5,574.68	5,576.07	8,889.94	03-May-19
Series VI	10.85%	851.44	788.84	696.28	03-May-19
	11.75%	1,622.68	1,476.83	1,361.84	03-May-19
Series II	10.75%	-	-	7.77	03-May-17
	11.50%	-	-	3,868.01	03-May-17
Series V	10.75%	-	-	190.66	03-May-17
	11.50%	-	-	862.17	03-May-17
Total		**11,377.18**	**11,168.76**	**15,911.83**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

B. Redeemable Non-Convertible Debentures - Secured

(i) Privately Placed Redeemable Non - Convertible Debentures (NCDs) of ₹ 1,000/- each - Unquoted -Retail

Terms of repayment as at March 31,2019 : NIL

Terms of repayment as at March 31,2018

₹ in lacs

Redeemable at par within (from the date of balance sheet date)	Rate of interest			
	< 10%	>= 10% < 12%	>= 12% < 14%	Total
12 months	3.47	635.60	0.53	639.60
Total	**3.47**	**635.60**	**0.53**	**639.60**

Terms of repayment as at April 01, 2017

₹ in lacs

Redeemable at par within (from the date of balance sheet date)	Rate of interest			
	< 10%	>= 10% < 12%	>= 12% < 14%	Total
12-24 months	3.28	607.67	-	610.96
12 months	42.16	2,807.65	1,986.05	4,835.86
Total	**45.44**	**3,415.32**	**1,986.05**	**5,446.82**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

(ii) Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 1,000,000/- each - Quoted

₹ in lacs

Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
8.90%	11,510.30	11,508.67	-	27-Mar-23
8.09%	8,197.49	8,194.79	-	05-Dec-22
9.90%	9,032.10	-	-	29-Sep-22
9.90%	8,488.71	-	-	04-Apr-22
9.85%	62,942.76	-	-	21-Sep-21
10.75% *	200.25	298.89	396.66	04-Feb-21
9.40%	23,730.23	-	-	30-Dec-20
7.97%	30,974.81	30,970.57	-	27-Oct-20
7.97%	22,444.49	20,650.49	-	06-Oct-20
8.15%	579.26	534.75	-	30-Jun-20
9.30%	5,359.38	5,358.44	5,355.76	22-Jun-20
9.30%	5,364.13	5,364.17	5,357.27	17-Jun-20
8.15%	40,531.49	37,438.48	-	27-May-20
8.20%	13,614.06	12,499.17	11,550.54	16-Apr-20
9.52%	26,700.47	-	-	18-Mar-20
9.50%	26,704.62	-	-	18-Dec-19
8.25%	10,394.15	10,389.18	10,392.12	07-Oct-19
9.31%	10,469.76	-	-	27-Sep-19
8.33%	40,074.32	40,082.18	-	23-Jul-19
7.95%	-	13,774.45	-	24-Dec-18
8.95%	-	7,776.18	7,775.19	30-Oct-18
9.07%	-	3,701.53	3,700.28	10-Aug-18
9.10%	-	-	10,009.17	27-Mar-18
8.85%	-	-	17,535.70	22-Mar-18
10.60%	-	-	2,572.26	13-Dec-17
10.50%	-	-	690.97	23-Nov-17
10.75%	-	-	1,068.41	26-Jul-17
10.75%	-	-	2,316.53	12-Jul-17
9.18%	-	-	311.22	10-Jul-17
9.00%	-	-	1,870.65	01-Jun-17
Total	**3,57,312.78**	**2,08,541.94**	**80,902.73**	

* Repaid in installments.

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 21: BORROWINGS (OTHER THAN DEBT SECURITIES)

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured												
Term Loan												
from bank in foreign currency	7,103.45	-	-	7,103.45	-	-	-	-				
from bank in ₹	9,39,640.88	-	-	9,39,640.88	9,62,293.55	-	-	9,62,293.55	7,37,596.68	-	-	7,37,596.68
from financial institution in ₹	30,593.05	-	-	30,593.05	48,500.36	-	-	48,500.36	80,324.81	-	-	80,324.81
Loans repayable on demand				-				-				-
Cash credit / Overdraft facilities from banks	1,58,186.86	-	-	1,58,186.86	1,46,418.70	-	-	1,46,418.70	1,37,026.63	-	-	1,37,026.63
Working Capital demand loan from banks	76,685.16	-	-	76,685.16	80,626.03	-	-	80,626.03	33,996.94	-	-	33,996.94
Other loans	1,11,251.12	-	-	1,11,251.12	9,348.73	-	-	9,348.73	11,139.78	-	-	11,139.78
Unsecured												
Term Loan from Banks - ₹	9,026.93	-	-	9,026.93	19,060.38	-	-	19,060.38	-	-	-	-
Commercial Papers	1,78,583.47	-	-	1,78,583.47	2,18,831.02	-	-	2,18,831.02	1,96,446.31	-	-	1,96,446.31
Total	**15,11,070.92**	**-**	**-**	**15,11,070.92**	**14,85,078.77**	**-**	**-**	**14,85,078.77**	**11,96,531.15**	**-**	**-**	**11,96,531.15**
Borrowings in India	15,03,967.47	-	-	15,03,967.47	14,85,078.77	-	-	14,85,078.77	11,96,531.15	-	-	11,96,531.15
Borrowings outside India	7,103.45	-	-	7,103.45	-	-	-	-	-	-	-	
Total	**15,11,070.92**	**-**	**-**	**15,11,070.92**	**14,85,078.77**	**-**	**-**	**14,85,078.77**	**11,96,531.15**	**-**	**-**	**11,96,531.15**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 21: BORROWINGS (OTHER THAN DEBT SECURITIES) (CONTD.)

Term Loan from Bank in foreign currency-Secured

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	9.85%	Bullet Repayment	7,103.45

Outstanding as at March 31, 2018 and April 01,2017 : ₹ Nil.

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48-60 Months	8.60% to 10.75%	1 to 60 installments of quarterly, half yearly and yearly frequency	1,54,940.24
36-48 Months	8.35% to 10.25%	1 to 48 installments of bullet, quarterly and half yearly frequency	7,45,475.25
24-36 Months	8.40% to 9.56%	1 to 36 installments of bullet, quarterly and half yearly frequency	18,214.92
12-24 Months	9.20%	Bullet Repayment	21,010.47
Total			**9,39,640.88**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at March 31, 2018

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48-60 Months	8.10% to 9.10%	1 to 60 installments of quarterly, half yearly and yearly frequency	91,150.99
36-48 Months	8.15% to 9.70%	1 to 60 installments of quarterly, half yearly and yearly frequency	7,90,089.33
24-36 Months	8.40% to 9.15%	1 to 36 installments of bullet,quarterly and half yearly frequency	50,046.06
12-24 Months	7.9% to 8.70%	1 to 24 installments of bullet, quarterly & half yearly frequency	31,007.17
Total			**9,62,293.55**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 21: BORROWINGS (OTHER THAN DEBT SECURITIES) (CONTD.)

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at April 01, 2017

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48-60 Months	8.15% to 9.80%	1 to 60 instalments of quarterly, half yearly and yearly frequency	94,489.83
36-48 Months	8.30% to 10.20%	1 to 48 instalments of bullet,quarterly and half yearly frequency	5,02,067.05
24-36 Months	8.60% to 9.80%	1 to 36 instalments of bullet, quarterly and half yearly frequency	1,30,039.80
12-24 Months	9.65%	Bullet Repayment	11,000.00
Total			**7,37,596.68**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Unsecured

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	9.10%	Bullet Repayment	9,026.93

Terms of Repayment as at March 31, 2018

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.76% to 7.85%	Bullet Repayment	19,060.38

Outstanding as at April 01,2017 : ₹ Nil.

Term Loan from Institution-Secured

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48 to 60 Months	9.15%	1 to 20 instalments of quarterly frequency	19,907.44
01 to 12 Months	8.35%	Bullet Repayment at the end of 1 year	10,685.61
Total			**30,593.05**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 21: BORROWINGS (OTHER THAN DEBT SECURITIES) (CONTD.)

Nature of Security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at March 31, 2018

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48 to 60 Months	9.15%	1 to 20 instalments of quarterly frequency	23,476.47
01 to 12 Months	8.85%	Bullet Repayment at the end of 1 year	15,013.09
01 to 12 Months	8.75%	Bullet Repayment at the end of 1 year	10,010.80
Total			**48,500.36**

Nature of Security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at April 01, 2017

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48-60 Months	8% to 10%	1 to 20 instalments of quarterly frequency	44,674.26
01 to 12 Months	8% to 10%	1 to 12 instalments of half yearly and yearly frequency	35,650.55
Total			**80,324.81**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Commercial Papers-Unsecured

₹ in lacs

Rate of Interest	Repayment Details	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
7.40% to 9.45%	Bullet Payment on maturity	1,78,583.47	2,18,831.02	1,96,446.31
Total		**1,78,583.47**	**2,18,831.02**	**1,96,446.31**

Loans repayable on demand-Secured

Cash Credit from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	8.15% to 11.25%	1,58,186.86	1,46,418.70	1,37,026.63
Total		**1,58,186.86**	**1,46,418.70**	**1,37,026.63**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 21: BORROWINGS (OTHER THAN DEBT SECURITIES) (CONTD.)

Working capital Demand loan from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.85% to 10.45%	76,685.16	80,626.03	33,996.94
Total		**76,685.16**	**80,626.03**	**33,996.94**

Term loan from banks - ₹ -Securitisation

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Amount
48 - 60 Months	7.28%	1 to 54 instalments of monthly frequency	2,836.05
Above 60 Months	10.25% to 10.30%	1 to 72 instalments of monthly frequency	1,08,415.07
Total			**1,11,251.12**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at March 31, 2018

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Amount
36 - 48 Months	7.99%	1 to 45 instalments of monthly frequency	1,860.03
48 - 60 Months	7.28% to 8.25%	1 to 54 instalments of monthly frequency	7,488.70
Total			**9,348.73**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at April 1, 2017

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Amount
36 - 48 Months	7.99%	1 to 45 instalments of monthly frequency	5,409.21
48 - 60 Months	7.75% to 10.74%	1 to 53 instalments of monthly frequency	5,730.57
Total			**11,139.78**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 22 : DEPOSITS

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits												
Public deposits*	3,11,940.61	-	-	3,11,940.61	3,07,365.15	-	-	3,07,365.15	3,52,136.35	-	-	3,52,136.35
Total	**3,11,940.61**	**-**	**-**	**3,11,940.61**	**3,07,365.15**	**-**	**-**	**3,07,365.15**	**3,52,136.35**	**-**	**-**	**3,52,136.35**

* includes ₹ Nil (March 31, 2018: ₹ Nil, April 01, 2017: ₹ Nil) issued to directors

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31,2019

₹ in lacs

Redeemable at par within	Rate of interest			
(from the date of Balance Sheet Date)	**>= 6% < 8%**	**>= 8% < 10%**	**>= 10% < 12%**	**Total**
48-60 months	958.87	15,506.90	-	16,465.77
36-48 months	9,462.13	10,811.22	-	20,273.35
24-36 months	10,647.91	72,068.85	-	82,716.76
12-24 months	53,197.69	25,763.80	81.68	79,043.17
12 months	55,835.95	46,146.78	11,458.83	1,13,441.56
Total	**1,30,102.55**	**1,70,297.55**	**11,540.51**	**3,11,940.61**

Terms of Repayment as at March 31,2018

₹ in lacs

Redeemable at par within	Rate of interest			
(from the date of Balance Sheet Date)	**>= 6% < 8%**	**>= 8% < 10%**	**>= 10% < 12%**	**Total**
48-60 months	8,969.75	9,796.28	-	18,766.03
36-48 months	2,430.23	10,480.19	-	12,910.42
24-36 months	45,788.24	15,629.36	81.36	61,498.96
12-24 months	29,134.65	34,067.78	10,630.79	73,833.22
12 months	46,483.35	89,526.99	4,346.18	1,40,356.52
Total	**1,32,806.22**	**1,59,500.60**	**15,058.33**	**307,365.15**

Terms of Repayment as at April 01,2017

₹ in lacs

Redeemable at par within	Rate of interest			
(from the date of Balance Sheet Date)	**>= 6% < 8%**	**>= 8% < 10%**	**>= 10% < 12%**	**Total**
48-60 months	1,068.16	9,629.69	-	10,697.85
36-48 months	154.66	10,624.85	81.04	10,860.55
24-36 months	12,173.74	33,244.73	10,100.52	55,518.99
12-24 months	6,522.82	87,217.28	4,069.52	97,809.62
12 months	31,502.61	31,701.34	1,14,045.39	1,77,249.34
Total	**51,421.99**	**1,72,417.89**	**1,28,296.47**	**3,52,136.35**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 23: SUBORDINATED LIABILITIES

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts (Unsecured) - Debentures	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Total	**65,370.95**	**-**	**-**	**65,370.95**	**1,17,561.75**	**-**	**-**	**1,17,561.75**	**1,29,475.58**	**-**	**-**	**1,29,475.58**
Subordinate liabilities in India	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Subordinate liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	**65,370.95**	**-**	**-**	**65,370.95**	**1,17,561.75**	**-**	**-**	**1,17,561.75**	**1,29,475.58**	**-**	**-**	**1,29,475.58**

Terms of repayment as at March 31,2019

(i) Privately Placed Subordinated Debts of Rs 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	**>= 10% < 12%**	**Total**
12-24 months*	21,759.25	21,759.25
12 months*	35,925.82	35,925.82
Total	**57,685.07**	**57,685.07**

* Includes Rs 226.43 lacs issued to related parties

(ii) Privately Placed Subordinared Debts of ₹ 1,000,000/ each - Quoted

₹ in lacs

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	**>= 10% < 12%**	**Total**
12 months	7,685.88	7,685.88
Total	**7,685.88**	**7,685.88**

As at March 31, 2018

Terms of Repayment

(i) Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par		Rate of interest	
(from the date of Balance Sheet Date)	**< 10%**	**>= 10% < 12%**	**Total**
24-36 months*	-	19,840.91	19,840.91
12-24 months*	-	32,696.59	32,696.59
12 months*	18.45	36,771.18	36,789.63
Total	**18.45**	**89,308.68**	**89,327.13**

* Includes Rs 282.08 lacs issued to related parties

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

(ii) Privately Placed Subordinared Debts of ₹ 100,000/- each quoted

₹ in lacs

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	**>= 10% < 12%**	**Total**
12 months	20,573.27	20,573.27
Total	**20,573.27**	**20,573.27**

(iii) Privately Placed Subordinared Debts of ₹ 1,000,000/ each - Quoted

₹ in lacs

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	**>= 10% < 12%**	**Total**
12-24 months	7,456.07	7,456.07
12 months	205.28	205.28
Total	**7,661.35**	**7,661.35**

As at April 01, 2017

Terms of Repayment

(i) Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par	Rate of interest			
(from the date of Balance Sheet Date)	**< 10%**	**>= 10% < 12%**	**> = 12%**	**Total**
36-48 months*	-	18,136.54	-	18,136.54
24-36 months*	-	29,829.63	-	29,829.63
12-24 months*	16.73	34,074.14	-	34,090.87
12 months*	2,229.97	14,569.21	2.02	16,801.20
Total	**2,246.70**	**96,609.52**	**2.02**	**98,858.24**

* Includes ₹ 329.62 lacs issued to related parties

(ii) Privately Placed Subordinared Debts of ₹ 100,000/- each quoted

₹ in lacs

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	**>= 10% < 12%**	**Total**
12-24 months	20,292.63	20,292.63
12 months	2,690.49	2,690.49
Total	**22,983.12**	**22,983.12**

(iii) Privately Placed Subordinared Debts of ₹ 1,000,000/ each - Quoted

₹ in lacs

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	**>= 10% < 12%**	**Total**
24-36 months	7,431.23	7,431.23
12 months	202.99	202.99
Total	**7,634.22**	**7,634.22**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 24: OTHER FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investor education and protection fund shall be credited by the following amounts (as and when due) #			
- Unclaimed matured deposits and interest thereon	11,582.21	13,776.77	9,092.22
- Unclaimed matured debentures and interest thereon	943.77	1,493.89	2,695.26
- Unpaid dividend	91.95	92.56	82.92
- Unclaimed matured subordinate debts and interest accrued thereon	4,329.92	2,046.55	775.00
Application money received for allotment of securities to the extent refundable and interest accrued thereon	0.27	0.96	0.09
Payable on account of Assignment	7,979.17	1,153.98	3,749.38
Royalty payable	1,552.50	1,330.52	1,029.78
Financial guarantee obligation	132.78	148.38	163.99
Creditors for Supply & Services	1,177.01	453.68	445.55
Employee related payables	7,668.93	5,411.30	4,424.57
Total	**35,458.51**	**25,908.59**	**22,458.76**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

Financial Guarantee Obligation

Credit quality of exposure

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial guarantee obligation	2,500.00	2,500.00	2,500.00
Total	**2,500.00**	**2,500.00**	**2,500.00**

An analysis of changes in the gross carrying amount in relation to financial guarantee exposure is, as follows:

Gross exposure reconciliation

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance of outstanding exposure	**2,500.00**	**2,500.00**
Additions	-	-
Deletions	-	-
Closing Balance of outstanding exposure	**2,500.00**	**2,500.00**

No ECL has been provided for financial guarantee obligation based on past history

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 25: PROVISIONS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Employee benefit (Refer Note 43)			
- Gratuity	134.14	796.48	427.87
- Provision for compensated absences	2,393.11	1,644.65	1,184.07
Total	**2,527.25**	**2,441.13**	**1,611.94**

NOTE 26: OTHER NON-FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	1,455.02	1,550.31	1,120.77
Retention money and other sundry liabilities	72.14	87.96	312.09
Total	**1,527.16**	**1,638.27**	**1,432.86**

NOTE 27: EQUITY SHARE CAPITAL

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised:			
118,500,000 (March 31, 2018: 118,500,000, April 1, 2017: 118,500,000) equity shares of ₹ 10/- each	11,850.00	11,850.00	11,850.00
4,000,000 (March 31, 2018: 4,000,000 , April 1, 2017: 4,000,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**	**15,850.00**
Issued share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of ₹ 10/- each	6599.23	6,596.58	6,594.34
Subscribed share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of ₹ 10/- each	6599.23	6,596.58	6,594.34
Paid up (fully paid up)			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of ₹ 10/- each	6599.23	6,596.58	6,594.34
Total Equity	**6599.23**	**6,596.58**	**6,594.34**
Issued, Subscribed and fully paid up Equity Shares			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of ₹ 10/- each	6599.23	6,596.58	6,594.34
Total Equity	**6599.23**	**6,596.58**	**6,594.34**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

₹ in lacs

Particulars	No. of Shares	₹ in lacs
As at April 01, 2017	6,59,43,402	6,594.34
Issued during the year - ESOP (refer note 41)	22,360	2.24
As at March 31, 2018	**6,59,65,762**	**6,596.58**
Issued during the year - ESOP (refer note 41)	26,500	2.65
As at March 31, 2019	**6,59,92,262**	**6,599.23**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2019, the amount of per equity share dividend proposed in total for distributions to equity shareholders is ₹ 22.00 (March 31, 2018 : ₹ 18.00). Out of the said total dividend proposed for the year ended March 31, 2019, amount of interim dividend paid during the year was ₹ 6.00 (March 31, 2018 : ₹ 6.00) per equity share and amount of final dividend proposed by the Board of Directors is ₹ 16.00 (March 31, 2018: ₹ 12.00) per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 128,045 (March 31, 2018 : 318,540 April 01, 2017 : 315,311) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

Details of shareholders holding more than 5% shares in the Company

₹ in lacs

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,22,68,877	33.74	2,22,68,877	33.76	2,22,68,877	33.78
Dynasty Acquisition FPI Limited	1,34,21,889	20.34	1,34,21,889	20.35	1,34,21,889	20.36
Piramal Enterprises Limited	65,79,840	9.97	65,79,840	9.97	65,79,840	9.98

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Refer note 48 - Capital for the company's objectives, policies and processes for managing capital

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 28: OTHER EQUITY

₹ in lacs

Particulars	Amount
Securities Premium Account	
As at April 01, 2017	1,75,369.25
Add: Premium on shares issued under ESOP during the year	56.22
As at March 31, 2018	**1,75,425.47**
Add: Premium on shares issued under ESOP during the year	66.77
As at March 31, 2019	**1,75,492.24**
Share Option Outstanding	
As at April 01, 2017	164.13
Deductions during the year on exercise of ESOP	(50.63)
As at March 31, 2018	**113.50**
Deductions during the year on exercise of ESOP	(60.13)
As at March 31, 2019	**53.37**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 01, 2017	75,135.30
Add: Transfer from surplus balance in the Statement of Profit and Loss	13,296.00
As at March 31, 2018	**88,431.30**
Add: Transfer from surplus balance in the Statement of Profit and Loss	19,980.00
As at March 31, 2019	**1,08,411.30**
Debenture Redemption Reserve	
As at April 01, 2017	6,422.54
Add: Amount transferred from surplus in the Statement of Profit and Loss	2,059.53
Less: Amount transferred to General Reserve on redemption of debentures	(3,996.04)
As at March 31, 2018	**4,486.03**
Add: Amount transferred from surplus in the Statement of Profit and Loss	366.14
Less: Amount transferred to General Reserve on redemption of debentures	(2,007.88)
As at March 31, 2019	**2,844.29**
General Reserve	
As at April 01, 2017	62,697.35
Add: Transfer from surplus in the statement of profit and loss	6,648.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	3,996.04
As at March 31, 2018	**73,341.39**
Add: Amount transferred from surplus in the Statement of Profit and Loss	9,990.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,007.88
As at March 31, 2019	**85,339.27**
Capital Reserve	
As at April 01, 2017	7,871.88
As at March 31, 2018	7,871.88
As at March 31, 2019	7,871.88

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

₹ in lacs

Particulars	Amount
Capital Redemption Reserve	
As at April 01, 2017	2,328.98
As at March 31, 2018	2,328.98
As at March 31, 2019	2,328.98
Other Comprehensive Income	
As at April 01, 2017	-
Remeasurement gain/ (loss) on defined benefit plan	277.19
Income Tax Provision/ (Reversal) on above	95.93
As at March 31, 2018	**181.26**
Remeasurement gain/ (loss) on defined benefit plan	(1,404.93)
Income Tax Provision/ (Reversal) on above	(491.00)
As at March 31, 2019	**(732.67)**
Retained Earnings	
As at April 01, 2017	1,60,298.64
Add: Profit for the year	71,094.23
Add/(Less): Appropriations and other Adjustments	
Transfer to/(from) debenture redemption reserve	(2,059.53)
Final Dividend on Equity Shares FY 2016-17	(6,594.51)
Tax on Final Dividend FY 2016-17	(1,342.49)
Interim Dividend on Equity Shares FY 2017-18	(3,957.50)
Tax on Interim Dividend FY 2017-18	(805.65)
Transfer to Statutory Reserve	(13,296.00)
Transfer to General reserve	(6,648.00)
As at March 31, 2018	**1,96,689.19**
Add: Profit for the year	98,887.80
Add/(Less): Appropriations and other Adjustments	
Transfer to/(from) debenture redemption reserve	(366.14)
Final Dividend on Equity Shares FY 2017-18	(7,916.23)
Tax on Final Dividend on Equity Shares FY 2017-18	(1,627.20)
Interim Dividend on Equity Shares FY 2018-19	(3,959.06)
Tax on Interim Dividend on Equity Shares FY 2018-19	(813.80)
Transfer to Statutory Reserve	(19,980.00)
Transfer to General reserve	(9,990.00)
As at March 31, 2019	**2,50,924.56**
Total other equity	
As at April 01, 2017	4,90,288.07
As at March 31, 2018	5,48,869.00
As at March 31, 2019	6,32,533.22

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Proposed Dividend on equity shares

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
The Board proposed dividend on equity shares			
Proposed dividend on equity shares for the year ended on March 31, 2019: ₹ 16.00 per share (March 31, 2018: ₹ 12.00 per share)	10,558.76	7,916.23	6,594.51
Tax on Dividend Proposed	2,170.38	1,627.20	1,342.49
Total	**12,729.14**	**9,543.43**	**7,937.00**

Nature and purpose of reserve

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. This is not available for distribution of dividend.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Debenture Redemption Reserve: (1)Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date. (2) In respect of the debentures issued through public issue, the Company has created DRR of ₹ 366.14 lacs (March 31, 2018: ₹ 2,059.53 lacs; April 01, 2017: ₹ 2,247.40 lacs). The Company has deposited a sum of ₹ 1,722.00 lacs (March 31, 2018: ₹ 1,750.00 lacs , April 1,2017: ₹ 3,400.00 lacs) with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Pursuant to Section 45-IC(1) in The Reserve Bank of India Act, 1934. (1) Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 41 for further details of these plans.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 29: INTEREST INCOME

₹ in lacs

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on securities classified at FVTPL	Total
Interest on Loans	-	5,57,251.83	-	5,57,251.83	-	5,01,306.83	-	5,01,306.83
Interest income from investments	-	3,854.19		3,854.19	-	3,475.04	-	3,475.04
Interest on deposits with Banks	-	4998.91	-	4,998.91	-	1,187.44	-	1,187.44
Income on long term securitisation/assignment	-	1391.69	-	1,391.69	-	2,176.93	-	2,176.93
Other interest income	-	195.01	-	195.01	-	258.13	-	258.13
Total	**-**	**5,67,691.63**	**-**	**5,67,691.63**	**-**	**5,08,404.37**	**-**	**5,08,404.37**

NOTE 30: FEE AND COMMISSION INCOME

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Other financial services- Commission	-	212.32
Financial Guarantee Income	15.60	15.60
Total	**15.60**	**227.92**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Type of Services or Service		
Fee and commission income	-	212.32
Total revenue from contract with customers	**-**	**212.32**
Geographical markets		
India	-	212.32
Outside India	-	-
Total revenue from contract with customers	**-**	**212.32**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	-	212.32
Total revenue from contracts with customers	**-**	**212.32**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Contract Balance

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total Receivables	-	-
Contract Assets	-	-
Total	**-**	**-**

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

NOTE 31: NET GAIN ON FAIR VALUE CHANGES

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	1161.63	854.08
- Derivatives	(297.39)	-
Total Net gain/(loss) on fair value changes	**864.24**	**854.08**
Fair Value changes:		
- Realised	-	-
- Unrealised	864.24	854.08
Total Net gain/(loss) on fair value changes	**864.24**	**854.08**

NOTE 32: GAIN ON SALE OF INVESTMENTS

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gain on sale of Investments (Measured at FVTPL)		
- on Mutual funds	26.16	14.25
- on Investment in Equity instruments	-	1,491.06
Total	**26.16**	**1,505.31**

NOTE 33: OTHER INCOME

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gain on sale of Property, plant & equipment	17.99	9.73
Miscellaneous income	234.26	164.33
Total	**252.25**	**174.06**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 34: FINANCE COST

₹ in lacs

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on:-						
Fixed Deposits	-	26,461.61	26,461.61	-	31,028.79	31,028.79
Subordinated liabilities	-	12,353.22	12,353.22	-	14,557.42	14,557.42
Borrowings (other than debt securities)	-			-		
-Loans from Banks	-	86,979.69	86,979.69	-	75,556.24	75,556.24
-Loans from Financial Institution	-	5,037.85	5,037.85	-	5,633.15	5,633.15
-Working Capital Demand Loans	-	10,104.63	10,104.63	-	8,253.32	8,253.32
-Cash Credit	-	6,853.20	6,853.20	-	3,315.99	3,315.99
-Commercial Paper	-	20,399.31	20,399.31	-	13,112.21	13,112.21
Debt securities	-	28,340.53	28,340.53	-	14,955.75	14,955.75
Others	-	1,460.75	1,460.75	-	-	-
Total	**-**	**1,97,990.79**	**1,97,990.79**	**-**	**1,66,412.87**	**1,66,412.87**

NOTE 35: IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in lacs

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans	-	13,467.86	13,467.86	-	39,348.45	39,348.45
Total	**-**	**13,467.86**	**13,467.86**	**-**	**39,348.45**	**39,348.45**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

₹ in lacs

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Loans and advances to customers	9,406.80	14,027.04	(9,965.98)	13,467.86	18,487.55	(32.69)	20,893.59	39,348.45
Total impairment loss	**9,406.80**	**14,027.04**	**(9,965.98)**	**13,467.86**	**18,487.55**	**(32.69)**	**20,893.59**	**39,348.45**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 36: EMPLOYEE BENEFIT EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, other allowances and bonus	76,587.44	64,859.93
Contribution to provident and other funds	5,775.51	4,197.11
Staff welfare expenses	1,027.51	928.46
Gratuity expenses	460.83	645.80
Total	**83,851.29**	**70,631.30**

NOTE 37: DEPRECIATION, AMORTIZATION AND IMPAIRMENT

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	2,807.30	2,708.63
Amortization of intangible assets	312.25	617.30
Total	**3,119.55**	**3,325.93**

NOTE 38: OTHER EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	5,859.50	5,307.93
Power and fuel	955.94	900.05
Repairs and maintenance		
- Buildings	1,375.50	1,201.84
-Office equipments	42.51	45.19
Office expenses	1,126.13	1,049.01
Rates and taxes	1,603.70	1,734.95
Printing and stationery	2,329.17	2,345.78
Travelling and conveyance	3,931.66	5,141.69
Advertisement	444.31	1,232.67
Business promotion	3,596.43	5,229.53
Directors' sitting fees	32.75	42.25
Insurance	393.57	386.48
Communication expenses	2,994.11	2,989.43
Bank charges	1,244.66	1,138.85
Legal and Professional Fees	1,057.07	837.23
Loss on sale of fixed assets	68.61	37.18
Public issue expenses for non-convertible debentures	120.01	184.89
CSR expenses (refer note given below)	850.00	1,400.00
Miscellaneous expenses	2,581.34	1,815.23
Auditor fees		
(a) Audit Fees	35.97	32.70
(b)Tax Audit Fees	11.45	-
(c)Certification Fees	6.00	5.45
(d) Out of Pocket	10.08	14.73
Total	**30,670.47**	**33,073.06**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Details of CSR expenditure:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	1,803.97	1,677.14
b) Amount spent during the year	850.00	1,400.00
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above	-	-
-In Cash	450.00	1,400.00
-Yet to be paid in Cash (Provision has been made based on committed obligations approved by the CSR Committee and The Board of Directors)	400.00	-
Total	**850.00**	**1,400.00**

NOTE 39: INCOME TAX

The components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	49,637.03	38,129.64
Deferred tax relating to origination and reversal of temporary differences	3,507.43	(376.66)
Total tax charge	**53,144.46**	**37,752.98**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended March 31, 2019 and March 31, 2018 is, as follows:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	**1,52,032.26**	**1,08,847.21**
At India's statutory income tax rate of 34.944% (2018: 34.608%)	53,126.15	37,178.27
Tax at special rate on ₹ 1420.41 lacs @ 23.072%	-	327.72
Total Tax	**53,126.15**	**37,505.99**
Corporate social responsibility expentidure not allowable for tax purpose	297.02	484.51
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G,2018: section 80G and 80JJAA)	(78.62)	(391.13)
Others	(200.09)	153.60
Income tax expense reported in the statement of profit or loss	**53,144.46**	**37,752.98**

The effective income tax rate for March 31, 2019 is 34.96% (March 31, 2018: 34.68%).

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 39: INCOME TAX (CONTD.)

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment and intangible assets	2,193.34	-	(251.07)	-
Expenses allowable for tax purpose when paid	2,766.51	490.94	39.37	(490.94)
Provision for expected credit loss	-	-	3,319.89	-
EIR impact on debt instrument measured at Amortised Cost	-	408.35	(572.98)	-
Impact of Fair valuation on Investments measured at Fair value thorugh Profit and loss Account	-	298.27	404.89	-
Impact of amortization of processing fees on Loans and Advances	977.72	-	728.00	-
Impact of Regconition of Interest on assignment and securitization	-	-	(54.38)	-
Other temporary differences	118.89	18.15	(106.29)	-
Total	**6,056.46**	**1,215.71**	**3,507.43**	**(490.94)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2018	As at March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018
Property, plant and equipment and intangible assets	1,942.27	-	(368.00)	-
Expenses allowable for tax purpose when paid	1,919.93	95.93	(1,577.85)	95.93
Provision for expected credit loss	3,447.09	127.20	2,795.78	-
EIR impact on debt instrument measured at Amortised Cost	-	981.33	(270.16)	-
Impact of Fair valuation on Investments measured at Fair value thorugh Profit and loss Account	148.94	42.32	323.89	-
Impact of amortization of processing fees on Loans and Advances	1,705.72	-	(898.21)	-
Impact of Recognition of Interest on assignment and securitisation	-	54.38	(361.12)	-
Other temporary difference	48.51	54.11	(20.99)	-
Total	**9,212.46**	**1,355.27**	**(376.66)**	**95.93**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 39: INCOME TAX (CONTD.)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	As at March 31, 2017	As at March 31, 2017
Property, plant and equipment and intangible assets	1,574.27	-
Expenses allowable for tax purpose when paid	342.08	-
Provision for expected credit loss	6,115.67	-
EIR impact on debt instrument in the nature of borrowings measured at Amortised Cost	-	1,251.49
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	463.24	32.74
Impact of amortization of processing fees on Loans and Advances	807.51	-
Impact of recognition of Interest on assignment and securitisation	-	415.51
Other temporary difference	114.41	140.99
Total	**9,417.18**	**1,840.73**

Amount recognised in respect of current tax/ deferred tax directly in equity:

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-	-

Tax losses and Tax credits

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-	-
Unused Tax Credits-MAT credit entitlement	-	-	-

CURRENT TAX ASSETS (NET)

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance income tax (net of provision for tax) [net of provision for income tax March 31, 2019: ₹ 2,84,041.73 lacs; March 31, 2018: ₹ 2,34,404.30 lacs and April 01, 2017: ₹ 1,96,274.66 lacs]	4,224.50	4,505.86	5,947.80
Total	**4,224.50**	**4,505.86**	**5,947.80**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 40: EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit after tax as per Statement of Profit and Loss (₹ in lacs)	98,887.80	71,094.23
Weighted average number of ordinary shares for basic earnings per share (₹ in lacs)	659.78	659.52
Effect of dilution:		
Stock options granted under ESOP (Nos.)	0.23	0.49
Weighted average number of ordinary shares adjusted for effect of dilution (₹ in lacs)	660.01	660.01
Earnings per share		
Basic earnings per share (₹)	149.88	107.80
Diluted earnings per share (₹)	149.83	107.72

41. EMPLOYEE STOCK OPTION PLAN

41.1 The Company provides share-based payment schemes to its Employees. For the period ended March 31, 2019 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	: October 30, 2006
Date of grant	: October 19, 2007
Date of Board Approval	: October 19, 2007
Number of options granted	: 1,355,000
Method of Settlement (Cash/Equity)	: Equity
Graded vesting period :	
After 1 years of grant date	: 10% of options granted
After 2 years of grant date	: 20% of options granted
After 3 years of grant date	: 30% of options granted
After 4 years of grant date	: 40% of options granted
Exercisable period	: 10 years from vesting date
Vesting Conditions	: On achievement of pre-determined targets

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

The details of Series 1 have been summarised below:

₹ in lacs

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Weighted Average Exercise Price per share (in ₹)	Number of Shares	Weighted Average Exercise Price per share (in ₹)	Number of Shares	Weighted Average Exercise Price per share (in ₹)
Outstanding at the beginning of the year	50,120	35.00	72,480	35.00	88,730	35.00
Add: Granted during the year	-	-	-	-	-	-
Less: Forfeited during the year	-	-	-	-	-	-
Less: Exercised during the year	26,555	35.00	22,360	35.00	16,250	35.00
Less: Expired during the year	-	-	-	-	-	-
Outstanding at the end of the period	23,565	35.00	50,120	35.00	72,480	35.00
Exercisable at the end of the period	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	1.55	-	2.55	-	3.55
Weighted average fair value of options granted	-	227.42	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

₹ in lacs

As at March 31,	Range of exercise prices per share (in ₹)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price per share (in ₹)
2019	35.00	23,565	1.55	35.00
2018	35.00	50,120	2.55	35.00
2017	35.00	72,480	3.55	35.00

STOCK OPTIONS GRANTED

The weighted average fair value of stock options granted was ₹ 227.42. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

₹ in lacs

Particulars	2006	2007	2008	2009
Exercise Price (₹)	35.00	35.00	35.00	35.00
Expected Volatility (%)	55.36	55.36	55.36	55.36
Historical Volatility	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (₹)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	7.70	7.67	7.66	7.67
Expected dividend rate (%)	0.84	0.84	0.84	0.84

The expected volatility was determined based on historical volatility data equal to the NSE volatility rate of Bank NIFTY which is considered as a comparable peer group of the Company. To allow for the effects of early exercise it was assumed that the employees would exercise the options within six months from the date of vesting in view of the exercise price being significantly lower than the market price.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	53.36	113.50
Deferred compensation cost	-	-

Since the company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, the ICAI issued a guidance note on "Accounting for Employees Share Based Payments" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earnings per share would be as follows:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit as reported (₹ in lacs)	98,887.75	71,095.27
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	98,887.75	71,095.27
Less: Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders (₹ in lacs)	98,887.75	71,095.27
Earnings per share		
Basic (₹)		
- As reported	149.88	107.80
- Proforma	149.88	107.80
Diluted (₹)		
- As reported	149.83	107.72
- Proforma	149.83	107.72

41.2 A new ESOP scheme "SCUF Employees Stock Option Scheme 2013" was approved at an EGM on May 31, 2013. Accordingly 2,627,000 equity shares @ ₹ 10 each have been reserved under this scheme with an exercise price of ₹ 300 per option and with a maximum vesting period of five years from the date of grant.

