DRAFT SHELF PROSPECTUS
Dated February 19, 2019

SHRIRAM CITY UNION FINANCE LIMITED

Our Company was incorporated as Shriram Hire-Purchase Finance Private Limited on March 27, 1986 as a private limited company under the Companies Act, 1956, as amended (the "**Companies Act, 1956**") and was granted a certificate of incorporation by the Registrar of Companies, Chennai, Tamil Nadu ("**RoC**"). With effect from October 29, 1988, the status of our Company was changed to a public limited company, pursuant to which the name of our Company was changed to Shriram Hire-Purchase Finance Limited. The name of our Company was subsequently changed to Shriram City Union Finance Limited and a fresh certificate of incorporation dated April 10, 1990 was issued by the RoC. For further details, please see the section titled "*History and Certain Corporate Matters*" on page 100.

Corporate Identification Number: L65191TN1986PLC012840
Registered Office: 123, Angappa Naicken Street, Chennai- 600 001, Tamil Nadu, India.
Corporate Office: 144, Santhome High Road, Mylapore, Chennai - 600 004, Tamil Nadu, India.
Telephone: + 91 44 4392 5300; **Facsimile**: +91 44 4392 5430
Compliance Officer: Mr. C. R. Dash;
Telephone: + 91 44 4392 5300; **Facsimile**: +91 44 4392 5430 **E-mail**: scufncd2018@shriramcity.com;
Website: www.shriramcity.in

PUBLIC ISSUE BY SHRIRAM CITY UNION FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1000 EACH, ("NCDs"), AGGREGATING UPTO ₹ 30,000 MILLION ("SHELF LIMIT") ("ISSUE"). THE NCDS WILL BE ISSUED IN ONE OR MORE TRANCHES (EACH BEING A "TRANCHE ISSUE") SUBJECT TO THE SHELF LIMIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR EACH SUCH TRANCHE ISSUE WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT"/"PROSPECTUS"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATION, 2008, AS AMENDED FROM TIME TO TIME (THE "SEBI DEBT REGULATIONs") AND COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED.

OUR PROMOTER

Our Promoter is Shriram Capital Limited. For details of our Promoter, please see "*Our Promoter*" on page 112.

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 11. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated 'CARE AA+ Stable' (Double A Plus; Outlook: Stable) by CARE and 'CRISIL AA/Stable' (pronounced as CRISIL double A rating with Stable outlook) by CRISIL for an amount of upto ₹ 30,000 million vide their letters dated December 11, 2018 (and revalidated on February 14, 2019) and December 6, 2018 (and revalidated on February 19, 2019) respectively. The rating of the NCDs by CARE and CRISIL are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by CARE and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold the NCDs and investors should take their own decisions. For the rationale of these ratings, please refer to Annexure A of this Draft Shelf Prospectus.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated February 19, 2019 has been filed with BSE Limited ("**BSE**"), the Designated Stock Exchange pursuant to the provisions of the SEBI Debt Regulations on February 19, 2019 and is open for public comments for a period of seven Working Days from the date of filing of this Draft Shelf Prospectus with the Designated Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail. shall be accepted, however please note that all comments by post must be received by the Issuer by 5:00 p.m. on the seventh Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Designated Stock Exchange.

LISTING

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on the BSE. Our Company has obtained 'in-principle' approval for the Issue from the [●] vide its letter dated [●]. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see "*Terms of the Issue*" beginning on page 147. For details relating to eligible investors see, "*Issue Related Information*" beginning on page 144.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE
A. K. Capital Services Limited 30-38, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 Telephone: +91 22 6756500/6634 9300 Facsimile: +91 22 6610 0594 Email: scufncd2018@akgroup.co.in Investor Grievance E-mail: investor.grievance@akgroup.co. in Website: www.akgroup.co.in Contact person: Ms. Shilpa Pandey/ Mr. Malay Shah SEBI Registration No.: INM000010411	**Edelweiss Financial Services Limited** Edelweiss House Off. C.S.T Road, Kalina Mumbai 400 098, Maharashtra, India Telephone: +91 22 4086 3535 Facsimile: +91 22 4086 3610 Email: scuf.ncd@edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Mr. Mandeep Singh/ Mr. Lokesh Singhi SEBI Registration No.: INM0000010650	**Integrated Registry Management Services Private Limited** 2nd Floor, "Kences Towers", No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017 Telephone: +91 44 2814 0801 to 803 Facsimile: +91 44 28142479 Email: scuf@integratedindia.in Investor Grievance E-mail: csdstd@integratedindia.in Website: www.integratedindia.in Contact person: Mr. K Balasubramanian SEBI Registration No.: INR000000544	**Catalyst Trusteeship Limited**** GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411038 Telephone: +91 22 4922 0543 Facsimile: + 91 22 4922 0505 Email: ComplianceCTL-Mumbai@ctltrustee.com Investor Grievance Email: grievance@ctltrustee.com Website: www.catalysttustree.com Contact Person: Mr. Umesh Salvi SEBI Registration No.: IND000000034

ISSUE PROGRAMME*

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus	**ISSUE CLOSES ON:** As specified in the relevant Tranche Prospectus

** The Issue shall remain open for subscription on Working Days from 10:00 a.m. till 5:00 PM (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof. In the event of such early closure or extension of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Issue Closing Date, through an advertisement in at least one national daily newspaper with vide circulation. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details please refer to the chapter titled "Issue Related Information" on page 144.*

***Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) has by its letter dated November 29, 2018 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the SEBI Debt Regulations and for its name to be included in this Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.*

A copy of the Shelf Prospectus along with the relevant Tranche Prospectus shall be filed with the Registrar of Companies, Chennai, Tamil Nadu, in terms the Companies Act, 2013, along with the requisite endorsed/certified copies of all requisite documents. For more information, see the section titled "Material Contracts and Documents for Inspection" on page 183.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "our Company" or "we" or "us" or "our" or "SCUF" are to Shriram City Union Finance Limited, a public limited company incorporated under the Companies Act, 1956.

Unless the context otherwise indicates or implies or defined specifically in this Draft Shelf Prospectus, the following terms have the following meanings in this Draft Shelf Prospectus, and references to any statute or rules or regulations or guidelines or policies includes any amendments or re-enactments thereto, from time to time.

Company Related Terms

Term	Description
"Issuer", "SCUF", "our Company" or "the Company"	Shriram City Union Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office situated at 123, Angappa Naicken Street, Chennai- 600 001, Tamil Nadu, India, and corporate office situated at 144, Santhome High Road, Mylapore, Chennai 600 004, Tamil Nadu, India.
Articles/ Articles of Association/AoA	Articles of association of our Company, as amended.
Board/ Board of Directors	Board of directors of our Company.
Director(s)	Director(s) on our Board.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Memorandum/Memorandum of Association/MoA	Memorandum of association of our Company, as amended.
Promoter	Shriram Capital Limited.
"Registered Office" or "Corporate Office"	The registered office situated at 123, Angappa Naicken Street, Chennai- 600 001, Tamil Nadu, India, and corporate office situated at 144, Santhome High Road, Mylapore, Chennai 600 004, Tamil Nadu, India.
RoC	Registrar of Companies, Chennai, Tamil Nadu.
"SCL" or "Shriram Capital"	Shriram Capital Limited.
"SHFL" or "Shriram Housing" or "Subsidiary"	The subsidiary of our Company, namely, Shriram Housing Finance Limited.
Statutory Auditors/Auditors	The statutory auditors of our Company, namely G.D. Apte & Co.

Issue Related Terms

Term	Description
A.K. Capital	A.K. Capital Services Limited
Allotment/ Allot/ Allotted	The allotment of the NCDs to the Allottees, pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee	A successful Applicant to whom the NCDs are allotted pursuant to the Issue.
Applicant/Investor/ASBA Applicant	A person who applies for the issuance and Allotment of NCDs through ASBA process pursuant to the terms of the Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue.
Application/ ASBA application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and the relevant tranche prospectus. .
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form.
Application Form	The form used by an Applicant for applying for the NCDs under the Issue through the ASBA process, in terms of the Shelf Prospectus and the relevant Tranche Prospectus.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant.
ASBA Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Banker(s) to the Issue	Collectively, the Public Issue Account Bank and the Refund Bank.
Base Issue Size	As may be specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As may be specified in the relevant Tranche Prospectus for each Tranche Issue.
Bidding Centres / Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms,

Term	Description
	being the Designated Branches for SCSBs, Specified Locations for the Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Application Forms to a Trading Member. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges
BSE	BSE Limited.
CARE	Credit Analysis and Research Limited.
Category I - Institutional Investors	• Public financial institutions scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs • Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs • Alternative Investment Funds, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 • Resident Venture Capital Funds registered with SEBI • Insurance companies registered with the IRDAI • State industrial development corporations • Insurance funds set up and managed by the army, navy, or air force of the Union of India • Insurance funds set up and managed by the Department of Posts, the Union of India • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India • Mutual funds registered with SEBI
Category II- Non-Institutional Investors	• Companies within the meaning of Section 2(20) of the Companies Act, 2013 • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs • Co-operative banks and regional rural banks • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs • Partnership firms in the name of the partners • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009) • Association of Persons • Any other incorporated and/ or unincorporated body of persons
Category III - High Net-Worth Individuals	Resident Indian individuals and Hindu Undivided Families applying through the Karta, for NCDs aggregating up to a value of more than ₹ 1,000,000, across all series of NCDs.
Category IV- Retail Individual Investors	Resident Indian individuals and Hindu Undivided Families applying through the Karta, for NCDs for an amount aggregating up to and including ₹ 1,000,000, across all series of NCDs.
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt ASBA Circular
Consortium/ Members of the Consortium (each individually, a Member of the Consortium)/ Members of the Syndicate	The Lead Managers and the Lead Brokers or Consortium Members.
Consortium Agreement/Lead Broker Agreement	Consortium Agreement or Lead Broker Agreement to be signed among our Company and the Consortium prior to each Tranche Issue.
Consortium Members/Lead Brokers	As specified in the relevant Tranche Prospectus.
Credit Rating Agencies	CARE and CRISIL
CRISIL	CRISIL Limited
"Debenture Holders" or "NCD	Any person holding the NCDs and whose name appears on the beneficial owners

Term	Description
Holder(s)”	list provided by the Depositories (in case of NCDs in dematerialized form) or whose name appears in the Register of Debenture Holders maintained by the Issuer (in case of NCDs in physical form pursuant to rematerialization).
“Debentures” or “NCDs”	Secured, redeemable, non-convertible debentures of our Company of face value of ₹ 1,000 each proposed to be issued by our Company in terms of the Shelf Prospectus.
Debenture Trustee Agreement	Agreement dated February 16, 2019 entered into between our Company and the Debenture Trustee
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and the Company, in accordance with applicable laws.
Debenture Trustee/ Trustee	Trustee for the Debenture Holders, in this case being Catalyst Trusteeship Limited.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company.
Deemed Date of Allotment	The date on which the Banking and Securities Management Committee the approves the Allotment of the NCDs for each Tranche Issue, or such other date as may be determined by the Banking and Securities Management Committee and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment
Demographic Details	The details of an Applicant, such as his address, bank account details, Permanent Account Number, Category for printing on refund orders and occupation.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account Agreement.
Designated Stock Exchange	BSE.
Draft Shelf Prospectus	This draft shelf prospectus dated February 19, 2019 filed with the Designated Stock Exchange for receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations
Edelweiss	Edelweiss Financial Services Limited.
Equity Shares	Equity shares of our Company of face value of ₹10 each.
Equity Listing Agreement	The listing agreements entered into between our Company and the relevant stock exchanges in connection with the listing of the Equity Shares of our Company.
Issue	Public issue of secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 30,000 million in one or more tranches.
Issue Closing Date	Issue closing date as specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Opening Date	Issue opening date as specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Lead Managers/LMs	A. K. Capital Services Limited and Edelweiss Financial Services Limited
Limited Liability Partnerships	Limited liability partnerships registered under the Limited Liability Partnership Act, 2008.
Limited Review Financials / Limited Review Financial Results	The unaudited standalone financial results of the Company for the nine months ended December 31, 2018 and the six months ended September 30, 2018 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and presented in accordance with the requirements of the SEBI LODR Regulations.
Market Lot	1 (One) NCD
Maturity Amount/ Redemption Amount	In respect of NCDs Allotted to a Debenture Holder, the face value of the NCDs along with interest that may have accrued as on the Redemption Date.
Maturity Date/ Redemption Date	The respective dates on which each Series of NCDs shall be redeemed and Redemption Amount shall be paid by our Company, at the end of the respective tenure of such Series of NCDs.
MIOIS	Mumbai Inter-Bank Overnight Indexed Swap