NOTE 42: INVESTMENT IN SUBSIDIARY

Subsidiary of the Company is:

₹ in lacs

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No of Equity Shares Held (FV of ₹ 10 /- each)	% equity interest
Shriram Housing Finance limted	India	Mumbai	Housing Finance	March 31, 2019	16,54,40,000	77.25%
				March 31, 2018	16,54,40,000	77.25%
				April 01, 2017	16,54,40,000	77.25%

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 43: RETIREMENT BENEFIT PLAN

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company makes Provident Fund, Employee State Insurance Scheme contributions, National Pension scheme contributions and Labour welfare Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 4,225.08 lacs (March 31, 2018: ₹ 2,722.83 lacs) for Provident Fund contributions, ₹ 1,492.88 lacs (March 31, 2018: ₹ 1,463.81 lacs) for Employee State Insurance Scheme contributions, ₹ 10.45 lacs (March 31, 2018: ₹ 10.48 lacs) for Labour welfare Fund contributions and Rs 47.10 lacs (March 31, 2018: ₹ 37.56 lacs) for National Pension scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 (the Act). Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year the level of funding in the gratuity plan is reviewed. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The contribution is decided based on the results of annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. Generally equity instruments and property should not exceed 30% of total portfolio. The Aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

Risk associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following Risks:

Interest Risk: A fall in the discount rate which is linked to the Govt. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Compensated absences

The company has a policy on compensated absences which is accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognized expense amounting ₹ 925.63 lacs (March 31, 2018: ₹ 479.01 lacs) for Leave encashment

The Following Table Summarises the components of net benefit expense recognised in statement of profit and loss and funded status and amounts recognised in balance sheet for the gratuity plan

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current Service Cost	400.61	493.94
Interest expense	230.21	196.77
Interest Income	(170.00)	(165.97)
Past service cost	-	121.06
Components of defined benefit costs recognised in profit or loss (A)	**460.82**	**645.80**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(20.45)	(9.79)
Actuarial changes arising from changes in demographic assumptions	116.34	(82.94)
Actuarial changes arising from changes in financial assumptions	876.54	(127.49)
Experience adjustments	432.50	(56.96)
Components of defined benefit costs recognised in other comprehensive income (B)	**1,404.93**	**(277.18)**
Total (A+B)	**1,865.75**	**368.62**

Movement in the present value of the defined benefit obligation are as follows :

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	3,045.11	2,732.94
Expenses recognised in the statement of profit and loss:		
Current Service Cost	400.60	493.94
Interest expense/(income)	230.21	196.77
Recognised in other comprehensive income remeasurement (gains)/Loss.	1,425.38	(267.39)
Past service cost	-	121.05
Net Liabilties transferred out/ Divestments	(28.33)	-
Benefits paid from the fund	(263.94)	(232.20)
Present value of defined obligation at the end of the year	**4,809.03**	**3,045.11**

Change in the Fair value of plan assets :

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the year	2,248.63	2,305.07
Interest Income	169.99	165.97
Contributions by the Employer	2,499.76	
Benefits paid from the fund	(263.94)	(232.20)
Return on plan assets excluding interest income	20.45	9.79
Fair value of plan assets at the end of the year	**4,674.89**	**2,248.63**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Calculation of benefit liability/(asset) :

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Defined benefit obligation	4,809.03	3,045.11	2,732.94
Fair value of plan assets	4,674.89	2,248.63	2,305.07
Benefit liability	**134.14**	**796.48**	**427.87**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Expected return on Plan assets	7.59%	7.56%	7.20%
Rate of discounting	7.59%	7.56%	7.20%
Expected rate of salary increase	7.00%	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 31.00% p.a & For service 5 years and above 4.00% p.a	For service 4 years and below 31.00% p.a. & For service 5 years and above 3.00% p.a	For service 4 years and below 13.00% p.a. & For service 5 years and above 2.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA	NA

Investments quoted in active markets:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Investment Funds	4,674.89	2,248.63	2,305.07
Total	**4,674.89**	**2,248.63**	**2,305.07**

Sensitivity Analysis

₹ in lacs

Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation for FY 18-19	(477.08)	571.82	565.14	(479.48)	17.73	(22.19)
Impact on defined benefit obligation for FY 17-18	(313.29)	376.43	376.28	(317.14)	92.01	(107.28)
Impact on defined benefit obligation for FY 16-17	(348.00)	427.01	432.38	(357.64)	89.41	(106.31)

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Maturity Analysis of Benefit Payments from the fund

₹ in lacs

Expected payment for future years	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	486.28	220.99
2nd following Year	216.82	133.97
3rd following Year	276.80	170.08
4th following Year	266.73	196.69
5th following Year	317.05	180.15
sum of years 6 to 10	1,504.15	1,029.43
sum of years 11 and above	11,035.45	7,268.73
Total expected payments (Undiscounted)	**14,103.28**	**9,200.04**

The Company expects to contribute ₹ 134.14 lacs to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 13 years (March 31 2018: 13 years)

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year(subject to sufficiency of funds under the policy). The policy thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Notes
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NOTE 44: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in lacs

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	98,228.89	-	98,228.89	33,426.48	-	33,426.48	43,259.94	-	43,259.94
Bank Balance other than above	27,674.70	2,515.16	30,189.86	20,065.11	-	20,065.11	21,770.69	-	21,770.69
Loans	13,70,940.12	13,27,970.81	26,98,910.93	13,77,159.70	12,01,570.02	25,78,729.72	12,79,397.87	8,85,474.21	21,64,872.08
Investments	39,010.63	47,611.92	86,622.55	27,055.14	46,497.05	73,552.19	24,071.15	47,235.18	71,306.33
Other financial assets	2,948.52	493.97	3,442.49	499.82	1,384.03	1,883.85	2,255.11	1,140.11	3,395.22
Non-financial Assets									
Current tax asset	-	4,224.50	4,224.50	-	4,505.86	4,505.86	-	5,947.80	5,947.80
Deferred tax assets (net)	4,840.74	-	4,840.74	7,857.18	-	7,857.18	7,576.44	-	7,576.44
Property, plant and equipment	-	7,924.47	7,924.47	-	7,577.70	7,577.70	-	6,974.96	6,974.96
Other intangible assets	-	157.36	157.36	-	312.08	312.08	-	841.14	841.14
Other non financial assets	1,193.61	5,789.69	6,983.30	2,723.83	1,930.90	4,654.73	1,545.18	1,916.05	3,461.23
Total assets	**15,44,837.21**	**13,96,687.88**	**29,41,525.09**	**14,68,787.26**	**12,63,777.64**	**27,32,564.90**	**13,79,876.38**	**9,49,529.45**	**23,29,405.83**
Liabilities									
Financial Liabilities									
Derivative financial liabilities	297.39	-	297.39	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,509.89	-	5,509.89	7,003.39	-	7,003.39	3,050.59	-	3,050.59
Debt Securities	1,32,129.99	2,36,559.97	3,68,689.96	39,014.31	1,91,087.96	2,30,102.27	63,065.33	62,760.86	1,25,826.19
Borrowings (other than debt security)	8,26,236.05	6,84,834.87	15,11,070.92	7,10,117.25	7,74,961.52	14,85,078.77	5,26,293.67	6,70,237.48	11,96,531.15
Deposits	1,12,993.25	1,98,947.36	3,11,940.61	1,39,944.38	1,67,420.77	3,07,365.15	1,77,389.57	1,74,746.78	3,52,136.35
Subordinated Liabilities	43,541.66	21,829.29	65,370.95	57,413.70	60,148.05	1,17,561.75	19,694.68	1,09,780.90	1,29,475.58
Other Financial liabilities	35,325.73	132.78	35,458.51	25,908.59	-	25,908.59	22,458.76	-	22,458.76
Non-financial Liabilities									
Provisions	134.14	2,393.11	2,527.25	1,209.21	1,231.92	2,441.13	1,515.22	96.72	1,611.94
Other non-financial liabilities	1,454.17	72.99	1,527.16	1,638.27	-	1,638.27	1,427.00	5.79	1,432.79
Total Liabilities	**11,57,622.27**	**11,44,770.37**	**23,02,392.64**	**9,82,249.10**	**11,94,850.22**	**21,77,099.32**	**8,14,894.82**	**10,17,628.53**	**18,32,523.35**
Net	**3,87,214.94**	**2,51,917.51**	**6,39,132.45**	**4,86,538.16**	**68,927.42**	**5,55,465.58**	**5,64,981.56**	**(68,099.08)**	**4,96,882.48**

Notes
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NOTE 45: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2018-19

₹ in lacs

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Other *	As at March 31, 2019
At Amortised Cost					
Debt Securities					
-NCD Public Issue	20,920.73	(9,543.56)	-	-	11,377.17
-NCD Retail	639.59	(640.29)	-	0.69	(0.01)
-NCD Institutional	2,08,541.94	1,48,874.28	-	(103.44)	3,57,312.78
-Unclaimed Matured Portion	1,493.89	(550.12)	-	-	943.77
Subordinated Liabilities					
- Sub Debt Retail	89,327.13	(32,049.87)	-	407.81	57,685.07
- Subdebt Institutional	28,234.63	(20,681.07)	-	132.32	7,685.88
-Unclaimed Matured Portion	2,046.55	2,283.37	-	-	4,329.92
Borrowings other than debt securities					
- Term Loan from Banks	9,81,353.93	(25,085.47)	165.46	(662.66)	9,55,771.26
- Term Loan from Institution	48,500.36	(17,907.84)	-	0.54	30,593.06
- Commercial paper	2,18,831.02	(40,247.55)	-	-	1,78,583.47
- Cash Credit form Banks	1,46,418.70	11,768.16	-	-	1,58,186.86
- Working Capital Demand Loans	80,626.03	(3,940.87)	-	-	76,685.16
- Other loans	9,348.73	1,01,902.39	-	-	1,11,251.12
Deposits	3,07,365.14	4,875.35	-	(299.89)	3,11,940.60
-Unclaimed Matured Deposits	13,776.77	(2,194.56)	-	-	11,582.21
Total	**21,57,425.14**	**1,16,862.36**	**165.46**	**(524.64)**	**22,73,928.32**

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Changes in liabilities arising from financing activities during FY 2017-18

₹ in lacs

Particulars	As at April 01, 2017	Cash Flows	Exchange difference	Other *	As at March 31, 2018
At Amortised Cost					
Debt Securities					
-NCD Public Issue	39,476.63	(18,555.90)	-	-	20,920.73
-NCD Retail	5,446.82	(4,818.95)	-	1.72	629.59
-NCD Institutional	80,902.74	1,27,869.26	-	(230.06)	2,08,541.94
-Unclaimed Matured Portion	2,695.26	(1,201.37)	-	-	1,493.89
Subordinated Liabilities					
- Sub Debt Retail	98,858.24	(9,993.02)	-	461.91	89,327.13
- Subdebt Institutional	30,617.34	(2,534.24)	-	151.53	28,234.63
-Unclaimed Matured Portion	775.00	1,271.55	-	-	2,046.55

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

₹ in lacs

Particulars	As at April 01, 2017	Cash Flows	Exchange difference	Other *	As at March 31, 2018
Borrowings other than debt securities					
-Term Loan from Banks	7,37,596.68	2,43,750.41	-	6.85	9,81,353.94
-Term Loan from Institution	80,324.81	(31,825.00)	-	0.54	48,500.35
- Commercial paper	1,96,446.31	22,384.71	-	-	2,18,831.02
- Cash Credit form Banks	1,37,026.63	9,392.07	-	-	1,46,418.70
- Working Capital Demand Loans	33,996.64	46,629.39	-	-	80,626.03
- Other loans	11,139.78	(1,791.05)	-	-	9,348.73
Deposits	3,52,136.35	(45,149.33)	-	378.13	3,07,365.15
-Unclaimed Matured Deposits	9,092.22	4,684.55	-	-	13,776.77
Total	**18,16,531.47**	**3,40,113.07**	**-**	**770.61**	**21,57,415.15**

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

NOTE 46: CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) Contingent Liabilities

₹ in lacs

	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	1,468.18	2,990.65	2,990.65
b.	VAT demand where the Company has filed appeal before various Appellates	266.45	137.52	131.02
c.	Service tax demand	3,802.12	3,802.12	-
d	Guarantees given for subsidiary	2,500.00	2,500.00	2,500.00
	Total	**8,036.75**	**9,430.29**	**5,621.67**

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

The company has issued a guarantee for ₹ 2,500.00 lacs against refinance obtained by subsidary, Shriram Housing Finance Limited for NHB.

(B) Commitments not provided for

₹ in lacs

	Commitments not provided for	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	233.37	305.32	119.35
b.	Commitments related to loans sanctioned but undrawn	NIL	NIL	NIL

Notes
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(C) Lease Disclosures

As a lessee

Operating Lease :

The Company has taken various office premises under operating lease. The lease expenses recognised in the Statement of Profit and Loss are ₹ 5,859.50 lacs (March 31, 2018: ₹ 5,307.93 lacs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

Future minimum lease payments under non-cancellable operating leases as at March 31, 2019 are as follows:

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Within one year	843.82	428.43	403.83
After one year but not more than five years	2,355.11	1,061.59	1081.11
More than five years	582.38	261.75	349.03

NOTE 47: RELATED PARTY DISCLOSURES

Relationship			Name of the party
(i)	Enterprises having significant influence over the Company	:	Shriram Capital Limited (SCL)
			Shriram Ownership Trust (SOT)
			Dynasty Acquisition FPI Limited-DAFL
			Piramal Enterprises Limited-PEL
(ii)	Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii)	Associates*	:	Insight Commodities and Futures Private Limited (ICFPL)
			Shriram Asset Management Company Limited (SAMCL)
			Shriram Credit Company Limited (SCCL)
			Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
			Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
			Shriram Fortune Solutions Limited (SFSL)
			Shriram General Insurance Company Limited (SGICL)
			Shriram Insight Share Brokers Limited (SISBL)
			Shriram Life Insurance Company Limited (SLICL)
			Shriram Overseas Investments Private Limited (SOIPL)
			Shriram Wealth Advisors Limited (SWAL)
			Shriram Value Services Limited (SVSL)
			Bharath Investments Pte. Ltd., Singapore (BIPL)
			SGI Philippines General Insurance Co. Inc. (SGIPGICI)
			Novac Technology Solutions Pvt. Ltd (NTSPL)
			Tech Factory Services Pvt. Ltd. (TFSPL)

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Relationship			Name of the party
(iv)	Key Management Personnel	:	Mr. R Duruvasan. Managing Director & CEO
			Mr. Debendranath Sarangi, Chairperson
			Mr. Gerrit Lodewyk Van Heerde, Director
			Mr. Khushru Burjor Jijina, Director (Ceased w.e.f 07.05.18)
			Ms. Maya S Sinha , Director
			Mr. Sri Pranab Prakash Pattanayak, Director
			Mr. Ranvir Dewan, Director
			Mr. Shashank Singh, Director
			Mr. Subramaniam Krishnamurthy, Director
			Mr. Venkataraman Murali, Director
			Mr. Vipen Kapur , Director
			Mr. Ramakrishnan Subramanian, Additional Director (Ceased w.e.f 28.07.17)
			Mr. R Chandrasekar, Chief Financial Officer
			Mr. C R Dash, Company Secretary
(v)	Relatives of Key Management Personnel	:	Relatives of Mr. R Duruvasan. Managing Director & CEO (SCUF)
			Late Mr. Ayneni Ramachandra Naidu (Father)
			Late Ms. Ayneni Ammayamma (Mother)
			Ms. A Komaleeswari (Spouse)
			Mr. Ayneni Vamshi Krishna (Son)
			Mr. R Perumal (Brother)
			Ms. P Padmaja (Brother's Wife)
			Ms. S Usha Rani (Sister)
			Mr. R Selvam (Sister's Husband)

*- The Company neither holds any shares in the following entities nor these entities hold any shares in the Company. However these entities are "subsidiaries" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31 2019, March 31 2018 and April 01 2017

NOTE 47: RELATED PARTY DISCLOSURES

Related party transactions during the year:

₹ in lacs

Particulars	Subsidiary Company			Enterprises having significant influence over the Company			Associates			Key Management Personnel			Total		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Payments/Expenses															
Royalty to SOT	-	-	-	6,301.60	5,583.92	-	-	-	-	-	-	-	**6,301.60**	**5,583.92**	**-**
Commission & Other expenses- SFPSPL	-	-	-	-	-	-	1,943.61	1,756.14	-	-	-	-	**1,943.61**	**1,756.14**	**-**
Commission & Other expenses- SFSL	-	-	-	-	-	-	1,271.60	1,204.80	-	-	-	-	**1,271.60**	**1,204.80**	**-**
Insurance - SGICL	-	-	-	-	-	-	414.04	384.93	-	-	-	-	**414.04**	**384.93**	**-**
Insurance & Other expenses SLICL	-	-	-	-	-	-	461.59	249.10	-	-	-	-	**461.59**	**249.10**	**-**
Commission & Other expenses- SISBL	-	-	-	-	-	-	39.63	39.60	-	-	-	-	**39.63**	**39.60**	**-**
IT Services & Other expenses- SVSL	-	-	-	-	-	-	4,194.57	4,057.15	-	-	-	-	**4,194.57**	**4,057.15**	**-**
Reimbursement of rent and other expenses-SCL	-	-	-	195.09	518.00	-	-	-	-	-	-	-	**195.09**	**518.00**	**-**
License Fees to SCL	-	-	-	1,754.52	1,693.97	-	-	-	-	-	-	-	**1,754.52**	**1,693.97**	**-**
Rent and other expenses to SHFL	317.48	316.01	246.19	-	-	-	-	-	-	-	-	-	**317.48**	**316.01**	**246.19**
Payments to Key Managerial Personnel (MD, CFO & CS)	-	-	-	-	-	-	-	-	-			-	**-**	**-**	**-**
Short–term employee benefits	-	-	-	-	-	-	-	-	-	148.62	139.32	-	**148.62**	**139.32**	**-**
Post–employment pension (defined contribution)	-	-	-	-	-	-	-	-	-	29.61	11.24	-	**29.61**	**11.24**	**-**
Other long term employee benefits	-	-	-	-	-	-	-	-	-	9.39	35.93	-	**9.39**	**35.93**	**-**
Directors Sitting Fees	-	-	-	-	-	-	-	-	-	30.05	37.25	-	**30.05**	**37.25**	**-**
Security Deposits to SHFL	-	157.94	-	-	-	-	-	-	-	-	-	-	**-**	**157.94**	**-**
Equity dividend to SCL	-	-	-	4,008.40	3,563.02	-	-	-	-	-	-	-	**4,008.40**	**3,563.02**	**-**
Equity dividend to DAFL	-	-	-	2,415.94	2,147.50	-	-	-	-	-	-	-	**2,415.94**	**2,147.50**	**-**
Equity dividend to PEL	-	-	-	1,184.37	1,052.77	-	-	-	-	-	-	-	**1,184.37**	**1,052.77**	**-**
Receipts/Income													**-**	**-**	**-**
Reimbursement of expenses from SHFL	154.68	92.08	31.12	-	-	-	-	-	-	-	-	-	**154.68**	**92.08**	**31.12**
Interest on loan from SHFL	255.92	-	-	-	-	-	-	-	-	-	-	-	**255.92**	**-**	**-**
Interest income from Financial Guarantee-SHFL	15.60	15.60	-	-	-	-	-	-	-	-	-	-	**15.60**	**15.60**	**-**

₹ in lacs

Particulars	Subsidiary Company			Enterprises having significant influence over the Company			Associates			Key Management Personnel			Total		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Rent Income - SFSL	-	-	-	-	-	-	18.29	12.20	-	-	-	-	**18.29**	**12.20**	**-**
Rent Income - SISBL	-	-	-	-	-	-	12.77	40.12	-	-	-	-	**12.77**	**40.12**	**-**
Rent Income - SLIC	-	-	-	-	-	-	19.25	13.01	-	-	-	-	**19.25**	**13.01**	**-**
Electricity, Telephone and other charges Received															
Expenses reimbursement -SFSL	-	-	-	-	-	-	11.23	7.44	-	-	-	-	**11.23**	**7.44**	**-**
Expenses reimbursement -SISBL	-	-	-	-	-	-	1.83	0.85	-	-	-	-	**1.83**	**0.85**	**-**
Expenses reimbursement -SLIC	-	-	-	-	-	-	27.29	11.73	-	-	-	-	**27.29**	**11.73**	**-**
Balance outstanding as at															
Share Capital held by SCL	-	-	-	2,226.89	2,226.89	2,226.89	-	-	-	-	-	-	**2,226.89**	**2,226.89**	**2,226.89**
Share Capital held by DAFL	-	-	-	1,342.19	1,342.19	1,342.19	-	-	-	-	-	-	**1,342.19**	**1,342.19**	**1,342.19**
Share Capital held by PEL	-	-	-	657.98	657.98	657.98	-	-	-	-	-	-	**657.98**	**657.98**	**657.98**
Investment of SCL	-	-	-	226.43	282.08	329.62	-	-	-	-	-	-	**226.43**	**282.08**	**329.62**
Investment in Shares of SHFL	16,544.00	16,544.00	16,544.00	-	-	-	-	-	-	-	-	-	**16,544.00**	**16,544.00**	**16,544.00**
Deemed Investment in SHFL	183.91	183.91	183.91	-	-	-	-	-	-	-	-	-	**183.91**	**183.91**	**183.91**
Security deposits with SHFL	275.33	275.33	117.39	-	-	-	-	-	-	-	-	-	**275.33**	**275.33**	**117.39**
Outstanding Expenses to SHFL	32.64	-	25.04	-	-	-	-	-	-	-	-	-	**32.64**	**-**	**25.04**
Outstanding Receivable from SHFL	16.57	11.40	-	-	-	-	-	-	-	-	-	-	**16.57**	**11.40**	**-**
Outstanding Expenses to SCL	-	-	-	183.17	170.86	155.43	-	-	-	-	-	-	**183.17**	**170.86**	**155.43**
Outstanding Expenses to SOT	-	-	-	1,552.50	1,330.52	1,029.79	-	-	-	-	-	-	**1,552.50**	**1,330.52**	**1,029.79**
Outstanding Expenses to SFPSPL	-	-	-	-	-	-	-	-	94.78	-	-	-	**-**	**-**	**94.78**
Outstanding Expenses to SFSL	-	-	-	-	-	-	-	-	52.39	-	-	-	**-**	**-**	**52.39**
Outstanding receiveable from SFSL			-				6.07	8.89	-				**6.07**	**8.89**	**-**
Outstanding Expenses to SISBL	-	-	-	-	-	-	0.08	2.08	2.59	-	-	-	**0.08**	**2.08**	**2.59**
Outstanding Receiveable from SLIC							2.05	26.25					**2.05**	**26.25**	**-**
Outstanding Expenses to SVS	-	-	-		-	-	5.40	-	-	-	-	-	**5.40**	**-**	**-**

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NOTE 48: CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

₹ in lacs

Regulatory capital	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Tier 1 Capital	6,14,038.04	5,41,268.98	4,92,377.75
Tier 2 Capital	10,081.44	20,814.14	36,094.37
Total capital funds	6,24,119.48	5,62,083.12	5,28,472.12
Risk weighted assets (₹ in lacs)	**26,99,007.39**	**26,30,717.17**	**22,20,176.11**
Tier 1 capital ratio	22.75%	20.58%	22.18%
Other Tier 2 capital ratio	0.37%	0.79%	1.63%
Total capital ratio	**23.12%**	**21.37%**	**23.81%**
Amount of subordinated debt raised as Tier - II capital (₹ in lacs)	-	10,853.74	29,485.91
Amount raised by issue of Perpetual Debt Instruments (₹ in lacs)	-	-	-

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments,which includes contingent convertible bonds.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

Consequent to the transition of the company to the Indian Accounting Standards (Ind AS) with effect from 1st April 2018, the books of account of the company are being maintained under Ind AS as required by the Companies Act, 2013. In the absence of any clarification from the Reserve Bank Of India (RBI) the company has continued filing various Returns to RBI based on directions issued by RBI which are in accordance with the previous Indian GAAP. This has been communicated by the company to RBI vide its letter dated 9th July, 2018.

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NOTE 49: FAIR VALUE MEASUREMENT

49.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 49.3.

49.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2019

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	20,366.72	-	20,366.72
Equity instruments	10,603.97	-	80.04	10,684.01
Total financial assets held for trading	**10,603.97**	**20,366.72**	**80.04**	**31,050.73**
Total assets measured at fair value on a recurring basis	**10,603.97**	**20,366.72**	**80.04**	**31,050.73**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Currency Forward	297.39	-	-	297.39
Total derivative financial instruments	**297.39**	**-**	**-**	**297.39**
Total financial liabilities measured at fair value on a recurring basis	**297.39**	**-**	**-**	**297.39**

As at March 31, 2018

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	322.29	-	322.29
Equity instruments	9,516.15	-	50.67	9,566.82
Total financial assets held for trading	**9,516.15**	**322.29**	**50.67**	**9,889.11**
Total assets measured at fair value on a recurring basis	**9,516.15**	**322.29**	**50.67**	**9,889.11**

As at April 01, 2017

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	294.59	-	294.59
Equity instruments	8,608.01	-	1,047.67	9,655.68
	8,608.01	**294.59**	**1,047.67**	**9,950.27**
Total assets measured at fair value on a recurring basis	**8,608.01**	**294.59**	**1,047.67**	**9,950.27**

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49.3 Valuation techniques

Equity instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the networth of the investee company

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

₹ in lacs

Particulars	Equity instruments	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	**50.67**	**1,047.67**
Purchases	-	-
Sales	-	997.00
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Closing Balance	**80.04**	**50.67**
Unrealised gains and losses related to balances held at the end of the year	**29.37**	**-**

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49.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

₹ in lacs

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	As at March 31, 2019	As at March 31, 2019		
Equity Instruments	80.04	-	Based on the networth of the investee company	networth of the investee company

₹ in lacs

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	As at March 31, 2018	As at March 31, 2018		
Equity Instruments	50.67	-	Based on the networth of the investee company	networth of the investee company

49.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

₹ in lacs

	As at March 31, 2019		As at March 31, 2018	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	29.37	-	-	-

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49.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non financial liabilities.

₹ in lacs

As at March 31, 2019	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	98,228.89	98,228.89	-	-	98,228.89
Bank balance other than cash and cash equivalents	30,189.86	-	30,196.64	-	30,196.64
Loans	26,98,910.93	-	-	26,95,565.82	26,95,565.82
Investments	55,571.82	-	16,727.91	38,843.91	55,571.82
Other financial assets	3,442.49	-	-	3,443.19	3,443.19
Total financial assets	**28,86,343.99**	**98,228.89**	**46,924.55**	**27,37,852.92**	**28,83,006.36**
Financial liabilities:					
Derivative financial instruments	297.39	-	297.39	-	297.39
Other Payables	5,509.89	-	-	5,509.89	5,509.89
Debt securities	3,68,689.96	-	3,69,937.76	-	3,69,937.76
Borrowings (other than debt securities)	15,11,070.92	-	15,10,901.92	-	15,10,901.92
Deposits	3,11,940.61	-	-	3,07,777.37	3,07,777.37
Subordinated liabilities	65,370.95	-	-	83,617.95	83,617.95
Other financial liabilities	35,458.51	-	-	35,458.51	35,458.51
Total financial liabilities	**22,98,338.23**	**-**	**18,81,137.07**	**4,32,363.72**	**23,13,500.79**

₹ in lacs

As at March 31, 2018	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	33,426.48	33,426.48	-	-	33,426.48
Bank balance other than cash and cash equivalents	20,065.11	-	20,066.31	-	20,066.31
Loans	25,78,729.72	-	-	26,24,120.52	26,24,120.52
Investments	63,663.09	-	16,727.91	46,935.18	63,663.09
Other financial assets	1,883.85	-	-	1,883.85	1,883.85
Total financial assets	**26,97,768.25**	**33,426.48**	**36,794.22**	**26,72,939.55**	**27,43,160.25**
Financial liabilities:					
Derivative financial instruments					
Other Payables	7,003.39	-	-	7,003.39	7,003.39
Debt securities	2,30,102.27	-	2,31,463.15	-	2,31,463.15
Borrowings (other than debt securities)	14,85,078.77	-	14,85,065.43	-	14,85,065.43
Deposits	3,07,365.15	-	-	3,53,171.97	3,53,171.97
Subordinated liabilities	1,17,561.75	-	-	1,65,263.78	1,65,263.78
Other financial liabilities	25,908.59	-	-	25,908.59	25,908.59
Total financial liabilities	**21,73,019.92**	**-**	**17,16,528.58**	**5,51,347.73**	**22,67,876.31**

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₹ in lacs

As at April 01, 2017	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	43,259.94	43,259.94	-	-	43,259.94
Bank balance other than cash and cash equivalents	21,770.69	-	-	21,757.76	21,757.76
Loans	21,64,872.08	-	-	21,75,090.14	21,75,090.14
Investments at ammortised cost	61,356.06		16,727.91	44,628.15	61,356.06
Other financial assets	3,395.22	-	-	3,395.22	3,395.22
Total financial assets	**22,94,653.99**	**43,259.94**	**16,727.91**	**22,44,871.27**	**23,04,859.12**
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	3,050.59	-	-	3,050.59	3,050.59
Debt securities	1,25,826.19	-	1,27,829.23	-	1,27,829.23
Borrowings (other than debt securities)	11,96,531.15	-	11,96,395.44	-	11,96,395.44
Deposits	3,52,136.35	-	-	4,06,127.20	4,06,127.20
Subordinated liabilities	1,29,475.58	-	-	1,81,368.08	1,81,368.08
Other financial liabilities	22,458.76	-	-	22,458.76	22,458.76
Total financial liabilities	**18,29,478.62**	**-**	**13,24,224.67**	**6,13,004.63**	**19,37,229.30**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

49.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

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Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

Note 50 Risk Management

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

50.1 Introduction and Risk Profile

50.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

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The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

50.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

50.1.3 Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department. The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

50.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

50.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

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The Company's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 89 dpd
Non-performing	90+ dpd

50.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

50.2.2 Impairment assessment

50.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the company
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Company
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 becomes 90 days past due i.e. credit impaired.

50.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

50.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

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50.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any security.

50.2.2.5 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 50.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 50.2.2.6), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

50.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note 6.1.xi dependent on the factors below, the Company calculates ECLs only on a collective basis

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans

50.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2019 was ₹ 4500.00 lacs (March 31, 2018: ₹ 25000.00 lacs)

Credit risk exposure analysis

₹ in lacs

Particulars	March 31, 2019				
	Stage 1 Collective	Stage 2 Collective	Stage 3	POCI	Total
Normal	21,75,299.36	4,58,591.84	2,56,487.39	-	**28,90,378.59**
Repossessed	-	-	1,181.52	-	**1,181.52**
Total	**21,75,299.36**	**4,58,591.84**	**2,57,668.91**	**-**	**28,91,560.11**

50.3 Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

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Borrowings from banks and financial institutions , issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

50.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2019:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	98,377.90	4.91	15,332.41	17,138.64	-	-	**1,30,853.86**
Loans	5,05,180.17	4,93,208.86	8,07,735.05	11,68,667.75	3,95,782.31	2,98,975.65	**36,69,549.79**
Financial investments at amortised cost	1,386.33	89.74	20,069.81	13,709.37	9,248.64	125.61	**44,629.50**
Financial investments at FVTPL	-	-	31,050.73	-	-	-	**31,050.73**
Other Financial Assets	-	-	3,442.49	-	-	-	**3,442.49**
Total undiscounted financial assets	**6,04,944.40**	**4,93,303.51**	**8,77,630.49**	**11,99,515.76**	**4,05,030.95**	**2,99,101.26**	**38,79,526.37**
Financial liabilities							
Derivative Financial Instruments	-	-	297.39	-	-	-	**297.39**
Deposits	32,591.37	27,196.30	53,575.91	1,94,413.60	51,741.61	-	**3,59,518.79**
Debt securities	15,184.77	73,152.11	71,173.93	2,38,399.09	45,810.44	-	**4,43,720.34**
Borrowings (other than debt securities)	4,51,623.95	1,47,255.83	3,30,396.30	6,90,096.65	95,647.53	1,158.42	**17,16,178.68**
Subordinated Liabilities	8,425.13	6,630.37	30,419.33	25,975.26	-	-	**71,450.09**
Other Financial Liabilities	-	-	35,458.51	-	-	-	**35,458.51**
Total undiscounted financial liabilities	**5,07,825.22**	**2,54,234.61**	**5,21,321.37**	**11,48,884.60**	**1,93,199.58**	**1,158.42**	**26,26,623.80**
Net undiscounted financial assets/(liabilities)	**97,119.18**	**2,39,068.90**	**3,56,309.12**	**50,631.16**	**2,11,831.37**	**2,97,942.84**	**12,52,902.58**

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Maturity pattern of assets and liabilities as on March 31, 2018:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	33,505.79	-	18,222.78	3,416.27	-	-	**55,144.84**
Loans	5,02,005.82	4,52,395.52	8,66,209.64	10,73,428.48	4,31,217.52	2,19,456.31	**35,44,713.29**
Financial investments at amortised cost	1,396.74	100.02	28,630.68	14,701.77	9,621.48	514.67	**54,965.36**
Financial investments at FVTPL	-	-	9,889.10	-	-	-	**9,889.10**
Other Financial Assets	-	-	1,883.85	-	-	-	**1,883.85**
Total undiscounted financial assets	**5,36,908.35**	**4,52,495.54**	**9,24,836.05**	**10,91,546.52**	**4,40,839.00**	**2,19,970.98**	**36,66,596.44**
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	-
Deposits	38,413.58	35,896.88	71,766.07	1,57,929.16	43,244.86	-	**3,47,250.55**
Debt securities	3,870.94	4,209.08	46,640.50	2,02,256.61	22,815.45	-	**2,79,792.58**
Borrowings (other than debt securities)	2,11,668.31	87,054.75	5,03,665.52	6,98,870.93	1,75,314.38	-	**16,76,573.89**
Subordinated Liabilities	4,313.62	7,698.37	51,410.74	72,240.60	-	-	**1,35,663.33**
Other Financial Liabilities	-	-	25,908.59	-	-	-	**25,908.59**
Total undiscounted financial liabilities	**2,58,266.45**	**1,34,859.08**	**6,99,391.42**	**11,31,297.30**	**2,41,374.69**	**-**	**24,65,188.94**
Net undiscounted financial assets/(liabilities)	**2,78,641.89**	**3,17,636.46**	**2,25,444.63**	**(39,750.78)**	**1,99,464.31**	**2,19,970.98**	**12,01,407.50**

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Maturity pattern of assets and liabilities as on April 01, 2017:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	43,267.21	3,005.18	15,751.92	4,572.13	-	-	**66,596.44**
Loans	4,47,478.75	3,92,647.54	8,01,965.12	8,32,523.15	3,30,728.04	1,04,592.05	**29,09,934.65**
Financial investments at amortised cost	8,970.41	303.07	17,505.36	3,503.96	13,931.56	9,803.66	**54,018.02**
Financial investments at FVTPL	-	-	9,950.27	-	-	-	**9,950.27**
Other Financial Assets	-	-	3,395.22	-	-	-	**3,395.22**
Total undiscounted financial assets	**4,99,716.37**	**3,95,955.79**	**8,48,567.89**	**8,40,599.24**	**3,44,659.60**	**1,14,395.71**	**30,43,894.60**
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	**-**
Deposits	44,088.02	41,418.27	83,134.70	1,81,832.09	45,240.33	-	**3,95,713.41**
Debt securities	14,491.49	5,287.78	52,097.97	62,456.80	14,481.30	-	**1,48,815.34**
Borrowings (other than debt securities)	1,83,212.20	1,04,212.38	3,15,273.05	6,02,522.27	1,65,865.16	-	**13,71,085.06**
Subordinated Liabilities	590.20	9,145.77	14,387.97	1,11,562.03	25,846.89	-	**1,61,532.86**
Other Financial Liabilities	-	-	22,458.76	-	-	-	**22,458.76**
Total undiscounted financial liabilities	**2,42,381.91**	**1,60,064.20**	**4,87,352.45**	**9,58,373.19**	**2,51,433.68**	**-**	**20,99,605.43**
Net undiscounted financial assets/(liabilities)	**2,57,334.47**	**2,35,891.60**	**3,61,215.44**	**(1,17,773.95)**	**93,225.92**	**1,14,395.71**	**9,44,289.17**

The table below shows the contractual expiry by maturity of the company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

₹ in lacs

Particulars	Over 6 months & upto 1 year	Over 5 years	Total
As at March 31, 2019			
In respect of Income tax demands where the Company has filed appeal before various authorities	-	1,468.18	1,468.18
VAT demand where the Company has filed appeal before various Appellates	-	266.45	266.45
Service tax demand	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	233.57	-	233.57
Total commitments	**233.57**	**8,036.75**	**8,270.32**

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₹ in lacs

Particulars	Over 6 months & upto 1 year	Over 5 years	Total
As at March 31, 2018			
In respect of Income tax demands where the Company has filed appeal before various authorities	-	2,990.65	2,990.65
VAT demand where the Company has filed appeal before various Appellates	-	137.52	137.52
Service tax demand	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	305.32	-	305.32
Total commitments	**305.32**	**9,430.29**	**9,735.61**
As at April 01, 2017			
In respect of Income tax demands where the Company has filed appeal before various authorities	-	2,990.65	2,990.65
VAT demand where the Company has filed appeal before various Appellates	-	131.02	131.02
Service tax demand	-	-	-
Guarantees and counter guarantees	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	119.35	-	119.35
Total commitments	**119.35**	**5,621.67**	**5,741.02**

50.4 Market Risk

Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

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50.4.1 Total market risk exposure

₹ in lacs

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Assets										
Cash and cash equivalents and other bank balances	1,28,418.75	-	1,28,418.75	53,491.59	-	53,491.59	65,030.63	-	65,030.63	interest rate
Loans	26,98,910.93	-	26,98,910.93	25,78,729.72	-	25,78,729.72	21,64,872.08	-	21,64,872.08	interest rate
Financial investments at amortised cost	38,843.91	-	38,843.91	46,935.18	-	46,935.18	44,628.15	-	44,628.15	interest rate
Financial investments at FVTPL	31,050.73	31,050.73	-	9,889.10	9,889.10	-	9,950.27	9,950.27	-	interest rate and equity price
Other financial assets	3,442.49	-	3,442.49	1,883.85	-	1,883.85	3,395.22	-	3,395.22	interest rate
Total	**29,00,666.81**	**31,050.73**	**28,69,616.08**	**26,90,929.44**	**9,889.10**	**26,81,040.34**	**22,87,876.35**	**9,950.27**	**22,77,926.08**	
Liabilities										
Derivative financial instruments	297.39	-	297.39	-	-	-	-	-	-	interest rate/ FX
Other Payables	5,509.89	-	5,509.89	7,003.39	-	7,003.39	3,050.59	-	3,050.59	interest rate
Debt securities	3,68,689.96	-	3,68,689.96	2,30,102.27	-	2,30,102.27	1,25,826.19	-	1,25,826.19	interest rate
Borrowings (other than debt securities)	15,11,070.92	-	15,11,070.92	14,85,078.77	-	14,85,078.77	11,96,531.15	-	11,96,531.15	interest rate
Deposits	3,11,940.61	-	3,11,940.61	3,07,365.15	-	3,07,365.15	3,52,136.35	-	3,52,136.35	interest rate
Subordinated liabilities	65,370.95	-	65,370.95	1,17,561.75	-	1,17,561.75	1,29,475.58	-	1,29,475.58	interest rate
Other financial liabilities	35,458.51	-	35,458.51	25,908.59	-	25,908.59	22,458.76	-	22,458.76	interest rate
Total	**22,98,338.23**	**-**	**22,98,338.23**	**21,73,019.92**	**-**	**21,73,019.92**	**18,29,478.62**	**-**	**18,29,478.62**	

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NOTE 51: FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended March 31, 2019, are the first financial statements of the Company and that have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

> Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

> The Company has not designated any investments held at 1 April 2017 as fair value through OCI investments.

> A first-time adopter may opt to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date. However, it makes necessary adjustments for decommissioning liabilities to be included in the carrying value of PPE. The Company has used Ind AS 101 exemption and continued with the carrying value as recognised in previous GAAP as deemed cost on the transition date.

> In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet. Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture.
>
> Accordingly, the Company has opted to measure its investment in subsidiary at previous GAAP carrying amount which is considered to be the deemed cost.

> Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

The Company has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

> Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract.

The Company has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.

> As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "Derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the Derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event).

The Company has opted not to re-evaluate financial assets derecognized in the past including those sold to asset restructuring companies.

Estimates:

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVPTL / FVOCI – equity and debt instrument

> Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

Equity reconciliation for 1 April 2017

₹ in lacs

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	43,259.94	-	43,259.94
Bank Balance other than above	21,770.69	-	21,770.69
Loans	22,86,427.00	(1,21,554.92)	21,64,872.08
Investments	72,574.13	(1,267.80)	71,306.33
Other financial assets	4,854.01	(1,458.79)	3,395.22
Total (A)	**24,28,885.77**	**(1,24,281.51)**	**23,04,604.26**

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

₹ in lacs

Particulars	Previous GAAP	Adjustments	Ind AS
Non-financial assets			
Current tax assets (net)	5,947.80	-	5,947.80
Deferred tax assets (net)	4,422.47	3,153.97	7,576.44
Property, plant and equipment	6,974.96	-	6,974.96
Other Intangible assets	841.14	-	841.14
Other non-financial assets	3,020.36	440.88	3,461.23
Total (B)	**21,206.73**	**3,594.85**	**24,801.57**
Total Assets (A+B)	**24,50,092.50**	**(1,20,686.66)**	**23,29,405.83**
Liabilities and equity			
Liabilities			
Financial liabilities			
Derivative financial instruments	-	-	-
Other Payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,050.59	-	3,050.59
Debt securities	1,25,905.35	(79.16)	1,25,826.19
Borrowings (other than debt securities)	11,85,486.77	11,044.38	11,96,531.15
Deposits	3,54,095.36	(1,959.01)	3,52,136.35
Subordinated Liabilities	1,30,958.20	(1,482.62)	1,29,475.58
Other financial liabilities	24,479.10	(2,020.34)	22,458.76
Total (C)	**18,23,975.36**	**5,503.26**	**18,29,478.62**
Non-financial liabilities			
Provisions	1,21,842.41	(1,20,230.47)	1,611.94
Other non-financial liabilities	1,433.83	-	1,432.86
Total (D)	**1,23,276.24**	**(1,20,230.47)**	**3,044.80**
Total Liabilities (C+D)	**19,47,251.61**	**(1,14,727.21)**	**18,32,523.42**
Equity	6,594.34	-	6,594.34
Other Equity	4,96,246.51	(5,958.44)	4,90,288.07
Total equity	**5,02,840.85**	**(5,958.44)**	**4,96,882.41**
Total liabilities and equity	**24,50,092.46**	**(1,20,685.65)**	**23,29,405.83**

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Equity reconciliation for 31 March 2018

₹ in lacs

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	33,426.48	-	33,426.48
Bank Balance other than above	20,065.11	-	20,065.11
Loans	27,36,494.48	(1,57,764.76)	25,78,729.72
Investments	73,676.35	(124.16)	73,552.19
Other financial assets	3,392.90	(1,509.05)	1,883.85
Total (A)	**28,67,055.32**	**(1,59,397.97)**	**27,07,657.35**
Non-financial assets			
Current tax assets (net)	4,505.86	-	4,505.86
Deferred tax assets (net)	7,245.89	611.29	7,857.18
Property, plant and equipment	7,577.70	-	7,577.70
Other Intangible assets	312.08	-	312.08
Other non-financial assets	3,986.28	668.45	4,654.73
Total (B)	**23,627.81**	**1,279.74**	**24,907.55**
Total Assets (A+B)	**28,90,683.13**	**(1,58,118.23)**	**27,32,564.90**
Liabilities and equity			
Liabilities			
Financial liabilities			
Other Payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,003.39	-	7,003.39
Debt securities	2,30,399.77	(297.50)	2,30,102.27
Borrowings (other than debt securities)	14,75,818.05	9,260.72	14,85,078.77
Deposits	3,08,946.02	(1,580.87)	3,07,365.15
Subordinated liabilities	1,18,430.94	(869.19)	1,17,561.75
Other financial liabilities	26,832.61	(924.02)	25,908.59
Total (C)	**21,67,430.78**	**5,589.14**	**21,73,019.92**
Non-financial liabilities			
Provisions	1,64,973.17	(1,62,532.04)	2,441.13
Other non-financial liabilities	1,658.60	(20.32)	1,638.27
Total (D)	**1,66,631.77**	**(1,62,552.36)**	**4,079.40**
Total Liabilities (C+D)	**23,34,062.55**	**(1,56,963.22)**	**21,77,099.32**
Equity	6,596.58	-	6,596.58
Other Equity	5,50,024.00	(1,155.00)	5,48,869.00
Total equity	**5,56,620.58**	**(1,155.00)**	**5,55,465.58**
Total liabilities and equity	**28,90,683.13**	**(1,58,118.22)**	**27,32,564.90**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Profit reconciliation for the year ended 31 March 2018

₹ in lacs

Particulars	Previous GAAP	Adjustments	Ind AS
Revenue from operations			
Interest income	5,03,331.94	5,072.43	5,08,404.37
Dividend income	144.50	-	144.50
Fee and commission income	212.32	15.60	227.92
Net gain on fair value changes	-	854.08	854.08
Net gain on derecognition of financial instruments under amortised category	-	-	-
Bad debts Recovery	4,536.51	-	4,536.51
Gain on sale of Investment	1,505.31	-	1,505.31
Total revenue from operations	5,09,730.58	5,942.11	5,15,672.69
Other income	176.26	(2.20)	174.06
Total Income	**5,09,906.84**	**5,939.91**	**5,15,846.75**
Expenses			
Finance costs	1,65,632.23	780.64	1,66,412.87
Net loss on derecognition of financial instruments under amortised category	-	978.58	978.58
Fees and commission expense	13,035.81	-	13,035.81
Impairment on financial instruments	42,383.33	(3,034.88)	39,348.45
Bad Debts Written Off	62,987.28	(20.32)	62,966.96
Employee benefits expenses	70,354.11	277.19	70,631.30
Depreciation, amortisation and impairment	3,325.93	-	3,325.93
Royalty	5,583.92	-	5,583.92
Professional Charges	11,642.66	-	11,642.66
Other expenses	33,183.31	(111.07)	33,073.06
Total expenses	**4,08,128.57**	**(1,129.86)**	**4,06,999.54**
Profit /(loss) before exceptional items and tax	1,01,778.27	7,069.77	1,08,847.21
Exceptional items	-	-	-
Profit/(loss) before tax	1,01,778.27	7,069.77	1,08,847.21
Tax Expense:			
(1) Current tax	38,129.64	-	38,129.64
(2) Deferred tax (credit)	(2,823.42)	2,446.76	(376.66)
(3) Earlier years adjustments			-
Profit/(loss) for the period from continuing operations	66,472.05	4,623.01	71,094.23
Other comprehensive income			
(i) Items that will not be classified to profit or loss	-	277.19	277.19
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	95.93	95.93
Subtotal (A)	**-**	**181.26**	**181.26**
(i) Items that will be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
Subtotal (B)	**-**	**-**	**-**
Other Comprehensive Income	**-**	**181.26**	**181.26**
Total comprehensive income	**66,472.05**	**4,804.26**	**71,275.49**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

₹ in lacs

Particulars	Note Reference	Reconciliation of Equity		Reconciliation of Profit
		March 31, 2018	April 1, 2017	
Equity after tax as per IGAAP		**5,50,024.00**	**4,96,246.51**	
Profit after tax as per IGAAP		**-**	**-**	**66,472.05**
EIR Impact on Financial Assets ("Loan to customers")	1	(4,928.69)	(2,333.29)	(2,595.40)
EIR impact on Borrowings	1	2,835.96	3,616.60	(780.64)
Public issue Expenses NCD		120.84	4.98	115.86
ECL on Financial Assets	2	(1,79,181.32)	(1,39,832.87)	(39,348.45)
Recognition of Interest on NPA	3	14,170.95	7,250.89	6,920.06
Fair value of investment	4	(308.07)	(1,162.18)	854.11
Reversal of Provision of standard & Non-performing assets	6	1,62,552.35	1,20,148.71	42,403.64
Fair valuation of Security deposits	8	343.00	345.20	(2.20)
Amortisation of Lease rental	8	(389.18)	(384.36)	(4.82)
Unrealised gain on securitisation	8	143.62	208.50	(64.88)
Retirement Benefit	8	(277.19)	-	(277.19)
Others		2,874.25	3,025.49	(151.24)
Deferred tax impact on above adjustments	5	707.22	3,153.90	(2,446.68)
Other comprehensive income Net of Tax		181.26	-	181.26
Total		**5,48,869.00**	**4,90,288.07**	**71,275.49**

Notes:

1. Effective Interest Rate ("EIR")

a. Under Indian GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently loan to customers on date of transition date have decreased by ₹ 2,333.29 lacs. The impact of ₹ 2,595.40 lacs for the ended 31 March 2018 has been taken to Profit and loss.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial liabilities and recognised as interest expense using the effective interest method. Consequently retained earnings on date of transition date have increased by ₹ 3,616.60 lacs. The finance costs for the year ended March 31, 2018 increased by ₹ 780.64 lacs and has been taken to Profit and loss.

c. Unamortised expense on borrowing was recorded as an asset in the balance sheet under Indian GAAP. The same is reversed under Ind AS. As a result, the retained earnings as on the transition date has increased by ₹ 4.98 lacs. Impact for the year ended March 31, 2018 was ₹ 115.86 lacs has been taken to the Profit and loss account.

2. Recording of impairment as per Expected Credit Loss ("ECL")

Under IGAAP, NPA provisioning was computed based on the RBI guidelines. Under Ind AS, the impairment is computed based on Expected Credit Loss model. Under ECL, the Company impaired its loans to customers by ₹ 139,832.87 lacs which has been eliminated against retained earnings. Impact for the year ended 31 March 2018 was ₹ 39,348.45 lacs has been taken to the Profit and loss account.

3. Interest income on NPA

Under IGAAP, interest income on NPA was recognised on cash basis. However, under Ind AS the interest income on NPA is recorded based on EIR and ECL provision is provided on the same. As a result of recording interest income on NPA, the retained earnings as on transition date has decreased by ₹ 7,251.06 lacs. The impact for the year was ₹ 6,920.06 lacs has been taken to Profit and loss.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

4. Fair valuation of Investment

Under Indian GAAP, the investments were carried at cost whereas under Ind AS, investments are measured based on the Company's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The investments that meet the business model and contractual cash flow characteristics are measured at amortised cost and interest is recognised as per the EIR method. Those that do not meet these tests are measured at fair value. Consequently, retained earning as on date of transition have decreased by ₹ 1,162.18 lacs. Impact for the year ended March 31, 2018 was ₹ 854.11 lacs has been taken to the Statement of Profit and loss.

5. Deferred Tax

Under Indian GAAP, deferred tax accounting was under the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 "Income-Taxes" approach has resulted in recognition of deferred taxes on temporary differences that were not required to be recorded under Previous GAAP. In addition, the various transitional adjustments have led to deferred tax implications that the Company has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction in either retained earnings or other comprehensive income, on the date of transition. As a result of Ind AS adjustments, the deferred tax credit/ charge as on April 01, 2017 has increased by ₹ 3,153.97 lacs leading to increase in retained earnings. The impact for the year is ₹ 2,446.68 lacs which has been taken to the Profit and loss.

6. Reversal of Provision of standard/non-performing assets (NPA)

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPA's amounting to ₹ 120,148.71 lacs and ₹ 162,552.35 Lacs as on 1 April 2017 and 31 March 2018 respectively.

7. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. The Company has reconciled Indian GAAP profit or loss to Total Comprehensive Income as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

8. Others

a. The Company has given interest free security deposit in the form of rental advance for branches taken on lease. Such deposits have been fair valued under Ind AS. As a result of the fair valuation, there has been an increase of ₹ 345.20 lacs in retained earnings as on April 01, 2017. The impact of ₹ 2.20 lacs for the year ended March 31, 2018 has been taken in Profit and loss. Also the Company has amortised deferred lease rental as on April 01, 2017 to the extent of ₹ 384.36 lacs, the impact of which was taken to retained earnings as on April 01, 2017. The impact of ₹ 4.82 lacs for the year ended March 31, 2018 has been taken in Profit and loss.

b. Due to reversal of unrealised gain of securitisation there has been an increase of ₹ 208.50 lacs in retained earnings as on April 01, 2017 and impact of ₹ 64.88 lacs taken to profit and loss.

c. Retirement benifits of ₹ NIL taken to other comprehensive income (OCI) in other equity on the transition date and ₹ 277.19 lacs taken to other comprehensive income (OCI) in profit and loss.

9. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is reduced by ₹ NIL lacs (net of tax).

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018

₹ in lacs

Particulars	Note Reference	Previous GAAP as at March 31, 2018	Adjustments	Ind AS as at March 31, 2018
Net cash from/(used in) operating activities	1,2	(2,57,097.85)	(79,859.55)	(3,36,957.40)
Net cash from/(used in) investing activities		(306.13)	-	(306.13)
Net cash from/(used in) financing activities	1,2	2,47,572.17	79,857.90	3,27,430.07
Net increase/(decrease) in cash and cash equivalents		**(9,831.81)**	**(1.65)**	**(9,833.46)**
Cash and cash equivalents at the beginning of the year		**43,258.26**	**-**	**43,259.94**
Cash and cash equivalents at the end of the year		**33,426.45**	**-**	**33,426.49**

1. Movement in unclaimed matured borrowing considered as Financing activities which was previously considered as Operating activities
2. Movement in current maturities of borrowing considered as Financing activities which was previously considered as Operating activities

NOTE 52:

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
The principal amount remaining unpaid to supplier as at the end of the year	-	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-	-

NOTE 53:

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 54: EXPENDITURE IN FOREIGN CURRENCY : NIL (MARCH 31, 2018: NIL)

NOTE 55: THE COMPANY HAD NO DISCONTINUING OPERATIONS DURING THE YEAR ENDED MARCH 31, 2018.

NOTE 56: EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

NOTE 57:

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of ₹ 20,200 lacs (March 31, 2018: ₹ 20,200 lacs and April 01, 2017: ₹ 20,997.51 lacs) in favour of trustees representing the public deposit holders of the Company.

NOTE 58: TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERCOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	1,11,251.12	9,348.73
Carrying amount of associated liabilities (Debt Securities-measured at amortised cost)	1,11,251.12	9,348.73
Fair value of assets	1,20,323.84	9,279.26
Fair value of associated liabilities	1,11,082.12	9,335.39
Net position at FV	9,241.72	(56.13)

NOTE 59: ASSIGNMENT

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
No. of accounts	2,80,648.00	-
Aggregate value (net of provisions) of accounts sold	10,40,750.55	-
Aggregate consideration	88,204.33	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	2,253.20	-

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 60: INVESTMENTS

₹ in lacs

Particulars				Year ended March 31, 2019	Year ended March 31, 2018
(1)	**Value of investments**				
	(i)	Gross value of investments			
		(a)	In India	76,018.58	64,036.04
		(b)	Outside India,	10,603.97	9,516.15
	(ii)	Provisions for depreciation			
		(a)	In India	-	-
		(b)	Outside India,	-	-
	(iii)	Net value of investments			
		(a)	In India	76,018.58	64,036.04
		(b)	Outside India,	10,603.97	9,516.15
(2)	**Movement of provisions held towards depreciation on investments**				
	(i)	Opening balance		-	-
	(ii)	Add : Provisions made during the year		-	-
	(iii)	Less : Write-off/write-back of excess provisions during the year		-	-
	(iv)	Closing balance		-	-

NOTE 61: DERIVATIVES

61.1 Forward rate agreement/Interest rate swap

₹ in lacs

Particulars		As at March 31, 2019	As at March 31, 2018
(i)	The notional principal of forward agreements	7,098.00	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into forwards	500.00	-
(iv)	Concentration of credit risk arising from the forward	-	-
(v)	The fair value of the forward book	7,098.00	0.00

61.2 Exchange Traded interest rate (IR) derivatives : Nil

61.3 Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

Quantitative Disclosures

₹ in lacs

Particulars		As at March 31, 2019		As at March 31, 2018	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	7,098.00	-	-	-
(ii)	Marked to market positions [1]				
	a) Asset (+)	-	-	-	-
	b) Liability (-)	297.39	-	-	-
(iii)	Credit exposure [2]	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

NOTE 62: RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Rating Agency	Rating Instrument	As at March 31, 2019	As at March 31, 2018
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA / Stable
	Short-Term (CP)	IND A1+	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ / Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	CARE AA+ /Stable	CARE AA+ / Stable
	Fixed deposit	CARE AA+ (FD) /Stable	CARE AA+ (FD) /Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MA++ / Stable	MAA+/ Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA-/Positive
	Short-Term (CP)	NA	CRISIL A1+
	Subordinate Debt	CRISIL AA / Stable	CRISIL AA-/ Positive
	Fixed deposit	NA	FAA /Positive

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 63: EXPOSURE TO REAL ESTATE SECTOR

₹ in lacs

S.no	Particulars	As at March 31, 2019	As at March 31, 2018
i)	Residential Mortgages -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	41,607.66	35,684.30
ii)	Commercial Real Estate -Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	51,929.37	63,497.29
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	-	-
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**93,537.03**	**99,181.59**

64 EXPOSURE TO CAPITAL MARKET

₹ in lacs

S.no	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	47,778.64	26,660.23
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	4,014.92	43,171.29
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances; *	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market		**51,793.56**	**69,831.52**

NOTE 65: DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Company does not have any Parent Company, hence not applicable.

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 66: DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

NOTE 67: UNSECURED ADVANCES

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

NOTE 68: PROVISIONS AND CONTINGENCIES

₹ in lacs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	As at March 31, 2019	As at March 31, 2018
Provisions for depreciation on investments	-	-
Provision towards NPA#	(9,965.98)	20,893.59
Provision made towards income tax	53,144.47	37,752.98
Provision for Standard Assets##	-	-
Provision towards impairment of financial instruments other than provision for stage 3 assets	23,433.84	18,454.86

Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

NOTE 69: DRAW DOWN FROM RESERVES

The draw down from reserves was ₹ Nil.

70.1 Concentration of deposits, advances, exposures and NPAs

a. Concentration of deposits (for deposit taking NBFCs)

₹ in lacs

	As at March 31, 2019
Total deposits of twenty largest depositors	7,992.67
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.75%

b. Concentration of advances

₹ in lacs

	As at March 31, 2019
Total advances to twenty largest borrowers	45,831.51
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.59%

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

c.Concentration of exposures

₹ in lacs

	As at March 31, 2019
Total exposure to twenty largest borrowers/customers	39,148.78
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	1.35%

d. Concentration of NPAs

₹ in lacs

	As at March 31, 2019
Total Exposure to top four NPA accounts	5,387.04

Provision for stage 3 assets

e. Sector-wise NPAs

₹ in lacs

S. no.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-
2	MSME / Corporate borrowers	9.24%
3	Services	-
4	Unsecured personal loans	11.17%
5	Auto loans	
	i) Auto Loans	11.63%
	ii) Two wheeler	9.61%
6	Other personal loans	
	i) Consumer Durable	-
	ii) Pledged Jewel	2.34%
7	Others	1.94%

Provision for stage 3 assets

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

70.2 Movement of NPAs

₹ in lacs

Particulars			Year ended March 31, 2019	Year ended March 31, 2018
(i)	Net NPAs to Net Advances (%)		5.02%	4.97%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	2,59,384.94	2,06,318.93
	(b)	Additions during the year	1,31,196.11	1,65,306.82
	(c)	Reductions during the year	1,32,912.14	1,12,240.81
	(d)	Closing balance	2,57,668.91	2,59,384.94
(iii)	Movement of Net NPAs			
	(a)	Opening balance	1,37,044.91	1,04,872.02
	(b)	Additions during the year	74,039.67	87,440.85
	(c)	Reductions during the year	65,790.02	55,267.95
	(d)	Closing balance	1,45,294.56	1,37,044.91
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	1,22,340.03	1,01,446.92
	(b)	Provisions made during the year	57,156.44	77,865.97
	(c)	Write-off / write-back of excess provisions	67,122.12	56,972.86
	(d)	Closing balance	1,12,374.35	1,22,340.03

Provision for stage 3 assets

NOTE 71: OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

NOTE 72: OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

NOTE 73: CUSTOMER COMPLAINTS

₹ in lacs

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Number of complaints pending at the beginning of the year	223	35
(b)	Number of complaints received during the year	3,396	3,063
(c)	Number of complaints redressed during the year	3,599	2,875
(d)	Number of complaints pending at the end of the year	20	223

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 74: AUCTION DETAILS

The Company Auctioned 3,304 loan accounts (March 31,2018: 9,910 accounts) during the financial year and the outstanding dues on these loan accounts were ₹ 1,077.39 lacs (March 31, 2018: ₹ 3,297.26 lacs) till the respective dates of auction. The company realized ₹ 1,042.24 lacs (March 31, 2018 : ₹ 3248.22 lacs) on auctioning of gold jewellery taken as security on these loans. The company confirms that none of its sister concerns participated in the above auctions.

NOTE 75: PENALTIES:

No penalties have been levied by any regulator on the Company.

NOTE 76: RESTRUCTED ACCOUNTS

Restructed Accounts : Nil (March 31, 2018: Nil)

NOTE 77: DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2019

Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

Instances of fraud for the year ended March 31, 2019:

₹ in lacs

Particulars		Less than ₹ 1 lacs		₹ 1 to 25 lacs		Greater than ₹ 25 lacs		Total	
		Number	**Value**	**Number**	**Value**	**Number**	**Value**	**Number**	**Value**
A)	**Person involved**								**-**
	Staff	-	-	-	-	-	-	-	-
	Customer	-	-	-	-	-	-	-	-
	Customer & Outsider	-	-	-	-	-	-	-	-
	Staff, Customer & Outsider	-	-	1	12.40	-	-	-	-
	Total	**-**	**-**	**1**	**12.40**	**-**	**-**	**-**	**-**
B)	**Type of Fraud**								
	Misappropriation and Criminal breach of trust	-	-	1	12.40	-	-	-	-
	Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**1**	**12.40**	**-**	**-**	**-**	**-**

“- ”represents Nil

Notes
forming part of Standalone Financial Statements for the year ended March 31, 2019

NOTE 78: ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2019

₹ in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	24,026.98	10,967.57	11,039.25	27,697.66	50,850.49	1,62,052.31	36,888.56	-	3,23,522.82
Advances	1,48,235.68	1,13,446.88	1,15,257.82	3,73,781.32	6,20,218.44	8,92,286.87	2,45,507.61	1,90,176.31	26,98,910.93
Investments	20,647.50	-	310.74	8.57	18,043.82	12,000.00	8,100.00	27,511.92	86,622.55
Borrowings	1,79,097.83	88,473.91	1,77,455.21	1,84,383.30	3,77,771.13	8,15,459.17	1,24,995.46	(4,333.94)	19,43,302.07
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	7,103.45	-	-	7,103.45

As at March 31, 2018

₹ in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	27,348.91	11,394.55	12,933.33	34,683.95	67,360.42	1,35,567.17	31,853.59	-	3,21,141.92
Advances	1,56,937.72	1,08,932.00	1,04,793.00	3,37,949.00	6,68,547.00	8,07,899.00	2,52,517.00	1,41,155.00	25,78,729.72
Investments	601.92	-	-	18.85	36,001.19	20,202.32	-	16,727.91	73,552.19
Borrowings	22,802.38	89,250.00	80,250.55	76,250.32	5,38,807.21	8,38,284.12	1,87,098.21	-	18,32,742.79
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

Umesh S Abhyankar
Partner
Membership No.113053

Place: Chennai
Date: April 24, 2019

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

₹ in lacs

	Particulars	As at March 31, 2019	
	Liabilities side :		
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**	**Amount outstanding**	**Amount overdue**
	(a) Debenture : Secured	3,68,689.96	943.77
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	9,86,364.31	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	1,78,583.47	-
	(f) Public Deposits* @	3,11,940.61	11,582.21
	(g) Other Loans - Subordinated debts	65,370.95	4,329.92
	- Cash Credit/WCDL	2,34,872.02	-
	- Securitisation Loan	1,11,251.12	-
	@ excludes deposits from corporates		
	*Please see note 1 below		
	# Represent amounts unclaimed		

₹ in lacs

(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	**Amount outstanding**	**Amount overdue**
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits @	3,11,940.61	11,582.21
	@ excludes deposits from corporates		
	*Please see note 1 below		
	# Represent amounts unclaimed		

Assets side :

₹ in lacs

(3)	**Break-up of loans and advances including bills receivables (other than those included in (4) below):**	**Amount outstanding**
	(a) Secured	20,52,545.31
	(b) Unsecured	6,46,365.62

₹ in lacs

(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	Amount outstanding
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards asset financing activities : **€**	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
€	The Company has not furnished the asset financing activities details under loans and advances as the RBI has merged asset finance companies, loan companies and investment companies vide its circular number DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019.	

₹ in lacs

(5)	Break-up of investments :	Amount outstanding	
	Current investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debenture and bonds	-	-
	(iii) Units of mutual funds	20,366.72	-
	(iv) Government securities	-	-
	(v) Others (Please specify)	-	-
	Treasury Bills	18,043.83	-
	2. Unquoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (Please specify)	-	-
	(b) Debentures	-	-
	(c) Mutual Funds	-	-

₹ in lacs

(5)	Break-up of investments :	Amount outstanding	
	Long term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	10,603.97	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	20,800.08	
	(v) Others (Please specify)	-	-
	2. Unquoted :		
	(i) Shares: (a) Equity	16,624.04	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others -Venture capital fund	-	-
	Investment in PTC	-	-
	Certificate of deposits	-	-
	Pass through certificates (unquoted)	-	-
	Investment in subordinated debts	-	-

₹ in lacs

(6)	**Borrower group-wise classification of assets, financed as in (3) and (4) above :** Please see note 2 below		
	Category	**Amount (Net of provisions)**	
		Secured	**Unsecured**
	1. Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	20,52,545.31	6,46,365.62

₹ in lacs

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
	Category	**Market Value / Break up or fair value or NAV***	**Book Value (Net of Provisions)**
	1. Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	16,544.00	16,544.00
	(c) Other related parties	-	-
	2. Other than related parties	70,078.55	70,078.55
		86,622.55	86,622.55

* Disclosure is made in respect of available information.

** As per Indian Accounting Standard issued by MCA (Please see note 3)

₹ in lacs

(8)	Other information		
	Particulars		**Amount**
	(i)	Gross non-performing assets **	
		(a) Related parties	-
		(b) Other than related parties	2,57,668.91
	(ii)	Net non-performing assets **	
		(a) Related parties	-
		(b) Other than related parties	1,45,294.56
	(iii)	Assets acquired in satisfaction of debt	-

** NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1. As defined in point xxvi of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

FORM AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries

₹ in lacs

Sr. No.	Particulars	Shriram Housing Finance Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3	Capital	21,416.00
4	Reserves	25,164.37
5	Total assets	2,17,546.79
6	Total liabilities	2,17,546.79
7	Investment included in total assets	21,855.01
8	Turnover	29,088.62
9	Profit before taxation	2,507.27
10	Provision for taxation	(842.14)
11	Profit after taxation	1,665.13
12	Dividend including dividend distribution tax	-
13	% of shareholding	77.25%

Independent Auditor's Report

The Members of Shriram City Union Finance Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying consolidated financial statements of Shriram City Union Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited as at and for the year ended on March 31, 2019, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our identification and reporting of the Key Audit Matters, in so far as it relates to the subsidiary, is based solely on the report of the other auditor.

Independent Auditor's Report (Contd.)

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditors Response
1	**Transition date accounting policies** Effective 1 April 2018, the Group has adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The following are the major impact areas upon transition: • Business model assessment • Classification and measurement of financial assets and financial liabilities • Measurement of loan losses (expected credit losses) • Accounting for assignment • Accounting for loan fees and costs • Accounting for actuarial gain / loss on post employment benefit Migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.	Our key audit procedures included: **Design / controls** • Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. • We have also confirmed the approval of Audit Committee for the choices and exemptions made by the Group for compliance / acceptability under Ind AS 101 **Substantive tests** • Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition and tested the computation. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS. • Evaluated the adequacy of the disclosure required by Ind AS 101
2	**Impairments and Write Offs** The Recognition and measurement of Impairment and Write Off of Loans and Advances involves estimates, management judgments and appropriate processing of information from the IT Systems because of which the same has been identified as a key audit matter	Our key audit procedures included: • We test checked the computation of the ratio of the Probable Default (PD) which denotes the statistical pattern of occurrence defaults in individual accounts over a period five years. • We also test checked the computation of the ratio of the Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. • We reviewed the Internal financial controls and ERP system controls over data extraction and data validation from the ERP System for computation of PD and LGD with the participation of our internal IT Expert • We examined the computation of the Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. • We Performed analytical procedures for ascertaining of reasonableness of Impairment provisions • We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written Off.

Independent Auditor's Report (Contd.)

Sr. No	Key Audit Matter	Auditors Response
3	**Sale of Assets by subsidiary to an asset reconstruction company (ARC)** During the year, the subsidiary has sold 355 non-performing loans to an asset reconstruction company (ARC) vide agreement dated 28th December, 2018. Pursuant to this agreement, the Subsidiary has assigned all the rights, title, interest, underlying collateral and security interest in respect of these loans to the ARC. The amount outstanding on loans of ₹ 7,692.17 lacs (including accrued interest of ₹ 1,367.83 lacs) was sold for a consideration of ₹ 3,776.00 lacs. The resulting loss of ₹ 3,916.17 lacs is recognized and presented on the face of the statement of Profit and Loss. This matter is determined to be a Key Audit Matter because of nature and magnitude.	• The procedures carried out by the auditors of the subsidiary on which we have relied are as under: • This Key Audit Matter was discussed with the management and those charged with governance. We have reviewed the agreement entered into by the subsidiary, the minutes of the Banking and Finance Committee meeting dated 24th December, 2018 authorizing the subsidiary for this transaction and extracts of the bank statements reflecting receipts of consideration. The result of our verification was satisfactory.

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Director's Report and Corporate Governance Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding company and the subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

Independent Auditor's Report (Contd.)

completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Holding Company's and the subsidiary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding company and/or the subsidiary or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of those companies.

6. **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and/or the subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and/or the subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and the subsidiary to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

  Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matters

a. We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited whose financial statements reflect total assets of ₹ 2,17,547 lacs as at March 31, 2019, total revenues of ₹ 29,127 lacs and net cash flows amounting to ₹ 910 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose reports has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

b. The comparative financial information of the Holding Company and its subsidiary for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2017 included in these Consolidated Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated April 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 2, 2017 respectively expressed an unmodified opinion on those Consolidated Financial Statements, as adjusted for the differences in the accounting principles adopted by the Holding Company and its subsidiary on transition to the Ind AS , which have been audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Independent Auditor's Report (Contd.)

8. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure to this report.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and the subsidiary to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 46 to the consolidated financial statements.

ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2019.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2019.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100 515W

Umesh S Abhyankar
Partner
Membership Number: 113 053

Place: Chennai
Date: April 24, 2019

Annexure referred to in paragraph 8 (f) To The Independent Auditor's Report of Even Date on the Consolidated Financial Statements Of Shriram City Union Finance Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (hereinafter referred to as "Holding Company") as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Holding Company and its subsidiary, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Holding Company and its Subsidiary, which are companies incorporated in India, have in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W

Umesh S Abhyankar
Partner
Membership Number: 113053

Place: Chennai
Date: April 24, 2019

CONSOLIDATED BALANCE SHEET
as at March 31, 2019

₹ in lacs

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I ASSETS				
1 **Financial assets**				
Cash and cash equivalents	10	99,676.01	33,963.42	43,751.06
Bank balance other than above	11	30,327.51	20,201.06	21,770.69
Loans	12	28,81,075.06	27,53,368.51	23,37,911.98
Investments	13	91,749.65	66,745.10	63,498.34
Other financial assets	16	3,799.49	2,241.50	6,762.77
2 **Non-financial assets**				
Current tax assets (net)	39	5,629.57	4,961.97	6,388.72
Deferred tax assets (net)	39	4,723.51	8,184.82	8,362.15
Property, plant and equipment	14	8,622.48	8,328.93	7,485.04
Other intangible assets	15	487.40	441.75	844.48
Other non-financial assets	17	15,743.87	11,128.48	4,493.64
Total assets		**31,41,834.55**	**29,09,565.54**	**25,01,268.87**
II LIABILITIES AND EQUITY				
Liabilities				
1 **Financial liabilities**				
Derivative financial instruments	18	297.39	-	-
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(II) Other Payables	19			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,764.54	7,969.48	3,925.68
Debt securities	20	4,26,704.75	2,97,060.12	2,02,443.79
Borrowings (other than debt securities)	21	16,21,939.32	15,65,776.52	12,65,894.11
Deposits	22	3,11,940.61	3,07,365.15	3,52,136.35
Subordinated liabilities	23	65,370.95	1,17,561.75	1,29,475.58
Other financial liabilities	24	35,521.51	25,919.51	22,429.19
2. **Non-financial liabilities**				
Provisions	25	2,664.40	2,557.16	1,798.53
Other non-financial liabilities	26	1,646.51	1,771.41	2,009.48
Total liabilities		**24,72,849.98**	**23,25,981.10**	**19,80,112.71**
3 **Equity**				
Equity share capital	27	6,599.23	6,596.58	6,594.34
Other equity	28	6,51,830.49	5,66,827.52	5,05,276.33
Equity attributable to equity holders of the parent		**6,58,429.72**	**5,73,424.10**	**5,11,870.67**
Non-controlling interest		**10,554.85**	**10,160.34**	**9,285.49**
Total equity				
Total liabilities and equity		**31,41,834.55**	**29,09,565.54**	**25,01,268.87**

Notes forming part of the consolidated Financial Statements 1 -79

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS
for the year ended March 31, 2019

₹ in lacs

Particulars			Note	Year ended March 31, 2019	Year ended March 31, 2018
		Revenue from operations			
	(i)	Interest income	29	5,96,058.51	5,36,316.49
	(ii)	Dividend income		166.76	144.50
	(iii)	Fee and commission income	30	-	212.32
	(iv)	Net gain on fair value changes	31	1,152.48	956.69
	(v)	Net gain on derecognition of financial instruments under amortised cost category		1,306.61	-
	(vi)	Bad debts recovery		7,984.01	4,536.71
	(vii)	Gain on sale of Investment	32	26.16	1,505.31
(I)		**Total revenue from operations**		**6,06,694.53**	**5,43,672.02**
(II)		Other income	33	290.99	224.62
(III)		**Total income (I + II)**		**6,06,985.52**	**5,43,896.64**
		Expenses			
	(i)	Finance costs	34	2,10,582.87	1,77,962.39
	(ii)	Net loss on derecognition of financial instruments under amortised cost category		3,916.17	978.58
	(iii)	Fees and commission expenses		15,480.81	13,035.81
	(iv)	Impairment on financial instruments	35	11,669.22	39,530.98
	(v)	Bad Debts Written Off		65,198.09	63,946.03
	(vi)	Employee benefit expenses	36	89,746.95	74,887.49
	(vii)	Depreciation, amortization and impairment	37	3,352.51	3,519.03
	(viii)	Royalty		6,301.61	5,583.92
	(ix)	Professional Charges		10,477.00	11,642.66
	(x)	Other expenses	38	35,721.28	38,161.62
(IV)		**Total expenses (IV)**		**4,52,446.51**	**4,29,248.51**
(V)		Profit/(loss) before exceptional items and tax (III - IV)		1,54,539.01	1,14,648.13
(VI)		Exceptional items		-	-
(VII)		Profit/(loss) before tax (V- VI)		1,54,539.01	1,14,648.13
(VIII)		**Tax expense:**			
		(1) Current tax	39	49,544.09	39,639.64
		(2) Deferred tax (credit)	39	4,442.23	78.49
(IX)		Profit/(loss) for the period from continuing operations		1,00,552.69	74,930.00
(X)		Profit/(loss) from discontinued operations		-	-
(XI)		Tax expense of discontinued operations		-	-
(XII)		Profit/(loss) from discontinued operations (after tax)		-	-
(XIII)		**Profit/(loss) for the period (IX+XII)**		**1,00,552.69**	**74,930.00**
(XIV)		**Other comprehensive income**			
	A	(i) Items that will not be reclassified to profit or loss			
		Remeasurement gain/(loss) on defined benefit plan		(1,315.85)	285.06
		(ii) Income tax relating to items that will not be reclassified to profit or loss		(461.23)	98.81
		Subtotal (A)		**(854.62)**	**186.25**
	B	(i) Items that will be reclassified to profit or loss		-	-
		(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		Subtotal (B)		-	-
		Other comprehensive income (A + B)		**(854.62)**	**186.25**
(XV)		**Total comprehensive income (XIII + XIV)**		**99,698.07**	**75,116.25**
(XVI)		**Profit/ (Loss) for the year attributable to**			
		Owners of the Company		1,00,173.93	74,057.37
		Non-controlling interest		378.76	872.63
(XVII)		**Other Comprehensive Income/ (Loss) for the year attributable to**			
		Owners of the Company		(868.14)	185.02
		Non-controlling interest		13.52	1.23
(XVIII)		**Total comprehensive income/ (Loss) for the year attributable to**			
		Owners of the Company		99,305.79	74,242.39
		Non-controlling interest		392.28	873.86
(XIX)		**Earnings per equity share**			
		Basic (₹)	40	151.83	112.29
		Diluted (₹)	40	151.78	112.21

Notes forming part of the Consolidated Financial Statements 1 -79

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2019

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxes	1,54,539.01	1,14,648.13
Adjustments for :		
Depreciation, amortization and impairment	3,352.04	3,519.03
(Profit)/Loss on sale of fixed assets (net)	73.14	27.99
Public issue expenditure for non-convertible debentures	212.67	307.75
Bad Debts Written Off / Impairment of financial instruments	80,783.45	1,03,476.98
(Gain)/Loss on sale of investments	(291.48)	(1,608.40)
Dividend Income	(166.76)	(144.50)
Interest received	(11.73)	(115.79)
Net (Gain)/Loss on fair value changes on investments/ derivatives	(877.39)	(849.25)
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(1,306.61)	978.58
EIR Impact on Fixed Loans & Advances & Related Cost	(356.51)	777.56
Operating profit before working capital changes	**2,35,949.83**	**2,21,018.08**
Movements in Working capital:		
(Increase) / decrease in loans and advances	(2,07,576.32)	(5,19,016.66)
(Increase) / decrease in other non-financial assets	(4,794.19)	(6,752.24)
(Increase) / decrease in other financial assets	(175.78)	3,343.36
(Increase) / decrease in Bank Deposits	(10,126.31)	1,680.58
(Increase) / decrease in Earmarked Investments	8,048.05	(2,854.85)
Increase / (decrease) in other financial liabilities	9,280.10	(1,874.91)
Increase / (decrease) in other non-financial liabilities	(123.08)	272.53
Increase / (decrease) in other Payables	(1,468.57)	3,985.73
Other provisions	(1,229.63)	1,114.70
Cash generated from operations	**27,784.10**	**(2,99,083.68)**
Direct taxes paid (net of refunds)	(51,679.93)	(38,228.08)
Net Cash from/(used in) operating activities (A)	**(23,895.83)**	**(3,37,311.76)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(3,817.52)	(4,012.25)
(Increase) / decrease in Investments	(32,008.42)	7,618.07
Capital advance for assets	(19.40)	7.90
Proceeds from sale of fixed assets	52.14	24.06
Dividend Income	166.76	144.50
Investment in PTC	-	(3,249.51)
Investment in security receipts		(2,303.10)
Proceeds from sale of security receipts	444.66	-
Interest received (others)	11.73	115.79
Net Cash from/(used in) investing activities (B)	**(35,170.05)**	**(1,654.54)**

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2019 (Contd.)

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	9.29	7.83
Increase/(Decrease) of debt securities	1,30,140.32	93,793.04
Increase/(Decrease) of Borrowings	56,721.96	2,99,805.68
Increase/(Decrease) of Deposits	2,680.79	(40,464.78)
Increase/(Decrease) of Subordinated liabilities	(50,447.56)	(11,255.72)
Private placement expenses for non-convertible debentures paid	(9.43)	(16.87)
Dividend paid corporate dividend tax (Mar 2018 & Sept 2018- Final dividend)	(11,875.90)	(10,542.37)
Tax on Dividend Paid	(2,441.00)	(2,148.15)
Net Cash from/(used in) financing activities (C)	**1,24,778.47**	**3,29,178.66**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	65,712.59	(9,787.64)
Cash and cash equivalents at the beginning of the year	33,963.42	43,751.06
Cash and cash equivalents at the end of the year	**99,676.01**	**33,963.42**

₹ in lacs

Components of cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Cash on hand	8,387.55	6,137.67
Cheques on hand		
Balances with Banks		
- in unclaimed dividend accounts	91.95	92.56
- in current accounts	49,451.66	27,583.16
- in deposit accounts having original maturity less than three months	41,744.86	150.03
	-	-
Total	**99,676.01**	**33,963.42**

Notes

1) The above cash- flow statement has been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

Notes forming part of the Consolidated Financial Statements 1 -79

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2019

A. Equity Share Capital

	No. of shares	₹ In lacs
As at April 01, 2017	6,59,43,402	6,594.34
Issued during the year - ESOP	22,360	2.24
As at March 31, 2018	6,59,65,762	6,596.58
Issued during the year - ESOP	26,555	2.66
As at March 31, 2019	**6,59,92,317**	**6,599.23**

B. Other Equity

Statement of changes in Equity for the period ended 31 March, 2019

₹ in lacs

Particulars	Statutory reserve	Share options outstanding	Securities premium account	Debenture redemption reserve	Capital Redemption Reserve	General Reserve	Capital reserve	Retained Earnings	Other items of other comprehensive income-retirement benefits	Total Other Equity	Non-Controlling Interest	Total
	Reserves and Surplus											
Balance as at April 1, 2017	**76,589.68**	**173.02**	**1,84,778.30**	**6,422.54**	**2,328.98**	**62,697.35**	**7,871.88**	**1,64,414.58**	**-**	**5,05,276.33**	**9,285.49**	**5,14,561.82**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	74,057.37	-	74,057.37	872.63	74,929.99
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-		283.17	283.17	1.89	285.06
Transferred from Surplus in the statement of Profit & Loss	13,742.51	-	-	2,059.53	-	6,648.00	-	(22,450.04)	-	-	-	-
Amount transferred to General Reserve on Redemption of debentures	-	-	-	(3,996.04)	-	3,996.04	-	-	-	-	-	-
Employee Stock Options Expenses	-	3.36	-	-	-	-	-	-	-	3.36	0.99	4.35
Share Premium received during the year on exercise of ESOPs	-	-	56.22	-	-	-	-	-	-	56.22	-	56.22
Adjustment on Exercise of ESOPs	-	(50.63)	-	-	-	-	-	-	-	(50.63)	-	(50.63)
Final Equity Dividend FY 2016-17	-	-	-	-	-	-	-	(6,594.51)	-	(6,594.51)	-	(6,594.51)
Tax on Final Equity Dividend FY 2016-17	-	-	-	-	-	-	-	(1,342.49)	-	(1,342.49)	-	(1,342.49)
Interim Dividend FY 2017-2018	-	-	-	-	-	-	-	(3,957.50)	-	(3,957.50)	-	(3,957.50)
Tax on Interim Dividend Fy 2017-18	-	-	-	-	-	-	-	(805.65)	-	(805.65)	-	(805.65)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan									(98.15)	(98.15)	(0.66)	(98.81)
Balance as at March 31, 2018	**90,332.19**	**125.75**	**1,84,834.52**	**4,486.03**	**2,328.98**	**73,341.39**	**7,871.88**	**2,03,321.75**	**185.02**	**5,66,827.52**	**10,160.34**	**5,76,987.85**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	1,00,173.93	-	1,00,173.93	378.76	1,00,552.69
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(1,336.14)	(1,336.14)	20.29	(1,315.85)
Transferred from Surplus in the statement of Profit & Loss	20,241.10	-	-	366.14	-	9,990.00	-	(30,597.24)	-	-	-	-
Employee Stock Options Expenses	-	0.24	-	-	-	-	-	6.59	-	6.83	2.23	9.06
Amount transferred to General Reserve on Redemption	-	-	-	(2,007.88)	-	2,007.88	-	-	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	66.77	-	-	-	-	-	-	66.77	-	66.77
Adjustment on Exercise of ESOPs	-	(60.13)	-	-	-	-	-	-	-	(60.13)	-	(60.13)
Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(7,916.23)	-	(7,916.23)	-	(7,916.23)
Tax on Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(1,627.20)	-	(1,627.20)	-	(1,627.20)
Interim Dividend FY 2018-2019	-	-	-	-	-	-	-	(3,959.06)	-	(3,959.06)	-	(3,959.06)
Tax on Interim Dividend FY 2018-19	-	-	-	-	-	-	-	(813.80)	-	(813.80)	-	(813.80)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-		468.00	468.00	(6.77)	461.23
Balance as at March 31, 2019	**1,10,573.29**	**65.86**	**1,84,901.29**	**2,844.29**	**2,328.98**	**85,339.27**	**7,871.88**	**2,58,588.75**	**(683.12)**	**6,51,830.49**	**10,554.85**	**6,62,385.33**

Notes forming part of the Consolidated Financial Statements 1 -79

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2019

1. BASIS OF PREPARATION

The Consolidated financial statements relates to M/s. Shriram City Union Finance Limited (the "Company") and its subsidiary (together hereinafter referred to as "Group"). The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

The Consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lacs, except when otherwise indicated.