Term	Description
NCDs	Secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each to be issued under the Issue.
NRIs	Persons resident outside India, who are citizens of India or persons of Indian origin and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2008.
NSE	National Stock Exchange of India Limited.
Public Issue Account	A bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Issue Account Bank to receive money from the ASBA Accounts on the Designated Date.
Public Issue Account Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Lead Managers for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	As specified in the relevant Tranche Prospectus.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the relevant Tranche Prospectus for each Tranche Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Reformatted Audited Financial Statements	The Reformatted Consolidated Financial Information and Reformatted Standalone Financial Information.
Reformatted Consolidated Financial Information	The statement of reformatted consolidated summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the reformatted consolidated summary statement of profit and loss and the reformatted consolidated summary statement of cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the summary of significant accounting policies as examined by our Company's Statutory Auditors, M/s G.D Apte & Co., Chartered Accountants. Our audited consolidated financial statements as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 form the basis for such Reformatted Consolidated Financial Information.
Reformatted Standalone Financial Information	The statement of reformatted standalone summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the reformatted standalone summary statement of profit and loss and the reformatted standalone summary statement of cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the summary of significant accounting policies as examined by our Company's Statutory Auditors, M/s G.D Apte & Co, Chartered Accountants. Our audited standalone financial statements as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 form the basis for such Reformatted Standalone Financial Information.
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount shall be made and as specified in the relevant Tranche Prospectus.
Refund Bank	As specified in the relevant Tranche Prospectus.
Register of NCD Holders	The register of NCD holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar.
"Registrar to the Issue" or "Registrar"	Integrated Registry Management Services Private Limited
Registrar Agreement	Agreement dated February 18, 2019 entered into between our Company and the Registrar to the Issue.
Security	The principal amount of the NCDs to be issued in terms of this prospectus together with all interest due on the NCDs by way of a first and exclusive charge on specified future receivables of our Company in favor of the Debenture Trustee and first and exclusive charge on identified immovable property of our company, as decided mutually by or company and the debenture trustee. Our Company will create appropriate security in favor of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs, more particularly as detailed in the section titled "*Issue Structure*" on page 144.

Term	Description
Series NCD Holder(s)	A holder of the NCDs of a particular Series issued under the Issue.
"Self Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Stock Exchange	BSE Limited.
Syndicate ASBA	An Application submitted by an ASBA Applicant through the Members of the Syndicate and Trading Members instead of the Designated Branches of the SCSBs.
Syndicate ASBA Application Locations	Bidding centres where the Members of the Syndicate and Trading Members shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate or Trading Members, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Trading Members	Intermediaries registered as brokers or sub-brokers under the Securities and Exchange Board of India (Brokers and Sub Brokers) Regulations, 1992 and with the BSE and NSE under the applicable byelaws, rules, regulations, guidelines, circulars issued by the BSE and NSE from time to time, and duly registered with BSE and NSE for collection and electronic upload of Application Forms on the electronic application platform provided by the BSE and NSE.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus(es)	The relevant Tranche Prospectus containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts, documents for inspection and other terms and conditions for each Tranche Issue.
"Transaction Registration Slip" or "TRS"	The slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs.
Tripartite Agreements	Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories agree to act as depositories for the securities issued by the Issuer.
Working Days	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
BFS	Board for Financial Supervision.
BPS	Basis points
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CIC	Core Investment Company
Companies Act, 1956	Companies Act, 1956.
Companies Act, 2013	Companies Act, 2013, as amended.
SCD Rules	Companies (Share Capital and Debentures) Rules, 2014
CRAR	Capital to Risk Assets Ratio.
CRISIL	CRISIL Limited
CSR	Corporate Social Responsibility.
CrPC	The Code of Criminal Procedure, 1973.
DIN	Director Identification Number.

Term/Abbreviation	Description/ Full Form
Depository(ies)	CDSL and NSDL.
Depositories Act	Depositories Act, 1996.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996.
DRR	Debenture Redemption Reserve.
DRT	Debt Recovery Tribunal.
DTC	Direct Tax Code.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999.
FIMMDA	Fixed Income Money Market and Derivative Association of India.
FIR	First Information Report.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
HUF	Hindu Undivided Family.
HFC	Housing finance company.
IAS	Indian Administrative Service.
IA&AS	Indian Audits and Accounts Service.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961.
Indian GAAP	Accounting Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act.
Ind AS	Indian accounting standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act.
IPC	The Indian Penal Code, 1860
ISIN	International Securities Identification Number.
IT	Information technology.
JV	Joint Venture.
LIBOR	London Inter-Bank Offer Rate.
LCV	Light commercial vehicles
LTV	Loan to value
MoF	Ministry of Finance, GoI.
MCA	Ministry of Corporate Affairs, GoI.
MHCV	Medium and heavy commercial vehicle
NBFC	Non-Banking Finance Company, as defined under applicable RBI guidelines.
NECS	National Electronic Clearing System.
NEFT	National Electronic Fund Transfer.
NGO	Non-governmental organisations
NSDL	National Securities Depository Limited.
NR or "Non-resident"	A person resident outside India, as defined under FEMA.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PFI	Public Financial Institution, as defined under Section 4A of the Companies Act, 1956.
PPP	Public Private Partnership.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934
"₹" or "Rupees" or "Indian Rupees" or "Rs."	The lawful currency of India.
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

Term/Abbreviation	Description/ Full Form
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Business / Industry Related Terms

Term/Abbreviation	Description/ Full Form
ALCO	Asset Liability Management Committee.
ALM	Asset Liability Management.
AUM	Assets under Management
CRAR	Capital to Risk Adjusted Ratio.
ECL	Expected Credit Loss as defined under Indian accounting standards
ECL (%)	Percentage of provision for expected credit loss to Assets under management
Gold Loans	Personal and business loans secured by gold jewellery and ornaments.
Gross NPA	Gross NPA represents the non-performing portfolio loans outstanding (gross) as of the last day of the relevant period.
Gross NPA (%)	Percentage of the non-performing portfolio loans outstanding (gross) to Gross Credit exposure (Total assets under management)
IBPC	Inter Bank Participation Certificate.
KYC	Know Your Customer.
NBFC	Non-Banking Financial Company.
NBFC-D	Non-Banking Financial Company- Deposit Taking.
Net NPA	Net NPA represents the non-performing portfolio loans outstanding (net) as of the last day of the relevant period i.e. non-performing portfolio loans outstanding (gross) as reduced by the provision for non-performing assets.
Net NPA (%)	Percentage of the non-performing portfolio loans outstanding (net after adjusting provision against NPA) to Net credit exposure (Total Assets under management less provision against NPA)
NPA	Non-Performing Asset.
NSSO	National Sample Survey Organisation.
PPP	Purchasing Power Parity.
RRB	Regional Rural Bank.
SCB	Scheduled Commercial Banks.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "*Capital Structure*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Statement of Tax Benefits*", "*Our Management*", "*Financial Indebtedness*", "*Outstanding Litigation and Material Developments*" and "*Issue Procedure*" on pages 42, 94, 100, 58, 104, 132. 114 and 156, respectively will have the meanings ascribed to them in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATON

Certain Conventions

All references in this Draft Shelf Prospectus to “India” are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in this Draft Shelf Prospectus is derived from our Reformatted Audited Financial Statements. In this Draft Shelf Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular “financial year”, “fiscal year” and “fiscal” or “FY”, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Our Company’s financial statements for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act, as applicable and other applicable statutory and / or regulatory requirements, and the Limited Review Financial Information included in this Draft Shelf Prospectus has been prepared in accordance with Ind AS, guidance notes specified by the Institute of Chartered Accountants of India, Companies Act, as applicable and other applicable statutory and / or regulatory requirements. In addition to the Limited Review Financial Information, all additional financial information included in this Draft Shelf Prospectus as at and for the period ended December 31, 2018 and September 30, 2018 has been prepared in accordance with Ind AS.

The Reformatted Standalone Financial Information and the Reformatted Consolidated Financial Information are included in this Draft Shelf Prospectus and, as issued by our Statutory Auditors, are included in this Draft Shelf Prospectus in “*Financial Information*” on page 113.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to “₹”, “Indian Rupees”, “INR”, “Rs.” and “Rupees” are to the legal currency of India and references to “US$”, “USD”, and “U.S. dollars” are to the legal currency of the United States of America. For the purposes of this Draft Shelf Prospectus data will be given in ₹ million. In the Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us or its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Draft Shelf Prospectus is meaningful depends on the reader ‘s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (₹) of the USD as at March 31 for the last 5 years and as at the nine months ended December

31, 2018 are provided below:

Currency	December 31, 2018	March 31, 2018*	March 31, 2017**	March 31, 2016	March 31, 2015	March 31, 2004
USD	69.79	72.55	65.04	64.84	66.33	60.10

Source: www.rbi.org.in
** In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.*

Industry Source Disclaimer

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FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statement of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- volatility in interest rates for both our lending and treasury operations;
- any disruption in funding sources;
- our inability to manage the level of NPAs in our loan assets;
- high levels of customer defaults;
- extant regulatory and legal requirements, as well as future regulatory changes;
- failure to comply with RBI or NHB observations;
- inability to accurately appraise or recover the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans;
- any downturn in the economy or change in consumer preference in South India, where a large number of our Company's branches are located;
- any downgrade in our credit ratings;
- any restrictions on our ability to obtain bank financing for specific activities; and

  other factors discussed in this Draft Shelf Prospectus, including in the section titled "*Risk Factors*" on page 11.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "*Our Business*" on page 76. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II – RISK FACTORS

RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to other information contained in this Draft Shelf Prospectus including "Our Business" and "Financial Information" on pages 76 and 113 of this Draft Shelf Prospectus, respectively, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition, cash flows and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. Further, the risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of, the NCDs.

Unless otherwise stated in the relevant risk factors set forth, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. This Draft Shelf Prospectus contains forward looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Draft Shelf Prospectus.

Unless otherwise indicated, the financial information included herein is based on the (i) Reformatted Audited Financial Statements, (ii) the Limited Review Financial Results for the three-month and six-month period ended September 30, 2018 and (iii) the Limited Review Financial Results for the three-month and nine-month period ended December 31, 2018, as included in this Draft Shelf Prospectus. In this section, reference to "we", "us" or "our" refers to our Company together with its Subsidiary, on a consolidated basis, unless otherwise indicated.

RISKS IN RELATION TO OUR BUSINESS

1. ***We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability.***

Our results of operations are dependent upon the level of our net interest margins. Net interest income is the difference between our interest income and interest expense. Our net interest income as a percentage of total income for the Fiscals 2018, 2017 and 2016 was 66.11%, 64.31% and 63.04%, respectively. For the six-month period ended September 30, 2018, our Company's net interest income comprised 65.94% of its total income, on a standalone basis. For details of our Company's interest income, interest expense and total expense for the nine-month period ended December 31, 2018, on a standalone basis, please see "*Financial Statements*" on page 113.

Our income from financing activities may be affected by volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities.

An increase in interest rates could adversely affect our net interest income if we are not able to increase the rates charged on our loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest earning assets. Our policy is to attempt to balance the proportion of our interest-earning assets, which bear fixed interest rates, with interest-bearing liabilities. A portion of our liabilities, such as our NCDs, subordinated debt, short-term loans and commercial paper carry fixed rates of interest and the remaining are linked to the benchmark prime lending rate/base rates of lenders. If there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than our competitors that borrow only at fixed interest rates. Our loans are generally provided on a long-term, fixed interest rate basis without enabling provisions that allow us to increase interest rates if market interest rates increase. Any increase in interest rates on our borrowings over the duration of such loans may result in reduced net interest income and net interest margins.

Further, in a declining interest rate environment, if our cost of funds does not decline correspodingly to the yield on our interest earning assets, it could lead to a reduction in our net interest income (representing our revenue from operations as reduced by our finance costs) and net interest margin. The quantum of the changes in interest rates for our assets and liabilities may also be different, leading to a decrease in the interest margin.

Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities. In addition, the value of any interest rate hedging instruments we may enter into in the future would be affected by changes in interest rates, which could adversely affect our ability to hedge against interest rate volatility. We cannot assure you that we will continue to enter into such interest rate hedging instruments or that we will be able to adequately hedge against interest rate volatility in the future.

We cannot assure you that we will be able to adequately manage our interest rate risk in the future or be able to effectively balance the proportion of our fixed rate loan assets and liabilities. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our net income from financing activities to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

2. ***Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity, cash flows and financial condition.***

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements have been historically met from a combination of term loans from banks and financial institutions, non-convertible debentures, public deposits, subordinated debt and commercial paper.

Our continued growth will depend on, among other things, our ability to secure financing at competitive rates, manage our expansion process, make timely capital investments, control input costs and maintain sufficient operational controls. Our ability to borrow funds and refinance existing debt on acceptable terms and at competitive rates may also be affected by a variety of factors, including liquidity in the credit markets, the strength of the lenders from which our Company borrows, the amount of eligible collateral and accounting changes that may impact calculations of covenants in our Company's financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our Company's cost of funds and make it difficult for our Company to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our Company's liquidity and financial condition.

For instance, our Company's current maturities of long-term borrowings and short-term borrowings, as at September 30, 2018, aggregated to ₹ 12,079.27 crores. In order to make these payments, our Company will either need to refinance this debt, which may prove to be difficult in the event of a volatility in the credit markets, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

3. ***If we are unable to manage the level of NPAs in our loan assets, our financial position and results of operations may suffer.***

As of March 31, 2018, our Gross NPA (%) and Net NPA (%) were 8.76% and 3.64%, respectively. Our Company's ECL (%) amounted to 7.54%, as on September 30, 2018, on a standalone basis.

As our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments. The expansion of our business may also cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate. If our NPAs increase, we will be required to increase our provisions, which would result in our net profit being less than it otherwise would be and could materially and adversely affect our financial condition and results of operations.

A number of factors outside of our control affect our ability to limit and reduce NPAs. These factors include developments in the Indian and global economy, domestic or global turmoil, competition, changes in customer behaviour and demographic patterns, various central and state government decisions, changes in interest rates and exchange rates and changes in regulations, including with respect to regulations requiring us to lend to certain sectors identified by the RBI, or the Government of India. These factors, coupled with other factors such as decline in business and consumer confidence, could impact our customers and in turn impact their ability to fulfil their obligations under the loans we extended to them. Therefore, we cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs or otherwise adequately control our level of NPAs in the future.

We adhere to provisioning requirements related to our loan assets pursuant to applicable RBI and NHB regulations, as are relevant to us and our Subsidiary. For details relating to our NPAs, provisions for NPAs and RBI and NHB provisioning norms, see "*Our Business – Asset Quality*" on page 85. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

4. ***High levels of customer defaults could adversely affect our business, financial condition and results of operations.***

We are subject to customer default risks including default or delay in repayment of principal or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

In addition, our customer portfolio principally consists of individuals from the lower and middle income groups and small enterprise borrowers. These borrowers typically lack the financial resilience of larger corporate borrowers, and may be more adversely affected by declining economic conditions. Our customer base also comprises under-banked borrowers, with limited access to credit and limited credit history. We may not receive updated information regarding any change in the financial condition of our customers, or we may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. It is therefore difficult to carry out precise credit risk analyses on our clients, and as a result our credit risk exposure is higher compared to lenders operating in more developed economies. While we follow certain procedures to evaluate the credit profile of our customers at the time of sanctioning a loan, we generally rely on past repayment track of customers, financial position, business turnover, credit scores assigned by various credit bureaus, collateral offered and reference checks. We cannot be certain that our risk management controls will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor loan contracts, particularly for individual borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on our results of operations and financial condition. Moreover, difficulties in assessing the risk profile of our customers may result in higher rates of defaults and the level of NPAs in our portfolio, thereby affecting our business, financial condition and operations.

5. ***Our business is subject to various regulatory and legal requirements governing the banking and financial services industry in India. Also, future regulatory changes may have a material adverse effect on our business, results of operations and financial condition.***

As an NBFC, our Company is subject to regulation by various Government authorities, including the RBI. We are subject to the RBI's guidelines on financial regulations of NBFCs including capital adequacy and exposure norms. The RBI also regulates credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Further, our Subsidiary, being an HFC, also operates in an extensively regulated environment and is subject to any changes in laws and regulations applicable to HFCs, including the provisioning norms for NPAs and capital adequacy requirements.

For instance, all deposit taking NBFCs are required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital which shall not be less than 15 % of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Similarly, the HFC Directions require all HFCs to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital of not lower than 12% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, which may adversely affect our business.

We are also required to make various filings with the RBI, the NHB, the Registrar of Companies and other relevant authorities pursuant to the provisions of the regulations/ master directions prescribed by the RBI and the NHB, the Companies Act and other regulations, which require continued monitoring and compliance. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and legal proceedings. For instance, in May 2016, the RBI levied a fine of ₹ 1.42 million on our Company for falling short of prescribed statutory liquidity ratio ("**SLR**") requirements. While our Company attached a cheque for the fine amount levied by way of its response dated June 3, 2016, it also appealed for a waiver of penalty on the grounds that the lapse was unintentional and that its total expenditure on SLR was more than the required level. Additionally, our Company also acknowledged that there was a shortfall in investment of government securities. No further communication has been received from the RBI in this regard.

Further, the legal, regulatory and policy environment in which we operate is evolving and subject to change. The laws, regulations and policies applicable to us may be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with applicable laws and regulations. Such changes may also adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law, regulations and policies.

For further information pertaining to the regulatory regime governing us, see "*Regulations and Policies*" on page 94.

6. ***We and our Subsidiary are subject to periodic inspections from RBI and NHB, respectively. Non-compliance with RBI or NHB observations may have a material adverse effect on our and our Subsidiary's business, financial condition or results of operation.***

As an NBFC, we are subject to periodic inspection by the RBI under Section 45N of the Reserve Bank of India Act, 1934 (the "**RBI Act**"), pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. Further, our Subsidiary, Shriram Housing is subjected to periodic inspections of books of accounts and other records by NHB for verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information which Shriram Housing may have failed to furnish on being called upon to do so. Any irregularities found during such investigations by such regulatory authorities could similarly, expose us to warnings, penalties and restrictions. During the course of finalization of inspection, regulatory authorities may also share their findings and recommendations with us and give us an opportunity to provide justification and clarifications.

For instance, pursuant to the inspection of our book of accounts for Fiscal 2017, the RBI highlighted, among others, certain instances of deviation from delegated sanctioning authority for loans exceeding ₹300 lakhs, irregularities in the upgradation of certain NPAs to 'standard assets' by our Company, delays in meeting certain regulatory reporting requirements, as well as errors in the calculation of the net owned funds and risk weighed assets, as reported by the Company. Additionally, as part of the inspection report for Fiscal 2017, the RBI also issued observations on non-compliance by the Company with applicable KYC norms and the Fair Practices Code, and certain deficiencies in the appraisal process followed by us across segments, including MSME financing, gold loans and auto loans. Our Company subsequently filed a letter dated September 5, 2018 with the RBI, replying to the observations made in the inspection report, and is in the process of responding to follow-up observations issued by the RBI.

We have responded to observations made by such authorities and addressed them, however we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future. In the event we are unable to resolve such deficiencies to the satisfaction of the relevant authority, we may be restricted in our ability to conduct our business as we currently do. Further, in the event we are unable to comply with the observations made by the authorities, we could be subject to penalties and restrictions which may have an adverse effect on our business, results of operations, financial condition and reputation.

7. ***We may not be able to accurately appraise or recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans, which could adversely affect our business and results of operations.***

Our secured AUM are typically secured by a mix of both movable and immovable assets or other forms of collateral, depending on the nature of the product. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions.

For instance, in the auto loans and two-wheeler financing segments, the vehicles purchased by our customers are hypothecated in our favor as security for the loans provided by us. The value of the equipment or vehicles, however, is subject to depreciation or a reduction in value on account of a number of external factors (such as wear and tear), over the course of time. Consequently, the realizable value of the collateral for the loan provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Further, in the case of a default, we typically repossess the asset financed and sell such vehicles through auctions. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers.

For personal loans and loans to small enterprises, we typically require immovable or movable property to be provided as collateral for the value of the loan amount. In cases where the borrower is unable to provide immovable or movable property as collateral, the borrower is typically required to furnish a guarantee. Any deterioration in the value of collateral or our failure to enforce such guarantees or to enforce our interests in such collateral in a timely manner, or at all, could adversely affect our operations and profitability.

For gold loans provided by us, gold jewellery and/or ornaments are provided as collateral. An economic downturn or sharp downward movement in the price of gold could result in a fall in collateral values. In the event of any decrease in the price of gold, customers may not repay their loans and the collateral gold jewellery securing the loans may have decreased significantly in value. If the price of gold decreases significantly, our financial condition and results of operations from this business product may be adversely affected. The impact on our financial position and results of operations of a decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not pre-determinable. Additionally, we may not be able to realize the full value of the collateral, due to, among other things, inaccurate or fraudulent appraisal of gold by our workforce resulting in overvaluation, defects in the quality of gold or wastage on melting gold jewellery into gold bars.

Our housing loans are secured primarily by equitable or registered mortgages over property. Accordingly, a substantial portion of our loan portfolio is exposed to fluctuations in real estate prices and any negative events affecting the real estate sector. The value of real estate properties secured under our loans is largely dependent on prevalent real estate market conditions, as well the quality of the construction and the quality of the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. Any developments or events that adversely affect the real estate sector, including without limitation, changes in government policies, introduction of any stringent norms regarding construction, floor space index or other compliances, may also result in diminishing the value of our collaterals. If any of the projects which form part of our collateral are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security. Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document renders the document inadmissible in evidence. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties.

We may also be adversely affected by the failure of our employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our customers. In the event we are unable to check the risks arising from improper appraisal of creditworthiness, our business and results of operations may be adversely affected.

Any default in repayment of the outstanding credit obligations by our customers, or failure or delay to recover the expected value from sale of collateral security may expose us to potential losses, which could adversely affect our financial condition and results of operations. Furthermore, enforcing our legal rights by litigating against defaulting customers is typically a slow and expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

8. ***A large number of our Company's business outlets are located in south India, and any downturn in the economy or any change in consumer preferences in that region could adversely affect our results of operations and financial condition.***

As on December 31, 2018, out of 969 of our Company's business outlets, 663 business outlets are located in the southern states of Tamil Nadu, Kerala, Andhra Pradesh, Telangana and Karnataka. Further, 64.23% and 67.49% of our Company's AUM (on a standalone basis) as on September 30, 2018 and March 31, 2018, respectively, originated in the five south Indian states.

In the event of a regional slowdown in the economic activity in these states, change in customer preferences or any other developments including political unrest, disruption or sustained economic downturn that make our products in these states less beneficial, we may experience an adverse impact on our financial condition and results of operations, which are largely dependent on the performance and other prevailing conditions affecting the economies of these states. The market for our products in these states may perform differently from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. There can be no assurance that the demand for our products will grow or will not decrease in the future in these states.

9. ***Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our reputation, interest margins, business, results of operations and financial condition.***

The cost and availability of capital to us depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. For example, our credit ratings may depend on the asset quality, financial performance and business prospects of the Shriram group of companies ("**Shriram Group**"). For further details of our credit ratings, see "*Our Business – Credit Ratings*" on page 89.

Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. The rating agencies reserve the right to suspend, withdraw or revise ratings at any time based on new information or other circumstances. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our reputation and access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

10. ***The restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non-Banking Financial Companies dated July 1, 2015, as amended, may restrict our ability to obtain bank financing for specific activities.***

Pursuant to the Master Circular dated July 1, 2015, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Pursuant to this Master Circular, certain NBFC activities are ineligible for financing by banks, such as certain types of discounting and rediscounting of bills, investments of both current and long term nature by way of shares, debentures, etc, loans and advances by NBFCs to their subsidiaries and group companies, or lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market, unsecured loans, inter- corporate deposits provided by the NBFCs and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues and/or in the form of loans of a temporary nature pending the raising of long-term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

These restrictions may adversely affect our access to or the availability of bank finance, which may in turn adversely affect our financial condition and results of operations.

11. ***System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of business outlets, which are fully inter-connected. Each business outlet is also connected to our head office through our proprietary ERP platform. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services, particularly in the rural and semi-urban markets in which we primarily operate.

Our business is particularly susceptible to such disruptions because of our reliance on technology systems and processes, our mobility solutions and the higher cost of installation and implementation of technology in the rural and semi-urban markets. Any failure in these systems may adversely affect our business.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, customer KYC documents (including identity proofs, income and tax statements and bank account details), employee data and propriety business data, trade secrets or other intellectual property, for which we could potentially be liable. In addition, our systems are vulnerable to data security breaches, whether by employees, who may have a lack of experience with our newer information technology systems, or others, that may expose sensitive data to unauthorized persons. Although we have not experienced any significant disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties. Moreover, if there are other shortcomings or failures in our technology systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

12. ***In the case we are not able to continue enjoying rights to the ERP platform deployed by our Company, our business, results of operations and financial condition could be adversely affected.***

We have licensed the SVS UNO system, a comprehensive, integrated business solution from Shriram Value Services Limited, to address the strategic and day to day challenges faced by us. SVS UNO is designed to suit the needs of organizations with large branch networks, such as ours and assists in loan origination, collections, loan maintenance, deposits and treasury operations. In relation to the SVS Uno platform, we also avail data centre services from Shriram Value Services Limited with all round support, guaranteed 99.5% up time, customized firewall and security settings.

The subsisting arrangements with Shriram Value Services Limited are valid until March 31, 2019 and can be unilaterally terminated by either party with a notice of 30 days. There can be no assurance that we will be able to successfully renew such arrangements at all or on favourable terms; or be able to secure alternative software and information technology solutions at similar or more favourable terms. In the event we are unable to use the SVS UNO system and ancillary services in the future, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

13. ***If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.***

We have framed provisioning requirements related to our loan assets pursuant to applicable RBI and NHB regulations, as are relevant to us and our various subsidiaries. For details relating to our NPAs, provisions for NPAs and RBI and NHB provisioning norms, see "*Our Business – Asset Quality*" on page 85.

If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

14. ***Our loans to small enterprises businesses depend on the performance of the small enterprises sector in India, and government policies and statutory and/or regulatory reforms in the small enterprises finance sector.***

We believe we specialize in the small enterprise financing. As on September 30, 2018, our AUM in the small enterprise finance segment amounted to ₹ 17,11,261.90 lakhs, comprising 57.88% of our AUM on a standalone basis. The small enterprise segment also accounted for 52.76%, 50.96% and 49.80% of our AUM as on March 31, 2018, March 31, 2017 and March 31, 2016, respectively.

The Government of India has from time to time taken economic policy initiatives to promote this sector and enhance credit to small and medium enterprises. Some of the initiatives of the Government to support small enterprise financing include setting up a credit guarantee fund trust for small industries, risk sharing facilities, venture capital funding and micro credit. The small enterprises finance sector currently is catered to largely by public sector banks, public financial institutions and local unorganized private financiers.

Any change in the regulatory requirements in connection with the small enterprise finance sector, change in government policies, slowdown in liberalization and reforms affecting the sector could affect the performance of small enterprises and demand for small enterprise finance, and, in turn, our business and results of operations.

15. ***Our gold loans business could be adversely impacted by RBI requirements in connection with lending against security of gold jewellery.***

Pursuant to the Master Directions- Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, all NBFC-Ds must (i) maintain an LTV ratio not exceeding 75 % for loans granted against the collateral of gold jewellery, and (ii) disclose in their balance sheet the percentage of such loans to their total assets.

In order to standardize the valuation and make it more transparent to the borrower, gold jewelry accepted as collateral is required to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the Bombay Bullion Association Limited or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission. While accepting the gold as collateral, the NBFC-Ds are required to give a certificate to the borrower, on their letter head of having assayed the gold and state the purity (in terms of carats) and the weight of the gold pledged.

As on September 30, 2018, our AUM in the gold loans segment was ₹ 3,29,547.19 lakhs, comprising 11.15% of our Company's total AUM as of such date, on a standalone basis. With AUM amounting to ₹ 3,37,381.39 lakhs, the segment also contributed to 11.57% of our total AUM as on March 31, 2018. There can be no assurance that the regulatory regime governing gold-backed financing by NBFCs will not be made more stringent in the future. Any such developments could adversely impact our gold loans business, thereby affecting our growth, operations, profitability and cash flows.

16. *Our customer base comprises primarily individual borrowers, who generally are more likely to be affected by declining economic conditions than large corporate borrowers. Any decline in the repayment capabilities of our borrowers, may result in increase in defaults, thereby adversely affecting our business and financial condition.*

Individual borrowers are generally less financially resilient than large corporate borrowers, and, as a result, can be more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to the low to middle income group, who may be more likely to be affected by declining economic conditions than large corporate borrowers.

Any decline in the economic conditions may impact the repayment capabilities of our borrowers, which may result in increase in defaults, thereby adversely affecting our business and financial condition.

17. *Changes in RBI's priority sector lending requirements may adversely affect our cost of funding.*

Pursuant to the Master Directions - RBI (Priority Sector Lending – Targets and Classification) Directions, 2016, as amended from time to time, domestic scheduled commercial banks and foreign banks with 20 or more branches in India are required to maintain 40% of their adjusted net bank credit or credit equivalent of their off balance sheet exposure, whichever is higher, as priority sector advances. Foreign banks with 20 or less branches in India are required to achieve 40% priority sector lending in a phased manner i.e. 32% by Fiscal 2016, 34% by Fiscal 2017, 36% by Fiscal 2018, 38% by Fiscal 2019 and 40% by Fiscal 2020. Priority sector lending includes loans to the agriculture, micro and small enterprises, low-income housing projects, renewable energy, exports and similar sectors where the GoI seeks to encourage the flow of credit to stimulate economic development in India. Commercial banks in the past have relied on specialized institutions, including microfinance institutions and other financing companies including NBFCs, to provide them with access to qualifying advances through lending programs and loan assignments, which may lead to more competition for us and may impact our business and results of operations adversely.

Any such changes in priority sector guidelines by RBI may adversely affect our business and operations. While scheduled commercial banks may still choose to lend to NBFCs, they may charge higher rates since these loans no longer count towards their priority sector lending requirements. This may lead to an increase in the rates at which such loans have historically been offered to us, thereby increasing our borrowing costs and adversely affecting our financial condition and results of operation.

18. *Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.*

As of September 30, 2018, we had outstanding secured borrowings of ₹ 1,633,109.21 lakhs and outstanding unsecured borrowings of ₹ 717,191.40 lakhs, on a standalone basis. We expect to continue to incur additional indebtedness in the future. Most of our borrowings are secured by our immovable and other assets. Our significant indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;

- our ability to obtain additional financing in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates;
- fluctuations in market interest rates may affect the cost of our borrowings as some of our indebtedness are at variable interest rates; and
- we may be vulnerable to economic downturns, which may limit our ability to withstand competitive pressures and may reduce the flexibility in responding to changing business, regulatory and economic conditions.

Further, some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, among others, entering into any scheme of merger or reconstitution, spinning-off of a business division, selling or transferring all or a substantial portion of our assets, making any change in ownership or control or constitution of our Company, making amendments in our Memorandum and Articles of Association, creating any further security interest on the assets upon which the existing lenders have a prior charge, and raising funds by way of any fresh capital issue.

We have also availed various working capital demand and unsecured loans that are repayable upon demand or on receiving notice from the respective lenders. If these lenders require us to repay such loans on demand, we may have to use our cash on hand or raise funds to refinance the loans, which could adversely affect our business, results of operations or financial condition.

Some of our financing agreements also typically contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios, debt-to-net worth ratios, or Tier I to Tier II capital ratios that may be higher than statutory or regulatory requirements. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. Furthermore, non-compliance with any of these covenants, and of any of the other terms and conditions of our financing arrangements can trigger events of default under these arrangements, which may compel our lenders to, inter alia, cancel credit facilities extended by them, recall disbursements thereon, demand immediate repayment of the amounts outstanding under these facilities, levy penal interest, take possession of charged assets, downgrade their internal credit rating of our Company and report our Company to the RBI and credit bureaus as a credit defaulter. Furthermore, any such breach may also trigger cross default clauses contained in some of our financing arrangements, which may result in an event of default in our loan arrangements with other lenders.

Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition and results of operations.

19. ***We are yet to obtain consent from one of our lenders in connection with the Issue.***

We are required to comply with various financial and other covenants under the loan agreements that we are a party to, including but not limited to, obtaining prior consents from our existing lenders for availing further borrowings, including undertaking this Issue, wherever applicable. While our Company has sought consents from the relevant lenders for undertaking this Issue, as on the date of filing of this Draft Shelf Prospectus, our Company is yet to receive the consent of one of its lenders. Our Company will comply with all relevant covenants under the loan agreements prior to filing of the Shelf Prospectus.

20. ***We depend on the accuracy and completeness of information about customers and counterparties for our business. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether or not to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers. We may also rely on certain representations from our customers as to the accuracy and completeness of that information. To ascertain the creditworthiness of potential borrowers, we may depend on credit information companies or credit bureaus, and our reliance on any misleading information may affect our judgement of credit worthiness of potential borrowers, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

Further, India's existing credit information infrastructure may pose problems and difficulties in running a robust credit check on our borrowers. The availability of accurate and comprehensive credit information of our focus customer segment in India is limited, which reduces our ability to accurately assess the credit risk associated with such lending. We may also face difficulties in the due diligence process relating to our customers or to any security or collateral we take in relation to our loans. We may not be able to run comprehensive searches relating to the security and there are no assurances that any searches we undertake will be accurate or reliable. Hence, our overall credit analysis could be less robust as compared to similar transactions in more developed economies. Any inability to undertake a comprehensive due diligence or credit check might result in an increase in our NPAs and we may have to increase our provisions correspondingly. Any of the foregoing may have a material adverse effect on our business, financial condition and results of operations.

21. ***Since we handle high volumes of cash and gold jewellery in a dispersed network of business outlets, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position. Further, our employees may be the target of violent crime, such as thefts and robberies, which may adversely affect our business, operations and our ability to recruit and retain employees.***

Our business involves carrying out cash and gold jewelry transactions that expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. We primarily cater to customers from the rural and semi-urban markets, which carry additional risks due to limitations on infrastructure and technology. Given the high number of transactions we process on a daily basis, certain instances of fraud and misconduct may go unnoticed or may only be discovered belatedly and could possibly be rectified after delay. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law, there can be no assurance that we will recover any of the amounts involved in these cases. Our reputation could be adversely affected by fraud committed by employees, customers or outsiders.

We may also be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to civil litigation and criminal proceedings related to our cash collections and acceptance of allegedly stolen/ misappropriated jewelry as security.

Further, to the extent that our employees are subject to violent attacks, theft or robbery in the course of their duties in certain areas of operations, our ability to service such areas will be adversely affected and our employee recruiting and retention efforts may be curtailed, which would negatively impact our expansion and growth plans. In addition, if certain areas in India pose a significantly higher risk of crime or political strife and instability, our ability to service such areas will be adversely affected and our expansion and growth may be curtailed. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

22. ***We may not be able to successfully sustain and manage our growth strategy. Inability to effectively manage any our growth and consequently related issues may adversely affect our business and financial condition.***

We have demonstrated consistent growth in our business and profitability. Our total revenue increased to ₹ 5,37,353.17 lakhs for Fiscal 2018 from ₹ 4,70,901.53 lakhs for Fiscal 2017, at a CAGR of 14.11%. Our net profit after tax increased to ₹ 68,710.86 lakhs for Fiscal 2018 from ₹ 57,808.84 lakhs for Fiscal 2017, at a CAGR of 18.86%. In the six-month period ended September 30, 2018, our Company's revenue and profit after tax amounted to ₹ 2,91,601 lakhs and ₹ 47,578.94 lakhs, respectively, on a standalone basis. For details of our Company's total revenue and profit after tax for the nine-month period ended December 31, 2018, on a standalone basis, please see "*Financial Statements*" on page 113.