2. BASIS OF CONSOLIDATION

i) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2019 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Group have been prepared in accordance with the Ind AS 110 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The excess of cost to the Company of its investments in the subsidiary over its share of equity of the subsidiary, at the dates on which the investments in the subsidiary is made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of subsidiary.

d) Minority interest, if any, in the net assets of subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(iv) The subsidiary considered in the consolidated financial statements are as below:

Name of the subsidiary/	Country of incorporation	Share of ownership interest as at March 31, 2019	Share of ownership interest as at March 31, 2018	Share of ownership interest as at April 01, 2017
Shriram Housing Finance Limited (SHFL)	India	77.25%	77.25%	77.25%

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forming part of Consolidated Financial Statements for the year ended March 31, 2019

3. PRESENTATION OF FINANCIAL STATEMENT

The Consolidated financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

4. STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

5. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

The Standards that are issued, but not yet effective, are disclosed below. The Group intends to adopt these standards when they became effective:

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 on Leases. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

» How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

» The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

» How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

» The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group 's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, Loans, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Group does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when

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forming part of Consolidated Financial Statements for the year ended March 31, 2019

such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVOCI.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Group does not have any financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Group does not have any financial instruments designated as measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Group has not designated any financial instruments as measured at fair value through profit or loss.

(v) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

» Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

» It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

» It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Group undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(vii) Financial guarantees

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

» The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

(viii) Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in 2017-18 and until the year ended March 31, 2019.

(ix) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Group does not have any financial liabilities which have been derecognised.

(x) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss as outlined in Note 5.6.2).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans, Two Wheelers Loans and Personal Loans.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Group's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Group has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 50.

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Exposure at Default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 50.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 50.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xi) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 35), held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Group does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

6.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Group fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the

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balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) Rent Expense:

Identification of Lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to April 01, 2017, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

(iv) Other income and expenses

All Other income and expense are recognised in the year they occur

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

6.4 Foreign currency translation

(i) Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended

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by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Group
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year

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is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/ sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Group's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

6.10 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.11 Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS . The Group has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS .

7. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the

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carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of

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return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/ expense that are integral parts of the instrument

7.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

8. FIRST TIME ADOPTION

These financial statements, for the year ended March 31, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

8.1 Lease arrangements

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the Group has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on date of transition.

8.2 Property, plant, equipment & intangible assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at March 31, 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on April 01, 2017.

8.3 Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

8.4 Derecognition of previously recognised financial instruments

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event). The Group has opted not to re-evaluate financial assets derecognised in the past. However, for loans and advances securitised, the Group has applied the derecognition requirements retrospectively.

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8.5 Fair value measurement of financial assets or financial liabilities at initial recognition

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Group has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

Following mandatory exceptions are applicable to the Group:

9.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

9.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

NOTE 10: CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	8,387.55	6,137.67	5,752.94
Balances with bank in:			
-Current Accounts	49,451.66	27,583.16	36,963.52
-Bank deposits with maturity less than 3 months	41,744.85	150.03	951.68
On Escrow accounts			
Unclaimed dividend accounts	91.95	92.56	82.92
Total	**99,676.01**	**33,963.42**	**43,751.06**

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

NOTE 11: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with original maturity for more than 12 months*	2,625.16	110.00	-
Fixed deposits with original maturity for more than 3 months but less than 12 months**	13,078.87	16,674.79	17,482.38
Margin Money Deposit for securitisation	14,623.48	3,416.27	4,288.31
Total	**30,327.51**	**20,201.06**	**21,770.69**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of ₹ 110 lacs

**Includes deposits ₹ 500.48 lacs (March 31, 2018:;NIL April 1, 2017: NIL) as margin for foreign currency derivative contract and deposits liened as Bank Guarantee to the tune ₹ 25 lacs

Notes
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NOTE 12: LOANS AND ADVANCES

₹ in lacs

Particulars	As at March 31, 2019					As at March 31, 2018					As at April 01, 2017				
	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)															
i) Term loans	30,76,326.30	-	-	-	30,76,326.30	29,36,918.22	-	-	-	29,36,918.22	24,81,829.28	-	-	-	24,81,829.28
ii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**30,76,326.30**	**-**	**-**	**-**	**30,76,326.30**	**29,36,918.22**	**-**	**-**	**-**	**29,36,918.22**	**24,81,829.28**	**-**	**-**	**-**	**24,81,829.28**
Less: Impairment loss allowance	1,95,251.24	-	-	-	1,95,251.24	1,83,549.71	-	-	-	1,83,549.71	1,43,917.30	-	-	-	1,43,917.30
Total (A) - Net	**28,81,075.06**	**-**	**-**	**-**	**28,81,075.06**	**27,53,368.51**	**-**	**-**	**-**	**27,53,368.51**	**23,37,911.98**	**-**	**-**	**-**	**23,37,911.98**
(B)															
i) Secured by tangible assets	23,89,038.62	-	-	-	23,89,038.62	23,73,719.95	-	-	-	23,73,719.95	20,16,819.77	-	-	-	20,16,819.77
ii) Unsecured	6,87,287.68	-	-	-	6,87,287.68	5,63,198.27	-	-	-	5,63,198.27	4,65,009.51	-	-	-	4,65,009.51
Total (B) - Gross	**30,76,326.30**	**-**	**-**	**-**	**30,76,326.30**	**29,36,918.22**	**-**	**-**	**-**	**29,36,918.22**	**24,81,829.28**	**-**	**-**	**-**	**24,81,829.28**
Less : Impairment loss allowance	1,95,251.24	-	-	-	1,95,251.24	1,83,549.71	-	-	-	1,83,549.71	1,43,917.30	-	-	-	1,43,917.30
Total (B) - Net	**28,81,075.06**	**-**	**-**	**-**	**28,81,075.06**	**27,53,368.51**	**-**	**-**	**-**	**27,53,368.51**	**23,37,911.98**	**-**	**-**	**-**	**23,37,911.98**
(C)															
Loans in India															
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others (to be specified)															
Corporate	1,64,943.94	-	-	-	1,64,943.94	1,86,692.15	-	-	-	1,86,692.15	1,47,375.44	-	-	-	1,47,375.44
Retail	29,11,382.36	-	-	-	29,11,382.36	27,50,226.07	-	-	-	27,50,226.07	23,34,453.84	-	-	-	23,34,453.84
Total - Gross	**30,76,326.30**	**-**	**-**	**-**	**30,76,326.30**	**29,36,918.22**	**-**	**-**	**-**	**29,36,918.22**	**24,81,829.28**	**-**	**-**	**-**	**24,81,829.28**
Less: Impairment loss allowance	1,95,251.24	-	-	-	1,95,251.24	1,83,549.71	-	-	-	1,83,549.71	1,43,917.30	-	-	-	1,43,917.30
Total - Net	**28,81,075.06**	**-**	**-**	**-**	**28,81,075.06**	**27,53,368.51**	**-**	**-**	**-**	**27,53,368.51**	**23,37,911.98**	**-**	**-**	**-**	**23,37,911.98**
Loans outside India	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (C)	28,81,075.06	-	-	-	28,81,075.06	**27,53,368.51**	**-**	**-**	**-**	**27,53,368.51**	**23,37,911.98**	**-**	**-**	**-**	**23,37,911.98**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 12: LOANS AND ADVANCES

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 50.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 50.2.

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade												
Performing												
High grade	22,05,567.82	-	-	22,05,567.82	21,74,659.72	-	-	21,74,659.72	16,11,374.49	-	-	16,11,374.49
Standard grade	1,28,998.90	-	-	1,28,998.90	2,93,976.49	-	-	2,93,976.49	3,87,590.34	-	-	3,87,590.34
Sub-standard grade	-	3,90,397.90	-	3,90,397.90	-	1,16,182.19	-	1,16,182.19	-	1,59,311.99	-	1,59,311.99
Past due but not impaired	-	88,527.92	-	88,527.92	-	82,665.16	-	82,665.16	-	1,12,245.47	-	1,12,245.47
Non- performing	-	-	2,62,833.76	2,62,833.76	-	-	2,69,434.66	2,69,434.66	-	-	2,11,307.00	2,11,307.00
Total	**23,34,566.72**	**4,78,925.82**	**2,62,833.76**	**30,76,326.30**	**24,68,636.21**	**1,98,847.35**	**2,69,434.66**	**29,36,918.22**	**19,98,964.83**	**2,71,557.46**	**2,11,307.00**	**24,81,829.29**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

An analysis of changes in the gross carrying amount, as follows:

₹ in lacs

	Year ended March 31, 2019				Year ended March 31, 2018			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	24,68,636.21	1,98,847.35	2,69,434.66	29,36,918.22	19,98,964.83	2,71,557.46	2,11,307.01	24,81,829.30
New assets originated or purchased	23,62,403.11	84,903.72	22,082.32	24,69,389.15	24,64,102.97	60,752.93	35,862.91	25,60,718.81
Assets derecognised or repaid (excluding write offs)	(18,99,666.23)	(2,77,103.09)	(88,650.34)	(22,65,419.66)	(17,60,942.96)	(1,92,530.27)	(88,837.44)	(20,42,310.67)
Transfers to Stage 1	32,550.56	(21,760.63)	(17,411.03)	(6,621.10)	43,900.32	(47,371.52)	(5,212.78)	(8,683.98)
Transfers to Stage 2	(5,28,808.68)	5,35,617.98	(2,474.67)	4,334.63	(1,63,793.09)	1,69,911.54	(5,003.99)	1,114.46
Transfers to Stage 3	(96,037.20)	(38,047.91)	1,36,513.00	2,427.89	(1,05,296.18)	(61,688.96)	1,74,282.21	7,297.08
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(4,511.05)	(3,531.60)	(56,660.18)	(64,702.83)	(8,299.68)	(1,783.83)	(52,963.26)	(63,046.77)
Gross carrying amount closing balance	**23,34,566.72**	**4,78,925.82**	**2,62,833.76**	**30,76,326.30**	**24,68,636.21**	**1,98,847.35**	**2,69,434.66**	**29,36,918.22**

Reconciliation of ECL balance is given below:

₹ in lacs

	Year ended March 31, 2019				Year ended March 31, 2018			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	50,465.47	8,237.34	1,24,846.90	1,83,549.71	32,106.96	8,631.32	1,03,179.02	1,43,917.30
New assets originated or purchased	43,064.65	5,295.51	7,935.94	56,296.10	37,058.31	2,506.69	14,937.44	54,502.44
Assets derecognised or repaid (excluding write offs)	(390.84)	(416.56)	(1,891.05)	(2,698.45)	(499.32)	(375.52)	(941.87)	(1,816.71)
Transfers to Stage 1	9,890.55	(1,306.77)	(8,633.71)	(49.93)	4,537.25	(1,692.74)	(2,920.11)	(75.60)
Transfers to Stage 2	(11,464.63)	12,720.68	(1,190.74)	65.31	(3,254.85)	6,036.04	(2,796.58)	(15.39)
Transfers to Stage 3	(2,384.32)	(2,202.19)	5,078.19	491.68	(2,072.04)	(2,656.10)	6,441.58	1,713.44
Impact on year end ECL of exposures transferred between stages during the year	(24,854.26)	3,149.02	43,981.06	22,275.82	(9,111.16)	(2,428.52)	59,853.86	48,314.18
Unwind of discount	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Amounts written off	(4,511.06)	(3,531.60)	(56,636.34)	(64,679.00)	(8,299.68)	(1,783.83)	(52,906.44)	(62,989.95)
ECL allowance - closing balance	**59,815.56**	**21,945.42**	**1,13,490.26**	**1,95,251.24**	**50,465.47**	**8,237.34**	**1,24,846.90**	**1,83,549.71**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 13: INVESTMENTS

₹ in lacs

Particulars	Amortised Cost	At Fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account	
As at 31 March 2019					
i) Mutual funds	-	-	36,389.75	-	36,389.75
ii) Government securities	20,800.08	-	-	-	20,800.08
iii) Equity instruments	-	-	10,684.01	-	10,684.01
iv) Pass through certificate	-	3,978.28	-	-	3,978.28
v) Security Receipts	-	-	1,858.44	-	1,858.44
vi) Treasury Bills	18,043.83	-	-	-	18,043.83
Total Investments	**38,843.91**	**3,978.28**	**48,932.20**	**-**	**91,754.39**
(i) Investments Outside India	-	-	10,603.97	-	10,603.97
(ii) Investments in India	38,843.91	3,978.28	38,328.23	-	81,150.42
Total Investments	**38,843.91**	**3,978.28**	**48,932.20**	**-**	**91,754.39**
Less : Impairment loss allowance	-	(4.74)	-	-	(4.74)
Total - Net	**38,843.91**	**3,973.54**	**48,932.20**	**-**	**91,749.65**
As at 31 March 2018					
i) Mutual funds	-	-	322.29	-	322.29
ii) Government securities	20,800.08	-	-	-	20,800.08
iii) Equity instruments	-	-	9,566.81	-	9,566.81
iv) Pass through certificate	43.22	7,637.60	-	-	7,680.82
v) Security Receipts	-	-	2,303.10	-	2,303.10
vi) Treasury Bills	26,091.88	-	-	-	26,091.88
Total Investments	**46,935.18**	**7,637.60**	**12,192.20**	**-**	**66,764.98**
(i) Investments Outside India	-	-	9,516.15	-	9,516.15
(ii) Investments in India	46,935.18	7,637.60	2,676.05	-	57,248.83
Total Investments	**46,935.18**	**7,637.60**	**12,192.20**	**-**	**66,764.98**
Less : Allowance for impairment loss	-	(19.88)	-	-	(19.88)
Total - Net	**46,935.18**	**7,617.72**	**12,192.20**	**-**	**66,745.10**
As at 1 April 2017					
i) Mutual funds	-	-	2,095.07	-	2,095.07
ii) Government securities	21,389.79	-	-	-	21,389.79
iii) Equity instruments	-	-	9,655.68	-	9,655.68
iv) Pass through certificate	606.92	7,137.68	-	-	7,744.60
v) Treasury Bills	22,631.44	-	-	-	22,631.44
Total Investments	**44,628.15**	**7,137.68**	**11,750.75**	**-**	**63,516.58**
(i) Investments Outside India	-	-	8,608.01	-	8,608.01
(ii) Investments in India	44,628.15	7,137.68	3,142.74	-	54,908.57
Total Investments	**44,628.15**	**7,137.68**	**11,750.75**	**-**	**63,516.58**
Less : Allowance for impairment loss	-	(18.24)	-	-	(18.24)
Total - Net	**44,628.15**	**7,119.44**	**11,750.75**	**-**	**63,498.34**

Out of the Group's FVOCI debt portfolio (PTC), instruments with a principal of ₹ 3,656.88 lacs (2018: ₹ 2,746.46 lacs; 2017: ₹ 1,611.50 lacs) paid during the year.

More information regarding the valuation methodologies can be found in Note 49.7

The Group received dividends of ₹ 166.76 lacs (March 31, 2018: ₹ 144.50 lacs) from its FVTPL securities, recorded as dividend income.

Notes
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The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Company's internal grading system are explained in note 50.2.

₹ in lacs

Internal Grade Rating	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
Performing												
High grade	87,776.11	-	-	87,776.11	59,127.38	-	-	59,127.38	56,378.90	-	-	56,378.90
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Non-performing												
Individually impaired	3,973.54	-	-	3,973.54	7,617.72	-	-	7,617.72	7,119.44	-	-	7,119.44
Total	**91,749.65**	**-**	**-**	**91,749.65**	**66,745.10**	**-**	**-**	**66,745.10**	**63,498.34**	**-**	**-**	**63,498.34**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in lacs

Particulars	As at Year Ended March 31, 2019				As at Year Ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	66,745.10	-	-	66,745.10	56,378.90	-	-	56,378.90
New assets originated or purchased	6,38,982.01	-	-	6,38,982.01	2,94,908.61	-	-	2,94,908.61
Assets derecognised or matured (excluding write-offs)	(6,15,427.33)	-	-	(6,15,427.33)	(2,85,499.10)	-	-	(2,85,499.10)
Change in fair value	1,449.87	-	-	1,449.87	956.69	-	-	956.69
Closing balance	**91,749.65**	**-**	**-**	**91,749.65**	**66,745.10**	**-**	**-**	**66,745.10**

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance in ECL	19.88	18.24
New assets originated or purchased	-	8.30
Assets derecognised or matured (excluding write offs)	(9.46)	(6.66)
ECL assumption changes	(5.68)	-
Closing balance in ECL	**4.74**	**19.88**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

₹ in lacs

Particulars	Land-Freehold	Building	Office equipment	Electrical Installation	Computer Equipment	Furniture & Fixures	Vehicles	Leasehold Improvement	Total
Cost:									
As at April 01, 2017	2.59	12.94	2,980.25	2,562.39	6,583.61	2,163.71	32.71	10,313.31	24,651.51
Additions	-	-	114.65	509.38	1,315.60	292.18	24.76	1,535.85	3,792.42
Disposals	-	-	18.07	34.20	602.69	9.35	0.20	11.54	676.05
As at March 31, 2018	2.59	12.94	3,076.83	3,037.57	7,296.52	2,446.54	57.27	11,837.62	27,767.88
Additions	-	-	315.37	596.31	919.78	236.99	0.44	1,346.22	3,415.11
Disposals	-	-	156.63	112.32	553.94	18.95	0.36	91.22	933.42
As at March 31, 2019	2.59	12.94	3,235.57	3,521.56	7,662.36	2,664.58	57.35	13,092.62	30,249.57
Accumulated depreciation and impairment:									
As at April 01, 2017	-	3.50	2,177.95	908.23	5,080.50	1,096.83	14.45	7,885.01	17,166.47
Disposals	-	-	16.41	16.63	572.32	7.14	0.06	11.43	623.99
Depreciation charge for the year	-	0.18	298.23	263.89	774.31	185.49	5.36	1,369.01	2,896.47
As at March 31, 2018	-	3.68	2,459.77	1,155.49	5,282.49	1,275.18	19.75	9,242.59	19,438.95
Disposals	-	-	140.34	60.66	525.44	13.38	0.34	67.98	808.14
Depreciation charge for the year	-	0.17	237.56	307.61	929.77	197.51	5.97	1,317.69	2,996.28
As at March 31, 2019	-	3.85	2,556.99	1,402.44	5,686.82	1,459.31	25.38	10,492.30	21,627.09
Net carrying amount as at April 01, 2017	**2.59**	**9.44**	**802.30**	**1,654.16**	**1,503.11**	**1,066.88**	**18.26**	**2,428.30**	**7,485.04**
Net carrying amount as at March 31, 2018	**2.59**	**9.26**	**617.06**	**1,882.08**	**2,014.03**	**1,171.36**	**37.52**	**2,595.03**	**8,328.93**
Net carrying amount as at March 31, 2019	**2.59**	**9.09**	**678.58**	**2,119.12**	**1,975.54**	**1,205.27**	**31.97**	**2,600.32**	**8,622.48**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2019 is ₹ 2.31 lacs (March 31 2018: ₹ 2.31 lacs, April 01, 2017: ₹ 2.31 lacs).

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 15: OTHER INTANGIBLE ASSETS

₹ in lacs

Particulars	Computer Software
Cost:	
As at April 01, 2017	3,760.49
Additions	219.83
Disposals	-
As at March 31, 2018	3,980.32
Additions	401.87
Disposals	-
As at March 31, 2019	4,382.19
Accumulated amortisation and impairment:	
As at April 01, 2017	2,916.01
Disposals	-
Depreciation charge for the year	622.56
As at March 31, 2018	3,538.57
Disposals	-
Depreciation charge for the year	356.22
As at March 31, 2019	3,894.79
Net carrying amount as at April 01, 2017	**844.48**
Net carrying amount as at March 31, 2018	**441.75**
Net carrying amount as at March 31, 2019	**487.40**

Intangible assets are not internally self generated assets

NOTE 16: OTHER FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	2,467.85	2,197.60	1,965.77
Assignment receivable	1,306.61	2.44	573.56
Application Money - Security Receipts	-	-	3,008.15
Interest receivable on Pass through certificates	21.68	28.56	43.01
Less : Allowance for impairment against interest receivable on PTC	(0.03)	(0.07)	(0.11)
Others	3.38	12.97	1,172.39
Total	**3,799.49**	**2,241.50**	**6,762.77**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 17: OTHER NON-FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	409.79	120.84	305.73
IMGC Guarantee Fee not written off	550.19	717.21	-
Unamortized expenses	114.12	55.71	79.07
Deferred lease rental	665.08	659.93	466.09
Goods and Service tax credit (input) receivable	3591.50	1,663.36	89.22
Advances recoverable in cash	620.88	655.89	1,638.90
Statutory duties paid under protest	608.61	507.49	156.20
Capital advances	66.64	58.29	153.78
Prepaid expenses	832.25	665.45	715.86
Repossessed House Property #	7927.96	5,557.96	888.79
Fair Value of Assets in Excess of Gratuity Provision	14.10	-	-
Unamortized premium in Govt. Securities	342.75	466.35	-
Total	**15,743.87**	**11,128.48**	**4,493.64**

 # Repossessed House Property

During the year, Company has taken physical and legal possession of house/ Apartments/vacant land (Collateral securities) with (fair value) of Rs 4,047.95 lacs. These properties are readily available for sale and management regularly conducts auctions to sell these assets.

Impairment loss:

In respect of properties classified as “Repossessed House Property” during the year an impairment loss of ₹191.52 lacs for write-down of these properties to lower of its carrying amount and its fair value less costs to sell have been included in “Impairment of Financial instruments”.

Measurement:

The non-recurring fair value measurement for the Repossessed House Property has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as “Repossessed House Property” during the year valuation has been determined by Independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy.

In respect of the Repossessed House Property for more than 1-year management continues its efforts to sell these assets. These assets are continued at fair value determined on initial recognition as management believe these fair values to be recoverable due to no major changes in the market condition. Some of the indicators which the management uses to assess change in real estate market condition are changes in local municipal values, prices of similar properties available online, demand for houses, etc.

NOTE 18 - DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

₹ in lacs

Particulars	As at March 31, 2019	
	Notional Amounts	Fair Value - Liabilities
(i) Currency derivatives:		
-Spots and forwards	7,098.00	297.39
-Currency futures	-	-
-Currency swaps	-	-
Sub total (i)	**7,098.00**	**297.39**
(ii) Interest rate derivatives:		
-Forward rate agreements and interest rate swaps	-	-
-Futures	-	-
Sub total (ii)	-	-
(iii) Credit derivatives:	-	-
(iv) Equity linked derivatives:	-	-
(v) Other derivatives:	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	**7,098.00**	**297.39**

There were no Derivative Financial Instruments as at April 01, 2017 and during the year 2017-18

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 50.

Derivatives designated as hedging instruments

The Group has not designated any derivatives as hedging instruments.

NOTE 19 - OTHER PAYABLES

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,764.54	7,969.48	3,925.68
Total	**6,764.54**	**7,969.48**	**3,925.68**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 20: DEBT SECURITIES

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)												
Public issue	11,377.18	-	-	11,377.18	20,920.73	-	-	20,920.73	39,476.63	-	-	39,476.63
Privately placed	4,15,327.57	-	-	4,15,327.57	2,76,139.39	-	-	2,76,139.39	1,62,967.16	-	-	1,62,967.16
Total	**4,26,704.75**	**-**	**-**	**4,26,704.75**	**2,97,060.12**	**-**	**-**	**2,97,060.12**	**2,02,443.79**	**-**	**-**	**2,02,443.79**
Debt securities in India	4,26,704.75	-	-	4,26,704.75	2,97,060.12	-	-	2,97,060.12	2,02,443.79	-	-	2,02,443.79
Debt securities outside India	-	-	-		-	-	-		-	-	-	
Total	**4,26,704.75**	**-**	**-**	**4,26,704.75**	**2,97,060.12**	**-**	**-**	**2,97,060.12**	**2,02,443.79**	**-**	**-**	**2,02,443.79**

NOTE 20: DEBT SECURITIES

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) of ₹ 1,000/- each - Quoted

(i) Issued in 2012

₹ in lacs

Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Option II	11.75%	-	-	7,539.12	06-Oct-17
	10.75%	-	-	107.07	06-Oct-17
Option IV	11.75%	-	-	5,781.01	06-Oct-17
	10.75%	-	-	2.82	06-Oct-17
Total		**-**	**-**	**13,430.03**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

(ii) Issued in 2013

₹ in lacs

Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series II	10.75%	-	-	7.18	04-Jan-18
	11.25%	-	-	318.40	04-Jan-18
Series III	10.75%	-	536.13	3.07	04-Jan-19
	11.50%	-	4,619.86	5,152.26	04-Jan-19
Series V	10.75%	-	-	83.48	04-Jan-18
	11.25%	-	-	311.56	04-Jan-18
Series VI	10.75%	-	452.02	430.39	04-Jan-19
	11.50%	-	4,076.73	3,694.04	04-Jan-19
Series VII	10.75%	-	0.14		04-Jan-19
	11.25%	-	67.09	134.40	04-Jan-19
Total		**-**	**9,751.97**	**10,134.78**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1 ,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

(iii) Issued in 2014

₹ in lacs

Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series III	10.85%	3,328.38	3,327.02	35.16	03-May-19
	11.75%	5,574.68	5,576.07	8,889.94	03-May-19
Series VI	10.85%	851.44	788.84	696.28	03-May-19
	11.75%	1,622.68	1,476.83	1,361.84	03-May-19
Series II	10.75%	-	-	7.77	03-May-17
	11.50%	-	-	3,868.01	03-May-17
Series V	10.75%	-	-	190.66	03-May-17
	11.50%	-	-	862.17	03-May-17
Total		**11,377.18**	**11,168.76**	**15,911.83**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

B. Redeemable Non-Convertible Debentures - Secured

(i) Privately Placed Redeemable Non - Convertible Debentures (NCDs) of ₹ 1,000/- each - Unquoted -Retail

Terms of repayment as at March 31, 2019 : NIL

Terms of repayment as at March 31, 2018

₹ in lacs

Redeemable at par within (from the date of balance sheet date)	Rate of interest			
	< 10%	>= 10% < 12%	>= 12% < 14%	Total
12 months	3.47	635.60	0.53	639.60
Total	**3.47**	**635.60**	**0.53**	**639.60**

Terms of repayment as at April 01, 2017

₹ in lacs

Redeemable at par within (from the date of balance sheet date)	Rate of interest			
	< 10%	>= 10% < 12%	>= 12% < 14%	Total
12-24 months	3.28	607.67	-	610.95
12 months	42.16	2,807.65	1,986.05	4,835.86
Total	**45.44**	**3,415.32**	**1,986.05**	**5,446.81**

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

(ii) Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 1,000,000/- each - Quoted

₹ in lacs

Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
8.90%	11,510.30	11,508.67	-	27-Mar-23
8.09%	8,197.48	8,194.78	-	05-Dec-22
9.90%	9,032.10	-	-	29-Sep-22
9.90%	8,488.71	-	-	04-Apr-22
9.85%	62,942.76	-	-	21-Sep-21
10.75% *	200.25	298.89	396.66	04-Feb-21
9.40%	23,730.23	-	-	30-Dec-20
7.97%	30,974.81	30,970.57	-	27-Oct-20
7.97%	22,444.49	20,650.49	-	06-Oct-20
8.15%	579.26	534.75	-	30-Jun-20
9.30%	-	-	4,996.54	01-Dec-17
9.30%	-	-	4,594.60	26-Dec-17

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

₹ in lacs

Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
9.30%	5,359.38	5,358.44	5,355.76	22-Jun-20
9.30%	5,364.13	5,364.17	5,357.27	17-Jun-20
8.15%	40,531.49	37,438.48	-	27-May-20
8.20%	13,614.06	12,499.17	11,550.54	16-Apr-20
9.52%	26,700.47	-	-	18-Mar-20
9.50%	-	5,359.46	5,355.22	28-Jun-18
9.50%	26,704.62	-	-	18-Dec-19
9.50%	2,140.58	2,140.43	2,139.75	01-Jul-21
8.25%	10,394.15	10,389.18	10,392.12	07-Oct-19
9.31%	10,469.77	-	-	27-Sep-19
8.33%	40,074.32	40,082.18	-	23-Jul-19
7.95%	-	13,774.45	-	24-Dec-18
8.95%	-	7,776.19	7,775.19	30-Oct-18
9.07%	-	3,701.53	3,700.28	10-Aug-18
9.10%	-	-	10,009.17	27-Mar-18
8.85%	-	-	17,535.70	22-Mar-18
10.30%	4,129.85	4,118.43	4,107.01	10-Oct-24
10.60%	-	-	2,572.26	13-Dec-17
10.50%	-	-	690.98	23-Nov-17
10.75%	-	-	1,068.41	26-Jul-17
10.75%	-	-	2,316.54	12-Jul-17
9.18%	-	-	311.22	10-Jul-17
10.25%	1,554.95	1,549.55	1,543.31	13-Oct-21
10.25%	4,671.32	4,652.59	4,633.86	10-Oct-21
8.76%	-	-	10,558.32	12-Feb-18
8.45%	1,440.13	1,438.39	1,437.99	25-Nov-19
Zero Coupon Bond	-	2,509.69	2,303.55	08-Oct-18
Zero Coupon Bond	-	1,152.38	1,058.34	25-Apr-18
8.97%	5,053.98	5,053.11	-	12-Aug-21
8.97%	9,442.65	9,438.38	9,434.11	12-Sep-19
8.97%	10,468.76	10,462.17	10,455.58	19-Sep-19
9.25%	4,089.06	4,077.86	4,066.67	26-Dec-19
9.35%	1,528.24	1,525.50	1,522.55	26-Dec-21
9.00%	5,053.97	5,053.32	-	12-Feb-21
9.00%	4,138.43	4,128.61	4,118.79	27-Oct-20
9.00%	1,613.70	1,611.04	1,608.58	02-May-23
9.00%	2,689.17	2,686.94	2,682.83	29-Apr-23
9.00%	-	-	1,870.65	01-Jun-17
Total	**4,15,327.57**	**2,75,499.79**	**1,57,520.35**	

* Repaid in installments.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 21: BORROWINGS (OTHER THAN DEBT SECURITIES)

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured												
Term Loan												
from bank in foreign currency	7,103.45	-	-	7,103.45	-	-	-	-	-	-	-	-
from bank in ₹	10,30,113.22	-	-	10,30,113.22	10,15,806.16	-	-	10,15,806.16	8,00,903.88	-	-	8,00,903.88
from financial institution in ₹	31,412.90	-	-	31,412.90	49,782.31	-	-	49,782.31	82,123.06	-	-	82,123.06
Loans repayable on demand												
Cash credit / Overdraft facilities from banks	1,72,804.60	-	-	1,72,804.60	1,61,961.46	-	-	1,61,961.46	1,41,284.14	-	-	1,41,284.14
Working Capital demand loan from banks	76,685.16	-	-	76,685.16	81,126.03	-	-	81,126.03	33,996.94	-	-	33,996.94
Other loans	1,11,251.12	-	-	1,11,251.12	9,348.73	-	-	9,348.73	11,139.78	-	-	11,139.78
Unsecured												
Term Loan from Banks - ₹	9,026.93	-	-	9,026.93	19,060.38	-	-	19,060.38	-	-	-	-
Commercial Papers	1,83,541.94	-	-	1,83,541.94	2,28,691.45	-	-	2,28,691.45	1,96,446.31	-	-	1,96,446.31
Total	**16,21,939.32**	**-**	**-**	**16,21,939.32**	**15,65,776.52**	**-**	**-**	**15,65,776.52**	**12,65,894.11**	**-**	**-**	**12,65,894.11**
Borrowings in India	16,14,835.87	-	-	16,14,835.87	15,65,776.52	-	-	15,65,776.52	12,65,894.11	-	-	12,65,894.11
Borrowings outside India	7,103.45	-	-	7,103.45	-	-	-	-	-	-	-	-
Total	**16,21,939.32**	**-**	**-**	**16,21,939.32**	**15,65,776.52**	**-**	**-**	**15,65,776.52**	**12,65,894.11**	**-**	**-**	**12,65,894.11**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Term Loan from Bank in foreign currency-Secured

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Total Amount
Upto 12 months	9.85%	Bullet Repayment	7,103.45

Outstanding as at March 31, 2018 and April 01,2017 : ₹ Nil.

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Total Amount
Above 60 months	9.05% to 9.80%	1 to 14 instalments of half yearly frequency	7,444.50
48-60 Months	8.60% to 10.75%	1 to 60 installments of quarterly, half yearly and yearly frequency	2,16,498.98
36-48 Months	8.35% to 10.25%	1 to 48 installments of bullet, quarterly and half yearly frequency	7,55,443.77
24-36 Months	8.40% to 9.56%	1 to 36 installments of bullet, quarterly and half yearly frequency	19,715.50
12-24 Months	9.20%	Bullet Repayment	21,010.47
0-12 months	9.10%	Bullet Repayment	10,000.00
Total			**10,30,113.22**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at March 31, 2018

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Total Amount
Above 60 months	8.05% to 8.80%	1 to 14 installments of half yearly frequency	3,198.08
48-60 Months	7.65% to 9.10%	1 to 60 installments of quarterly, half yearly and yearly frequency	1,40,366.26
36-48 Months	8.15% to 10.00%	1 to 60 installments of quarterly, half yearly and yearly frequency	7,90,089.33
24-36 Months	8.40% to 9.15%	1 to 36 installments of bullet, quarterly and half yearly frequency	51,145.33
12-24 Months	7.9% to 9.00%	1 to 24 installments of bullet, quarterly and half yearly frequency	31,007.16
Total			**10,15,806.16**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at April 01, 2017

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Total Amount
Above 60 months	9.05% to 9.65%	1 to 14 instalments of half yearly frequency	14,788.39
48-60 Months	8.15% to 9.90%	1 to 60 installments of quarterly, half yearly and yearly frequency	1,37,011.04
36-48 Months	8.30% to 10.20%	1 to 48 installments of bullet,quarterly and half yearly frequency	5,08,064.65
24-36 Months	8.60% to 9.80%	1 to 36 installments of bullet, quarterly and half yearly frequency	1,30,039.80
12-24 Months	9.65%	Bullet Repayment	11,000.00
Total			**8,00,903.88**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Unsecured

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Total Amount
Upto 12 months	9.10%	Bullet Repayment	9,026.93

Terms of Repayment as at March 31, 2018

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Total Amount
Upto 12 months	7.76% to 7.85%	Bullet Repayment	19,060.38

Terms of Repayment as at April 01,2017 : ₹ Nil.