We have stated our objectives for raising funds through the Issue and have set forth our strategy for our future business herein. However, depending on prevailing market conditions and other commercial considerations, our business model in the future may change from what is described herein. We face a number of operational risks in executing our growth strategy. We have experienced historic growth in each of our products, particularly in connection with loans to the small enterprises segment and two-wheeler finance. In addition, our business outlet network has expanded significantly. We have expanded our presence into smaller towns and cities within India and are gradually introducing all our products in each of our business outlets. Our growth strategy includes growing our loan book and expanding our customer base. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio. If we grow our loan book at a faster pace, or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

Our rapid growth exposes us to a wide range of increased risks, including business risks, such as the possibility that our impaired loans may grow faster than anticipated, as well as operational risks, fraud risks and regulatory and legal risks. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of customers, developing managerial experience to address emerging challenges, developing our relationship with our customers, identifying new cross-selling opportunities and ensuring a high standard of customer service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees on a continuing basis to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our finance products were to reduce substantially, which could adversely affect our results of operations.

23. ***Our subsidiary, Shriram Housing being an HFC, has significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business and result of operations.***

The primary security for the loans disbursed by Shriram Housing is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by Shriram Housing may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collaterals may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose us to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

Any change in government and regulatory policies affecting the real estate sector may also affect demand for our loans, thereby adversely affecting our results of operations. The implementation of the Real Estate (Regulation and Development) Act, 2016 (the "**Real Estate Act 2016**") has imposed significant compliance and reporting requirements on real estate developers, including the mandatory registration of real estate projects, restrictions on issuing advertisements or accepting advances in relation to real estate projects unless such projects are registered with the RERA and the maintenance of a separate account for depositing 70% of the amounts realized from allottees of each real estate project. Withdrawals can be made from the separate account only to cover the cost of the relevant project, in proportion to the percentage of completion of the project. Owing to the onerous compliance requirements and interpretational ambiguity arising from the Real Estate Act, the activity in the residential real estate segment may be subdued in the short term, leading to a decrease in the demand for our products.

24. ***We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our business outlets, which may adversely affect our business, results of operations and financial condition.***

As part of our growth strategy, we continue to evaluate opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more familiar with local regulations, business practices and customs and have stronger relationships with customers.

We also intend to establish our operations through new business outlets in cities and towns where we historically had relatively limited operations, such as in eastern and northern parts of India, and to further consolidate our position and operations in western and southern parts of India. We also intend to gradually introduce our entire range of product offerings at each of our existing business outlets across India.

As a consequence of such proposed expansion, our business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial condition and results of operations.

25. *Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share*

Our competitors include established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies and private unorganized and informal financiers who primarily operate in local markets. Many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalizing related operational costs. In certain areas, they may also have better brand recognition and larger customer bases than us. Some of our competitors may also be aggressive in underwriting credit risk and pricing their products, with wider networks and greater resources than our Company.

As a result of increased competition in our business, the terms of various loans are becoming increasingly standardized. We cannot assure you that we will be able to react effectively to standardisation credit terms or other market developments or compete effectively with new and existing competitors. Increasing competition may have an adverse effect on our profitability, market share and results of operations. There can be no assurance that we will be able to successfully offer competitive interest rates on our loan products in the future. Increasing competition may also result in slower growth and a reduction in our net interest margin, and consequently may have an adverse effect on our results of operations and financial condition.

26. *We may develop new financial products which may not yield the intended results and which in turn may have an adverse effect on our business, prospects and results of operations.*

We may from time to time evaluate the introduction and launch of new financial products. Developing and commercializing a new product can be time consuming, costly and subject to numerous factors, including among others:

- ability to correctly anticipate customer demand and the market for such products;
- ability to develop products in a timely manner and in compliance with regulatory requirements;
- risk that any of our products that maybe under development, if and when fully developed and tested, will not perform as expected;
- delays or unanticipated costs; and
- delay in locating and establishing collaborations with distributors or other channels to distribute our products in our targeted markets.

We cannot assure you that any expenses we incur in developing or distributing such products will be recovered, partially or at all, even if we are successful in launching such products. In the event we fail to successfully and timely develop, and launch new financial products, our business, prospects and results of operations may be adversely affected.

27. *Any adverse developments in the new and pre-owned two-wheeler or vehicle financing industries could adversely affect our business, results of operations and financial condition.*

Through our auto loans and two-wheeler finance segment, we provide financing for new and pre-owned two-wheelers and vehicles, primarily to customers in rural and semi-urban markets.

As of March 31, 2018, our AUM for two-wheeler loans and auto loans were ₹ 5,01,936.94 lakhs and ₹ 1,45,282.32 lakhs, respectively, cumulatively accounting for 22.20% of our total AUM as of such date. Further, our Company’s AUM for two-wheeler loans and auto loans amounted to ₹ 5,24,794.37 lakhs and ₹ 1,39,720.44 lakhs, respectively, as on September 30, 2018, cumulatively accounting for 22.48% of our total AUM, on a standalone basis.

Our asset portfolio has, and would continue to have, a significant proportion of financing arrangements for two-wheelers and vehicles in rural and semi-urban markets. The success of our business thus depends on various factors that affect customers for such two-wheelers and vehicles, including, the macroeconomic environment in India, the demand for transportation and changes in regulations and policies in connection with two-wheelers and vehicles. Any decline in sales of or in demand for financing for two-wheelers or vehicles could adversely affect our business, results of operations and financial condition.

28. ***In the two-wheeler financing and auto financing segments, we typically rely on third-party OEMs and dealers to offer our products to their potential customers. If they prefer to promote our competitors' products it could affect our growth and adversely affect our results of operations.***

We rely on our non-exclusive relationships with OEMs and dealers to offer our two-wheeler financing and auto-financing products to potential customers. If these parties were to enter into exclusive arrangements with our competitors, or if they were to prefer our competitors' products, it could adversely affect our growth and results of operations.

29. ***The success of our business depends on our ability to attract and retain our senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

The success of our business depends on the continued service of our senior management and various professionals and specialists, information technology specialists, relationship managers and finance professionals (including tax and accounting specialists), legal professionals, risk management specialists, compliance specialists and specialists in other control functions. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel, qualified professionals and specialists has intensified. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, including management in professional departments of business, finance, internal controls and information technology, or cannot adequately and timely replace them upon their departure.

In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially business outlet managers and product executives. If we cannot hire additional qualified personnel or retain them, we will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to hire, suitably train and incentivize employees may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure and our ability to expand our business will be impaired and our revenue could decline. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations.

As of December 31, 2018, we employed 28,002 employees. Though, we maintain good relationship with our employees, we cannot assure you that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and result operations.

30. ***We face difficulties and incur additional expenses in operating from rural and semi urban areas, where infrastructural facilities are limited.***

A significant portion of our operations are conducted in rural and semi urban areas, which may have limited infrastructure, particularly for transportation and electricity. At offices in remote markets, we face certain difficulties in conducting such operations, such as accessing power facilities, transporting people and equipment and maintaining profitability at business outlets in remote areas. Further, our business outlets in rural and semi-urban areas may not have uninterrupted internet access owing to limited network connectivity, which could adversely affect data processing by such outlets on our ERP platform. We may also face increased costs in implementing security measures and expanding our advertising presence. We cannot assure you that such costs will not increase in the future as we expand our network in rural and semi urban areas, which could adversely affect our profitability.

31. ***A decline in our capital adequacy ratio could restrict our future business growth.***

Our Company is required to maintain a capital adequacy ratio of at least 15.0% of our risk-weighted assets of our balance sheet and of risk adjusted value of off-balance sheet items, as Tier I capital as Tier II capital. Our Company's capital adequacy ratio for the six-month period ended September 30, 2018 and Fiscal ended March 31, 2018 is 21.18% and 21.37%, respectively with Tier I capital comprising 20.57% and 20.57%.

Further, our Subsidiary is required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital of not lower than 12% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable. Our Subsidiary's capital adequacy ratio for the Fiscal ended March 31, 2018 is 32.53%, with Tier I capital comprising 31.96%.

If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, which could result in non-compliance with applicable capital adequacy ratios and may adversely affect the growth of our business.

32. ***Our Company, its Subsidiary and Promoter are involved in certain legal and other proceedings that if determined against us could have a material adverse effect on our financial condition and results of operations.***

Our Company, its Subsidiary and Promoter are parties to various legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined against us, could adversely affect our business, results of operations and financial condition. We can give no assurance that these legal proceedings will be decided in our favour or that no further liability may arise from these claims in the future. See "*Outstanding Litigation and Material Developments*" on page 132 for a description of certain material proceedings involving our Company, its Subsidiary and Promoter.

Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities, which could adversely affect our results of operations.

33. ***We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.***

We may face potential liquidity risks because our assets and liabilities mature over different periods. As is typical for NBFCs, we meet a portion of our funding requirements through short-term funding sources, such as by issuing commercial paper, short-term loans from banks. However, each of our products differs in terms of the average tenor, average yield, average interest rates and average size of loan. The average tenor of our products may not match with the average tenor of our liabilities. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities in a timely and cost-effective manner or at all may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and profitability. For further information, see "*Our Business – Risk Management – Liquidity Risk*" on page 89.

34. ***Any change in control of our Promoter and/or any disassociation of our Company from the Shriram Group could adversely affect our operations and profitability.***

As of December 31, 2018, Shriram Capital holds 33.75% of our paid-up share capital. If Shriram Capital ceases to exercise control over us as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "Shriram" and our goodwill as a part of the Shriram Group of companies may be adversely affected, which in turn could adversely affect our business and results of operations. Any such change of control could also significantly influence our business policies and operations.

We benefit in several ways from other entities under the Shriram Group. We capitalize on the Shriram Group's ecosystem to reach out to our prospective customers and our focus has been in maximizing our association with the "Shriram" brand name and the synergies offered by the infrastructure of, and entities in, the Shriram Group. Accordingly, any disassociation of our Company from the Shriram Group and/or our inability to access the infrastructure provided by other companies in the Shriram Group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

35. ***We do not own the "Shriram" trademark and logo. In the event that we are unable to use the "Shriram" trademark and logo or if there are any unauthorized usage which may result in the dilution of the trademarks recognized with our Company and loss of reputation, our business and results of operations may be adversely affected.***

The "Shriram" trademark is registered in the name of Shriram Ownership Trust. Pursuant to a license agreement dated October 1, 2014 entered into between Shriram Ownership Trust and our Company, and addendum dated March 18, 2016 thereto, we are entitled to use *inter alia* all registered and unregistered trademarks relating to the word "Shriram" owned by or licensed to the Shriram Ownership Trusts, along with logos incorporating such trademarks, on a non-exclusive basis. In this regard, our Company is required to pay an annual license fee equal to one percent of the total income of our Company, subject to such amount not exceeding 5% of profit of the Company before tax and payment of the license fee.

Along with the royalty, our Company is required to pay to the Shriram Ownership Trust amounts by way of reimbursement of actual expenses incurred by the Shriram Ownership Trust in respect of protection and defence of the copyright. This agreement is valid until September 30, 2019. In the event such license agreement is terminated or is not renewed or extended in the future, we are required to remove all references to the brand name "Shriram" in connection with our business operations within 60 days. Further, if the commercial terms and conditions including the consideration payable pursuant to the said agreement are revised unfavourably, our Company may be required to allocate larger portions of its profits and/or revenues towards such consideration, which would adversely affect our profitability.

Further, third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favorable outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure you that any unauthorized use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill. Consequently, we will not be able to derive the goodwill that we have been enjoying under the "Shriram" brand.

We operate in a competitive environment and we believe that our brand recognition is a significant competitive advantage to us. If the license agreement is not renewed or is terminated, we may need to change our name, trade mark/service mark or the logo. Any such change could require us to incur additional costs and may adversely impact our reputation, goodwill, business prospects and results of operations.

36. ***We have certain contingent liabilities which may adversely affect our financial condition.***

As of March 31, 2018, we had certain contingent liabilities (excluding guarantees issued by the Company) not provided for, amounting to ₹ 6,947.12 lakhs, determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts. As on September 30, 2018, our Company's contingent liabilities not provided for, amounted to ₹ 9,430.29 lakhs on a standalone basis. Further, the contingent liability of amounts disclosed in our financial statements represents estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information on such contingent liabilities, see "*Financial Statements*" on page 113. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

37. ***If interest rate restrictions are imposed on lending by NBFCs, our operating results and financial condition may be adversely affected.***

We are subject to laws and regulations by Indian governmental authorities, including the RBI. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us. For instance, a number of states in India have enacted laws to regulate transactions involving money lenders. These state laws establish maximum rates of interest that can be charged by a person lending money. The RBI, however, has not established a ceiling on the rate of interest that can be charged by an NBFC in our sector of operations. Currently, the RBI requires that the board of all NBFCs adopt an interest rate model taking into account relevant factors such as the cost of funds, margin and risk premium. If, in the future, the RBI imposes an interest rate ceiling on lending by NBFCs, our operating results, cash flows and financial condition may be adversely affected.

38. ***Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC and retail finance sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

39. ***We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.***

We require certain statutory and regulatory approvals for conducting our business**.** For instance, we are required to obtain and maintain a certificate of registration for carrying on business as an NBFC that is subject to numerous conditions. We also require licenses and approvals to operate our various lines of business. We may not be able to obtain such approvals in a timely manner or at all.

In addition, some of our offices and branches are required to be registered under the relevant shops and establishments laws of the states and also require a trade license in certain states. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. A court, arbitration panel or regulatory authority may in the future find that we have not complied with applicable legal or regulatory requirements. We may also be subject to lawsuits or arbitration claims by customers, employees or other third parties in the different state jurisdictions in India in which we conduct our business. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner or at all, our business may be adversely affected.

If we fail to comply, or the regulator is of the view that we have not complied with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

40. ***We may not be in compliance with relevant state money lending laws, which could adversely affect our business. In the event that any state government requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected.***

There exists ambiguity on whether NBFCs are required to comply with the provisions of state money lending laws that impose ceilings on interest rates. Further, in the event the provisions of any state specific regulations are extended to NBFCs in the gold loan business such as our Company, we could have increased costs of compliance and our business and operations could be adversely affected. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected.

41. ***Our Promoter has significant control in our Company, which will enable it to influence the outcome of matters submitted to shareholders for approval, and their interests may differ from those of other shareholders.***

As of December 31, 2018, our Promoter, Shriram Capital owned 33.75% of our paid-up equity share capital. Our Promoter has the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoter continues to exercise significant control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders. The Promoter may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our other shareholders do not agree.

42. ***We have entered into, and will continue to enter into, related party transactions and there can be no assurance that we could not have achieved more favourable terms had such transactions not been***

entered into with related parties.

We have entered into transactions with several related parties, including our Promoter and companies in the Shriram Group. We can give no assurance that we could not have achieved more favorable terms had such transactions been entered into with parties that were not related parties. Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information, see "*Financial Statements*" on page 113.

43. ***Our insurance coverage may not adequately protect us against losses.***

We maintain insurance coverage that we believe is adequate for our operations, including a group policy for our employees, standard fire insurance, insurance against burglary and public liability policy. For details, see *"Our Business – Insurance"* on page 93.

Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co- insurance requirement, could adversely affect our business, financial condition and results of operations.

44. ***Lapses or significant weakness of internal controls systems could adversely impact our business.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal or concurrent audit functions are equipped to make an evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to our internal risk policies, compliance requirements and internal circular guidelines. While we periodically test and update, as necessary, our internal controls systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances.

Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. For instance, we are vulnerable to risks arising from the failure of employees to adhere to approved procedures, failures of security systems, computer system disruptions, communication systems failure and data interception during transmission through external communication channels and networks. Failure to prevent or detect such breaches in security or data and communications errors may adversely affect our operations. If we fail to maintain and continue to enhance our internal controls, policies and systems, we may be unable to prevent fraud, security breaches or system failures. Constant connectivity between our business outlets and the head office is key to the functioning of our business. Our business outlet networks are fully interconnected, and each business outlet is connected to our head office through our proprietary ERP platform. Our ERP platform enables our management to monitor each loan from origination to repayment or recovery of the loan.

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled, or if there are other shortcomings or failures in our internal processes or systems, we may suffer financial loss, disruption of our business, regulatory intervention or damage to our reputation.

45. ***We have not independently verified certain data in this Draft Shelf Prospectus.***

We have not independently verified data from industry publications contained herein, including the reports titled "NBFC Report 2018", "Banking Report 2018" and "Retail Finance Auto Report 2018" prepared by CRISIL, and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, the Indian economy, as well as NBFC and housing finance sectors that are included herein are subject to the caveat that the statistical and other data upon which such discussions, projections and forecasts are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

46. ***Our business is dependent on relationships with our clients established through, amongst others, our branches and key branch personnel. Closure of branches or loss of our key branch personnel may lead to damage to these relationships and a decline in our revenue and profits.***

Our business is dependent on our branches and key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long-term client relationships, a trust based business environment and, over time, better cross-selling opportunities. Our business may suffer materially if a substantial number of branch managers either become ineffective or leave us.

Our branches are typically located on leased/rented premises. Some of the lease/rent agreements may have expired and we maybe currently involved in negotiations for the renewal of these lease/rent agreements. If these lease/rent agreements are not renewed or are renewed on terms unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

47. ***Our Promoter and certain of our Directors have interests in entities, which are in businesses similar to ours and this may result in potential conflicts of interest with us.***

Certain decisions concerning our operations or financial structure may present conflicts of interest between us, our Promoter and certain of our Directors. Commercial transactions in the future between us and related parties could also result in conflicting interests.

A conflict of interest may occur directly or indirectly between our business and the business of our Promoter which could have an adverse effect on our operations. Conflicts of interest may also arise out of common business objectives shared by us, our Promoter, Directors and their related entities. Our Promoter, Directors and their related entities may compete with us and have no obligation to direct any opportunities to us. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner.

48. ***The effects of the adoption of the "Indian Accounting Standards converged with IFRS" ("IND-AS") on our Company are uncertain.***

While our Reformatted Financial Statements are prepared in accordance with the Indian GAAP, the Limited Review Financial Information are prepared in accordance with IND-AS. In January 2016, the Ministry of Corporate Affairs ("**MCA**") laid out a road map for implementation of IND-AS for scheduled commercial banks, insurance companies and non-banking financial company ("**NBFCs**"). NBFCs will be required to prepare IND-AS-based financial statements (consolidated and individual) in two phases. Under Phase I, NBFCs that have a net worth of ₹5 billion or more, including us, and our holding, subsidiary, joint venture or associate companies are required to prepare IND-AS based financial statements for accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018 or thereafter. Under Phase II, NBFCs whose equity and/or debt securities are listed or are in the process of listing on any stock exchange or outside India and have a net worth less than ₹5 billion, NBFCs that are not listed and have a net worth of more than ₹2.5 billion but less than ₹5 billion, and their respective holding, subsidiary, joint venture or associate companies are required to prepare IND-AS-based financial statements for accounting periods beginning from April 1, 2020 onwards with comparatives for the periods ending March 31, 2020 or thereafter. NBFCs that have a net worth below ₹2.5 billion and not covered under the above provisions shall continue to apply Accounting Standards specified in Annexure to Companies (Accounting Standards) Rules, 2006.

MCA notified the Companies (Indian Accounting Standards) Rules 2015 on February 16, 2015 ("**IAS Rules**"). As the requirement to adopt IND-AS in our financial reporting has just begun to apply to us with effect from April 1, 2018, we are not able to determine with a degree of certainty the impact of adoption of IND-AS and there can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. We may also encounter difficulties in the on-going process of implementing and enhancing our management information systems in response to the adoption of IND-AS. Moreover, there is increasing competition for the small number of IND-AS experienced accounting personnel available as more companies begin to prepare IND-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application.

Further, there are significant differences between Indian GAAP and Ind AS and we have not attempted to quantify or identify the impact of the difference between Indian GAAP and Ind AS applied to our financial statements. For further details, see "*Summary of significant differences between Indian GAAP and Ind AS*" on page 128 of this Draft Shelf Prospectus. It is urged that you consult your own advisors regarding such differences and their impact on our financial data. Our Company may in the future disclose financial information regarding our business in a manner which is significantly different from what has been disclosed in the past.

49. ***Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers and the housing sector may not continue to be regarded as a priority sector by the Government.***

The rapid growth in the housing finance industry in the last decade is in part due to the introduction of fiscal benefits for homeowners. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the Government will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the Government will not introduce tax efficient investment options which are more attractive to borrowers than property investment. The demand for housing and/or housing finance may be reduced if any of these changes occur. The RBI has also provided incentives to the housing finance industry by extending priority sector status to housing loans. In addition, pursuant to Section 36(1)(viii) of the Income Tax Act, 1961, up to 20% of profits from the provision of long-term finance for the construction or purchase of housing, may be carried to a "Special Reserve" and are not subject to income tax. There can be no assurance that the Government will continue to make this fiscal benefit available to housing finance companies. If it does not, this may result in a higher tax outflow. Under its notification no. NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014, NHB stipulated that all housing finance companies are required to create and maintain a deferred tax liability on the Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961.

50. ***We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.***

We are required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. In the course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls customary in India to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties. We, in certain of our activities and in pursuit of our business, run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a KYC and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our business and reputation.

51. ***This Draft Shelf Prospectus includes certain unaudited financial information in relation to our Company, which has been subjected to limited review. Reliance on such information should, accordingly, be limited. Additionally, our Company may publish additional unaudited financial information during the Issue Period.***

This Draft Shelf Prospectus includes Limited Review Financial Information in relation to our Company for (i) the three-month and six-month period ended September 30, 2018 in respect of which the Auditors have issued their limited review report dated October 25, 2018; and (ii) the three-month and nine-month period ended December 31, 2018 in respect of which the Auditors have issued their limited review report dated January 25, 2019. As Limited Review Financial Information prepared by the Company in accordance with Regulation 33 of the SEBI Listing Regulations has been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information" Performed by the Independent Auditor of the Entity" issued by the ICAI, and not to an audit, any reliance by prospective investors on such Limited Review Financial Information for (i) the three-month and six-month period ended

September 30, 2018, and (ii) the three-month and nine-month period ended December 31, 2018 should, accordingly, be limited. Additionally, in accordance with applicable law, our Company is required to publish its quarterly and half yearly financial information with the stock exchanges. Our Company may publish such information during the Issue Period. Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Draft Shelf Prospectus.

52. ***Our Company has given a corporate guarantee in relation to refinance obtained by its Subsidiary from the NHB, which if called upon may materially and adversely affect our business, results of operations, cash flows and financial condition.***

Our Company has given a corporate guarantee in relation to refinancing obtained by its Subsidiary from the NHB, aggregating to ₹ 250 million as of September 30, 2018. Any default or failure by the Subsidiary to repay the facility in a timely manner, or at all, could trigger repayment obligations on part of our Company in respect of such loans, which in turn, could have an adverse effect on its business, results of operation and financial condition.

53. ***The implementation of the Bankruptcy Code may affect our rights to recover loans from borrowers.***

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016 and amended by the Insolvency and Bankruptcy (Amendment) Act, 2018. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and sets forth adjudicatory mechanisms, all of which facilitate a time-bound insolvency resolution and liquidation process. It allows creditors to assess the viability of a debtor and agree upon a plan for its revival or a speedy liquidation. It is applicable to companies, limited liability partnerships, individuals, partnership and proprietorship firms. However, the provisions related to individuals, partnership and proprietorship firms are yet to be notified and may be notified and brought into force by the Central Government in the future.

In the course of insolvency proceedings, to avoid multiplicity of individual enforcement actions by creditors which could potentially lead to asset-stripping, the Bankruptcy Code envisages a 'moratorium' during the insolvency resolution period to enable the debtor and creditors to assess the situation and deliberate their future course of action. During the moratorium period, any actions to foreclose, recover or enforce any security interest created by the corporate debtor are typically prohibited. Accordingly, in the event a moratorium is declared pursuant to an ongoing insolvency resolution proceeding with respect to a corporate debtor, we may not be able to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property in our favour during such period.