Term Loan from Institution-Secured

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Total Amount
Above 60 months	8.50% to 9.00 %	47 instalments of quarterly frequency	819.85
48 to 60 months	9.15%	1 to 20 installments of quarterly frequency	19,907.44
Upto 12 months	8.35%	Bullet Repayment at the end of 1 year	10,685.61
Total			**31,412.90**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Nature of Security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at March 31, 2018

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Total Amount
Above 60 months	8.50% to 9.00 %	47 instalments of quarterly frequency	1,281.96
48 to 60 months	9.15%	1 to 20 installments of quarterly frequency	23,476.47
Upto 12 months	8.85%	Bullet Repayment at the end of 1 year	15,013.09
Upto 12 months	8.75%	Bullet Repayment at the end of 1 year	10,010.79
Total			**49,782.31**

Nature of Security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at April 01, 2017

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Total Amount
Above 60 months	8.50% to 9.00 %	47 instalments of quarterly frequency	1,798.25
48-60 Months	8% to 10%	1 to 20 installments of quarterly frequency	44,674.26
Upto 12 months	8% to 10%	1 to 12 installments of half yearly and yearly frequency	35,650.55
Total			**82,123.06**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Commercial Papers-Unsecured

₹ in lacs

Rate of Interest	Repayment details	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
7.40% to 9.45%	Bullet Payment on maturity	1,83,541.94	2,28,691.45	1,96,446.31
Total		**1,83,541.94**	**2,28,691.45**	**1,96,446.31**

Loans repayable on demand-Secured

Cash Credit from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	8.15% to 11.25%	1,72,804.60	1,61,961.46	1,41,284.14
Total		**1,72,804.60**	**1,61,961.46**	**1,41,284.14**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Working capital Demand loan from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.85% to 10.45%	76,685.16	81,126.03	33,996.94
Total		**76,685.16**	**81,126.03**	**33,996.94**

Term loan from banks - ₹ -Securitisation

Terms of Repayment as at March 31, 2019

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Amount
48 - 60 months	7.28%	1 to 54 instalments of monthly frequency	2,836.05
Above 60 months	10.25% to 10.30%	1 to 72 instalments of monthly frequency	1,08,415.07
Total			**1,11,251.12**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at March 31, 2018

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Amount
36 - 48 months	7.99%	1 to 45 instalments of monthly frequency	1,860.03
48 - 60 months	7.28% to 8.25%	1 to 54 instalments of monthly frequency	7,488.70
Total			**9,348.73**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at April 1, 2017

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment details	Amount
36 - 48 months	7.99%	1 to 45 instalments of monthly frequency	5,409.21
48 - 60 months	7.75% to 10.74%	1 to 53 instalments of monthly frequency	5,730.57
Total			**11,139.78**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 22: DEPOSITS

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits												
Public deposits*	3,11,940.61	-	-	3,11,940.61	3,07,365.15	-	-	3,07,365.15	3,52,136.35	-	-	3,52,136.35
Total	**3,11,940.61**	**-**	**-**	**3,11,940.61**	**3,07,365.15**	**-**	**-**	**3,07,365.15**	**3,52,136.35**	**-**	**-**	**3,52,136.35**

* includes ₹ Nil (March 31, 2018: ₹ Nil, April 01, 2017: ₹ Nil) issued to directors

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31,2019

₹ in lacs

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	Total
48-60 months	958.87	15,506.90	-	16,465.77
36-48 months	9,462.13	10,811.22	-	20,273.35
24-36 months	10,647.91	72,068.85	-	82,716.76
12-24 months	53,197.69	25,763.80	81.68	79,043.17
12 months	55,835.95	46,146.78	11,458.83	1,13,441.56
Total	**1,30,102.55**	**1,70,297.55**	**11,540.51**	**3,11,940.61**

Terms of Repayment as at March 31,2018

₹ in lacs

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	Total
48-60 months	8,969.75	9,796.28	-	18,766.03
36-48 months	2,430.23	10,480.19	-	12,910.42
24-36 months	45,788.24	15,629.36	81.36	61,498.96
12-24 months	29,134.65	34,067.78	10,630.79	73,833.22
12 months	46,483.35	89,526.99	4,346.18	1,40,356.52
Total	**1,32,806.22**	**1,59,500.60**	**15,058.33**	**3,07,365.15**

Terms of Repayment as at April 01,2017

₹ in lacs

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	Total
48-60 months	1,068.16	9,629.70	-	10,697.86
36-48 months	154.66	10,624.85	81.04	10,860.55
24-36 months	12,173.74	33,244.73	10,100.52	55,518.99
12-24 months	6,522.82	87,217.27	4,069.52	97,809.61
12 months	31,502.61	31,701.34	1,14,045.39	1,77,249.34
Total	**51,421.99**	**1,72,417.89**	**1,28,296.47**	**3,52,136.35**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 23: SUBORDINATED LIABILITIES

₹ in lacs

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts - Unsecured - Debentures	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Total	**65,370.95**	**-**	**-**	**65,370.95**	**1,17,561.75**	**-**	**-**	**1,17,561.75**	**1,29,475.58**	**-**	**-**	**1,29,475.58**
Subordinate liabilities in India	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Subordinate liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	**65,370.95**	**-**	**-**	**65,370.95**	**1,17,561.75**	**-**	**-**	**1,17,561.75**	**1,29,475.58**	**-**	**-**	**1,29,475.58**

Terms of repayment as at March 31,2019
(i) Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest	
	>= 10% < 12%	Total
12-24 months*	21,759.25	21,759.25
12 months*	35,925.82	35,925.82
Total	**57,685.07**	**57,685.07**

* Includes Rs 226.43 lacs issued to related parties

(ii) Privately Placed Subordinared Debts of ₹ 1,000,000/ each - Quoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest	
	>=10% <12%	Total
12 months	7,685.88	7,685.88
Total	**7,685.88**	**7,685.88**

As at March 31, 2018

Terms of Repayment

(i) Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)		Rate of interest	
	< 10%	>= 10% < 12%	Total
24-36 months*	-	19,840.91	19,840.91
12-24 months*	-	32,696.59	32,696.59
12 months*	18.45	36,771.18	36,789.63
Total	**18.45**	**89,308.68**	**89,327.13**

* Includes Rs 282.08 lacs issued to related parties

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

(ii) Privately Placed Subordinared Debts of ₹ 100,000/- each quoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest	
	>=10% <12%	Total
12 months	20,573.27	20,573.27
Total	**20,573.27**	**20,573.27**

(iii) Privately Placed Subordinared Debts of ₹ 1,000,000/ each - Quoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest	
	>= 10% < 12%	Total
12-24 months	7,456.07	7,456.07
12 months	205.28	205.28
Total	**7,661.35**	**7,661.35**

As at April 01, 2017

Terms of Repayment

(i) Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			
	< 10%	>= 10% < 12%	> = 12%	Total
36-48 months*	-	18,136.53	-	18,136.53
24-36 months*	-	29,829.64	-	29,829.64
12-24 months*	16.73	34,074.14	-	34,090.87
12 months*	2,229.97	14,569.21	2.02	16,801.20
Total	**2,246.70**	**96,609.52**	**2.02**	**98,858.24**

* Includes Rs 329.62 lacs issued to related parties

(ii) Privately Placed Subordinared Debts of ₹ 100,000/- each quoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest	
	>= 10% < 12%	Total
12-24 months	20,292.63	20,292.63
12 months	2,690.49	2,690.49
Total	**22,983.12**	**22,983.12**

(iii) Privately Placed Subordinared Debts of ₹ 1,000,000/ each - Quoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest	
	>= 10% < 12%	Total
24-36 months	7,431.23	7,431.23
12 months	202.99	202.99
Total	**7,634.22**	**7,634.22**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 24: OTHER FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investor education and protection fund shall be credited by the following amounts (as and when due) #			
- Unclaimed matured deposits and interest thereon	11,582.21	13,776.77	9,092.22
- Unclaimed matured debentures and interest thereon	943.77	1,493.89	2,695.26
- Unpaid dividend	91.95	92.56	82.92
- Unclaimed matured subordinate debts and interest accrued thereon	4,329.92	2,046.55	775.00
Application money received for allotment of securities to the extent refundable and interest accrued thereon	0.27	0.96	0.09
Payable on account of Assignment	7,979.17	1,153.98	3,749.38
Royalty payable	1,552.50	1,330.52	1,029.78
Creditors for Supply & Services	1,198.99	453.78	420.51
Employee related payables	7,842.73	5,570.50	4,584.03
Total	**35,521.51**	**25,919.51**	**22,429.19**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

NOTE 25: PROVISIONS

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For non funded exposure	39.43	56.59	159.43
Employee benefit (Refer Note no 43)			
- Gratuity	134.14	807.51	427.87
- Provision for compensated absences	2,490.83	1,693.06	1,211.23
Total	**2,664.40**	**2,557.16**	**1,798.53**

NOTE 26: OTHER NON-FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	1,569.10	1,676.36	1,179.69
Retention money and other sundry liabilities	77.41	95.05	829.79
Total	**1,646.51**	**1,771.41**	**2,009.48**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 27: EQUITY SHARE CAPITAL

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised:			
118,500,000 (March 31, 2018: 118,500,000, April 1, 2017: 118,500,000) equity shares of ₹ 10/- each	11,850.00	11,850.00	11,850.00
4,000,000 (March 31, 2018: 4,000,000 , April 1, 2017: 4,000,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**	**15,850.00**
Issued share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of ₹ 10/- each	6599.23	6,596.58	6,594.34
Subscribed share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of ₹ 10/- each	6599.23	6,596.58	6,594.34
Paid up (fully paid up)			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of ₹ 10/- each	6599.23	6,596.58	6,594.34
Total Equity	**6599.23**	**6,596.58**	**6,594.34**
Issued, Subscribed and fully paid up Equity Shares			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of ₹ 10/- each	6599.23	6,596.58	6,594.34
Total Equity	**6599.23**	**6,596.58**	**6,594.34**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	₹ in lacs
As at April 01, 2017	6,59,43,402	6,594.34
Issued during the year - ESOP (refer note no 41)	22,360	2.24
As at March 31, 2018	**6,59,65,762**	**6,596.58**
Issued during the year - ESOP (refer note no 41)	26,500	2.65
As at March 31, 2019	**6,59,92,262**	**6,599.23**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2019, the amount of per equity share dividend proposed in total for distributions to equity shareholders is ₹ 22.00 (March 31, 2018 : ₹ 18.00). Out of the said total dividend proposed for the year ended March 31, 2019, amount of interim dividend paid during the year was ₹ 6.00 (March 31, 2018 : ₹ 6.00) per equity share and amount of final dividend proposed by the Board of Directors is ₹ 16.00 (March 31, 2018: ₹ 12.00) per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 128,045 (March 31, 2018 : 318,540 April 01, 2017 : 315,311) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

Details of shareholders holding more than 5% shares in the Company

₹ in lacs

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,22,68,877	33.74	2,22,68,877	33.76	2,22,68,877	33.78
Dynasty Acquisition FPI Limited	1,34,21,889	20.34	1,34,21,889	20.35	1,34,21,889	20.36
Piramal Enterprises Limited	65,79,840	9.97	65,79,840	9.97	65,79,840	9.98

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Refer note 48 - Capital for the company's objectives, policies and processes for managing capital

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 28: OTHER EQUITY

₹ in lacs

Particulars	Amount
Securities Premium Account	
As at April 01, 2017	1,84,778.30
Add: Premium on shares issued under ESOP during the year	56.22
As at March 31, 2018	**1,84,834.52**
Add: Premium on shares issued under ESOP during the year	66.77
As at March 31, 2019	**1,84,901.29**
Share Option Outstanding	
As at April 01, 2017	173.02
Adjustment on exercise of ESOP	(50.63)
Employee Stock Options Expenses	3.36
As at March 31, 2018	**125.75**
Adjustment on exercise of ESOP	(60.13)
Employee Stock Options Expenses	0.24
As at March 31, 2019	**65.86**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 01, 2017	**76,589.68**
Add: Transfer from surplus balance in the Statement of Profit and Loss	13,742.51
As at March 31, 2018	**90,332.19**
Add: Transfer from surplus balance in the Statement of Profit and Loss	20,241.10
As at March 31, 2019	**1,10,573.29**
Debenture Redemption Reserve	
As at April 01, 2017	**6,422.54**
Add: Amount transferred from surplus in the Statement of Profit and Loss	2,059.53
Less: Amount transferred to General Reserve on redemption of debentures	(3,996.04)
As at March 31, 2018	**4,486.03**
Add: Amount transferred from surplus in the Statement of Profit and Loss	366.14
Less: Amount transferred to General Reserve on redemption of debentures	(2,007.88)
As at March 31, 2019	2,844.29
General Reserve	
As at April 01, 2017	**62,697.35**
Add: Transfer from surplus in the statement of profit and loss	6,648.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	3,996.04
As at March 31, 2018	**73,341.39**
Add: Amount transferred from surplus in the Statement of Profit and Loss	9,990.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,007.88
As at March 31, 2019	**85,339.27**
Capital Reserve	
As at April 01, 2017	7,871.88
As at March 31, 2018	7,871.88
As at March 31, 2019	7,871.88

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

₹ in lacs

Particulars	Amount
Capital Redemption Reserve	
As at April 01, 2017	2,328.98
As at March 31, 2018	2,328.98
As at March 31, 2019	2,328.98
Other Comprehensive Income	
As at April 01, 2017	
Remeasurement gain/ (loss) on defined benefit plan	283.17
Income Tax Provision/ (Reversal) on above	98.15
As at March 31, 2018	185.02
Remeasurement gain/ (loss) on defined benefit plan	(1,336.14)
Income Tax Provision/ (Reversal) on above	(468.00)
As at March 31, 2019	(683.12)
Retained Earnings	
As at April 01, 2017	**1,64,414.58**
Add: Profit for the year	74,057.37
Add/(Less): Appropriations and other Adjustments	
Transfer to/(from) debenture redemption reserve	(2,059.53)
Final Dividend on Equity Shares FY 2016-17	(6,594.51)
Tax on Final Dividend FY 2016-17	(1,342.49)
Interim Dividend on Equity Shares FY 2017-18	(3,957.50)
Tax on Interim Dividend FY 2017-18	(805.65)
Transfer to Statutory Reserve	(13,742.51)
Transfer to General reserve	(6,648.00)
As at March 31, 2018	**2,03,321.76**
Add: Profit for the year	1,00,173.93
Add/(Less): Appropriations and other Adjustments	
Share Based Payments - Expenses	6.59
Transfer to/(from) debenture redemption reserve	(366.14)
Final Dividend on Equity Shares FY 2017-18	(7,916.23)
Tax on Final Dividend on Equity Shares FY 2017-18	(1,627.20)
Interim Dividend on Equity Shares FY 2018-19	(3,959.06)
Tax on Interim Dividend on Equity Shares FY 2018-19	(813.80)
Transfer to Statutory Reserve	(20,241.10)
Transfer to General reserve	(9,990.00)
As at March 31, 2019	**2,58,588.75**
Total other equity	
As at April 01, 2017	5,05,276.33
As at March 31, 2018	5,66,827.52
As at March 31, 2019	6,51,830.49

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Proposed Dividend on equity shares

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
The Board proposed dividend on equity shares			
Proposed dividend on equity shares for the year ended on March 31, 2019: ₹ 16.00 per share (March 31, 2018: ₹12.00 per share)	10,558.76	7,916.23	6,594.51
Tax on Dividend Proposed	2,170.38	1,627.20	1,342.49
Total	**12,729.14**	**9,543.43**	**7,937.00**

Nature and purpose of reserve

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. This is not available for distribution of dividend.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Debenture Redemption Reserve: (1)Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date. (2) In respect of the debentures issued through public issue, the Company has created DRR of ₹ 366.14 lacs (March 31, 2018: ₹ 2,059.53 lacs; April 01, 2017: ₹ 2,247.40 lacs). The Company has deposited a sum of ₹ 1,722.00 lacs (March 31, 2018: ₹ 1,750.00 lacs , April 1,2017: ₹ 3,400.00 lacs) with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Pursuant to Section 45-IC(1) in The Reserve Bank of India Act, 1934. (1) Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 41 for further details of these plans.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 29: INTEREST INCOME

₹ in lacs

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on securities classified at FVTPL	Total
Interest on Loans	-	5,84,980.09	-	5,84,980.09	-	5,28,533.58	-	5,28,533.58
Interest income from investments								
Financial investments - Debt	-	3854.19	-	3,854.19	-	3,475.04	-	3,475.04
Other financial assets	-	-	626.89	626.89	-	-	679.71	679.71
Interest on deposits with Banks	-	5010.64	-	5,010.64	-	1,193.10	-	1,193.10
Income on long term securitisation/assignment	-	1391.69	-	1,391.69	-	2,176.93	-	2,176.93
Other interest income	-	195.01	-	195.01	-	258.13	-	258.13
Total	**-**	**5,95,431.62**	**626.89**	**5,96,058.51**	**-**	**5,35,636.78**	**679.71**	**5,36,316.49**

NOTE 30: FEE AND COMMISSION INCOME

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Other financial services- Commission	-	212.32
Total	**-**	**212.32**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Type of Services or Service		
Fee and commission income	-	212.32
Total revenue from contract with customers	**-**	**212.32**
Geographical markets		
India	-	212.32
Outside India	-	-
Total revenue from contract with customers	**-**	**212.32**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	-	212.32
Total revenue from contracts with customers	**-**	**212.32**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Contract Balance

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total Receivables	-	-
Contract Assets	-	-
Total	**-**	**-**

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

NOTE 31: NET GAIN ON FAIR VALUE CHANGES

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	1449.87	956.69
- Derivatives	(297.39)	-
Total Net gain/(loss) on fair value changes	**1,152.48**	**956.69**
Fair Value changes:		
- Realised	265.32	103.09
- Unrealised	887.16	853.60
Total Net gain/(loss) on fair value changes	**1,152.48**	**956.69**

NOTE 32: GAIN ON SALE OF INVESTMENTS

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gain on sale of Investments (Measured at FVTPL)		
- on Mutual funds	26.16	14.25
- on Investment in Equity instruments	-	1,491.06
Total	**26.16**	**1,505.31**

NOTE 33: OTHER INCOME

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gain on sale of Property, plant & equipment	17.99	9.73
Miscellaneous income	273.00	214.89
Total	**290.99**	**224.62**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 34: FINANCE COST

₹ in lacs

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on:-						
Fixed Deposits	-	26,461.61	26,461.61	-	31,028.79	31,028.79
Subordinated liabilities	-	12,353.22	12,353.22	-	14,557.42	14,557.42
Borrowings (other than debt securities)						
-Loans from Banks	-	92,845.51	92,845.51	-	80,092.46	80,092.46
-Loans from Financial Institution	-	5,132.09	5,132.09	-	5,766.60	5,766.60
-Working Capital Demand Loans	-	10,190.66	10,190.66	-	8,260.09	8,260.09
-Cash Credit	-	7,016.96	7,016.96	-	3,360.58	3,360.58
-Commercial Paper	-	21,293.10	21,293.10	-	13,259.73	13,259.73
Debt securities	-	33,828.97	33,828.97	-	21,636.72	21,636.72
Others	-	1,460.75	1,460.75	-	-	-
Total	**-**	**2,10,582.87**	**2,10,582.87**	**-**	**1,77,962.39**	**1,77,962.39**

NOTE 35: IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in lacs

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans	-	11,684.40	11,684.40	-	39,529.38	39,529.38
Investments	-	(15.18)	(15.18)	-	1.60	1.60
Total	**-**	**11,669.22**	**11,669.22**	**-**	**39,530.98**	**39,530.98**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

₹ in lacs

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Loans and advances to customers	10,681.52	12,453.86	(11,450.98)	11,684.40	18,289.23	(432.48)	21,672.63	39,529.38
Debt instruments measured at FVOCI	(15.18)	-	-	(15.18)	1.60	-	-	1.60
Total impairment loss	**10,666.34**	**12,453.86**	**(11,450.98)**	**11,669.22**	**18,290.83**	**(432.48)**	**21,672.63**	**39,530.98**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 36: EMPLOYEE BENEFIT EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, other allowances and bonus	82,068.17	68,712.36
Contribution to provident and other funds	5,963.08	4,369.30
Share based payments to employees	9.87	4.35
Staff welfare expenses	1,199.70	1,101.30
Gratuity expenses	506.13	700.18
Total	**89,746.95**	**74,887.49**

NOTE 37: DEPRECIATION, AMORTIZATION AND IMPAIRMENT

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	2,996.29	2,896.47
Amortization of intangible assets	356.22	622.56
Total	**3,352.51**	**3,519.03**

NOTE 38: OTHER EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	6,489.08	5,819.83
Power and fuel	1,045.35	995.55
Repairs and maintenance		
- Buildings	1,375.50	1,201.84
-Office equipments	42.51	45.19
Office expenses	1,408.46	1,294.72
Rates and taxes	1,617.42	1,744.58
Printing and stationery	2,417.55	2,435.05
Travelling and conveyance	4,428.65	5,524.10
Advertisement	450.79	1,259.52
Business promotion	5,057.78	6,700.23
Directors' sitting fees	38.40	48.19
Insurance	409.77	401.03
Communication expenses	3,178.11	3,165.42
Bank charges	1,264.72	1,158.97
Legal and Professional Fees	2,438.73	2,778.25
Loss on sale of fixed assets	91.14	37.72
Public issue expenses for non-convertible debentures	120.01	184.89
CSR expenses (refer note given below)	851.15	1,403.60
Miscellaneous expenses	2,912.72	1,890.64
Auditor fees		
(a) Audit Fees	54.10	49.19
(b)Tax Audit Fees	11.45	-
(c)Certification Fees	6.00	5.45
(d) Out of Pocket	11.89	17.66
Total	**35,721.28**	**38,161.62**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Details of CSR expenditure:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	1,888.54	1,753.50
b) Amount spent during the year	851.15	1,403.60
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above		
-In Cash	451.15	1,403.60
-Yet to be paid in Cash (Provision has been made based on committed obligations approved by the CSR Committee and The Board of Directors)	400.00	-
Total	**851.15**	**1,403.60**

NOTE 39: INCOME TAX

The components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	49,544.09	39,639.64
Deferred tax relating to origination and reversal of temporary differences	4,442.23	78.49
Total tax charge	**53,986.32**	**39,718.13**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended March 31, 2019 and March 31, 2018 is, as follows:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	**1,54,539.01**	**1,14,648.13**
At India's statutory income tax rate For Shriram City, 2019: 34.944% (2018: 34.608%) For Shriram Housing, 2019: 33.384% (2018:34.608%)	53,963.17	39,186.08
Tax at special rate for Shriram City on ₹ 1420.41 lacs @ 23.072%	-	327.72
Total Tax	**53,963.17**	**39,513.80**
Corporate social responsibility expenditure not allowable for tax purpose	297.40	485.13
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G,2018: section 80G and 80JJAA)	(78.62)	(391.13)
Others	(195.63)	110.33
Income tax expense reported in the statement of profit or loss	**53,986.32**	**39,718.13**

The effective income tax rate for March 31, 2019 is 34.93% (March 31, 2018: 34.64%).

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 39: INCOME TAX (CONTD.)

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment and intangible assets	2,206.70	-	(255.39)	-
Expenses allowable for tax purpose when paid	2,813.92	490.94	5.63	(461.23)
Provision for expected credit loss	14.75	-	4,403.16	-
EIR impact on debt instrument measured at Amortised Cost	-	474.99	(604.35)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	-	298.27	404.89	-
Impact of amortization of processing fees on Loans and Advances	1,114.17	-	821.98	-
Impact of Recognition of Interest on assignment and securitization	-	-	(54.38)	-
MAT Entitlement Credit	519.89	-	-	-
Special Reserve u/s 36 1(viii) of Income Tax Act	-	671.73	(36.27)	-
Other temporary differences	188.35	198.33	(243.04)	-
Total	**6,857.78**	**2,134.26**	**4,442.23**	**(461.23)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2018	As at March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018
Property, plant and equipment and intangible assets	1,951.31	-	(379.42)	-
Expenses allowable for tax purpose when paid	1,963.38	95.93	(1,594.28)	98.81
Provision for expected credit loss	4,940.71	522.80	2,962.58	-
EIR impact on debt instrument measured at Amortised Cost	-	1,079.34	(305.64)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	148.94	42.32	323.89	-
Special Reserve u/s 36 1(viii) of Income Tax Act	-	708.01	118.76	-
Impact of amortization of processing fees on Loans and Advances	1,936.15	-	(860.72)	-
Impact of Recognition of Interest on assignment and securitization	-	54.38	(361.12)	-
Other temporary difference	86.91	339.80	174.44	-
Total	**11,027.40**	**2,842.58**	**78.49**	**98.81**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 39: INCOME TAX (CONTD.)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	As at April 01, 2017	As at April 01, 2017
Property, plant and equipment and intangible assets	1,574.27	2.38
Expenses allowable for tax purpose when paid	371.98	-
Provision for expected credit loss	7,519.78	139.29
EIR impact on debt instrument in the nature of borrowings measured at Amortised Cost	-	1,384.98
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	463.24	32.74
Impact of amortization of processing fees on Loans and Advances	1,075.43	-
Impact of Recognition of Interest on assignment and securitization	-	415.51
Special Reserve u/s 36 1(viii) of Income Tax Act	-	589.26
Other temporary difference	140.87	219.26
Total	**11,145.57**	**2,783.42**

Amount recognised in respect of current tax/ deferred tax directly in equity:

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-	-

Tax losses and Tax credits

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-	-
Unused Tax Credits-MAT credit entitlement	-	-	-

CURRENT TAX ASSETS (NET)

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance income tax (net of provision for tax) [net of provision for income tax March 31, 2019: ₹ 2,89,943.43 lacs; March 31, 2018: ₹ 2,39,879.05 lacs and April 01, 2017: ₹ 2,00,239.41 lacs]	5,629.57	4,961.97	6,388.72
Total	**5,629.57**	**4,961.97**	**6,388.72**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 40: EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit after tax as per Statement of Profit and Loss attributable to Owners of the Company (₹ in lacs)	1,00,173.93	74,057.37
Weighted average number of ordinary shares for basic earnings per share (₹ in lacs)	659.78	659.52
Effect of dilution:		
Stock options granted under ESOP (Nos.)	0.23	0.49
Weighted average number of ordinary shares adjusted for effect of dilution (₹ in lacs)	660.01	660.01
Earnings per share		
Basic earnings per share (₹)	151.83	112.29
Diluted earnings per share (₹)	151.78	112.21

41. EMPLOYEE STOCK OPTION PLAN

41.1 The Company provides share-based payment schemes to its Employees. For the period ended March 31, 2019 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	: October 30, 2006
Date of grant	: October 19, 2007
Date of Board Approval	: October 19, 2007
Number of options granted	: 1,355,000
Method of Settlement (Cash/Equity)	: Equity
Graded vesting period :	
After 1 years of grant date	: 10% of options granted
After 2 years of grant date	: 20% of options granted
After 3 years of grant date	: 30% of options granted
After 4 years of grant date	: 40% of options granted
Exercisable period	: 10 years from vesting date
Vesting Conditions	: On achievement of pre-determined targets

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

41. EMPLOYEE STOCK OPTION PLAN (CONTD.)

The details of Series 1 have been summarised below:

₹ in lacs

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	Weighted Average Exercise Price per share (in ₹)	Number of Shares	Weighted Average Exercise Price per share (in ₹)	Number of Shares	Weighted Average Exercise Price per share (in ₹)
Outstanding at the beginning of the year	50,120	35.00	72,480	35.00	88,730	35.00
Add: Granted during the year	-	-	-	-	-	-
Less: Forfeited during the year	-	-	-	-	-	-
Less: Exercised during the year	26,555	35.00	22,360	35.00	16,250	35.00
Less: Expired during the year	-	-	-	-	-	-
Outstanding at the end of the period	23,565	35.00	50,120	35.00	72,480	35.00
Exercisable at the end of the period	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	1.55	-	2.55	-	3.55
Weighted average fair value of options granted	-	227.42	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

₹ in lacs

As at March 31,	Range of exercise prices per share (in ₹)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price per share (in ₹)
2019	35.00	23,565	1.55	35.00
2018	35.00	50,120	2.55	35.00
2017	35.00	72,480	3.55	35.00

STOCK OPTIONS GRANTED

The weighted average fair value of stock options granted was ₹ 227.42. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

₹ in lacs

Particulars	2006	2007	2008	2009
Exercise Price (₹)	35.00	35.00	35.00	35.00
Expected Volatility (%)	55.36	55.36	55.36	55.36
Historical Volatility	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (₹)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	7.70	7.67	7.66	7.67
Expected dividend rate (%)	0.84	0.84	0.84	0.84

The expected volatility was determined based on historical volatility data equal to the NSE volatility rate of Bank NIFTY which is considered as a comparable peer group of the Company. To allow for the effects of early exercise it was assumed that the employees would exercise the options within six months from the date of vesting in view of the exercise price being significantly lower than the market price.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	53.36	113.50
Deferred compensation cost	Nil	Nil

Since the company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, the ICAI issued a guidance note on “Accounting for Employees Share Based Payments” applicable to Employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earnings per share would be as follows:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit as reported (₹ in lacs)	98,887.75	71,095.27
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	98,887.75	71,095.27
Less: Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders (₹ in lacs)	98,887.75	71,095.27
Earnings per share		
Basic (₹)		
- As reported	149.88	107.80
- Proforma	149.88	107.80
Diluted (₹)		
- As reported	149.83	107.72
- Proforma	149.83	107.72

41.2 A new ESOP scheme “SCUF Employees Stock Option Scheme 2013” was approved at an EGM on May 31, 2013. Accordingly 2,627,000 equity shares @ ₹ 10 each have been reserved under this scheme with an exercise price of ₹ 300 per option and with a maximum vesting period of five years from the date of grant.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 41: EMPLOYEE STOCK OPTION SCHEME (ESOS)

41.2.Shriram Housing Finance Limited

The company provides share-based payment schemes to its employees. For the year ended March 31, 2019 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Date of Shareholder's approval of plan	December 13, 2016	March 28, 2013	March 28, 2013
Date of grant	December 22, 2016	August 28, 2013 & April 20, 2015	December 19, 2018
Number of options granted	3,35,000	3,50,000	25,00,000
Method of settlement	Equity	Equity	Equity
Vesting Period	1 - 3 years	3 - 5 years	3 - 10 years
Exercise Price	35.00	10.00	10.00
Exercise Period	Not later than 5 years from the date of vesting of options		
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period		

Details of Vesting

Vesting period from the grant date	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Completion of 1 year	33.33%	-	-
Completion of 2 year	33.33%	-	-
Completion of 3 year	33.33%	-	12.50%
Completion of 4 year		50%	12.50%
Completion of 5 year		50%	12.50%
Completion of 6 year			12.50%
Completion of 7 year			12.50%
Completion of 8 year			12.50%
Completion of 9 year			12.50%
Completion of 10 year			12.50%

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Details of activity under each plan

	ESOP Scheme 2016		ESOP Scheme 2013		ESOP Scheme 2013	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at 1 April 2017	3,35,000	35.00	4,00,000	10.00	-	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	(50,000)	-	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at March 31, 2018	**3,35,000**	**35.00**	**3,50,000**	**10.00**	**-**	**-**
Vested and exercisable as at March 31, 2018	**1,11,667**	**35.00**	**1,25,000**	**10.00**	**-**	**-**
Weighted average remaining contractual life (in years)		5.73 Years		5.38 Years		-
Outstanding as at 1 April 2018	3,35,000	35.00	3,50,000	10.00	-	-
Granted during the year	-	-	-	-	25,00,000	10.00
Forfeited during the year	(3,35,000)	35.00	(1,70,000)	10.00	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March 2019	**-**	**-**	**1,80,000**	**10.00**	**25,00,000**	**10.00**
Vested and exercisable as at 31 March 2019	-	-	1,50,000	10.00	-	-
Weighted average remaining contractual life (in years)	-			4.19 Years		11.22 Years

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Vesting period from the grant date	Year ended March 31, 2019
Risk-free interest rate	7.08% - 7.68%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	5.50 - 12.50 Years
Expected volatility (%)	36.58% - 42.21%
Dividend yield	0%

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable listed companies using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

The expense recognised for employee services received during the year is shown in the following table:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expense arising from equity-settled share based payment transactions	9.87	4.35
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	**9.87**	**4.35**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 42: INVESTMENT IN SUBSIDIARY

₹ in lacs

Name of the subsidiary	Country of incorporation	Principal place of business	Principal activities	For the year ending	No of Equity Shares Held (FV of ₹ 10 /- each)	% equity interest
Shriram Housing Finance limited	India	Mumbai	Housing Finance	March 31, 2019	16,54,40,000	77.25%
				March 31, 2018	16,54,40,000	77.25%
				April 01, 2017	16,54,40,000	77.25%

B. Statement of Net Assets, Profit and Loss and Other Comprehensive Income attributable to owners and Non Controlling Interest as on March 31, 2019

₹ in lacs

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits / (loss)		Share in Other Comprehensive Income/ (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	92.94%	6,21,741.48	98.07%	98,616.28	106.94%	(913.93)	98.00%	97,702.35
Indian Subsidiary - Shriram Housing Finance Limited	5.48%	36,688.24	1.55%	1,557.65	-5.36%	45.79	1.61%	1,603.44
Non Controlling Interest	1.58%	10,554.85	0.38%	378.76	-1.58%	13.52	0.39%	392.28
Total	**100%**	**6,68,984.57**	**100%**	**1,00,552.69**	**100%**	**(854.62)**	**100%**	**99,698.07**

NOTE 43: RETIREMENT BENEFIT PLAN

43.1 : Shriram City Union Finance Limited

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company makes Provident Fund, Employee State Insurance Scheme contributions, National Pension scheme contributions and Labour welfare Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 4,225.08 lacs (March 31, 2018: ₹ 2,722.83 lacs) for Provident Fund contributions, ₹ 1,492.88 lacs (March 31, 2018: ₹ 1,463.81 lacs) for Employee State Insurance Scheme contributions, ₹ 10.45 lacs (March 31, 2018: ₹ 10.48 lacs) for Labour welfare Fund contributions and ₹ 47.10 lacs (March 31, 2018: ₹ 37.56 lacs) for National Pension scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 (the Act). Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year the level of funding in the gratuity plan is reviewed. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The contribution is decided based on the results of annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. Generally equity instruments and property should not exceed 30% of total portfolio. The Aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Risk associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following Risks:

Interest Risk: A fall in the discount rate which is linked to the Govt. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Compensated absences

The company has a policy on compensated absences which is accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognized expense amounting ₹ 925.63 lacs (March 31, 2018: ₹ 479.01 lacs) for Leave encashment

The Following Table Summarises the components of net benefit expense recognised in statement of profit and loss and funded status and amounts recognised in balance sheet for the gratuity plan

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current Service Cost	400.61	493.94
Interest expense	230.21	196.77
Interest Income	(170.00)	(165.97)
Past service cost	-	121.06
Components of defined benefit costs recognised in profit or loss (A)	**460.82**	**645.80**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(20.45)	(9.79)
Actuarial changes arising from changes in demographic assumptions	116.34	(82.94)
Actuarial changes arising from changes in financial assumptions	876.54	(127.49)
Experience adjustments	432.50	(56.96)
Components of defined benefit costs recognised in other comprehensive income (B)	**1,404.93**	**(277.18)**
Total (A+B)	**1,865.75**	**368.62**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Movement in the present value of the defined benefit obligation are as follows :

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	3,045.11	2,732.94
Expenses recognised in the statement of profit and loss:		
Current Service Cost	400.60	493.94
Interest expense/(income)	230.21	196.77
Recognised in other comprehensive income remeasurement (gains)/Loss.	1,425.38	(267.39)
Past service cost	-	121.05
Net Liabilities transferred out/ Divestments	(28.33)	-
Benefits paid from the fund	(263.94)	(232.20)
Present value of defined obligation at the end of the year	**4,809.03**	**3,045.11**

Change in the Fair value of plan assets :

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the year	2,248.63	2,305.07
Interest Income	169.99	165.97
Contributions by the Employer	2,499.76	-
Benefits paid from the fund	(263.94)	(232.20)
Return on plan assets excluding interest income	20.45	9.79
Fair value of plan assets at the end of the year	**4,674.89**	**2,248.63**

Calculation of benefit liability/(asset) :

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Defined benefit obligation	4,809.03	3,045.11	2,732.94
Fair value of plan assets	4,674.89	2,248.63	2,305.07
Benefit liability	**134.14**	**796.48**	**427.87**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Expected return on Plan assets	7.59%	7.56%	7.20%
Rate of discounting	7.59%	7.56%	7.20%
Expected rate of salary increase	7.00%	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 31.00% p.a & For service 5 years and above 4.00% p.a	For service 4 years and below 31.00% p.a. & For service 5 years and above 3.00% p.a	For service 4 years and below 13.00% p.a. & For service 5 years and above 2.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA	NA

Investments quoted in active markets:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Investment Funds	4,674.89	2,248.63	2,305.07
Total	**4,674.89**	**2,248.63**	**2,305.07**

Sensitivity Analysis

₹ in lacs

Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation for FY 18-19	(477.08)	571.82	565.14	(479.48)	17.73	(22.19)
Impact on defined benefit obligation for FY 17-18	(313.29)	376.43	376.28	(317.14)	92.01	(107.28)
Impact on defined benefit obligation for FY 16-17	(348.00)	427.01	432.38	(357.64)	89.41	(106.31)

Notes
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Maturity Analysis of Benefit Payments from the fund

₹ in lacs

Expected payment for future years	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	486.28	220.99
2nd following Year	216.82	133.97
3rd following Year	276.80	170.08
4th following Year	266.73	196.69
5th following Year	317.05	180.15
sum of years 6 to 10	1,504.15	1,029.43
sum of years 11 and above	11,035.45	7,268.73
Total expected payments (Undiscounted)	**14,103.28**	**9,200.04**

The Company expects to contribute ₹ 134.14 lacs to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 13 years (March 31 2018: 13 years)

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year(subject to sufficiency of funds under the policy). The policy thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

43.2 : Shriram Housing Finance Limited

Defined Contribution Plan

The company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognized ₹ 170.98 lacs for year ended March 31, 2019 (Y.E. 31 March 2018 ₹ 150.94 lacs) for Provident Fund contributions and ₹ 16.58 lacs for the year ended March 31, 2019 (Y.E. 31 March 2018 ₹ 21.25 lacs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2015-16 the company created "Shriram Housing Finance Company Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through Trustees. Contributions to the Trust are invested in a scheme with a insurance company as permitted by law in India. The Company has contributed ₹ Nil to the Trust during the financial year 2018-19. (F.Y 2017 -18 ₹ 35.02 lacs)

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	43.85	36.13
Interest cost on benefit obligation	13.87	13.15
Expected return on plan assets	(12.42)	-
Net (benefit) / expense	**45.30**	**49.28**

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	(144.44)	(191.06)
Fair value of plan assets	158.54	180.03
Asset/(liability) recognized in the balance sheet	**14.10**	**(11.03)**

Changes in the present value of the defined benefit obligation are as follows:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	191.06	150.42
Transfer in/Out	20.10	-
Interest cost	13.87	13.15
Current service cost	43.85	36.13
Liability transferred in/on account of transfer of employees	-	-
Benefits paid	(35.25)	(0.32)
Actuarial loss / (gain) on obligation	(89.19)	(8.32)
Closing defined benefit obligation	**144.44**	**191.06**

Changes in the fair value of plan assets are as follows:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	180.03	150.42
Interest Income	12.42	-
Expected return	1.34	10.19
Contributions by employer	-	35.02
Benefits paid	(35.25)	(15.60)
Closing fair value of plan assets	**158.54**	**180.03**

The company intends to contribute to the trust the amount as per the actuarial valuation in the next year

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018
Investments with insurer	100%	100%

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.65%	8.00%
increase in compensation cost	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation are on account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous four years are as follows:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Define benefit obligation	144.44	191.06	150.42	103.09	37.79
Plan assets	158.54	180.03	150.42	-	-
Surplus/(deficit)	14.10	(11.03)	-	(103.09)	(37.79)

₹ in lacs

Assumptions	March 31, 2019		March 31, 2019		March 31, 2018		March 31, 2018	
	Discount rate		Future salary increases		Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligation	(13.35)	15.50	15.69	(13.64)	(16.43)	19.21	20.69	(17.94)

₹ in lacs

Expected payment for future years	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	5.75	29.40
Between 2 and 5 years	36.94	42.56
Between 5 and 10 years	72.82	74.32
Total expected payments	**115.51**	**146.28**

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 14.74 Years (31 March 2018: 14.44 Years)

The fund is administered by "Shriram Housing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

₹ in lacs

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.65%	8.00%
Attrition rate	5.00%	5.00%
Salary escalation	5.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 44: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in lacs

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	99,676.01	-	99,676.01	33,963.42	-	33,963.42	43,751.06	-	43,751.06
Bank Balance other than above	27,702.35	2,625.16	30,327.51	20,091.06	110.00	20,201.06	21,770.69	-	21,770.69
Loans	13,85,798.20	14,95,276.86	28,81,075.06	13,89,773.92	13,63,594.59	27,53,368.51	12,90,275.09	10,47,636.89	23,37,911.98
Investments	56,751.92	34,997.73	91,749.65	29,652.40	37,092.70	66,745.10	27,194.22	36,304.12	63,498.34
Other financial assets	3,003.78	795.71	3,799.49	540.11	1,701.38	2,241.50	5,542.94	1,219.83	6,762.77
Non-financial Assets									
Current tax asset	-	5,629.57	5,629.57	-	4,961.97	4,961.97	-	6,388.72	6,388.72
Deferred tax assets (net)	4,723.51	-	4,723.51	7,857.19	327.63	8,184.82	7,576.45	785.70	8,362.15
Property, plant and equipment	-	8,622.48	8,622.48	-	8,328.93	8,328.93	-	7,485.04	7,485.04
Other intangible assets	-	487.40	487.40	-	441.75	441.75	-	844.48	844.48
Other non financial assets	9,723.00	6,020.87	15,743.87	8,773.34	2,355.14	11,128.48	2,601.73	1,891.92	4,493.64
Total assets	**15,87,378.77**	**15,54,455.78**	**31,41,834.55**	**14,90,651.44**	**14,18,914.09**	**29,09,565.54**	**13,98,712.18**	**11,02,556.69**	**25,01,268.87**
Liabilities									
Financial Liabilities									
Derivative financial liabilities	297.39	-	297.39	-	-	-	-	-	-
Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,764.54	-	6,764.54	7,969.48	-	7,969.48	3,925.68	-	3,925.68
Debt Securities	1,58,771.08	2,67,933.67	4,26,704.75	50,269.72	2,46,790.40	2,97,060.12	85,695.04	1,16,748.75	2,02,443.79
Borrowings (other than debt security)	8,70,336.41	7,51,602.91	16,21,939.32	7,42,238.80	8,23,537.72	15,65,776.52	5,37,348.30	7,28,545.81	12,65,894.11
Deposits	1,12,993.25	1,98,947.36	3,11,940.61	1,39,944.38	1,67,420.77	3,07,365.15	1,77,389.57	1,74,746.78	3,52,136.35
Subordinated Liabilities	43,541.66	21,829.29	65,370.95	57,413.70	60,148.05	1,17,561.75	19,694.68	1,09,780.90	1,29,475.58
Other Financial liabilities	35,388.73	132.78	35,521.51	25,919.51	-	25,919.51	22,429.19	-	22,429.19
Non-financial Liabilities									
Provisions	377.80	2,286.60	2,664.40	1,451.52	1,105.63	2,557.16	1,715.33	83.21	1,798.53
Other non-financial liabilities	1,573.52	72.99	1,646.51	1,771.41	-	1,771.41	2,003.69	5.79	2,009.48
Total Liabilities	**12,30,044.38**	**12,42,805.60**	**24,72,849.98**	**10,26,978.52**	**12,99,002.57**	**23,25,981.10**	**8,50,201.48**	**11,29,911.24**	**19,80,112.72**
Net	**3,57,334.39**	**3,11,650.18**	**6,68,984.57**	**4,63,672.92**	**1,19,911.52**	**5,83,584.44**	**5,48,510.70**	**(27,354.54)**	**5,21,156.15**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 45: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2018-19

₹ in lacs

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Other *	As at March 31, 2019
At Amortised Cost					
Debt Securities					
-NCD Public Issue	20,920.73	(9,543.56)	-	-	11,377.17
-NCD Retail	67,597.45	(9,666.58)	-	83.93	58,014.80
-NCD Institutional	2,08,541.94	1,48,874.28	-	(103.44)	3,57,312.78
-Unclaimed Matured Portion	1,493.89	(550.12)	-		943.77
Subordinated Liabilities					
- Sub Debt Retail	89,327.13	(32,049.87)	-	407.81	57,685.07
- Sub Debt Institutional	28,234.63	(20,681.07)	-	132.32	7,685.88
-Unclaimed Matured Portion	2,046.55	2,283.37	-	-	4,329.92
Borrowings other than debt securities					
- Term Loan from Banks	10,34,866.55	11,933.63	165.46	(723.04)	10,46,242.60
- Term Loan from Institution	49,782.31	(18,369.95)	-	0.54	31,412.90
- Commercial paper	2,28,691.45	(45,149.51)	-	-	1,83,541.94
- Cash Credit from Banks	1,61,961.46	10,844.14	-	-	1,72,805.60
- Working Capital Demand Loans	81,126.03	(4,440.87)	-	-	76,685.16
- Other loans	9,348.73	1,01,902.39	-	-	1,11,251.12
Deposits	3,07,365.15	4,875.35	-	(299.89)	3,11,940.61
-Unclaimed Matured Deposits	13,776.77	(2,194.56)	-	-	11,582.21
Total	**23,05,080.77**	**1,38,067.07**	**165.46**	**(501.77)**	**24,42,811.53**

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Changes in liabilities arising from financing activities during FY 2017-18

₹ in lacs

Particulars	As at April 01, 2017	Cash Flows	Exchange difference	Other *	As at March 31, 2018
At Amortised Cost					
Debt Securities					
-NCD Public Issue	39,476.63	(18,555.90)	-	-	20,920.73
-NCD Retail	82,064.42	(14,574.67)	-	107.70	67,597.45
-NCD Institutional	80,902.74	1,27,869.26	-	(230.06)	2,08,541.94
-Unclaimed Matured Portion	2,695.26	(1,201.37)	-	-	1,493.89
Subordinated Liabilities					
- Sub Debt Retail	98,858.24	(9,993.02)	-	461.91	89,327.13
- Sub Debt Institutional	30,617.34	(2,534.24)	-	151.53	28,234.63
-Unclaimed Matured Portion	775.00	1,271.55	-	-	2,046.55

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₹ in lacs

Particulars	As at April 01, 2017	Cash Flows	Exchange difference	Other *	As at March 31, 2018
Borrowings other than debt securities					
-Term Loan from Banks	8,00,904.18	2,33,869.22	-	93.15	10,34,866.55
-Term Loan from Institution	82,123.06	(32,341.29)	-	0.54	49,782.31
- Commercial paper	1,96,446.31	32,245.14	-	-	2,28,691.45
- Cash Credit from Banks	1,41,284.14	20,677.32	-	-	1,61,961.46
- Working Capital Demand Loans	33,996.64	47,129.39	-	-	81,126.03
- Other loans	11,139.78	(1,791.05)	-	-	9,348.73
Deposits	3,52,136.35	(45,149.33)	-	378.13	3,07,365.15
-Unclaimed Matured Deposits	9,092.22	4,684.55	-	-	13,776.77
Total	**19,62,512.31**	**3,41,605.57**	**-**	**962.90**	**23,05,080.77**

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

NOTE 46: CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) Contingent Liabilities

₹ in lacs

	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	1,517.38	2,990.65	2,990.65
b.	VAT demand where the Company has filed appeal before various Appellates	266.45	137.52	131.02
c.	Service tax demand	3,802.12	3,802.12	-
d	Guarantees given for subsidiary	2,500.00	2,500.00	2,500.00
	Total	**8,085.95**	**9,430.29**	**5,621.67**

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities.