Further, in the event a liquidation process is ordered by the relevant authority, the Bankruptcy Code specifies the order of priority in which the proceeds from the sale of the debtor's assets are to be distributed. The secured creditors may decide to opt out of this process, in which case they are permitted to realize their security interests in accordance with law. However, if the secured creditor chooses to relinquish its security interest and be part of the liquidation process then before sale proceeds are distributed to a secured creditor, they are to be distributed towards the costs of the insolvency resolution and liquidation processes, as well as for workmen's dues for the period of 24 months preceding the liquidation commencement date. In each case, there may also be additional risks arising out of the nature of business of the borrower and the consequent number of creditors seeking recovery of debt. For instance, the recent amendment bringing home buyers at par with financial creditors under the Bankruptcy Code, may have a material adverse effect on the recovery of loans advanced by us to construction companies, upon default.

Accordingly, if the provisions of the Bankruptcy Code are invoked against or by any of the corporate borrowers of our Company, it may affect our Company's ability to recover our loans from such borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code. In the event the Bankruptcy Code is further amended to stipulate additional or more stringent procedural requirements on the creditors, it may further adversely affect our ability to recover loan amounts from defaulting borrowers.

RISKS IN RELATION TO THE NCDs

54. ***There is no guarantee that the NCDs issued pursuant to this Issue will be listed on the Stock Exchanges in a timely manner, or at all.***

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of NCDs to be submitted. There could be a failure or delay in listing the NCDs on the Stock Exchanges.

55. ***You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the secured NCD Holders on the assets adequate to ensure 100% asset cover for the secured NCDs, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

56. ***There has been a limited trading in the NCDs of such nature and the same may not develop in future, therefore the price of the NCDs may be volatile.***

There has been a limited trading in NCDs of such nature in the past. Although the NCDs shall be listed on Stock Exchanges, there can be no assurance that a public market for these NCDs would be available on a sustained basis. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which the NCDs are being issued.

Further, the price of our NCDs may fluctuate after this Issue due to a wide variety of factors, including:

- changes in the prevailing interest rate;
- volatility in the Indian and global securities markets;
- our operational performance, financial results and our ability to expand our business;
- developments in India's economic liberalization and deregulation policies, particularly in the power sector;
- changes in India's laws and regulations impacting our business;
- changes in securities analysts' recommendations or the failure to meet the expectations of securities analysts;
- the entrance of new competitors and their positions in the market; and
- announcements by our Company of its financial results.

We cannot assure that an active trading market for our NCDs will be sustained after this Issue, or that the price at which our NCDs are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

57. ***Any downgrading in credit rating of our NCDs may affect the trading price of the NCDs.***

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. The NCDs proposed to be issued under this Issue have been rated by CRISIL and CARE. CRISIL (through its letter dated December 6, 2018) and CARE (through its letter dated December 11, 2018) have assigned ratings of 'Crisil AA/Stable' and 'CARE AA+/ Stable', respectively, to the NCDs. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

We cannot guarantee that this rating will not be downgraded. The ratings provided by CRISIL or CARE may be suspended, withdrawn or revised at any time. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations. However, these ratings are not recommendations to buy, sell or hold securities and prospective investors should take their own decisions.

58. ***Changes in interest rates may affect the prices of the NCDs.***

All securities wherein a fixed rate of interest is offered, such as the NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of the NCDs.

59. ***If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.***

Pursuant to Section 71 of the Companies Act, 2013, read with Rule 18 of Companies (Share Capital and Debentures) Rules, 2014 ("**Companies Rules**"), as amended, any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures, raised through public issue of debentures in accordance with the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue. In addition, as per Rule 18(7)(e) of Companies Rules, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs.

Every company required to create or maintain a DRR shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, of the next year, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

60. ***Payments made on the NCDs will be subordinated to certain tax and other liabilities preferred by law.***

The NCDs will be subordinated to certain liabilities preferred by law such as to claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the NCDs. The issue of any such debt securities may reduce the amount recoverable by investors in the NCDs on our bankruptcy, winding-up or liquidation

61. ***There are other lenders and debenture trustees who have pari passu charge over the security for the NCDs.***

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. While the Company is required to maintain an asset cover of one time the outstanding amount of the secured NCDs issued pursuant to this Draft Shelf Prospectus and interest thereon, upon the Company's bankruptcy, winding up or liquidation, the other lenders and debenture trustees will rank *pari passu* with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders.

62. ***You may be subject to Indian taxes arising on sale of the NCDs.***

Sales of NCDs by any holder may give rise to tax liability in India. For details, see "*Statement of Tax Benefits*" on page 58.

63. ***There may be a delay in making refund to Applicants.***

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

64. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for our various financing activities including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay our existing loans and our business operations including for our capital expenditure and working capital requirements. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. As we are not required to appoint a monitoring agency, no such agency has been appointed for this Issue.

EXTERNAL RISKS

65. ***A slow-down in economic growth in India and certain other political and economic factors may adversely affect our business, financial results and results of operations.***

Our financial performance and the quality and growth of our business depend significantly on the health of the overall economy in India, the gross domestic product, growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in different parts of the country and we intend to continue to develop and expand our presence across India.

The Indian economy could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. National and local government policies could adversely affect businesses and economic conditions in India.

Any slowdown in the Indian economy could adversely affect the ability of our customers to afford our services, which in turn would adversely affect our business, results of operation and financial condition. Our performance may also be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is commonly referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis, which exposes us to the systemic risks faced by entities operating in the Indian financial system, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

66. ***Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our NCDs trade and also adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and adversely affect our business, financial condition and results of operations. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our NCDs.

India has also witnessed civil unrest including communal disturbances and riots in recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on the price of our NCDs.

67. ***Natural disasters, outbreak of infectious disease or any other serious public health or safety concerns in India or elsewhere could have an adverse effect on our business and results of operations.***

Our operations, including our branch network, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. For instance, the recent torrential flooding in the state of Kerala has resulted in extensive damage to the existing infrastructure in the state, including damage to the airports, roads, bridges, and housing. Besides the infrastructure sector, the floods could also have an effect on other sectors such as tourism and hospitality, transport, health care, public administration and financial services sectors.

Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operation and financial condition.

68. ***Any downgrade in India's sovereign debt rating by a rating agency may adversely affect our ability to raise debt financing.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy, which are outside our control. Such downgrading could cause a change in interest rates or other commercial terms and could adversely affect our ability to raise additional financing as well as our capital expenditure plans, business and financial performance. A decline in this reserve could impact the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates, which could adversely affect the availability of financing to us.

69. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

India's foreign exchange reserves totalled US$ 398,122.3 million as of February 8, 2019, compared to US$ 424,361.1 million as on March 30, 2018 (*Source: RBI*). The decline in India's foreign reserves may be attributed, among others, to the RBI offloading USD reserves to contain the depreciation of the Rupee. In light of volatility in exchange rates, there can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors including intervention by the RBI, could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations.

70. ***If inflation were to rise significantly, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers and our profits might decline.***

Inflation rates have been volatile in recent years, and such volatility may continue in the future. As per the RBI the Wholesale Price Index ("**WPI**"), stood at 119.2 % for the month of January 2019, as against 116.0% for the month of January 2018; and at 120.1% for the month of December 2018, as against 115.7% for the month of December 2017 (*Source: RBI*). The main risks to the outlook are uncertainties such as commodity prices, monsoon and weather-related disturbances, volatility in prices of seasonal items and spill overs from external developments through exchange rate and asset price channels, according to the RBI. In the event of increase in inflation, our costs, such as operating expenses, may increase, which could have an adverse effect on our business, results of operations and financial condition.

71. ***The new taxation system could adversely affect our business, prospects, financial condition and results of operations.***

The Government has implemented a major reform in tax laws, namely the goods and services tax ("**GST**"), and proposed provisions relating to general anti-avoidance rules ("**GAAR**"). With effect from July 1, 2017, the GST replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, collected by the central and state governments. The GST has increased administrative compliance for the companies which is a consequence of increased registration and form filing requirements.

As regards to GAAR, the provisions were introduced in the Finance Act 2012 and apply (as per the Finance Act, 2015) in respect of an assessment year beginning on April 1, 2018. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is defined under Section 96 of the Income Tax Act, 1961 as any arrangement, the main purpose of which is to obtain a tax benefit and it: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the assessee.

As the taxation system is intended to undergo significant changes, the effect of such changes on the financial system cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, prospects, financial condition and results of operations.

72. ***Our ability to raise foreign debt may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business.

SECTION III - INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as Shriram Hire-Purchase Finance Private Limited on March 27, 1986 as a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the RoC. With effect from October 29, 1988, our Company was converted to a public company, pursuant to which the name of our Company was changed to Shriram Hire-Purchase Finance Limited. The name of our Company was subsequently changed to Shriram City Union Finance Limited and a fresh certificate of incorporation dated April 10, 1990 was issued by the RoC.

Our Company holds a certificate of registration dated July 27, 2015 (issued in lieu of the original registration dated September 4, 2000) bearing registration no. 07-00458 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act.

Registered Office

123, Angappa Naicken Street
Chennai 600 001
Tamil Nadu, India

Corporate Office

144, Santhome High Road
Mylapore, Chennai 600 004
Tamil Nadu, India

Telephone: + 91 44 4392 5300
Facsimile: +91 44 4392 5430
Website: www.shriramcity.in

Registration

Details	Registration/Identification number
CIN	L65191TN1986PLC012840
NBFC registration certificate number, under section 45 IA of the RBI Act	07-00458

Contents of the Memorandum of Association of the Company as regards its objects

For information on the Company's main objects, please see the section titled "*History and Main Objects*" on page 100. Please refer to Clause III of the Memorandum of Association of the Company for the complete text of the main objects and other objects of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, see the section titled "*Material Contracts and Documents for Inspection*" on page 183.

Liability of the members of the Company

Limited.

Compliance Officer

C R Dash
Shriram City Union Finance Limited
144, Santhome High Road, Mylapore
Chennai 600 004, Tamil Nadu, India
Tel. No.: + 91 44 4392 5300
Fax: +91 44 4392 5430
Email: scufncd18@shriramcity.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, credit of Allotted NCDs in beneficiary accounts, and transfers as the case may be.

All grievances relating to the Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a)the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for, number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members may be addressed directly to the BSE.

Chief Financial Officer

Ramasubramanian Chandrasekar
144, Santhome High Road, Mylapore
Chennai 600 004, Tamil Nadu, India
Tel. No.: + 91 44 4392 5300
Fax: +91 44 4392 5430
Email: scufncd18@shriramcity.com

Lead Managers to the Issue

A. K. Capital Services Limited
30-38, Free Press House
3rd Floor, Free Press Journal Marg
215, Nariman Point
Mumbai 400 021
Tel: (91 22) 6754 6500
Fax: (91 22) 6610 0594
Email: scufncd2018@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Shilpa Pandey/ Malay Shah
Compliance Officer: Tejas Davda
SEBI Registration No.: INM000010411

Edelweiss Financial Services Limited
Edelweiss House
Off. C.S.T. Road, Kalina
Mumbai 400 098
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
E-mail: scuf.ncd@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance E-mail: customerservice.mb@edelweissfin.com
Contact Person: Mandeep Singh/ Lokesh Singhi
Compliance Officer: B. Renganathan
SEBI Registration No.: INM0000010650

Consortium Members/Lead Brokers

As included in the relevant tranche prospectus.