The company has issued a guarantee for ₹ 2,500.00 lacs against refinance obtained by Shriram Housing Finance Limited for NHB.

(B) Commitments not provided for

₹ in lacs

	Commitments not provided for	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	233.37	310.10	166.14
b.	Commitments related to loans sanctioned but undrawn	6,707.40	8,526.45	14,349.82

(C) Lease Disclosures

As a lessee

Operating Lease :

The Company has taken various office premises under operating lease. The lease expenses recognised in the Statement of Profit and Loss are ₹ 6,489.08 lacs (March 31, 2018: ₹ 5,819.83 lacs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

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Future minimum lease payments under non-cancellable operating leases as at March 31, 2019 are as follows:

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Within one year	1,386.50	929.81	827.1
After one year but not more than five years	2,762.17	1,983.74	2435.81
More than five years	590.22	297.18	453.28

NOTE 47: RELATED PARTY DISCLOSURES

	Relationship		Name of the party
(i)	Enterprises having significant influence over the Company	:	Shriram Capital Limited (SCL)
			Shriram Ownership Trust (SOT)
			Dynasty Acquisition FPI Limited (DAFL)
			Piramal Enterprises Limited (PEL)
			Valiant Mauritius Partners FDI Ltd. (VMPL)
(ii)	Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii)	Associates	:	Insight Commodities and Futures Private Limited (ICFPL)
			Shriram Asset Management Company Limited (SAMCL)
			Shriram Credit Company Limited (SCCL)
			Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
			Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
			Shriram Fortune Solutions Limited (SFSL)
			Shriram General Insurance Company Limited (SGICL)
			Shriram Insight Share Brokers Limited (SISBL)
			Shriram Life Insurance Company Limited (SLICL)
			Shriram Overseas Investments Private Limited (SOIPL)
			Shriram Wealth Advisors Limited (SWAL)
			Shriram Value Services Limited (SVSL)
			Bharath Investments Pte. Ltd., Singapore (BIPL)
			SGI Philippines General Insurance Co. Inc. (SGIPGICI)
			Novac Technology Solutions Pvt. Ltd (NTSPL)
			Tech Factory Services Pvt. Ltd. (TFSPL)
(iv)	Key Management Personnel	:	Mr. R Duruvasan. Managing Director & CEO
			Mr. Debendranath Sarangi, Chairperson
			Mr. Gerrit Lodewyk Van Heerde, Director
			Mr. Khushru Burjor Jijina, Director (Ceased w.e.f 07.05.18)
			Ms. Maya S Sinha , Director
			Mr. Sri Pranab Prakash Pattanayak, Director
			Mr. Ranvir Dewan, Director
			Mr. Shashank Singh, Director

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Relationship			Name of the party
			Mr. Subramaniam Krishnamurthy, Director
			Mr. Venkataraman Murali, Director (SCUF & SHFL)
			Mr. Vipen Kapur , Director
			Mr. Ramakrishnan Subramanian, Additional Director (Ceased w.e.f 28.07.17)
			Mr. R Chandrasekar, Chief Financial Officer
			Mr. C R Dash, Company Secretary
			Mr. Subramanian Jambunathan, Managing Director and CEO (SHFL) (Appointed w.e.f. 20.11.2018)
			Mr. Sujan Sinha ,Managing Director and CEO (SHFL) (Ceased w.e.f. 31.08.2018)
			Ms. Qudsia Gandhi, Director (SHFL) (Ceased w.e.f. 23.05.2018)
			Ms. Lakshminaryanan Priyadarshini, Director (SHFL) (Appointed w.e.f.16.10.2018)
			Mr. Kunal Karnani , Chief Financial Officer (SHFL) (Appointed w.e.f. 21.01.2019)
			Mr. Kankshit Munshi, Chief Financial Officer (SHFL) (Ceased w.e.f 19.11.2018)
			Mr. Kunal Shah, Chief Financial Officer (SHFL) (Ceased w.e.f 23.04.2017)
			Mrs. Nikita Hule , Company Secretary (SHFL)
			Mrs. Magesweri Pasupathy , Company Secretary (SHFL) (Ceased w.e.f 12.07.2016)
(v)	Relatives of Key Management Personnel	:	Relatives of Mr. R Duruvasan. Managing Director & CEO
			Late Mr. Ayneni Ramachandra Naidu (Father)
			Late Mrs. Ayneni Ammayamma (Mother)
			Ms. A Komaleeswari (Spouse)
			Mr. Ayneni Vamshi Krishna (Son)
			Mr. R Perumal (Brother)
			Ms. P Padmaja (Brother's Wife)
			Ms. S Usha Rani (Sister)
			Mr. R Selvam (Sister's Husband)
			Relatives of Mr. Subramanian Jambunathan, Managing Director & CEO (SHFL)
			Late Mr. Krishnawamy Jambunathan (Father)
			Ms. Padmavathi Jambunathan (Mother)
			Ms. Dharini Mani Subramanian (Spouse)
			Ms. Anusha Subramanian (Daughter)
			Mr. Jambunathan Krishnan (Brother)

*- The Group neither holds any shares in the following entities nor these entities hold any shares in the Group. However these entities are “subsidiaries” of Shriram Capital Limited and hence these entities are treated as “associates” as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31 2019, March 31 2018 and April 01 2017

Notes
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NOTE 47: RELATED PARTY DISCLOSURES

Related party transactions during the year:

₹ in lacs

Particulars	Enterprises having significant influence over the Company			Associates			Key Management Personnel			Relatives of Key Management Personnel			Total		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Payments/Expenses															
Royalty to SOT	6,450.12	5,841.10	-	-	-	-	-	-	-	-	-	-	**6,450.12**	**5,841.10**	-
Commission & Other expenses- SFPSPL	-	-	-	1,944.86	1,756.14	-	-	-	-	-	-	-	**1,944.86**	**1,756.14**	-
Commission & Other expenses- SFSL	-	-	-	1,272.35	1,205.40	-	-	-	-	-	-	-	**1,272.35**	**1,205.40**	-
Insurance - SGICL	-	-	-	431.23	400.39	-	-	-	-	-	-	-	**431.23**	**400.39**	-
Insurance & Other expenses SLICL	-	-	-	477.00	260.40	-	-	-	-	-	-	-	**477.00**	**260.40**	-
Commission & Other expenses- SISBL	-	-	-	40.66	41.05	-	-	-	-	-	-	-	**40.66**	**41.05**	-
IT Services & Other expenses- SVSL	-	-	-	5,404.70	4,997.84	-	-	-	-	-	-	-	**5,404.70**	**4,997.84**	-
Reimbursement of rent and other expenses-SCL	195.09	592.43	-	-	-	-	-	-	-	-	-	-	**195.09**	**592.43**	-
License Fees to SCL	1,754.52	1,693.97	-	-	-	-	-	-	-	-	-	-	**1,754.52**	**1,693.97**	-
Purchase of Fixed Assets from SCL	-	53.75	-	-	-	-	-	-	-	-	-	-	**-**	**53.75**	-
"Payments to Key Managerial Personnel (MD, CFO & CS)"															
Short–term employee benefits	-	-	-	-	-	-	321.83	281.00	-	-	-	-	**321.83**	**281.00**	-
Post–employment pension (defined contribution)	-	-	-	-	-	-	29.61	11.24	-	-	-	-	**29.61**	**11.24**	-
Other long term employee benefits	-	-	-	-	-	-	9.39	35.93	-	-	-	-	**9.39**	**35.93**	-
Shared Based Payments	-	-	-	-	-	-	12.61	1.74	-	-	-	-	**12.61**	**1.74**	-
Directors Sitting Fees	-	-	-	-	-	-	35.25	43.19	-	-	-	-	**35.25**	**43.19**	-
Equity dividend to SCL	4,008.40	3,563.02	-	-	-	-	-	-	-	-	-	-	**4,008.40**	**3,563.02**	-
Equity dividend to DAFL	2,415.94	2,147.50	-	-	-	-	-	-	-	-	-	-	**2,415.94**	**2,147.50**	-
Equity dividend to PEL	1,184.37	1,052.77	-	-	-	-	-	-	-	-	-	-	**1,184.37**	**1,052.77**	-

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₹ in lacs

Particulars	Enterprises having significant influence over the Company			Associates			Key Management Personnel			Relatives of Key Management Personnel			Total		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Receipts/Income													**-**	**-**	**-**
Rent Income - SFSL	-	-	-	21.76	14.41								**21.76**	**14.41**	**-**
Rent Income - SISBL	-	-	-	13.34	41.27								**13.34**	**41.27**	**-**
Rent Income - SLIC	-	-	-	19.25	13.01								**19.25**	**13.01**	**-**
Electricity, Telephone and other charges Received													**-**	**-**	**-**
Expenses reimbursement -SFSL	-	-	-	11.23	9.44								**11.23**	**9.44**	**-**
Expenses reimbursement -SISBL	-	-	-	1.92	1.09								**1.92**	**1.09**	**-**
Expenses reimbursement -SLIC	-	-	-	27.29	11.73								**27.29**	**11.73**	**-**
Balance outstanding as at										-	-	-	**-**	**-**	**-**
Share Capital held by SCL	2,226.89	2,226.89	2,226.89	-	-	-	-	-	-	-	-	-	**2,226.89**	**2,226.89**	**2,226.89**
Share Capital held by DAFL	1,342.19	1,342.19	1,342.19	-	-	-	-	-	-	-	-	-	**1,342.19**	**1,342.19**	**1,342.19**
Share Capital held by PEL	657.98	657.98	657.98	-	-	-	-	-	-	-	-	-	**657.98**	**657.98**	**657.98**
Share Capital held by VML in SHFL	4,872.00	4,872.00	4,872.00	-	-	-	-	-	-	-	-	-	**4,872.00**	**4,872.00**	**4,872.00**
Investment of SCL	226.43	282.08	329.62	-	-	-	-	-	-	-	-	-	**226.43**	**282.08**	**329.62**
Outstanding Expenses to SCL	183.17	170.86	155.43	-	-	-	-	-	-	-	-	-	**183.17**	**170.86**	**155.43**
Outstanding Expenses to SOT	1,688.43	1,420.23	1,048.59	-	-	-	-	-	-	-	-	-	**1,688.43**	**1,420.23**	**1,048.59**
Outstanding Expenses to SFPSPL	-	-	-	0.14	-	94.78	-	-	-	-	-	-	**0.14**	**-**	**94.78**
Outstanding Expenses to SFSL	-	-	-	-	-	52.39	-	-	-	-	-	-	**-**	**-**	**52.39**
Outstanding receiveable from SFSL				6.32	10.42	-							**6.32**	**10.42**	**-**
Outstanding Expenses to SISBL	-	-	-	1.27	1.03	2.59	-	-	-	-	-	-	**1.27**	**1.03**	**2.59**
Outstanding Receiveable from SLIC				2.05	26.25								**2.05**	**26.25**	**-**
Outstanding Expenses to SVS		-	-	7.13	141.86	1.00	-	-	-	-	-	-	**7.13**	**141.86**	**1.00**

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NOTE 48: CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the company ensures to maintain a healthy CRAR at all the times.

CapitalManagement

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

A. Shriram City Union Finance Limited

₹ in lacs

Regulatory capital	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Tier 1 Capital	6,14,038.04	5,41,268.98	4,92,377.75
Tier 2 Capital	10,081.44	20,814.14	36,094.37
Total capital funds	**6,24,119.48**	**5,62,083.12**	**5,28,472.12**
Risk weighted assets (₹ in lacs)	**26,99,007.39**	**26,30,717.17**	**22,20,176.11**
Tier 1 capital ratio	22.75%	20.58%	22.18%
Other Tier 2 capital ratio	0.37%	0.79%	1.63%
Total capital ratio	**23.12%**	**21.37%**	**23.81%**
Amount of subordinated debt raised as Tier - II capital (₹ in lacs)	-	10,853.74	29,485.91
Amount raised by issue of Perpetual Debt Instruments (₹ in lacs)	-	-	-

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments,which includes contingent convertible bonds.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

Consequent to the transition of the company to the Indian Accounting Standards (Ind AS) with effect from 1st April 2018, the books of account of the company are being maintained under Ind AS as required by the Companies Act, 2013. In the absence of any clarification from the Reserve Bank Of India (RBI) the company has continued filing various Returns to RBI based on directions issued by RBI which are in accordance with the previous Indian GAAP. This has been communicated by the company to RBI vide its letter dated 9th July, 2018.

Notes
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B. Shriram Housing Finance Limited

₹ in lacs

Regulatory capital	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Tier 1 Capital	45,400.79	43,408.45	39,933.45
Tier 2 Capital	1,486.47	1,862.11	2,352.49
Total capital funds	**46,887.26**	**45,270.56**	**42,285.94**
Risk weighted assets (₹ in lacs)	**1,56,629.53**	**1,37,117.92**	**1,46,055.97**
Tier 1 capital ratio	28.99%	31.66%	27.34%
Other Tier 2 capital ratio	0.95%	1.36%	1.61%
Total capital ratio	**29.94%**	**33.02%**	**28.95%**
Amount of subordinated debt raised as Tier - II capital (₹ in lacs)	-	-	-
Amount raised by issue of Perpetual Debt Instruments (₹ in lacs)	-	-	-

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is other Tier 2 Capital , which includes provision for standard assets

The Company is meeting the capital adequacy requirements of National Housing Bank.

NOTE 49: FAIR VALUE MEASUREMENT

49.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 49.3.

49.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2019

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	36,389.75	-	36,389.75
Equity instruments	10,603.97	-	80.04	10,684.01
Security Receipts	-	1,858.44	-	1,858.44
Pass through Certificate	-	3,973.54	-	3,973.54
Total financial assets held for trading	**10,603.97**	**42,221.73**	**80.04**	**52,905.74**
Total assets measured at fair value on a recurring basis	**10,603.97**	**42,221.73**	**80.04**	**52,905.74**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Currency Forward	297.39	-	-	297.39
Total derivative financial instruments	**297.39**	**-**	**-**	**297.39**
Total financial liabilities measured at fair value on a recurring basis	**297.39**	**-**	**-**	**297.39**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

As at March 31, 2018

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	322.29	-	322.29
Equity instruments	9,516.15	-	50.67	9,566.82
Security Receipts	-	2,303.10	-	2,303.10
Pass through Certificate	-	7,617.72	-	7,617.72
Total financial assets held for trading	**9,516.15**	**10,243.11**	**50.67**	**19,809.93**
Total assets measured at fair value on a recurring basis	**9,516.15**	**10,243.11**	**50.67**	**19,809.93**

As at April 01, 2017

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	2,095.07	-	2,095.07
Equity instruments	8,608.01	-	1,047.67	9,655.68
Pass through Certificate	-	7,119.44	-	7,119.44
	8,608.01	**9,214.51**	**1,047.67**	**18,870.19**
Total assets measured at fair value on a recurring basis	**8,608.01**	**9,214.51**	**1,047.67**	**18,870.19**

49.3 Valuation techniques

Equity instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the networth of the investee Company

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

₹ in lacs

Particulars	Equity instruments	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	**50.67**	**1,047.67**
Purchases	-	-
Sales	-	997.00
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Closing Balance	**80.04**	**50.67**
Unrealised gains and losses related to balances held at the end of the year	**29.37**	**-**

49.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

₹ in lacs

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	As at March 31, 2019	As at March 31, 2019		
Equity Instruments	80.04	-	Based on the networth of the investee Group	networth of the investee Group

₹ in lacs

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	As at March 31, 2018	As at March 31, 2018		
Equity Instruments	50.67	-	Based on the networth of the investee Group	networth of the investee Group

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49.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Group is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

₹ in lacs

	As at March 31, 2019		As at March 31, 2018	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	29.37	-	-	-

49.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non financial liabilities.

₹ in lacs

As at March 31, 2019	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	99,676.01	99,676.01	-	-	99,676.01
Bank balance other than cash and cash equivalents	30,327.51	-	30,334.27	-	30,334.27
Loans	28,81,075.06	2,188.66	-	28,75,519.41	28,77,708.07
Investments at amortised cost	38,843.90	-	-	38,843.91	38,843.91
Other financial assets	3,799.49	-	-	3,799.49	3,799.49
Total financial assets	**30,53,721.97**	**1,01,864.67**	**30,334.27**	**29,18,162.81**	**30,50,361.75**
Financial liabilities:					
Derivative financial instruments	297.39	-	297.39	-	297.39
Other Payables	6,764.54	-	-	6,764.54	6,764.54
Debt securities	4,26,704.75	-	4,27,952.55	-	4,27,952.55
Borrowings (other than debt securities)	16,21,939.32	-	16,21,770.32	-	16,21,770.32
Deposits	3,11,940.61	-	-	3,07,777.37	3,07,777.37
Subordinated liabilities	65,370.95	-	-	83,617.95	83,617.95
Other financial liabilities	35,521.51	-	-	35,521.51	35,521.51
Total financial liabilities	**24,68,539.07**	**-**	**20,50,020.26**	**4,33,681.37**	**24,83,701.63**
Off balance sheet items					
Other commitments	6,707.4	-	-	6,707.4	6,707.4
Total off-balance sheet items	**6,707.4**	**-**	**-**	**6,707.4**	**6,707.4**

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₹ in lacs

As at March 31, 2018	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	33,963.42	33,963.42	-	-	33,963.42
Bank balance other than cash and cash equivalents	20,201.06	-	20,202.26	-	20,202.26
Loans	27,53,368.51	2,604.09	-	27,95,826.19	27,98,430.28
Investments	46,935.18	-	-	46,935.18	46,935.18
Other financial assets	2,241.50	-	-	2,241.50	2,241.50
Total financial assets	**28,56,709.67**	**36,567.51**	**20,202.26**	**28,45,002.87**	**29,01,772.64**
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	7,969.48	-	-	7,969.48	7,969.48
Debt securities	2,97,060.12	-	2,98,421.00	-	2,98,421.00
Borrowings (other than debt securities)	15,65,776.52	-	15,65,763.18	-	15,65,763.18
Deposits	3,07,365.15	-	-	3,53,171.97	3,53,171.97
Subordinated liabilities	1,17,561.75	-	-	1,65,263.78	1,65,263.78
Other financial liabilities	25,919.51	-	-	25,919.51	25,919.51
Total financial liabilities	**23,21,652.53**	**-**	**18,64,184.18**	**5,52,324.74**	**24,16,508.92**
Other commitments	**8,531.2**			**8,531.2**	**8,531.2**
Total off-balance sheet items	**8,531.2**	**-**	**-**	**8,531.2**	**8,531.2**

₹ in lacs

As at April 01, 2017	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	43,751.06	43,751.06	-	-	43,751.06
Bank balance other than cash and cash equivalents	21,770.69	-	-	21,757.76	21,757.76
Loans	23,37,911.98	-	-	23,48,130.05	23,48,130.05
Investments at ammortised cost	44,628.14	-	-	44,628.15	44,628.15
Other financial assets	6,762.77	-	-	6,762.77	6,762.77
Total financial assets	**24,54,824.64**	**43,751.06**	**-**	**24,21,278.73**	**24,65,029.79**
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	3,925.68	-	-	3,925.68	3,925.68
Debt securities	2,02,443.79	-	2,04,446.83	-	2,04,446.83
Borrowings (other than debt securities)	12,65,894.11	-	12,65,758.40	-	12,65,758.40
Deposits	3,52,136.35	-	-	4,06,127.20	4,06,127.20
Subordinated liabilities	1,29,475.58	-	-	1,81,368.08	1,81,368.08
Other financial liabilities	22,429.19	-	-	22,429.19	22,429.19
Total financial liabilities	**19,76,304.70**	**-**	**14,70,205.23**	**6,13,850.15**	**20,84,055.38**
Other commitments	14,396.6			14,396.6	14,396.6
Total off-balance sheet items	**14,396.6**	**-**	**-**	**14,396.6**	**14,396.6**

Note:

The management assessed that cash and cash equivalents, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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49.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

Fair Value Measurement - Non-Financial assets

Repossessed House Property are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets Repossessed House Property has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used.

₹ in lacs

Particulars	Fair value		
	As at 31, March 2019	As at 31, March 2018	As at 01, April 2017
Non-Financial assets at fair value through profit or loss:			
Repossessed House Property	7,927.96	5,557.96	888.79
Total	**7,927.96**	**5,557.96**	**888.79**

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NOTE 50 RISK MANAGEMENT

Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

50.1 Introduction and Risk Profile

50.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

50.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

50.1.3 Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department. The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

50.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

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In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

50.2 Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 89 dpd
Non-performin	90+ dpd

50.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

50.2.2 Impairment assessment

50.2.2.1 Definition of default

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Group
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

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50.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

50.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

50.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realization of any security.

50.2.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 50.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 50.2.2.6), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

50.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note 6.1.xi dependent on the factors below, the Group calculates ECLs only on a collective basis

The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans
6. Home Loans

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50.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2019 was ₹ 4500.00 lacs (March 31, 2018: ₹ 25000.00 lacs)

Credit risk exposure analysis

₹ in lacs

Particulars	March 31, 2019				
	Stage 1 Collective	Stage 2 Collective	Stage 3	POCI	Total
Normal	23,34,566.73	4,78,925.81	2,61,652.24	-	**30,75,144.78**
Repossessed	-	-	1,181.52	-	**1,181.52**
Total	**23,34,566.73**	**4,78,925.81**	**2,62,833.76**	**-**	**30,76,326.30**

50.3 Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Borrowings from banks and financial institutions , issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

50.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

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Maturity pattern of assets and liabilities as on March 31, 2019:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							**-**
Cash and cash equivalents and Other Bank Balances	99,825.02	32.84	15,332.41	17,138.64	129.42	-	**1,32,458.33**
Financial assets at fair value through profit and loss	16,023.03	-	-	619.48	619.48	619.48	**17,881.47**
Loans	5,16,949.93	5,01,545.07	8,24,411.05	12,35,981.16	4,55,474.26	4,80,273.26	**40,14,634.73**
Financial investments at amortised cost	1,386.33	89.74	20,069.81	13,709.37	9,248.64	125.61	**44,629.50**
Financial investments at FVOCI	667.00	470.10	829.23	780.60	652.97	1,788.60	**5,188.50**
Financial investments at FVTPL	-	-	31,050.73	-	-	-	**31,050.73**
Other Financial Assets	-	-	3,442.49	-	-	-	**3,442.49**
Total undiscounted financial assets	**6,34,851.31**	**5,02,137.75**	**8,95,135.72**	**12,68,229.25**	**4,66,124.77**	**4,82,806.95**	**42,49,285.75**
Financial liabilities							
Derivative Financial Instruments	-	-	297.39	-	-	-	**297.39**
Deposits	32,591.37	27,196.30	53,575.91	1,94,413.60	51,741.61	-	**3,59,518.79**
Debt securities	15,542.92	94,040.97	79,486.81	2,66,809.58	51,354.44	4,412.00	**5,11,646.72**
Borrowings (other than debt securities)	4,61,745.48	1,70,102.58	3,49,111.05	7,39,774.96	1,23,217.97	1,682.72	**18,45,634.76**
Subordinated Liabilities	8,425.13	6,630.37	30,419.33	25,975.26	-	-	**71,450.09**
Other Financial Liabilities	-	-	35,458.51	-	-	-	**35,458.51**
Trade Payables	6,764.54	-	-	-	-	-	**6,764.54**
Total undiscounted financial liabilities	**5,25,069.44**	**2,97,970.22**	**5,48,349.00**	**12,26,973.40**	**2,26,314.02**	**6,094.72**	**28,30,770.80**
Net undiscounted financial assets/(liabilities)	**1,09,781.87**	**2,04,167.53**	**3,46,786.72**	**41,255.85**	**2,39,810.75**	**4,76,712.23**	**14,18,514.95**

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Maturity pattern of assets and liabilities as on March 31, 2018:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	34,069.46	-	18,222.78	3,416.27	135.44	-	**55,843.95**
Financial assets at fair value through profit and loss	-	-	-	767.70	767.70	767.70	**2,303.10**
Loans	5,13,484.94	4,61,446.85	8,82,971.01	11,34,676.48	4,90,492.75	4,05,768.57	**38,88,840.60**
Financial investments at amortised cost	1,396.74	100.02	28,630.68	14,701.77	9,621.48	514.67	**54,965.36**
Financial investments at FVOCI	777.91	820.46	1,683.52	3,016.74	1,099.16	2,741.28	**10,139.07**
Financial investments at FVTPL	-	-	9,889.10	-	-	-	**9,889.10**
Other Financial Assets	-	-	1,883.85	-	-	-	**1,883.85**
Total undiscounted financial assets	**5,49,729.05**	**4,62,367.33**	**9,43,280.94**	**11,56,578.96**	**5,02,116.53**	**4,09,792.22**	**40,23,865.04**
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	**-**
Deposits	38,413.58	35,896.88	71,766.07	1,57,929.16	43,244.86	-	**3,47,250.55**
Debt securities	10,864.76	6,103.38	52,170.91	2,43,793.34	40,024.65	9,184.00	**3,62,141.04**
Borrowings (other than debt securities)	2,24,167.36	89,390.98	5,25,358.41	7,32,946.40	1,97,156.01	286.22	**17,69,305.38**
Subordinated Liabilities	4,313.62	7,698.37	51,410.74	72,240.60	-	-	**1,35,663.33**
Other Financial Liabilities	-	-	25,908.59	-	-	-	**25,908.59**
Trade Payables	7,969.48	-	-	-	-	-	**7,969.48**
Total undiscounted financial liabilities	**2,85,728.80**	**1,39,089.61**	**7,26,614.72**	**12,06,909.50**	**2,80,425.52**	**9,470.22**	**26,48,238.36**
Net undiscounted financial assets/(liabilities)	**2,64,000.25**	**3,23,277.72**	**2,16,666.22**	**(50,330.56)**	**2,21,691.01**	**4,00,322.00**	**13,75,626.68**

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Maturity pattern of assets and liabilities as on April 01, 2017:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	43,758.33	3,005.18	15,751.92	4,572.13	-	-	**67,087.56**
Financial assets at fair value through profit and loss	1,800.48	-	-	-	-		**1,800.48**
Loans	4,57,146.68	3,96,780.38	8,09,485.56	8,77,926.87	3,87,855.39	3,29,488.24	**32,58,683.12**
Financial investments at amortised cost	8,970.41	303.07	17,505.36	3,503.96	13,931.56	9,803.66	**54,018.02**
Financial investments at FVOCI	522.32	524.05	1,030.86	5,996.89	497.79	97.64	**8,669.55**
Financial investments at FVTPL	-	-	9,950.27	-	-	-	**9,950.27**
Other Financial Assets	-	-	3,395.22	-	-	-	**3,395.22**
Total undiscounted financial assets	**5,12,198.22**	**4,00,612.68**	**8,57,119.19**	**8,91,999.85**	**4,02,284.74**	**3,39,389.54**	**34,03,604.22**
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	**-**
Deposits	44,088.02	41,418.27	83,134.70	1,81,832.09	45,240.33	-	**3,95,713.41**
Debt securities	15,404.20	8,204.31	74,594.34	1,04,642.41	31,775.80	9,956.00	**2,44,577.06**
Borrowings (other than debt securities)	1,85,708.51	1,07,508.73	3,22,073.79	6,50,204.89	1,83,331.34	4,173.79	**14,53,001.05**
Subordinated Liabilities	590.20	9,145.77	14,387.97	1,11,562.03	25,846.89	-	**1,61,532.86**
Other Financial Liabilities	-	-	22,458.76	-	-	-	**22,458.76**
Trade Payables	3,925.68	-	-	-	-	-	**3,925.68**
Total undiscounted financial liabilities	**2,49,716.61**	**1,66,277.08**	**5,16,649.56**	**10,48,241.42**	**2,86,194.36**	**14,129.79**	**22,81,208.83**
Net undiscounted financial assets/(liabilities)	**2,62,481.61**	**2,34,335.61**	**3,40,469.63**	**(1,56,241.57)**	**1,16,090.37**	**3,25,259.75**	**11,22,395.40**

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Notes
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For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 5 years	Total
As at March 31, 2019					
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	1,517.38	1,517.38
VAT demand where the Group has filed appeal before various Appellates	-	-	-	266.45	266.45
Service tax demand	-	-	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	233.57	-	233.57
Commitments related to loans sanctioned but undrawn	1676.85	2,347.59	2,682.96	-	6,707.40
Total commitments	**1676.85**	**2347.59**	**2916.53**	**8085.95**	**15026.92**
As at March 31, 2018					
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	2,990.65	2,990.65
VAT demand where the Group has filed appeal before various Appellates	-	-	-	137.52	137.52
Service tax demand	-	-	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	4.78	305.32	-	310.10
Commitments related to loans sanctioned but undrawn	2,131.61	2,984.26	3,410.58	-	8,526.45
Total commitments	**2131.61**	**2989.04**	**3715.9**	**9430.29**	**18266.84**
As at April 01, 2017					
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	2,990.65	2,990.65
VAT demand where the Group has filed appeal before various Appellates	-	-	-	131.02	131.02
Service tax demand	-	-	-		-
Guarantees and counter guarantees	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	119.35	-	119.35
Uncalled amount in investment in ICICI Investment Management Group Limited	-	46.79	-	-	46.79
Commitments related to loans sanctioned but undrawn	3587.45	5022.44	5,739.93	-	14,349.82
Total commitments	**3587.45**	**5069.23**	**5859.28**	**5621.67**	**20137.63**

50.4 Market Risk

Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Notes
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50.4.1 Total market risk exposure

₹ in lacs

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Assets										
Cash and cash equivalents and other bank balances	1,30,003.52	-	1,30,003.52	54,164.48	-	54,164.48	65,521.75	-	65,521.75	interest rate
Loans	28,81,075.06	-	28,81,075.06	27,53,368.51	-	27,53,368.51	23,37,911.98	-	23,37,911.98	interest rate
Financial investments at amortised cost	42,817.45	-	42,817.45	54,552.90	-	54,552.90	51,747.59	-	51,747.59	interest rate
Financial investments at FVTPL	48,932.20	48,932.20	-	12,192.20	12,192.20	-	11,750.75	11,750.75	-	interest rate and equity price
Other financial assets	3,799.49	-	3,799.49	2,241.50	-	2,241.50	6,762.77	-	6,762.77	interest rate
Total	**31,06,627.72**	**48,932.20**	**30,57,695.52**	**28,76,519.59**	**12,192.20**	**28,64,327.39**	**24,73,694.84**	**11,750.75**	**24,61,944.09**	
Liabilities										
Derivative financial instruments	297.39	-	297.39	-	-	-	-	-	-	interest rate/ FX
Other Payables	6,764.54	-	6,764.54	7,969.48	-	7,969.48	3,925.68	-	3,925.68	interest rate
Debt securities	4,26,704.75	-	4,26,704.75	2,97,060.12	-	2,97,060.12	2,02,443.79	-	2,02,443.79	interest rate
Borrowings (other than debt securities)	16,21,939.32	-	16,21,939.32	15,65,776.52	-	15,65,776.52	12,65,894.11	-	12,65,894.11	interest rate
Deposits	3,11,940.61	-	3,11,940.61	3,07,365.15	-	3,07,365.15	3,52,136.35	-	3,52,136.35	interest rate
Subordinated liabilities	65,370.95	-	65,370.95	1,17,561.75	-	1,17,561.75	1,29,475.58	-	1,29,475.58	interest rate
Other financial liabilities	35,521.51	-	35,521.51	25,919.51	-	25,919.51	22,429.19	-	22,429.19	interest rate
Total	**24,68,539.07**	**-**	**24,68,539.07**	**23,21,652.53**	**-**	**23,21,652.53**	**19,76,304.70**	**-**	**19,76,304.70**	

Notes
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NOTE 51: FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended March 31, 2019, are the first financial statements of the Group and have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

> Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition.

After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

> A first-time adopter may opt to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date. However, it makes necessary adjustments for decommissioning liabilities to be included in the carrying value of PPE. The Group has used Ind AS 101 exemption and continued with the carrying value as recognised in previous GAAP as deemed cost on the transition date.

> In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture.

Accordingly, the Group has opted to measure its investment in subsidiary at previous GAAP carrying amount which is considered to be the deemed cost.

> Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Group has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

> Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract.

The Group has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.

> As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "Derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the Derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event). The Group has opted not to re-evaluate financial assets derecognized in the past including those sold to asset restructuring companies.

Estimates:

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVPTL / FVOCI – equity and debt instrument

> Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

Non-controlling interests

The following requirements of Ind AS 110 are applied prospectively from the date of transition to Ind AS (provided that Ind AS 103 is not applied retrospectively to past business combinations):

> To attribute total comprehensive income to non-controlling interests irrespective of whether this results in a deficit balance

> To treat changes in a parents ownership interest as equity transactions

> To apply Ind AS 110 to loss of control of a subsidiary

Equity reconciliation for 1 April 2017

₹ in lacs

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	43,751.06	-	43,751.06
Bank Balance other than above	21,770.69	-	21,770.69
Loans	24,63,923.04	(1,26,011.05)	23,37,911.98
Investments	64,959.62	(1,461.28)	63,498.34
Other financial assets	8,254.12	(1,491.35)	6,762.77
Total (A)	**26,02,658.53**	**(1,28,963.68)**	**24,73,694.84**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

₹ in lacs

Particulars	Previous GAAP	Adjustments	Ind AS
Non-financial assets			
Current tax assets (net)	6,388.72	-	6,388.72
Deferred tax assets (net)	4,392.21	3,969.93	8,362.15
Property, plant and equipment	7,485.04	-	7,485.04
Other Intangible assets	844.48	-	844.48
Other non-financial assets	4,724.21	(230.57)	4,493.64
Total (B)	**23,834.66**	**3,739.36**	**27,574.03**
Total Assets (A+B)	**26,26,493.19**	**(1,25,224.32)**	**25,01,268.87**
Liabilities and equity			
Liabilities			
Financial liabilities			
Derivative financial instruments	-	-	-
Other Payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,925.68	-	3,925.68
Debt securities	1,99,305.35	3,138.44	2,02,443.79
Borrowings (other than debt securities)	12,54,963.38	10,930.73	12,65,894.11
Deposits	3,54,095.36	(1,959.01)	3,52,136.35
Subordinated Liabilities	1,30,958.20	(1,482.62)	1,29,475.58
Other financial liabilities	28,358.93	(5,929.74)	22,429.19
Total (C)	**19,71,606.90**	**4,697.80**	**19,76,304.70**
Non-financial liabilities			
Provisions	1,24,210.98	(1,22,412.45)	1,798.53
Other non-financial liabilities	2,009.48	-	2,009.48
Total (D)	**1,26,220.46**	**(1,22,412.45)**	**3,808.01**
Total Liabilities (C+D)	**20,97,827.36**	**(1,17,714.65)**	**19,80,112.71**
Equity	6,594.34	-	6,594.34
Other Equity	5,12,433.19	(7,156.86)	5,05,276.33
Non controlling interest	9,638.30	(352.81)	9,285.49
Total equity	**5,28,665.83**	**(7,509.67)**	**5,21,156.16**
Total liabilities and equity	**26,26,493.19**	**(1,25,224.32)**	**25,01,268.87**

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Equity reconciliation for 31 March 2018

₹ in lacs

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	33,963.42	-	33,963.42
Bank Balance other than above	20,201.06	-	20,201.06
Loans	29,15,024.40	(1,61,655.89)	27,53,368.51
Investments	67,066.80	(321.70)	66,745.10
Other financial assets	3,867.99	(1,626.49)	2,241.50
Total (A)	**30,40,123.67**	**(1,63,604.08)**	**28,76,519.59**
Non-financial assets			
Current tax assets (net)	4,961.97	-	4,961.97
Deferred tax assets (net)	7,274.69	910.13	8,184.82
Property, plant and equipment	8,328.93	-	8,328.93
Other Intangible assets	441.75	-	441.75
Other non-financial assets	10,695.56	432.92	11,128.48
Total (B)	**31,702.90**	**1,343.05**	**33,045.95**
Total Assets (A+B)	**30,71,826.57**	**(1,62,261.03)**	**29,09,565.54**
Liabilities and equity			
Liabilities			
Financial liabilities			
Other Payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,969.58	(0.10)	7,969.48
Debt securities	2,97,640.81	(580.69)	2,97,060.12
Borrowings (other than debt securities)	15,56,518.82	9,257.70	15,65,776.52
Deposits	3,08,946.02	(1,580.87)	3,07,365.15
Subordinated liabilities	1,18,430.94	(869.19)	1,17,561.75
Other financial liabilities	26,991.81	(1,072.30)	25,919.51
Total (C)	**23,16,497.98**	**5,154.55**	**23,21,652.53**
Non-financial liabilities			
Provisions	1,68,205.68	(1,65,648.52)	2,557.16
Other non-financial liabilities	1,791.65	(20.24)	1,771.41
Total (D)	**1,69,997.33**	**(1,65,668.76)**	**4,328.57**
Total Liabilities (C+D)	**24,86,495.31**	**(1,60,514.21)**	**23,25,981.10**
Equity	6,596.58	-	6,596.58
Other Equity	5,68,439.24	(1,611.72)	5,66,827.52
Non controlling interest	10,295.44	(135.10)	10,160.34
Total equity	**5,85,331.26**	**(1,746.82)**	**5,83,584.44**
Total liabilities and equity	**30,71,826.57**	**(1,62,261.03)**	**29,09,565.54**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes
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Profit reconciliation for the year ended 31 March 2018

₹ in lacs

Particulars	Previous GAAP	Adjustments	Ind AS
Revenue from operations			
Interest income	5,30,400.51	5,915.98	5,36,316.49
Dividend income	144.50	-	144.50
Fee and commission income	212.32	-	212.32
Net gain on fair value changes	103.09	853.60	956.69
Net gain on derecognition of financial instruments under amortised category	-	-	-
Bad debts Recovery	4,536.71	-	4,536.71
Gain on sale of Investment	1,505.31	-	1,505.31
Total revenue from operations	**5,36,902.44**	**6,769.58**	**5,43,672.02**
Other income	201.75	22.87	224.62
Total Income	**5,37,104.19**	**6,792.45**	**5,43,896.64**
Expenses			
Finance costs	1,77,178.91	783.48	1,77,962.39
Net loss on derecognition of financial instruments under amortised category	-	978.58	978.58
Fees and commission expense	13,035.81	-	13,035.81
Impairment on financial instruments	43,215.13	(3,684.15)	39,530.98
Bad Debts Written Off	63,966.35	(20.32)	63,946.03
Employee benefits expenses	74,597.77	289.72	74,887.49
Depreciation, amortisation and impairment	3,519.03	-	3,519.03
Royalty	5,583.92	-	5,583.92
Professional Charges	11,642.66	-	11,642.66
Other expenses	38,237.45	(75.83)	38,161.62
Total expenses	**4,30,977.03**	**(1,728.52)**	**4,29,248.51**
Profit /(loss) before exceptional items and tax	**1,06,127.16**	**8,520.97**	**1,14,648.13**
Exceptional items	-	-	-
Profit/(loss) before tax	**1,06,127.16**	**8,520.97**	**1,14,648.13**
Tax Expense:			
(1) Current tax	39,467.20	-	39,467.20
(2) Deferred tax (credit)	(2,882.66)	2,961.15	78.49
(3) Earlier years adjustments	172.44	-	172.44
Profit/(loss) for the period from continuing operations	**69,370.18**	**5,559.82**	**74,930.00**
Other comprehensive income			
(i) Items that will not be classified to profit or loss	-	285.06	285.06
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	98.81	98.81
Subtotal (A)	**-**	**186.25**	**186.25**
(i) Items that will be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
Subtotal (B)	**-**		**-**
Other Comprehensive Income	**-**	**-**	**-**
Total comprehensive income	**69,370.18**	**5,746.07**	**75,116.25**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes
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Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018

₹ in lacs

Particulars	Note Reference	Previous GAAP as at March 31, 2018	Adjustments	Ind AS as at March 31, 2018
Net cash from/(used in) operating activities	1, 2, 3	(2,57,444.08)	(79,867.68)	(3,37,311.76)
Net cash from/(used in) investing activities	3	(1679.54)	25.00	(1,654.54)
Net cash from/(used in) financing activities	1, 2	2,49,337.63	79,841.03	3,29,178.66
Net increase/(decrease) in cash and cash equivalents		**(9,785.99)**	**(1.65)**	**(9,787.64)**
Cash and cash equivalents at the beginning of the year		**43,749.38**		**43,751.06**
Cash and cash equivalents at the end of the year		**33,963.39**		**33,963.42**

1. Movement in unclaimed matured borrowing considered as Financing activities which was previously considered as Operating activities
2. Movement in current maturities of borrowing considered as Financing activities which was previously considered as Operating activities
3. Movement in Pass through certificates and Security Receipts of borrowing considered as Operating activities which was previously considered as Investment Activities

NOTE 52:

Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

₹ in lacs

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
The principal amount remaining unpaid to supplier as at the end of the year	-	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-	-

NOTE 53:

The Group is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 54: EXPENDITURE IN FOREIGN CURRENCY : NIL (MARCH 31, 2018: NIL)

NOTE 55: THE GROUP HAD NO DISCONTINUING OPERATIONS DURING THE YEAR ENDED MARCH 31, 2018

NOTE 56: EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

NOTE 57:

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Group has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of ₹ 20,200 lacs (March 31, 2018: ₹ 20,200 lacs and April 01, 2017: ₹ 20,997.51 lacs) in favour of trustees representing the public deposit holders of the Group.

NOTE 58: TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERCOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	1,11,251.12	9,348.73
Carrying amount of associated liabilities (Debt Securities-measured at amortised cost)	1,11,251.12	9,348.73
Fair value of assets	1,20,323.84	9,279.26
Fair value of associated liabilties	1,11,082.12	9,335.39
Net position at FV	9,241.72	(56.13)

NOTE 59: ASSIGNMENT

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
No. of accounts	2,80,648.00	-
Aggregate value (net of provisions) of accounts sold	10,40,750.55	-
Aggregate consideration	88,204.33	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	2,253.20	-

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 60: INVESTMENTS

₹ in lacs

Particulars				Year ended March 31, 2019	Year ended March 31, 2018
(1)	**Value of investments**				
	(i)	Gross value of investments			
		(a)	In India	81,150.42	57,248.83
		(b)	Outside India,	10,603.97	9,516.15
	(ii)	Provisions for depreciation			
		(a)	In India	(4.74)	(19.88)
		(b)	Outside India,	-	-
	(iii)	Net value of investments			
		(a)	In India	81,145.68	57,228.95
		(b)	Outside India,	10,603.97	9,516.15
(2)	**Movement of provisions held towards depreciation on investments**				
	(i)	Opening balance		19.88	18.24
	(ii)	Add : Provisions made during the year		-	1.64
	(iii)	Less : Write-off/write-back of excess provisions during the year		15.14	-
	(iv)	Closing balance		4.74	19.88

NOTE 61: DERIVATIVES

61.1 Forward rate agreement/Interest rate swap

₹ in lacs

Particulars		As at March 31, 2019	As at March 31, 2018
(i)	The notional principal of forward agreements	7,098.00	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into forwards	500.00	-
(iv)	Concentration of credit risk arising from the forward	-	-
(v)	The fair value of the forward book	7,098.00	-

61.2 Exchange Traded interest rate (IR) derivatives : Nil

61.3 Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Quantitative Disclosures

₹ in lacs

Particulars		As at March 31, 2019		As at March 31, 2018	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	7,098.00	-	-	-
(ii)	Marked to market positions [1]				
	a) Asset (+)	-	-	-	-
	b) Liability (-)	297.39	-	-	-
(iii)	Credit exposure [2]	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

NOTE 62: RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

62.1 Shriram City Union Finance Limited

₹ in lacs

Rating Agency	Rating Instrument	As at March 31, 2019	As at March 31, 2018
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA / Stable
	Short-Term (CP)	IND A1+	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ / Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	CARE AA+ /Stable	CARE AA+ / Stable
	Fixed deposit	CARE AA+ (FD) /Stable	CARE AA+ (FD) /Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MA++ / Stable	MAA+/ Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA-/Positive
	Short-Term (CP)	NA	CRISIL A1+
	Subordinate Debt	CRISIL AA / Stable	CRISIL AA-/ Positive
	Fixed deposit	NA	FAA /Positive

62.2. Shriram Housing Finance Limited

₹ in lacs

Rating Agency	Rating Instrument	As at March 31, 2019	As at March 31, 2018
India Ratings	Long-Term (NCDs)	IND AA / Stable	IND AA / Stable
	Bank Loan Ratings	IND AA / Stable	IND AA / Stable
CARE	Long-Term (NCDs)	CARE AA+	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 63: EXPOSURE TO REAL ESTATE SECTOR

₹ in lacs

S.no	Particulars	As at March 31, 2019	As at March 31, 2018
i)	**Residential Mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	2,02,793.12	1,84,903.83
ii)	**Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	72,908.04	88,916.52
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	144.28	253.07
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	2,75,845.44	2,74,073.42

NOTE 64: EXPOSURE TO CAPITAL MARKET

₹ in lacs

S.no	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	47,073.76	9,889.10
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	4,014.92	43,171.29
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market		**51,088.68**	**53,060.39**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 65: DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Group does not have any Parent Company, hence not applicable.

NOTE 66: DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Group has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

NOTE 67: UNSECURED ADVANCES

The Group has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

NOTE 68: PROVISIONS AND CONTINGENCIES

A. Shriram City Union Finance Limited

₹ in lacs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2019	Year ended March 31, 2018
Provisions for depreciation on investments	-	-
Provision towards NPA#	(9,965.98)	20,893.59
Provision made towards income tax	53,144.47	37,752.98
Provision for Standard Assets##	-	-
Provision towards impairment of financial instruments other than provision for stage 3 assets	23,433.84	18,454.86

Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

B. Shriram Housing Finance Limited

₹ in lacs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2019	Year ended March 31, 2018
Provisions for depreciation on investments	(15.19)	1.60
Provision towards NPA#	(92.94)	1,510.00
Provision made towards income tax	(1,390.64)	774.29
Provision for Standard Assets	(375.68)	(490.38)
Other Provision and Contingencies		
Provision for Gratuity	(43.88)	46.05
Provision for Leave benefits	89.87	49.12
Provision for Non funded exposures	(17.16)	(102.85)

Provision for stage 3 assets

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 69:DRAW DOWN FROM RESERVES

The draw down from reserves was ₹ Nil.

NOTE 69:CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

I. Shriram City Union Finance Limited

a. Concentration of deposits (for deposit taking NBFCs)

₹ in lacs

Particulars	As at March 31, 2019
Total deposits of twenty largest depositors	7992.67
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.75%

b. Concentration of advances

₹ in lacs

Particulars	As at March 31, 2019
Total advances to twenty largest borrowers	45,831.51
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.59%

c.Concentration of exposures

₹ in lacs

Particulars	As at March 31, 2019
Total exposure to twenty largest borrowers/customers	39,148.78
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	1.35%

d. Concentration of NPAs #

₹ in lacs

Particulars	As at March 31, 2019
Total Exposure to top four NPA accounts	5,387.04

Provision for stage 3 assets

e. Sector-wise NPAs #

₹ in lacs

S. no.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-
2	MSME / Corporate borrowers	9.24%
3	Services	-
4	Unsecured personal loans	11.17%
5	Auto loans	
	i) Auto Loans	11.63%
	ii) Two wheeler	9.61%
6	Other personal loans	
	i) Consumer Durable	-
	ii) Pledged Jewel	2.34%
7	Others	1.94%

Provision for stage 3 assets

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

II. Shriram Housing Finance Limited

(i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

₹ in lacs

Particulars	As at March 31, 2019
Total Deposits of twenty largest depositors	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	

(ii) Concentration of Loans & Advances

₹ in lacs

Particulars	As at March 31, 2019
Total Loans & Advances to twenty largest borrowers	22,451.60
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	12.32%

(iii) Concentration of all Exposure (including off-balance sheet exposure)

₹ in lacs

Particulars	As at March 31, 2019
Total Exposure to twenty largest borrowers /customers	23,801.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	12.60%

(iv) Concentration of NPAs

₹ in lacs

Particulars	As at March 31, 2019
Total Exposure to top ten NPA accounts	1,345.24

Provision for stage 3 assets

(v) Sector-wise NPAs

₹ in lacs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	1.47%
2	Builders/Project Loan	0.01%
3	Corporates	-
4	Others (specify)	-
B.	Non-Housing Loans:	
1	Individuals	2.53%
2	Builders/Project Loan	0.02%
3	Corporates	0.75%
4	Others (specify)	-

Provision for stage 3 assets

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

Details of non- performing financial assets sold :

₹ in lacs

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	No. of accounts sold	355.00	-
2	Aggregate outstanding (₹ in lacs)	7,692.17	-
3	Aggregate consideration received (₹ in lacs)	3,776.00	-

Provision for stage 3 assets

70.2 Movement of NPAs #

A. Shriram City Union Finance Limited

₹ in lacs

Particulars			Year ended March 31, 2019	Year ended March 31, 2018
(i)	Net NPAs to Net Advances (%)		5.02%	4.97%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	2,59,384.94	2,06,318.93
	(b)	Additions during the year	1,31,196.11	1,65,306.82
	(c)	Reductions during the year	1,32,912.14	1,12,240.81
	(d)	Closing balance	2,57,668.91	2,59,384.94
(iii)	Movement of Net NPAs			
	(a)	Opening balance	1,37,044.91	1,04,872.02
	(b)	Additions during the year	74,039.67	87,440.85
	(c)	Reductions during the year	65,790.02	55,267.95
	(d)	Closing balance	1,45,294.56	1,37,044.92
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	1,22,340.03	1,01,446.92
	(b)	Provisions made during the year	57,156.44	77,865.97
	(c)	Write-off / write-back of excess provisions	67,122.12	56,972.86
	(d)	Closing balance	1,12,374.35	1,22,340.03

Provision for stage 3 assets

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

B. Shriram Housing Finance Limited

₹ in lacs

Particulars			As at March 31, 2019	As at March 31, 2018
(I)	Net NPAs to Net Advances (%)		2.20%	4.27%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	10,049.42	4,987.89
	(b)	Additions during the year	3,476.79	8,004.95
	(c)	Reductions during the year	8,361.37	2,943.42
	(d)	Closing balance	5,164.84	10,049.42
(iii)	Movement of Net NPAs			
	(a)	Opening balance	7,543.18	3,255.95
	(b)	Additions during the year	2,773.12	6,203.27
	(c)	Reductions during the year	6,267.06	1,916.04
	(d)	Closing balance	4,049.24	7,543.18
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	2,506.24	1,731.94
	(b)	Provisions made during the year	750.57	1,961.98
	(c)	Write-off/write-back of excess provisions	2,141.21	1,187.68
	(d)	Closing balance	1,115.60	2,506.24

Provision for stage 3 assets

NOTE 71: OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Group does not have any joint venture or subsidiary abroad, hence not applicable.

NOTE 72: OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Group has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

NOTE 73: CUSTOMER COMPLAINTS

₹ in lacs

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Number of complaints pending at the beginning of the year	223	35
(b)	Number of complaints received during the year	4,286	3,588
(c)	Number of complaints redressed during the year	4,489	3,400
(d)	Number of complaints pending at the end of the year	20	223

NOTE 74: AUCTION DETAILS

The Group Auctioned 3304 loan accounts (March 31, 2018: 9910 accounts) during the financial year and the outstanding dues on these loan accounts were ₹ 1,077.39 lacs (March 31, 2018: ₹ 3,297.26 lacs) till the respective dates of auction. The Group realized ₹ 1,042.24 lacs (March 31, 2018 : ₹ 3248.22 lacs) on auctioning of gold jewellery taken as security on these loans. The Group confirms that none of its sister concerns participated in the above auctions.

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 75: PENALTIES:

No penalties have been levied by any regulator on the Group.

NOTE 76: RESTRUCTED ACCOUNTS

Restructed Accounts : Nil (March 31, 2018: Nil)

NOTE 77: DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2019

Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

I. Shriram City Union Finance Limited

Instances of fraud for the year ended March 31, 2019:

₹ in lacs

	Particulars	Less than ₹ 1 lacs		₹ 1 to 25 lacs		Greater than ₹ 25 lacs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	**Person involved**								
	Staff	-	-	-	-	-	-	-	-
	Customer	-	-	-	-	-	-	-	-
	Customer & Outsider	-	-	-	-	-	-	-	-
	Staff, Customer & Outsider	-	-	1	12.40	-	-	-	-
	Total	**-**	**-**	**1**	**12.40**	**-**	**-**	**-**	**-**
B)	**Type of Fraud**								
	Misappropriation and Criminal breach of trust	-	-	1	12.40	-	-	-	-
	Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**1**	**12.40**	**-**	**-**	**-**	**-**

II. Shriram Housing Finance Limited

Instances of fraud for the year ended March 31, 2019: Nil

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 78: ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2019

₹ in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits (includes unclaimed matured deposits and interest thereon)	24,026.98	10,967.57	11,039.25	27,697.66	50,850.49	1,62,052.31	36,888.56	-	3,23,522.82
Advances	1,52,335.48	1,14,406.54	1,16,302.89	3,76,607.41	6,26,105.15	9,19,751.22	2,71,341.02	3,04,225.35	28,81,075.06
Investments	36,864.42	197.80	509.71	413.83	18,766.20	13,083.54	9,113.50	12,800.64	91,749.64
Borrowings (includes unclaimed matured debentures & subordinated debts and interest thereon)	1,83,805.99	91,773.07	1,77,841.38	2,10,694.37	4,13,814.83	8,79,378.67	1,54,722.60	154.35	21,12,185.26
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	7,103.45	-	-	7,103.45

As at March 31, 2018

₹ in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits (includes unclaimed matured deposits and interest thereon)	27,348.91	11,394.55	12,933.33	34,683.95	67,360.42	1,35,567.17	31,853.59	-	3,21,141.92
Advances	1,59,726.98	1,09,893.70	1,06,004.17	3,40,550.55	6,73,590.53	8,29,400.47	2,77,423.11	2,56,779.00	27,53,368.51
Investments	784.15	199.78	204.74	654.33	39,679.26	23,301.12	1,396.76	524.96	66,745.10
Borrowings (includes unclaimed matured debentures & subordinated debts and interest thereon)	24,779.62	89,802.52	95,915.04	78,493.40	5,61,747.77	8,99,669.87	2,21,740.77	8,249.40	19,80,398.39
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2019

NOTE 79.TRANSFER TO RESERVE FUND:

As per Section 29C of the National Housing Bank Act, 1987, the Subsidiary is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of ₹ 337.99 lacs (Previous Year ₹ 578.00 lacs).

₹ in lacs

Particulars		As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	2,460.70	1,882.70
c)	Total	2,460.70	1,882.70
Addition / Appropriation / Withdrawal during the period			
Add:			
a)	Amount transferred uls 29C of the NHB Act, 1987		
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	337.99	578.00
Less:		-	-
a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987		
b)	Amount withdrawn from the Special Reserve ul s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987		
Balance at the end of the period			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2798.69	2460.70
c)	**Total**	**2,798.69**	**2,460.70**

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Notes

SHRIRAM City

MONEY WHEN YOU NEED IT MOST

Shriram City Union Finance Ltd.

www.shriramcity.in

SHRIRAM CITY UNION FINANCE LIMITED
CIN: L65191TN1986PLC012840
Regd. office: 123, Angappa Naicken Street, Chennai 600 001, Tamil Nadu
Telephone No + 91 44 2534 1431
Secretarial Office: 144, Santhome High Road, Mylapore, Chennai-600 004, Tamil Nadu
Telephone No +91 44 4392 5300
Website: www.shriramcity.in ; Email: sect@shriramcity.in

NOTICE OF THE THIRTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS

Notice is hereby given that Thirty Third Annual General Meeting ("AGM") of the members of Shriram City Union Finance Limited, Corporate Identification Number - L65191TN1986PLC012840 ("Company") will be held on Monday, July 29, 2019 at 10 a m at Narada Gana Sabha (Mini Hall), No 314, T T K Road, Alwarpet, Chennai 600 018 to transact the following business.

ORDINARY BUSINESS:

Item no - 1 : Adoption of standalone financial statements

To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.

"RESOLVED THAT the Audited Financial Statements (Standalone) of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon laid before this annual general meeting, be and are hereby considered and adopted."

Item no - 2 : Adoption of consolidated financial statements

To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2019 together with the report of the Auditors thereon.

"RESOLVED THAT the Audited Financial Statements (consolidated) of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors laid before this annual general meeting, be and are hereby considered and adopted."

Item no - 3 : Declaration of dividend

(i) To declare final dividend of ₹ 16.00 per equity share of ₹ 10 each of the Company.

"RESOLVED THAT the Members of the Company declare and authorise payment of final dividend of ₹ 16.00 (Rupees Sixteen only) per equity share of face value of ₹ 10 each for the financial year ended March 31, 2019 to those Members whose names appeared in the Register of Members or who were beneficial owners of equity shares of the Company as on the record date being July 22, 2019.

(ii) To confirm the interim dividend declared @ ₹ 6.00 per equity share of ₹ 10 each of the Company and paid during the financial year ended March 31, 2019.

"RESOLVED THAT the Members of the Company record and confirm payment of Interim Dividend of ₹ 6.00 (Rupees six only) per equity share of face value of ₹ 10 each aggregating to an amount of ₹ 39,59,06,292 (Rupees Thirty nine crores fifty nine lakhs six thousand two hundred and ninety two only) including total dividend distribution tax amount of ₹ 8,13,79,703/- (Rupees Eight crores thirteen lakhs seventy nine thousand seven hundred and three only), for the financial year ended March 31, 2019 paid on November 20, 2018."

Item no – 4 : Remuneration of Auditors

To fix remuneration of Auditors of the Company

"RESOLVED THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company fixes the remuneration of Auditors of the Company, M/s G.D.Apte & Co, Chartered Accountants, Firm Registration No-100515W ("GDA") for FY 2019-20 who were appointed as the Auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting to an amount totalling to ₹ 30,25,000/- (Rupees Thirty lakhs and twenty five thousand only) excluding reimbursement of expenses, applicable taxes, remuneration for other services provided and subject to deduction of applicable taxes at source as recommended by the Audit and Risk Management Committee to the Board of Directors".

SPECIAL BUSINESS:

Item no - 5 : Director retires by rotation

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Sri Gerrit Lodewyk Van Heerde (holding Director Identification Number - 06870337), who retires as a Director of the Company by rotation at this Annual General Meeting ("AGM") and who has expressed his desire not to be re-appointed as a Director, shall not be re-appointed and the resulting vacancy not be filled in at this AGM or at adjourned meeting thereof."

Item no – 6 : Appointment of Sri C R Muralidharan (DIN- 02443277) as an Independent Director

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("LODR"), as amended from time to time. Sri C R Muralidharan (Director Identification Number – 02443277) who was appointed as an Additional Director of the Company with effect from April 1, 2019 by the Board of Directors pursuant to Section 161 (1) of the Act to hold office upto this Annual General Meeting of the Company and as recommended by the Nomination and Remuneration Committee and who has declared his independence in terms of Section 149 (6) of the Act and Regulation 16 (1) (b) of LODR and expressed his desire to act as a Director, if appointed in respect of whom the Company has received notice in writing from a member under Section 160 of the Act, proposing the candidature of Sri C R Muralidharan for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2022 not liable to retire by rotation."

Item no – 7 : Appointment of Sri Diwakar Bhagwati Gandhi (DIN- 00298276) as an Independent Director

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("LODR"), as amended from time to time, Sri Diwakar Bhagwati Gandhi (Director Identification Number – 00298276) who was appointed as an Additional Director of the Company with effect from April 1, 2019 by the Board of Directors pursuant to Section 161 (1) of the Act to hold office upto this Annual General Meeting of the Company and as recommended by the Nomination and Remuneration Committee and who has declared his independence in terms of Section 149 (6) of the Act and Regulation 16 (1) (b) of LODR and expressed his desire to act as a Director, if appointed in respect of whom the Company has received notice in writing from a member under Section 160 of the Act, proposing the candidature of Sri Diwakar Bhagwati Gandhi for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2024 not liable to retire by rotation."

Item no – 8 : Appointment of Sri Pranab Prakash Pattanayak (DIN- 00506007) as an Independent Director

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("LODR"), as amended from time to time, Sri Pranab Prakash Pattanayak (Director Identification Number - 00506007) who was appointed as an Additional Director of the Company with effect from April 1, 2019 by the Board of Directors pursuant to Section 161 (1) of the Act to hold office upto this Annual General Meeting of the Company and as recommended by the Nomination and Remuneration Committee and who has declared his independence in terms of Section 149 (6) of the Act and Regulation 16 (1) (b) of LODR and expressed his desire to act as a Director and in respect of whom the Company has received notice in writing from a member under

Section 160 of the Act, proposing the candidature of Sri Pranab Prakash Pattanayak for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for the second term upto March 31, 2023 not liable to retire by rotation."

Item no – 9 : Appointment of Sri Venkataraman Murali (DIN-00730218) as an Independent Director

To consider if thought fit, to pass the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("LODR"), as amended from time to time, Sri Venkataraman Murali (Director Identification Number – 00730218) who was appointed as an Additional Director of the Company with effect from April 1, 2019 by the Board of Directors pursuant to Section 161 (1) of the Act to hold office upto this Annual General Meeting of the Company and as recommended by the Nomination and Remuneration Committee and who has declared his independence in terms of Section 149 (6) of the Act and Regulation 16 (1) (b) of LODR and expressed his desire to act as a Director, if appointed in respect of whom the Company has received notice in writing from a member under Section 160 of the Act, proposing the candidature of Sri Venkataraman Murali for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for the second term upto March 31, 2024 not liable to retire by rotation."

Item no - 10 : Borrowing Powers of the Board

To consider and if thought fit, to pass the following resolutions as SPECIAL RESOLUTION (S).

"RESOLVED THAT in supersession of the special resolutions passed at the 32nd Annual General Meeting of the Company held on July 25, 2018 and pursuant to section 180 (1) (c), section 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and relevant Rules prescribed under the Act, (including any statutory modifications and re-enactment thereof for the time being in force) applicable regulations of Securities and Exchange Board of India, Reserve Bank of India("RBI") and any other applicable regulations, if any, the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "Board", which term shall be deemed to include any duly authorised Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise it's power including the power conferred by this resolution) to borrow for the purpose of the business of the Company from time to time any sum(s) of money(ies), long term or short term, fund based or non-fund based, in Indian Rupee or in any foreign currency, unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties for and on behalf of the Company by way of loan(s), financial assistance(s), commercial paper(s), senior note(s), rupee denominated bonds, off shore markets, issuance of bond(s), in whatever name called from bank(s), banking company(ies), financial institution(s), body (ies) corporate(s), person(s) by way of invitation, offer, issue and allotment of redeemable non convertible debenture(s), subordinated debenture(s)/debt(s), security(ies), debt security(ies), commercial papers, rupee denominated bond(s), foreign currency notes/ bonds, external commercial borrowings as permissible under regulations of RBI or other regulations, any paper(s), any other eligible security(ies)/ instrument(s) convertible or non convertible or partly convertible, in one or more tranches on private placement basis (within the overall limit of borrowing power conferred on the Board by the members) not exceeding ₹ 10,000 crores (Rupees Ten Thousand crores) as well as by public issue to or from any eligible investors or lenders or Entity(ies) [the term "Entity" shall be deemed to include, individuals, persons, Banks, Institutional Investors, Foreign Institutional Investors ("FIIs"), Foreign Portfolio Investors ("FPIs"), Qualified Institutional Buyers ("QIBs"), Financial Institutions ("FIs"), Statutory Corporations, Statutory Bodies, Trusts, Provident Funds, Pension Funds, Superannuation Funds, Gratuity Funds, Alternate Investment Funds, Insurance Companies, Companies, Societies, Educational Institutions, Association of Persons, Body of Individuals, Scientific and Research Organisations/Associations, Partnerships, Firms, Limited Liability Partnerships, Resident Individuals, Non Resident Individuals ("NRIs"), High Net worth Individuals ("HNIs"), Hindu Undivided Families ("HUFs"), Shareholders, Members, Employees, Director(s)/Key Managerial Personnel(s) ("KMP")(s), relation(s) of Director(s)/ KMP(s), Related Party(ies) any person/institution as the Board may decide from time to time] separately or any combination thereof by any permissible methods as the Board may decide including but not limited to shelf prospectus, prospectus, information memorandum, shelf disclosure document, offer document, any other document or otherwise **AND** by way of acceptance/renewal of deposits/ loans from any or all of the Entity(ies) referred above, any combination thereof by complying the regulations of RBI or Act as applicable **AND** by way of any other permissible instruments or methods of borrowings on such terms and conditions as the Board may deem fit notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business will or may exceed the aggregate of the paid up share capital, free reserves and securities premium of the Company so that the total amount borrowed and outstanding at any point of time shall not exceed ₹ 40,000 crores (Rupees Forty thousand crores).

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution and without being required to seek further consent or approval of the Members or otherwise for this purpose that they shall be deemed to have given their approval thereto expressly by authority of this resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things to give effect to the aforesaid resolution, settle and clarify any question or difficulty, finalise the form, content, extent and manner of documents and deeds, whichever applicable and execute all deeds, documents, instruments and writing, for the purpose mentioned in the aforesaid resolution in consultation with the Entities referred in aforesaid resolution and for reserving the aforesaid right."

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai — C R Dash
Date : April 24, 2019 — Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 5

In accordance with Section 152 (6) of the Act, Sri Gerrit Lodewyk Van Heerde (holding DIN 06870337), shall retire by rotation at the ensuing AGM. He has expressed that he shall not be in a position to continue his directorship in the Company in the forthcoming years. The Company does not propose to fill-in the vacancy at the ensuing AGM or at any adjournment thereof. Pursuant to provisions of Section 152 of the Act, a resolution is proposed accordingly. Except Sri Gerrit Lodewyk Van Heerde, no other director, key managerial personnel and relative's thereof is concerned or interested in this Resolution. The Board of Directors recommend passing of the Resolution set out in item no - 5 of the Notice as an ordinary resolution.

Item No. 6

The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee by way of circular resolution dated April 1, 2019 appointed Sri C R Muralidharan (DIN – 02443277) as an Additional Director in accordance with the Articles of Association, Policy on Appointment, Remuneration and Diversity of Board and Section 161 of the Act from April 1, 2019. As per Section 161 of the Act, Sri C R Muralidharan holds office upto the date of the 33rd AGM. The Company has received requisite notice in writing from a member under Section 160 (1) of the Act signifying the candidature of Sri C R Muralidharan to be appointed as an Independent Director not liable to retire by rotation. Sri C R Muralidharan has consented by way of form DIR-2 (in terms of Rule 8 of the Companies Appointment & Qualification of Directors Rules, 2014) and declared as qualified by way of form DIR-8 for such appointment and has declared that he meets the criteria of independence prescribed under Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), amended from time to time. Sri C R Muralidharan is independent of the management, possesses requisite knowledge, experience and skill for the position of Director and fulfils the condition for appointment as an independent director as specified in the Act and the LODR. Sri C R Muralidharan meets the criteria of fit and proper for directorship as prescribed under Master Direction - Non-Banking Financial Company -

Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Board on receipt of the said notice from a member and on the recommendation of it's Nomination and Remuneration Committee and subject to approval of members in this AGM, has accorded its consent, to appoint Sri C R Muralidharan as an Independent Director not liable to retire by rotation upto March 31, 2022. He would continue on the Board as a director based on his performance evaluation.

The Board considers the continuance of his directorship in the Company will be of immense benefit to the Company in view of his knowledge and experience in regulatory affairs, banking, risk management and Non Banking Finance. His directorship is in the interest of the Company.

Copy of the appointment letter issued by the Company to Sri C R Muralidharan stating the terms and conditions of his appointment in the Company as an independent director can be inspected at the registered office of the Company. The format of appointment letter issued to Directors is posted on the website of the Company at https://www.nseprimeir.com/z_SHRIRAMCIT/pdf-files/Terms_and_conditions_of_appointment_of_Independent_Direcors.zip

The profile and other directorships of Sri C R Muralidharan are as under.

Brief Profile

Sri C R Muralidharan, (holding Director Identification Number - 02443277) holds a Degree in Science from the University of Madras and is a certified associate of Indian Institute of Bankers and holds certificate in Industrial Finance of the Indian Institute of Bankers. A career spanning nearly four decades in supervision and regulation of the banking and insurance sectors – two significant segments of the Indian financial sector. An experience in both operational and executive capacities in both sectors involving their opening to greater competition, aligning their regulatory and supervisory frameworks to international standards and consolidation, requiring careful sequencing and co-ordinating with the overall financial sector and economic reform process. A long stint as an Executive at senior level in the RBI with Central banking and Bank supervisory responsibilities. Key responsibilities in the RBI between 1995 and 2005 included leading and overseeing major initiatives associated with banking sector reforms and liberalisation that saw paradigm shift of the Indian banking sector. Served as a Whole time Member, a Board level position, in the Insurance and Regulatory Development Authority, Hyderabad (IRDA) for about 5 years between 2005-09. The major responsibilities included oversight of regulatory initiatives to align with international standards involving significant liaison with the Government, other domestic financial regulators (RBI and SEBI) and the International Association of Insurance Supervisors (IAIS). He holds directorships in 1. GMR Infrastructure Limited, 2. Sriman Madhwa Sidhantaonnahini Permanent Nidhi Limited and 3. ICICI Prudential Asset Management Company Limited. His Chairmanship/ Membership of the Committees of other Companies, in which he is a Director, are ICICI Prudential AMC Limited : Member - Committee of Directors, CSR Committee; Chairman – Investment Committee ; Member - Management Committee - Sriman Madhwa Sidhantaonnahini Permanent Nidhi Limited

Further details required under Regulation 36 (3) of the LODR and Secretarial Standard 2 (General Meeting on appointment and re-appointment of Directors) are provided in Annexure.

Except Sri. C R Muralidharan, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. He is not related to any director, inter se of the Company and does not hold any share in Company. The Board of Directors recommend passing of the resolution set out in Item No - 6 of the Notice as an Ordinary Resolution.

Item No. 7

The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee by way of circular resolution passed on April 1, 2019 appointed Sri Diwakar Bhagwati Gandhi (DIN – 00298276) as an Additional Director in accordance with the Articles of Association, Policy on Appointment, Remuneration and Diversity of Board and Section 161 of the Act from April 1, 2019. As per Section 161 (b)of the Act, Sri Diwakar Bhagwati Gandhi holds office upto the date of the 33rd AGM. The Company has received requisite notice in writing from a member under Section 160 (1) of the Act signifying the candidature of Sri Diwakar Bhagwati Gandhi to be appointed as an Independent Director not liable to retire by rotation.

Sri Diwakar Bhagwati Gandhi has consented by way of form DIR-2 (in terms of Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014) and declared as qualified by way of form DIR-8 for such appointment and has declared that he meets the criteria of independence prescribed under Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), as amended from time to time. Sri Diwakar Bhagwati Gandhi is independent of the management, possesses requisite knowledge, experience and skill for the position of Director and fulfils the condition for appointment as an independent director as specified in the Act and the LODR Sri Diwakar Bhagwati Gandhi meets the criteria of fit and proper for directorship as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Board on receipt of the said notice from a member and on the recommendation of it's Nomination and Remuneration Committee and subject to approval of members in this AGM, has accorded its consent, to appoint Sri Diwakar Bhagwati Gandhi as an Non-Executive and Independent Director not liable to retire by rotation upto March 31, 2024. He would continue on the Board as a director based on his performance evaluation.

The Board considers the continuance of his directorship in the Company will be of immense benefit to the Company in view of his knowledge and experience in capital markets, investment banking, strategic planning and business development. His directorship is in the interest of the Company.

Copy of the appointment letter issued by the Company to Sri Diwakar Bhagwati Gandhi stating the terms and conditions of his appointment in the Company as an independent director can be inspected at the registered office of the Company. The format of appointment letter issued to Directors is posted on the website of the Company at https://www.nseprimeir.com/z_SHRIRAMCIT/pdf-files/Terms_and_conditions_of_appointment_of_Independent_Direcors.zip

The profile and other directorships of Sri Diwakar Bhagwati Gandhi are as under.

Brief Profile

Sri Diwakar Bhagwati Gandhi (holding Director Identification Number – 00298276) is a fellow member of the Institute of Chartered Accountants of India (ICAI) since 1982 and former member of Delhi Stock Exchange and United Exchange of India. Sri Gandhi worked with different business house of the country and gathered first-hand experience of manufacturing heavy machines, railway wagon, cotton spinning and steel. He then graduated to capital markets as a Merchant Banker. Sri Gandhi later on cultivate Investment banking Business. The first few successful transactions manifested plunge into Private Equity (PE). Sri Gandhi translated four decades of domain expertise into a vibrant professional organization – the first and foremost with complete understanding of the Indian environment from PE perspective. Having grown within both industry and capital markets over a numerous business cycles of bulls and bears. Sri Gandhi articulated the art of sourcing and negotiating spectacular PE and M&A deals in Tier- II and Tier –III cities across the country. The major endeavours are now brought under the umbrella of India Emerging Group of Companies. Sri Gandhi also served as a member on the Board of Salar Jung Museum, Hyderabad and council member on National Culture Fund constituted under the Ministry of Culture, Government of India. He holds directorships in 1. Indiaemerging Infrastructure Pvt Limited 2. Berkshire Land Holdings Pvt Limited 3. Milford Land Holdings Pvt Limited 4. Pinkton Hotels Pvt Limited 5. Riverwood Infrastructure Pvt Limited 6. Riverbank Hotels Pvt Limited 7. Emerging Developers Pvt Limited 8. A to Z Telecom Pvt Limited 9. Indiaemerging Advisors Limited and 10. Mount Arrawali Financial Services Pvt Limited. His Chairmanship/ Membership of the Committees of other Companies in which he is a Director are : NIL

Further details required under Regulation 36 (3) of the LODR and Secretarial Standard 2 (General Meeting on appointment and re-appointment of Directors) are provided in Annexure .

Except Sri Diwakar Bhagwati Gandhi, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. He is not related to any director, inter se of the Company and does not hold any share in the Company. The Board of Directors recommend passing of the resolution set out in Item No - 7 of the Notice as an Ordinary Resolution.

Item No. 8

Sri Pranab Prakash Pattanayak was appointed as a Non Executive Independent Director for a period of 5 years upto March 31, 2019 by the members of the Company at the Annual General Meeting held on July 28, 2014. The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out during his directorship in the Company, by way of circular resolution passed on April 1, 2019 appointed Sri Pranab Prakash Pattanayak (DIN - 00506007) as an Additional Director in accordance with the Articles of Association, Policy on Appointment, Remuneration and Diversity of Board and Section 161 of the Act from April 1, 2019. As per Section 161 of the Act, Sri Pranab Prakash Pattanayak holds office upto the date of the 33rd AGM. Sri Pranab Prakash Pattanayak is eligible to be re-appointed as an Independent Director for second term upto four consecutive years as per Section 149 (10) of the Companies Act, 2013. The Company has received requisite notice in writing from a member under Section 160 (1) of the Act signifying the candidature of Sri Pranab Prakash Pattanayak to be re-appointed as an Independent Director not liable to retire by rotation. Sri Pranab Prakash Pattanayak has consented by way of form DIR-2 (in terms of Rule 8 of the Companies (Appointment & Qualification of Directors), Rules, 2014) and declared as qualified by way of form DIR-8 for such appointment and has declared that he meets the criteria of independence prescribed under Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), as amended from time to time. Sri Pranab Prakash Pattanayak is independent of the management, possesses requisite knowledge, experience and skill for the position of Director and fulfils the condition for appointment as an independent director as specified in the Act and the LODR. Sri Pranab Prakash Pattanayak meets the criteria of fit and proper for directorship as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Board on receipt of the said notice from a member and on the recommendation of it's Nomination and Remuneration Committee and subject to approval of members in this AGM, has accorded its consent, to appoint Sri Pranab Prakash Pattanayak as an Independent Director not liable to retire by rotation for second term upto March 31, 2023. He would continue on the Board as a director based on his performance evaluation.

The Board considers the continuance of his directorship in the Company will be of immense benefit to the Company in view of his knowledge and experience in the areas of corporate, retail and international banking, treasury management, strategic planning, business development and risk management. His directorship is in the interest of the Company.

Copy of the appointment letter issued by the Company to Sri Pranab Prakash Pattanayak stating the terms and conditions of his appointment in the Company as an independent director can be inspected at the registered office of the Company. The format of appointment letter issued to Directors is posted on the website of the Company at https://www.nseprimeir.com/z_SHRIRAMCIT/pdf-files/Terms_and_conditions_of_appointment_of_Independent_Direcors.zip

The profile and other directorships of Sri Pranab Prakash Pattanayak are as under.

Brief Profile

Sri Pranab Prakash Pattanayak has 37 years of experience in Banking and Financial services sector. Prior to retirement, he was the Managing Director of State Bank of Mysore from 2006 to 2009. He had also held the office of the Managing Director of State Bank of Travancore. He served as the Dy Managing Director and Chief Credit Officer of State Bank of India. During his thirty seven years of service in five banks of the State Bank, he held senior management positions, both in India and abroad, in areas like commercial banking, project finance, international banking, funds & treasury operations. He was also the Dy. M D and head of SBI Global IT Centre, Belapur. During his tenure at State Bank of India, Singapore, as Manager Credit and operations, he handled the bank's funding operations, forex settlements, asset liability management, trade finance and regulatory compliance. He served as Director of SBI Factors Ltd., SBI DFHI Ltd., and C- Edge Technologies Ltd. He holds directorships in : 1. IIFL Asset Management Limited and 2. Falcon Marine Exports Limited. His Chairmanship/ Membership of the Committees of other Companies in which he is a Director : NIL

Further details required under Regulation 36 (3) of the LODR and Secretarial Standard 2 (General Meeting on appointment and re-appointment of Directors) are provided in Annexure.

Except Sri Pranab Prakash Pattanayak, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financially or otherwise in the proposed resolution. He is not related to any director, inter se of the Company and does not hold any share in Company.

The Board of Directors recommend passing of the resolution set out in Item No - 8 of the Notice as a Special Resolution.

Item No. 9

Sri Venkataraman Murali was appointed as an Independent and Non Executive Director for a period of 5 years upto March 31, 2019 by the members of the Company at the Annual General Meeting held on July 28, 2014. The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out during his directorship in the Company, by way of circular resolution passed on April 1, 2019 appointed Sri Venkataraman Murali (DIN – 00730218) as an Additional Director in accordance with the Articles of Association, Policy on Appointment, Remuneration and Diversity of Board and Section 161 of the Act from April 1, 2019. As per Section 161 of the Act, Sri Venkataraman Murali holds office upto the date of the 33rd AGM. Sri Venkataraman Murali is eligible to be re-appointed as an Independent Director for second term upto five consecutive years as per Section 149 (10) of the Companies Act, 2013. The Company has received requisite notice in writing from a member under Section 160 (1) of the Act signifying the candidature of Sri Venkataraman Murali to be re-appointed as an Independent Director not liable to retire by rotation. Sri Venkataraman Murali has consented by way of form DIR-2 (in terms of Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014) and declared as qualified by way of form DIR-8 for such appointment and has declared that he meets the criteria of independence prescribed under Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“LODR”), as amended from time to time. Sri Venkataraman Murali is independent of the management, possesses requisite knowledge, experience and skill for the position of Director and fulfils the condition for appointment as an independent director as specified in the Act and the LODR. Sri Venkataraman Murali meets the criteria of fit and proper for directorship as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Board on receipt of the said notice from a member and on the recommendation of it’s Nomination and Remuneration Committee and subject to approval of members in this AGM, has accorded its consent, to appoint Sri Venkataraman Murali as an Independent Director not liable to retire by rotation for second term for a period of 5 years upto March 31, 2024. He would continue on the Board as a director based on his performance evaluation.

The Board considers the continuance of his directorship in the Company will be of immense benefit to the Company in view of his knowledge and experience in the areas of Finance, Accounts and consultancy. His directorship is in the interest of the Company.

Copy of the appointment letter issued by the Company to Sri Venkataraman Murali stating the terms and conditions of his appointment in the Company as an independent director can be inspected at the registered office of the Company. The format of appointment letter issued to Directors is posted on the website of the Company at https://www.nseprimeir.com/z_SHRIRAMCIT/pdf-files/Terms and_conditions_of_appointment_of_Independent_Direcors.zip

The profile and other directorships of Sri Venkataraman Murali are as under.

Brief profile

Sri Venkataraman Murali (holding Director Identification No 00730218), holds a degree of Bachelor of Commerce from the Vivekananda College, Chennai. He is a Fellow Member of the Institute of Chartered Accountants of India and a Fellow Member of the Institute of Cost Accountants of India. He has been awarded Doctorate Honoris Causa (D.Litt) for his contribution to accounting and financial sector. Sri V Murali is the Senior Partner of M/s Victor Grace & Co., Chartered Accountants, Chennai.

He has to his credit more than three decades of experience in the areas of Finance, Accounts & Consultancy. He was elected to the Southern India Regional Council of The Institute of Chartered Accountants of India for 2 terms (6 years) for the period from 1998 to 2004 and was its Chairman for the year 2002-2003. He was elected to the Central Council of the Institute of Chartered Accountants of India for 4 terms (12 years) in succession for the period from 2004 to 2016. He has the unique distinction of being elected as Chairman of both The Institute of Chartered Accountants of India and The Institute of Cost Accountants of India. He is presently the elected Regional Council Member of The Southern India Regional Council of The Institute of Cost Accountants of India for the period 2015 to 2019 and its immediate Past Chairman for the year 2016-2017.

He is the President of the All India Tax Payers' Association (AITPA), President Society of Cost Accountants (SOCA) and Past President of Hindustan Chamber of Commerce. He has been elected to the Executive committee of the International Chamber of Commerce. He is on the governing body of Indian Council of Arbitration and All India Organisation for Employers, New Delhi.

Sri V.Murali was an independent director on the Boards of State Bank of Hyderabad, Neyveli Lignite Corporation Ltd, Hindustan Insecticides Limited. The Comptroller & Auditor General of India, New Delhi had nominated him to the Audit Board of Power Finance Corporation Ltd and Rural Electrification Corporation Ltd as 'Technical Expert'. The Reserve Bank of India had nominated him as a Member of the Co-Ordination Committee for Non-Banking Finance Companies (NBFCs) and unincorporated bodies. He has been Chairman Board of Studies of The Institute of Chartered Accountants of India and was nominated as Chairman of the Committee on Education, Training and CPD constituted by the South Asian Federation of Accountants (SAFA) which is an Apex body of SAARC. He holds directorships in : 1. Witzenmann (India) Private Limited 2. Shriram Housing Finance Limited and 3. Take Solutions Limited. His Chairmanship/ Membership of the Committees of other Companies in which he is a Director are Chairman – Audit and Risk Management Committee, Nomination and Remuneration Committee, Review Committee, Whistle Blower Mechanism Committee – Shriram Housing Finance Limited; Member - Audit Committee -Take Solutions Limited .

Further details required under Regulation 36 (3) of the LODR and Secretarial Standard 2 (General Meeting on appointment and re-appointment of Directors) are provided in Annexure.

Except Sri Venkataraman Murali, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. He is not related to any director, inter se of the Company and does not hold any share in Company. The Board of Directors recommend passing of the resolution set out in Item No – 9 of the Notice as a special Resolution.

Annexure

Information required under Regulation 36 (3) of the LODR & SS2

Name of the Director	Sri C R Muralidharan	Sri Diwakar Bhagwati Gandhi	Sri Pranab Prakash Pattanayak	Sri Venkataraman Murali
Citizenship	Indian	Indian	Indian	Indian
Date of Birth/ Age	November 4, 1947/ 71 yrs	August 3, 1958/ 60 yrs	January 7, 1949/ 70 yrs	November 15, 1959/ 59 yrs
DIN	02443277	00298276	00506007	00730218
Date of first appointment on the Board of Directors	April 1, 2019	April 1, 2019	October 31, 2012	December 1, 2011
Qualifications	B Sc., CAIIB	FCA	M A	B Com, FCA, FCMA, D.Litt
Nature of Expertise in specific functional areas	Regulatory affairs, Banking, Risk Management and Non Banking Finance	Capital markets, investment banking and private equity	Corporate, retail and international banking, treasury management, strategic planning, business development and risk management	Finance, Accounts and related consultancy
Number of Meetings attended	NA	NA	3	4
Shareholding in the Company	Nil	Nil	Nil	Nil
Remuneration Paid during FY19 (₹ in lacs)	NA	NA	4.00	5.45
Remuneration payable	As per Policy on Appointment, Remuneration and Diversity of the Board			

Number of Meetings attended : Number of Board Meetings of the Company attended during FY19. FY19 :Financial year ending March 31, 2019. During FY19, there were four meetings of the Board of Directors of the Company held.

Item No: 10

Section 180 (1) (c) of the Act provides that the Board of Directors of a Company shall only with the consent of the Company by a special resolution borrow money together with money already borrowed (apart from temporary loans obtained and /or to be obtained from Company's bankers in ordinary course of business) in excess of share capital, free reserves and securities premium. In addition to the Act, Regulations of SEBI and Regulations of RBI may apply for borrowing. At the 32nd AGM held on July 25, 2018 Board of Directors was authorised under Section 180 (1) (c) of the Act to borrow upto a limit of ₹ 36,000 crores apart from temporary loans obtained/to be obtained from the bankers (by way of cash credit limits and working capital demand loans) in the ordinary course of business. The expression temporary loans for this purpose means loans payable on demand or within six months from date of loan such as short term, cash credit arrangements, the discounting of bills, etc.

The Company is a Non-Banking Finance Company engaged in providing retail and business loans. The Board considers increased amount of borrowing required to fund growth in business and to meet corporate, business and financial needs of the Company. Borrowing is one of the source of funding for the Company. So, Company needs to enhance it's borrowings. The borrowings may be done under different methods as it depends upon different factors at the time of borrowing. Borrowing may be done under different methods as felt appropriate by the Board including Public Issue or private placement of NCDs/Securities. The Board considers to increase the borrowing powers to ₹ 40,000 crores apart from the temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business. The Company will continue to maintain capital adequacy ratio, which is related to borrowings, as per the regulatory requirement of the Reserve Bank of India.

As per Section 180 (1) (c) of the Act, the approval of Members is required to borrow funds exceeding aggregate of paid up capital, free reserves and securities premium of the Company. The borrowings are proposed to be not exceeding ₹ 40,000 crores, which are in excess of the limit set under Section 180 (1) (c) of the Act. Different borrowings may be with different terms and conditions. Each borrowing would have terms and conditions. The terms and conditions of each borrowing may vary from each other. The availing of borrowings, terms and conditions of each borrowing is proposed to be left to the Board and Committee or any person authorized by the Board/ Committee. The Borrowings would require execution of different agreements with the LENDER(S) by the Company. LENDER(S) would require securities for such borrowings. The securities to be offered are expected to be 1.25 times of the borrowings, which would amount to ₹ 50,000 crores in favour of the LENDER(S). The securities offered by the Company for such borrowings may require registration of charge with Registrar of Companies or any other authority or Government. The borrowings and creation or registration of charge would require different documents to be executed with such LENDER(S) by the Company. The documents to be executed for the purpose may contain a provision to take over the substantial assets of the Company in certain events.

The proviso to Rule 14 (2) of the Second Amendment Rules, 2018 the Companies (Prospectus and Allotment of Securities) provides (vide notification No G.S.R. 752 (E) dated August 7, 2018) that in case the amount to be raised through offer or invitation for NCDs exceeds the limits specified under Sec 180 (1) (c) then it shall be sufficient compliance if the Company passes a special resolution only once in a year for all the offers or invitations for such NCDs during the year. The limit specified by the Company in this resolution for raising funds through private placement of NCDs not exceeding ₹ 10,000 crores and the same is within the overall borrowing limits of ₹ 40,000 crores. Therefore no special resolution is required to be passed by the Company for amount to be raised through offer or invitation of NCDs.,

The Company would be required to raise through private placement of different securities. It is proposed to raise fresh funds by issue of securities namely, secured redeemable Non-Convertible Debentures (NCDs), Subordinated Debts, Commercial Papers, Bonds or any other Debt Securities on private placement basis. Private placement shall be made for an amount not exceeding to ₹ 10,000 crores (Rupees Ten thousand crores) in different tranches/issues within overall borrowing limit of ₹ 40,000 crores during the year 2019-2020 as proposed.

As per Circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 issued by the Securities and Exchange Board of India ("SEBI Circular"), a Large Corporate is mandatorily required to raise at least 25% of its incremental borrowing during the financial year subsequent to the financial year in which it is identified as a Large Corporate, by way of issuance of debt securities. The Company is a Large Corporate and circular applies to the Company.

The Company is required to file a confirmation to this effect, which will be filed in due course. Thus, the Company is required to raise at least 25% of its incremental borrowing through issuance of debt securities. The incremental borrowing may be in excess of prescribed limit depending upon the growth of business of the Company. Depending upon the market conditions, the Company proposes to issue NCDs on private placement basis. The terms and conditions of the issue of NCDs including face value, coupon rate/interest rate, tenure, repayment, security, listing, etc. will be decided by the Board in consultation with subscribers, lead managers, trustees, other agencies as may be required. The Company may also issue the NCDs at discount or premium depending upon debt market conditions prevailing on the date of issue of the NCDs and relevant regulatory requirements, i.e. number of ISINs maturing per financial year. The funds raised through proceeds of the issue of NCDs will be utilized for various financing, lending, and investments, repaying the existing liabilities/loans, business operations, capital expenditure, working capital requirements, issue expenses and general corporate purposes of the Company. Further, passing of this resolution is also necessary in order to enable the Company to comply with the SEBI Circular.

None of the Directors, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution except to the extent of their holdings in securities of the Company, if any. The Board of Directors recommend passing of the Resolution set out in item no - 10 of the Notice as a Special Resolution.

NOTES FORMING A PART OF THE NOTICE:

1. The explanatory statement as required under section 102 of the Companies Act, 2013 (“Act”) with respect to ordinary/special business set out in item no.5 to 10 of the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT PROXY (IES) TO ATTEND AND ON A POLL VOTE ON HIS/ HER BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.**

   In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. A blank proxy form is enclosed. The proxy form duly completed, stamped and executed must be deposited at the office of the Registrar and Transfer Agent at M/s Integrated Registry Management Services Private Ltd, 2nd Floor, Kences Towers, No.1 Ramakrishna Street, Off. North Usman Road, T. Nagar, Chennai - 600 017 (“RTA”) at least forty-eight hours before the time fixed for the commencement of the AGM.
5. The attached attendance slip duly executed shall be tendered at the registration counter for entry into the meeting hall.
6. During the period beginning 24 hours before the time fixed for commencement of AGM and ending of the AGM, a member would be entitled to inspect the proxies lodged at any time during 10 am to 4 pm, provided not less than three days notice is given in writing to the Company.
7. Additional information, pursuant to Regulation 36 of the LODR in respect of the directors seeking appointment/re-appointment at the AGM forms a part of this Notice. The directors have furnished consent/declaration for their appointment/ re-appointment as required under the Act and the Rules thereunder.
8. The Notice is sent to all the Members, whose names appear in the Register of Members as on Friday, June 21, 2019. This Notice can be accessed on the web site of the Company at http://www.nseprimeir.com/IR_DOWNLOAD/PPN_CORP_ANNOUNCEMENTS/SCUF_AGM_NOTICE_29072019.ZIP. The physical copies of these documents and the financial statement including consolidated financial statements, auditors report thereon and every document referred thereto shall be available at the Registered office of the Company for inspection on working days between 10 am to 4 pm, 21 days before the date of AGM.
9. The members can cast their votes by way of remote e-voting provided by the Company through CDSL in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date July 22, 2019. Any Member not having login id and password for remote e-voting, may obtain it by sending a request to the RTA.

10. Please update Bank Account numbers, Income Tax Permanent Account Number ("PAN") and other details by submitting the relevant documents to your DP or RTA
11. The Statutory Registers will be available for inspection by the Members at the AGM. Relevant documents and statements referred to in this Notice are open for inspection by the Members at the Registered Office of the Company during business hours till the date of the AGM.
12. Pursuant to section 91 of the Act and Regulation 42 of the LODR, the Register of Members / Beneficial Owners and Share Transfer Book will remain closed from Tuesday, July 23, 2019 to Monday, July 29, 2019 (both days inclusive) for the purpose of the AGM and for the purpose of payment of final dividend.
13. Subject to the provisions of the Act, the dividend, if declared at the AGM shall be paid on or after August 2, 2019 to the demat account holders or holders of physical shares as at the end of the day on July 22, 2019 provided by DP or RTA as the case may be .
14. Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio enabling the Company to serve effectively.
15. Please address all correspondence including dividend matters to the RTA.
16. Pursuant to the provisions of section 124 and 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" ("IEPF") established by the Central Government as and when they fall due for transfer. Shareholders who have not encashed their dividend warrants/payment instrument(s) so far are requested to make their claim to the RTA before transfer to IEPF. The following table shows the details of due date of transfer of unclaimed dividend to IEPF.

Year ending on March 31	Due Date of Transfer to IEPF		Year ending March 31	Due Date of Transfer to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
2012	October 31, 2019	December 6, 2018	2016	September 2, 2023	December 4, 2022
2013	August 30, 2020	December 5, 2019	2017	August 4, 2024	December 1, 2023
2014	September 1, 2021	November 30, 2020	2018	July 31, 2025	December 4, 2024
2015	September 1, 2022	December 5, 2021	2019		November 29, 2025

The company is required to transfer the shares to IEPF Authority, the shares in respect of which the dividend is not claimed/remains unpaid for seven consecutive years or more and such dividend/shares can be claimed by respective members from IEPF authority by following the prescribed procedures.

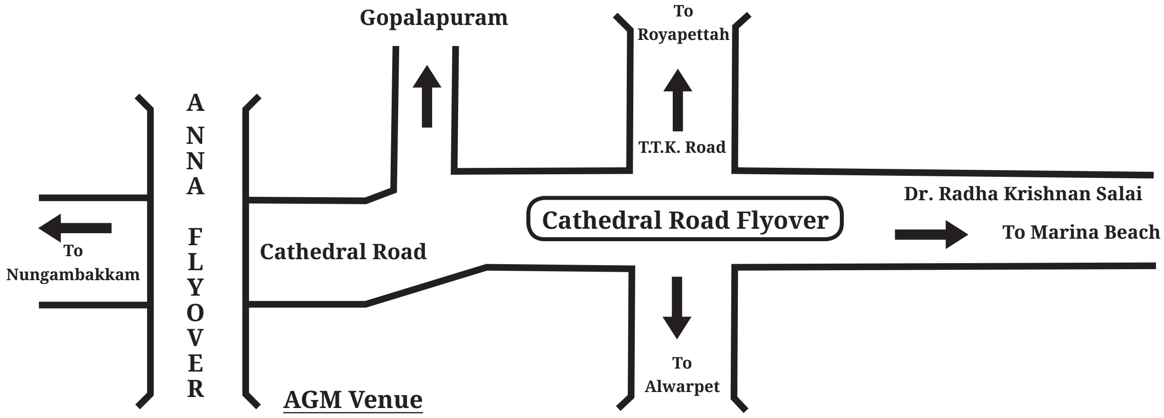
17. Communications including Annual Report, Notice of AGM, the process and manner of e-voting, Attendance Slip, Proxy Form are being sent by electronic mode to the registered email addresses available with the Company/RTA/DP and by permitted mode to the members, who have not registered their email ids with the Company/RTA/DP. Members will be entitled to be furnished, free of cost, the physical copy (ies) of the document(s) sent by e-mail upon receipt of a requisition from them, any time, as a Member of the Company.
18. Members can update their nominations by submitting respective forms to RTA or DP as the case may be.
19. Shareholders seeking any information with regard to accounts are requested to write to the Company Secretary of the Company at the Secretarial Office of the Company at least 7 days in advance of the date of the AGM, so as to keep the information ready at the AGM.
20. The members, who have casted their vote by remote e-voting may attend the meeting, but shall not be entitled to cast their vote again.
21. The facility for voting shall be made available at meeting with the assistance of scrutinisers, by use of ballot or polling paper. Members attending the meeting, who have not already casted their votes by remote e-voting shall be able to exercise their right at the meeting.
22. Authorised representatives of corporate members attending/voting at the AGM are requested to send certified copies of such authorisation of their Board to the Company, in advance.

23. The remote e-voting period shall commence from Friday, July 26, 2019 at 10.00 a m and shall close on Sunday, July 28, 2019 at 5 p m. During this period of remote e-voting, the Members of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The remote e-voting module will be disabled for voting thereafter and the Members will not be able to cast their vote electronically beyond the date and time mentioned above (July 28, 2019 at 5 p m). In order to e-vote, you need to Log in and then vote. The followings state the Login process.
    - (i) Log on to the e-voting website : www.evotingindia.com
    - (ii) Click on "Shareholders/Member" tab.
    - (iii) Enter following user ID and the Capcha

      NSDL Demat account holder (8 character DP ID followed by 8 digit client ID), CDSL Demat account holder (16 digit beneficiary ID), shares held in physical form (EVSN followed by registered folio number with the Company)
    - (iv) Enter Password (existing password if already registered for e-voting, PAN and Bank Account Number or Date of Birth if e-voting for first time with password of your choice in the new password field).

      If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
    - (v) After entering these details appropriately, click on "SUBMIT" tab.
    - (vi) Click on the number below EVSN for Shriram City Union Finance Limited.
    - (vii) Resolution Description, Choice etc. will be displayed. Against each resolution both the choices "YES/NO" would be there for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
    - (viii) Click on the "Resolutions File Link" for resolution details, if you desire.
    - (ix) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else click on "CANCEL" and modify your vote.
    - (x) After "CONFIRM" the vote on the resolution will not be allowed to modify.
    - (xi) "Click here to print" option will print voting done.
    - (xii) Votes can also be casted by using mobile app of CDSL by downloading mobile app from Google Play Store. Windows and Apple smart phones by following instructions as prompted therein.
    - (xiv) Institutional Members (i.e. other than individuals, HUF, NRI etc.) who wish to cast their votes through remote e-voting should send a scanned copy of the Registration form bearing the stamp and signature of the authorized person of the entity, the list of accounts and scanned copy (PDF format) of the relevant Board Resolution and Power of Attorney (POA) etc to helpdesk.evoting@cdslindia.com.
    - (xv) In case of any queries the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section can be referred to or by writing email to helpdesk.evoting@cdslindia.com or call on 18002005533 or by contacting the Company Secretary of the Company at the contacts mentioned on the top of this notice.
    - (xvi) The Scrutiniser would be able to view the names and number of shareholders who casted the vote by way of e-voting on Sunday July 28, 2019 after 5 p.m. in the presence of at least two witnesses (not being in employment of the Company) and would unblock the voting pattern after the conclusion of the AGM on July 29, 2019 and report on the results of voting.
24. The Scrutiniser after his scrutiny will submit his report to the Chairman or Managing Director of the Company and the results of the voting along with the report of the Scrutiniser would be declared by displaying it on the website of the Company on or before July 31, 2019.

Route map to AGM venue



AGM Venue

Narada Gana Sabha (Mini Hall),
No. 314 , T. T K. Road,
Alwarpet, Chennai - 600 018

SHRIRAM CITY UNION FINANCE LIMITED
CIN: L65191TN1986PLC012840
Regd. office: 123, AngappaNaicken Street, Chennai 600 001,
Tamil Nadu. Telephone No + 91 44 25341431
Secretarial Office: 144,Santhome High Road, Mylapore, Chennai-600004.
Telephone No +91 44 43925300
Website:www.shriramcity.in ; Email:sect@shriramcity.in

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

NOTICE

ADDENDUM TO THE NOTICE OF THETHIRTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS

Subsequent to the approval of the Notice of Thirty Third Annual General Meeting ("AGM") of the members of Shriram City Union Finance Limited, Corporate Identification Number - L65191TN1986PLC012840 ("Company") by the Board of Directors of the Company ("Board") on date April 24, 2019 convening the AGM to be held on Monday, July 29, 2019 at 10 a m at Narada Gana Sabha (Mini Hall), No 314, T T K Road, Alwarpet, Chennai 600 018,the Board has approved the inclusion of the following items as additional items for transaction in the Agenda of the AGM. This Notice is to be read in addition to as an addendum to and forms a part of the Notice of AGM dated April 24, 2019.

SPECIAL BUSINESS:

Item no 11 : Appointment of Sri Yalamati Srinivasa Chakravarti (DIN - 00052308) as a Director, Managing Director and Chief Executive Officer

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 149, 152 (4), 152 (5), 164 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, ("LODR") as amended from time to time, Sri Yalamati Srinivasa Chakravarti (Director Identification Number - 00052308) who was appointed as an Additional Director of the Company with effect from July 1, 2019 by the Board of Directors pursuant to Section 161 (1) of the Act to hold office upto this Annual General Meeting of the Company and as recommended by the Nomination and Remuneration Committee and who has expressed his desire to act as a Director, if appointed in respect of whom the Company has received notice in writing from a member under Section 160 of the Act, proposing the candidature of Sri Yalamati Srinivasa Chakravarti for the office of Director be and is hereby appointed as an Executive, Non Independent Director of the Company from July 1, 2019".

RESOLVED FURTHER THAT pursuant to Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule-V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014 and the provisions of the Articles of Association of the Company, applicable guidelines of Reserve Bank of India and applicable regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, based on the recommendation of the Nomination and Remuneration Committee, the consent of the shareholders be and is hereby accorded to appoint Sri Yalamati Srinivasa Chakravarti holding DIN-00052308 ("YSC") as the Managing Director and Chief Executive Officer ("MD and CEO") and as Key Managerial Personnel of the Company for a period of 5 years effective July 1, 2019 with the following remuneration and on the following terms and conditions.

A. Remuneration:

i. Salary: ₹ 4,00,000/- per month with annual increment of not less than 10% per annum with effect from April 1 every year. Any increment more than 10% per annum shall be decided by the Board.

B. Perquisites :

i. House Rent Allowance - 20% Basic Salary per month or rent free accommodation (Company owned/leased/rented) in lieu of House Rent Allowance.

ii. Club Fees Annual membership (no life or admission membership fees) fees for a maximum of two clubs, all expenses at club for official purpose shall be reimbursed or paid to the club by the Company.

iii. Expenditure on entertainment, business promotion, travel undertaken and other expenses incurred reasonably for official purpose shall be borne by the Company.

iv. Contribution to Provident Fund - 12% of Basic Salary per month, Contribution to National Pension Scheme 10% of Basic Salary per month, Ex-gratia, Superannuation and Gratuity shall be paid as per the rules of the Company.

v. Leave and encashment of leave shall be as per the rules of the Company.

vi. Company shall provide a suitable car. The running and maintenance expenses including driver's salary for use on Company's business shall be borne/reimbursed by the Company subject to a maximum of ₹ 3,43,200/- per annum..

vii. Leave Travel concession shall be paid /borne by the Company for the MD & family subject to a maximum of ₹ 4,00,000/- per annum.

viii. Telephone charges/bills for one mobile phone, telephone at office and telephone at residence, internet, data card and other communication facilities shall be borne/reimbursed by the Company subject to a maximum of ₹ 1,20,000 per annum.

ix. Payment for water, gas, electricity, soft furnishing of residence, Newspaper and periodicals subject to a maximum of ₹ 60,000 per annum.

x. The premium on personal accident insurance and mediclaim for the MD & CEO and family members shall be paid as per Policy of the Company subject to a maximum of ₹ 50,000 per annum.

xi. Employee Stock Option Employees stock option may be granted as decided by the Nomination and Remuneration Committee/ Board from time to time according to the Employees Stock Option Scheme of the Company and applicable regulations.

C. Other Terms:

i. Income tax and other applicable taxes, if any shall be deducted at source as per prevailing laws/regulations.

ii. The MD and CEO shall not be paid any sitting fees for attending General Meetings and Meetings of the Board or Committee thereof.

iii. In the event of absence or inadequacy of profits in any financial year the MD and CEO shall be paid the above remuneration, allowances and perquisites subject to requisite approval, if any.

iv. The Board may revise the existing or allow any other facilities/perquisites, from time to time, within the permissible limits of provisions of law.

v. Unless the Board decides otherwise, the Managing Director shall not retire by rotation.

vi. If the MD and CEO ceases to be Director of the Company at any time for any reason whatsoever he shall cease to be the MD and CEO forthwith and *vice versa*.

Item no 12 : Appointment of Sri Duruvasan Ramachandra (DIN - 00223052) as a Non Independent Director

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

"**RESOLVED THAT** pursuant to the provisions of section 149, 152 (4), 152 (5), 164 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, ("LODR") as amended from time to time, Sri Duruvasan Ramachandra (Director Identification Number - 00223052) who was appointed as an Additional Director of the Company with effect from July 1, 2019 by the Board of Directors pursuant to Section 161 (1) of the Act to hold office upto this Annual General Meeting of the Company and as recommended by the Nomination and Remuneration Committee and who has expressed his desire to act as a Director, if appointed in respect of whom the Company has received notice in writing from a member under Section 160 of the Act, proposing the candidature of Sri Duruvasan Ramachandra for the office of Director be and is hereby appointed as a Non Executive, Non Independent Director of the Company from the date of Annual General Meeting July 29, 2019 liable to retire by rotation."

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : June 29, 2019

C R Dash
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 11

The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee at the meeting held on June 29, 2019 appointed Sri Yalamati Srinivasa Chakravarti (DIN - 00052308) as an Additional Director to hold office as the Managing Director and Chief Executive Officer and as Key Managerial Personnel of the Company for a period of 5 years with effect from July 1, 2019 at a remuneration as detailed in the resolution of the Notice in accordance with the Articles of Association, Policy on Appointment, Remuneration and Diversity of Board and Section 161 of the Act. As per Section 161 (b) of the Act, Sri Yalamati Srinivasa Chakravarti holds office upto the date of the 33rd AGM. The Company has received requisite notice in writing from a member under Section 160 (1) of the Act signifying the candidature of Sri Y S Chakravarti to be appointed as an Executive, Non Independent Director. Sri Yalamati Srinivasa Chakravarti has consented by way of form DIR-2 (in terms of Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014) and declared as qualified by way of form DIR-8 for such appointment. Sri Yalamati Srinivasa Chakravarti, possesses requisite knowledge, experience and skill for the position of Director and fulfils the condition for appointment as a Non independent director as specified in the Act and the LODR. Sri Yalamati Srinivasa Chakravarti meets the criteria of fit and proper for directorship as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.The remuneration proposed is within the limits prescribed under Section 197 and Schedule V of the Act. He would continue on the Board as a director based on his performance evaluation. The Board considers the continuance of his directorship in the Company will be of immense benefit to the Company in view of his knowledge and experience in Financial Services business. His directorship is in the interest of the Company. The profile and other directorships of Sri Yalamati Srinivasa Chakravarti are as under.

Brief Profile

Sri Yalamati Srinivasa. Chakravarti, B.Com, started his career in Shriram Chits Pvt. Ltd., Andhra Pradesh in June 1991 as an Executive Trainee, and rose to the position of Chief Executive of the organisation by 1998. In recognition of his performance, Chakravarti was promoted as Executive Director of the organisation in March 2004. During his tenure he expanded the Branch network business and customer base manifold. Sri Chakravarti joined Shriram City Union Finance Limited in the year 2008 as Executive Director, initially as Business Head for financing purchase of Two Wheelers in the State of Andhra Pradesh. His nurturing of the State enabled Andhra Pradesh to be the leading contributor to the business of the Company, a position that the State continues to occupy. He was elevated to the position of Chief Operating Officer ("COO") of the Company in 2010. As COO, Chakravarti is responsible for the business of Shriram City Union Finance Limited.

Sri Yalamati Srinivasa Chakravarti holds Directorships in Shriram Chits P Limited, Shriram Chits (Maharashtra) Limited and Shriram Housing Finance Limited. His Chairmanship/Membership of the Committees of other Companies in which he is a Director are : Shriram Housing Finance Limited - Member - 1. Nomination & Remuneration Committee and 2. Corporate Social Responsibility Committee.

Further details required under Regulation 36 (3) of the LODR and Secretarial Standard 2 (General Meeting on appointment and re-appointment of Directors) are provided in Annexure .

Except Sri Yalamati Srinivasa Chakravarti, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. He is not related to any director, inter *se* of the Company and does not hold any share in the Company. The Board of Directors recommend passing of the resolution set out in Item No - 11 of the Notice as an Ordinary Resolution.

Item No. 12

Sri Duruvasan Ramachandra was re-appointed as Managing Director and Chief Executive Director for a term of 3 years w.e.f. June 6, 2017 and his appointment was approved by the members at the Annual General Meeting (AGM) held on June 30, 2017. He resigned as the Managing Director and Chief Executive Officer of the Company to pursue other activities in different companies and he would not be able to devote time for the Company. In view of his knowledge and experience on the business of the Company, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee at the meeting held on June 29, 2019, appointed Sri Duruvasan Ramachandra (DIN - 00223052) as an Additional Director (Non Independent, Non Executive) in accordance with the Articles of Association, Policy on Appointment, Remuneration and Diversity of Board and Section 161 of the Act from July 1, 2019. As per Section 161 of the Act, Sri Duruvasan Ramachandra holds office upto the date of the 33rd AGM. The Company has received requisite notice in writing from a member under Section 160 (1) of the Act signifying the candidature of Sri Duruvasan Ramachandra to be appointed as a Non Independent Director liable to retire by rotation. Sri Duruvasan Ramachandra has consented by way of form DIR-2 (in terms of Rule 8 of the Companies Appointment & Qualification of Directors Rules, 2014) and declared as qualified by way of form DIR-8 for such appointment. Sri Duruvasan Ramachandra, possesses requisite knowledge, experience and skill for the position of Director and fulfils the condition for appointment as specified in the Act and the LODR. Sri Duruvasan Ramachandra meets the criteria of fit and proper for directorship as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The Board on receipt of the said notice from a member and on the recommendation of it's Nomination and Remuneration Committee and subject to approval of members in this AGM, has accorded its consent, to appoint Sri Duruvasan Ramachandra as a Non Independent Director liable to retire by rotation. He would continue on the Board as a director based on his performance evaluation. The Board considers the continuance of his directorship in the Company will be of immense benefit to the Company in view of his knowledge and experience in Financial Service business. His directorship is in the interest of the Company. He attended 4 meetings of the Board out of 4 meetings held during last year. The profile and other directorships of Sri Duruvasan Ramachandra are as under.

Brief Profile

Sri Duruvasan a Commerce Graduate, has been serving the Shriram Group for more than 3 decades. He has started his career with Shriram Chits at Chennai in the collection department and has worked his way up to being CEO and Executive Director of Shriram Chits P Ltd, Hyderabad. He was instrumental in the growth of the Company during his stint at Hyderabad and has expanded the Company from 16 branches to 202 branches.

During his tenure the Company flourished as the largest Chit Fund Company in the country in terms of Auction Turnover, No of Branches, Manpower and Customer base. His contribution has paved way for the Shriram Group to expand its Deposit and NCD portfolio. Sri Duruvasan was the Managing Director and Principal Officer of Shriram Life Insurance Co. Ltd.

He holds directorship in CES Limited and Shriram Life Insurance Company Limited. His Chairmanship/Membership of the Committees of other Companies in which he is a Director are CES Limited Member - 1. Audit Committee 2. Nomination & Remuneration Committee 3. Stakeholders Relationship Committee and 4. Corporate Social Responsibility Committee.

Further details required under Regulation 36 (3) of the LODR and Secretarial Standard 2(General Meeting on appointment and re-appointment of Directors) are provided in Annexure.

Except Sri Duruvasan Ramachandra, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. He is not related to any director, inter *se* of the Company and does not hold any share in Company. The Board of Directors recommend passing of the resolution set out in Item No - 12 of the Notice as an Ordinary Resolution.

Name of the Director	**Sri Y S Chakravarti**	**Sri Duruvasan Ramachandra**
Citizenship	Indian	Indian
Date of Birth/ Age	June 10, 1963/56 yrs	April 12, 1962/57 yrs
DIN	00052308	00223052
Date of first appointment on the Board of Directors	June 29, 2019	June 6, 2012
Qualifications	B Com	B Com
Nature of Expertise in specific functional areas	Financial Service business	Financial Service business
Number of Meetings attended	Not Applicable	4
Shareholding in the Company	Nil	Nil
Remuneration Paid during FY19 (₹ in Cr)	0.60	0.66
Remuneration payable (₹ in Cr)	-	0.78

Number of Meetings attended : Number of Board Meetings of the Company attended during FY19. FY19 :Financial year ending March 31, 2019.During FY19, ,there were four meetings of the Board of Directors of the Company held. Remuneration paid during FY19 to Sri Y S Chakravarti is as Chief Operating Officer.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : June 29, 2019

C R Dash
Company Secretary

Notes forming a part of the Notice:

Please refer to the Notes to the Notice of the Annual General Meeting dated April 24, 2019,which form a part of this Notice. This Notice is an Addendum and in addition to the Notice of AGM dated April 24, 2019.

This addendum Notice is posted on the web site of the Company along with the Notice of AGM dated April 24, 2019 at https://nseprimeir.com/IR_download/PPN_Corp_Announcements/SCUF_AGM_NOTICE_29072019.ZIP

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : June 29, 2019

C R Dash
Company Secretary

SHRIRAM CITY UNION FINANCE LIMITED

CIN : L65191TN1986PLC012840
Regd. office: 123, Angappa Naicken Street, Chennai 600 001, Tamil Nadu.
Ph. No +91 44 2534 1431 Website: www.shriramcity.in; Email: sect@shriramcity.in

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

ATTENDANCE SLIP

33rd Annual General Meeting - July 29, 2019

I certify that I am a member / proxy /authorised representative for the member of the Company. I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company to be held/held on Monday, July 29, 2019 at Narada Gana Sabha ('Mini Hall'), No. 314 (Old No. 254), T. T. K. Road, Alwarpet, Chennai – 600 018 at 10:00 A.M.

Name of the Member/Proxy (In Block Letters)	Signature of the Member/Proxy

Note: Please complete and sign this attendance slip and hand it over at the entrance of the meeting hall. Only Member (s) or their proxies with this attendance slip will be allowed entry to the Meeting. Duplicate slips will not be issued at the entrance.

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID	SEQUENCE NO.

SHRIRAM CITY UNION FINANCE LIMITED

CIN : L65191TN1986PLC012840
Regd. office: 123, Angappa Naicken Street, Chennai 600 001, Tamil Nadu.
Ph. No +91 44 2534 1431 Website: www.shriramcity.in; Email: sect@shriramcity.in

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Form No. MGT – 11 (Proxy Form)

[Pursuant to section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): Registered address :

E-mail Id : Folio No./DP ID : Client ID No.:

I/We, being the member (s) holding .... shares of Shriram City Union Finance Limited, hereby appoint

1. Name:.. 2. Name:.. 3. Name:...
Address:.. Address:.. Address:...
E-mail Id:.. E-mail Id:.. E-mail Id:..
Signature:...................or failing him/her Signature:.................or failing him/her Signature:...

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held on the July 29, 2019 at 10 a.m. at Narada Gana Sabha (Mini Hall), No.314,T T K Road, Alwarpet, Chennai 600 018 and at any adjournment thereof in respect of such resolutions as are indicated below :

Signed this .... day of 2019

Affix Revenue Stamp

Signature of shareholder ....Signature of Proxy holder (s) ....

Notes: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please refer to the Notice of the 33rd Annual General Meeting for the resolutions, explanatory statement and notes.

Resolution No.	Resolutions
	Ordinary Business / Ordinary Resolution
1.	Adoption of standalone financial statements of the Company for the year ended March 31, 2019
2.	Adoption of consolidated financial statements of the Company for the year ended March 31, 2019
3 (i).	Declaration of final dividend
3 (ii).	Confirmation of interim dividend declared
4.	Remuneration of Auditors
	Special Business / Ordinary Resolution
5.	Director retires by rotation
6.	Appointment of Sri C R Muralidharan (DIN – 02443277) as an Independent Director
7.	Appointment of Sri Diwakar Bhagwati Gandhi (DIN – 00298276) as an Independent Director
	Special Business /Special Resolution
8.	Appointment of Sri Pranab Prakash Pattanayak (DIN - 00506007) as an Independent Director
9.	Appointment of Sri Venkataraman Murali (DIN – 00730218) as an Independent Director
10.	Borrowing Powers of the Board
	Special Business / Ordinary Resolution
11.	Appointment of Sri Yalamati Srinivasa Chakravarti (DIN - 00052308) as a Director, Managing Director and Chief Executive Officer
12.	Appointment of Sri Duruvasan Ramachandra (DIN - 00223052) as a Non Independent Director

Note : A Member may vote either for or against each resolution.