Debenture Trustee

Catalyst Trusteeship Limited (formerly GDA Trusteeship Limited)
'GDA House', Plot No. 85
Bhusary Colony (Right)
Kothrud, Pune 411 038
Tel: (91 22) 4922 0543
Fax: (91 20) 4922 0505
Email: complianceCTL-Mumbai@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Umesh Salvi
SEBI Registration. Number: IND000000034

Registrar to the Issue

Integrated Registry Management Services Private Limited
2nd Floor, "Kences Towers" No. 1 Ramakrishna Street
North Usman Road, T Nagar
Chennai – 600 017
Tel.: +91 28140801 to 28140803
Fax: +91 28142479
Email: scuf@integratedindia.in
Investor Grievance Email: csdstd@integratedindia.in
Website: www.integratedindia.in.com
Contact Person: K Balasubramanian
SEBI Registration. Number: INR000000544

Statutory Auditors

G. D. Apte & Co., Chartered Accountants
GDA House, Plot No. 85,
Bhusari Colony (Right), Paud Road,
Pune – 411 038
Tel: 020- 25280081
Fax: 020-25280275
Email: umesh.abhyankar@gdaca.com, audit@gdaca.com
ICAI Registration No: 100515W
Contact Person: Umesh Abhyankar
Membership No: 113053

Legal counsel to Company and Lead Managers as to Indian Law

L&L Partners*

Tower 2, Unit A2,
Indiabulls Finance Centre,
20th Floor, Elphinstone Road,
Lower Parel, Mumbai 400 013
India
* *Formerly known as Luthra & Luthra Law Offices*

1st & 9th Floors
Ashoka Estate, Barakhamba Road
New Delhi 110 001
India

Bankers to the Company

DCB Bank Limited
No.6A, Rajaji Road, Nungambakkam,
Chennai 600 034
Tel.: 044-40500355
E-mail: muralik@dcbbank.com

The Hongkong and Shanghai Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited, India
"Rajalakshmi", No.5 & 7, Catherdral Road, Chennai 600 086

Contact Person: K. Murali

Tel.: +91 9860564802
E-mail: nevillemusa@hsbc.co.in
Contact Person: Nivelle Musa

Axis Bank Limited
No.3, Club House Road, Chennai 600 002
Tel.: +91 9840076742
E-mail: vishal.mirpuri@axisbank.com
Contact Person: Vishal Mirpuri

IDBI Bank Limited
37, PM Towers, Greens Road,
Chennai, Tamil Nadu 600 006
Tel.: 044-28295392
E-mail: ibkl0000005@idbi.co.in

Kotak Mahindra Bank Limited
Prestige Polygon, 121h Floor,
471 Anna Salai, Nandanam,
Chennai —600 035
Tel.: 044-6134 4507
E-mail ID: bharanidharan.v@kotak.com
Contact person: V Bharanidharan

Abu Dhabi Commercial Bank PJSC
Ground Floor,
West Wing, Corniche, Al Latheef, No.25,
Cunnigham Road, Bangalore 560 001
Tel.: 080 61177711
E-mail: tom.michael@in.adeb.com
Contact person: Tom Michael

United Bank of India
25, Sir P.M Road , 2nd Floor,
Fort, Mumbai 400 001
Tel.: 022-2202 0431 /32
E-mail: bmzcm@unitedbank.co.in
Contact person: Mr N Srinivasa Rao

Union Bank of India
Industrial Finance Branch,
Union Bank Bhavan, 1st Floor,
139, Noradway, Chennai.
Tel.: 044-23460749 / 23460750
E-mail: ifbchennai@unionbankofindia.com
Contact person: Renjith Swaminathan, AGM

Indian Bank
Corporate Office, 254-260,
Avai Shanmugham Salai,
Royapettah, Chennai 600 014.
Tel.: 044-28134000-19
E-mail: harbour@indianbank.co.in

IndusInd Bank Limited
New No.34, Old No. (115-116),
GN Chetty Road, T-Nagar,
Chennai 600 017.
Tel.: 044-28346378
E-mail: vaidyanathan.jagannathan@indusind.com
Contact person: J. Vaidyanathan

Canara Bank
Prime Corporate Branch,
Ground Floor, Spencer Tower-I, Anna Salai,
Chennai-600002.
Tel.: 044-28497016
E-mail: CB2596@canarabank.com
Contact person: K. Niranjan Reddy

Bankers to the Issue

As specified in the relevant Tranche Prospectus.

Credit Rating Agencies

CRISIL Limited
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai- 400 076.
Tel: 91-22-3342 3000
Fax: 91-22-3342 3050
Email: crisilratingdesk@crisil.com
Contact Person: Krishanan Sitaraman
SEBI Registration Number: IN/CRA/001/1999

CARE Ratings Limited (Formerly known as Credit Analysis & Research Ltd.)
Unit No 0-509/C, Spencer Plaza,

5th Floor, No.769, Anna Salai, Chennai 600002.
Tel: 044 2849 7812/0876/0811
Fax: 044 2849 7812
E-mail: pradeep.kumar@careratings.com
Contact Person: V. Pradeep Kumar
Website: www.careratings.com
SEBI Registration No: IN/CRA/004/1999

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated 'CARE AA+ Stable' by CARE and 'CRISIL AA/Stable' by CRISIL for an amount of upto ₹ 30,000 million vide their letters dated December 11, 2018 (and revalidated on February 14, 2019) and December 6, 2018 (and revalidated on February 19, 2019) respectively. The rating of the NCDs by CARE and CRISIL indicates a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by CARE and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold the NCDs and investors should take their own decisions. For further details, please refer to Annexure A for the rating letters and the rationale for the above ratings.

Underwriting

This Issue will not be underwritten.

Expert Opinion

Except for the letter dated December 11, 2018 (and revalidated on February 14, 2019) issued by CARE in respect of the credit rating for the NCDs and consent of the Statutory Auditor dated February 19, 2019, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Draft Shelf Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013 in relation to their (i) examination reports, each dated February 16, 2019 on the Reformatted Consolidated Financial Information and the Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 24, 2018on the Limited Review Financial Results for the quarter and half year ended September 30, 2018; (iii) Limited Review Report dated January 25, 2019 on the Limited Review Financial Results for the quarter and nine-months ended December 31, 2018; and (iv) their report dated February 18, 2019 on the statement of tax benefits, included in this Draft Shelf Prospectus, our Compamy has not obtained any expert opinions in respect of the Issue.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

Syndicate SCSB Branches

In relation to Bids submitted under the ASBA process to a Member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Registered Brokers / RTAs / CDPs

Applicants can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres.

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 for Registered Brokers and https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx for RTAs and CDPs, as updated from time to time.

In relation to Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at www.sebi.gov.in and updated from time to time.

For further details, please see the section titled "*Issue Procedure*" on page 156 of this Draft Shelf Prospectus.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	**ISSUE CLOSES ON**
As specified in the relevant Tranche Prospectus	As specified in the relevant Tranche Prospectus

** The Issue shall remain open for subscription on Working Days from 10:00 a.m. till 5:00 PM (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof. In the event of such early closure or extension of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Issue Closing Date, through an advertisement in at least one national daily newspaper with vide circulation. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details please refer to the chapter titled "Issue Related Information" on page 144.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advisedto submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers, Consortium Members, sub-brokers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

Details of equity share capital

The following table lays down details of our authorised, issued, subscribed and paid up share capital as on December 31, 2018.

Particulars	Aggregate value (*₹ in millions*)
Authorised share capital	
118,500,000 Equity Shares of ₹ 10.00 each	1,185.00
4,000,000 Cumulative Redeemable Preference Shares of ₹100 each	400.00
Issued, subscribed and paid up equity share capital	
65,986,182 Equity Shares of ₹ 10.00 each	659.86
Securities premium account	17,547.68

The Issue will not result in any change in the issued, subscribed and paid-up equity share capital or securities premium account of the Company.

Details of change in authorized share capital

The following table lays down details of changes in the authorized share capital of our Company during the five years preceding the last quarter and as on the date of this Draft Shelf Prospectus:

S. No.	Date of Change (AGM/EGM)	Particulars
1.	July 28, 2014	The authorised share capital of our Company was increased from ₹ 158,50,00,000 divided into 10,65,00,000 Equity Shares of ₹ 10 each and 12,00,000 equity shares of ₹ 100 each and 40,00,000 Cumulative Redeemable Preference shares of ₹ 100 each to ₹ 1,585,00,000 divided into 118,500,000 Equity Shares of ₹ 10 each and 40,00,000 cumulative Redeemable Preference shares of ₹ 100 each.

Equity Share capital history of our Company

Set forth below is Equity Share capital history of our Company for the five years preceding the last quarter and as on the date of this Draft Shelf Prospectus:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)	Remarks
January 10, 2014	3,550	10	35	Cash	Exercise of ESOP	59,284,432	592,844,320	6,106,164,750	-
April 10, 2014	1,900	10	35	Cash	Exercise of ESOP	59,286,332	592,863,320	6,106,212,250	-
June 3, 2014	6,579,840	10	1200	Cash	Preferential Issue	65,866,172	658,661,720	13,936,221,850	Issuance to M/s Piramal Enterprises Limited on preferential basis
June 23, 2014	19,200	10	35	Cash	Exercise of ESOP	65,885,372	658,853,720	13,936,701,850	-
July 11, 2014	4,000	10	35	Cash	Exercise of ESOP	65,889,372	658,893,720	13,936,801,850	-
July 31, 2014	2,000	10	35	Cash	Exercise of ESOP	65,891,372	658,913,720	13,936,851,850	-
September 11, 2014	9,000	10	35	Cash	Exercise of ESOP	65,900,372	659,003,720	13,937,076,850	-

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)	Remarks
October 13, 2014	4,800	10	35	Cash	Exercise of ESOP	65,905,172	659,051,720	13,937,196,850	-
January 12, 2015	440	10	35	Cash	Exercise of ESOP	65,905,612	659,056,120	13,937,207,850	-
May 11, 2015	1,060	10	35	Cash	Exercise of ESOP	65,906,672	659,066,720	13,937,234,350	-
September 16, 2015	12,000	10	35	Cash	Exercise of ESOP	65,918,672	659,186,720	13,937,534,350	-
October 14, 2015	1,600	10	35	Cash	Exercise of ESOP	65,920,272	659,202,720	13,937,574,350	-
December 8, 2015	6,000	10	35	Cash	Exercise of ESOP	65,926,272	659,262,720	13,937,724,350	-
January 20, 2016	880	10	35	Cash	Exercise of ESOP	65,927,152	659,271,520	13,937,746,350	-
June 15, 2016	575	10	35	Cash	Exercise of ESOP	65,927,727	659,277,270	13,937,760,725	-
July 13, 2016	3,480	10	35	Cash	Exercise of ESOP	65,931,207	659,312,070	13,937,847,725	-
October 12, 2016	6,350	10	35	Cash	Exercise of ESOP	65,937,557	659,375,570	13,938,006,475	-
November 16, 2016	200	10	35	Cash	Exercise of ESOP	65,937,757	659,377,570	13,938,011,475	-
December 21, 2016	575	10	35	Cash	Exercise of ESOP	65,938,332	659,383,320	13,938,025,850	-
January 18, 2017	100	10	35	Cash	Exercise of ESOP	65,938,432	659,384,320	13,938,028,350	-
February 8, 2017	1,470	10	35	Cash	Exercise of ESOP	65,939,902	659,399,020	13,938,065,100	-
March 8, 2017	3,500	10	35	Cash	Exercise of ESOP	65,943,402	659,434,020	13,938,152,600	-
April 12, 2017	250	10	35	Cash	Exercise of ESOP	65,943,652	659,436,520	13,938,158,850	-
June 14, 2017	1,475	10	35	Cash	Exercise of ESOP	65,945,127	659,451,270	13,938,195,725	-
August 9, 2017	2,450	10	35	Cash	Exercise of ESOP	65,947,577	659,475,770	13,938,256,975	-
September 6, 2017	850	10	35	Cash	Exercise of ESOP	65,948,427	659,484,270	13,938,278,225	-
October 11, 2017	1,850	10	35	Cash	Exercise of ESOP	65,950,277	659,502,770	13,938,324,475	-
November 8, 2017	8,100	10	35	Cash	Exercise of ESOP	65,958,377	659,583,770	13,938,526,975	-
December 13, 2017	100	10	35	Cash	Exercise of ESOP	65,958,477	659,584,770	13,938,529,475	-
January 10, 2018	1,760	10	35	Cash	Exercise of ESOP	65,960,237	659,602,370	13,938,573,475	-
February 7, 2018	2,475	10	35	Cash	Exercise of ESOP	65,962,712	659,627,120	13,938,635,350	-
March 7, 2018	3,050	10	35	Cash	Exercise of ESOP	65,965,762	659,657,620	13,938,711,600	-
April 11, 2018	2,750	10	35	Cash	Exercise of ESOP	65,968,512	659,685,120	13,938,780,350	-
May 9, 2018	50	10	35	Cash	Exercise of ESOP	65,968,562	659,685,620	13,938,781,600	-
August 14, 2018	2,645	10	35	Cash	Exercise of ESOP	65,971,207	659,712,070	13,938,847,725	-

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)	Remarks
September 12, 2018	975	10	35	Cash	Exercise of ESOP	65,972,182	659,721,820	13,938,872,100	-
October 17, 2018	12,200	10	35	Cash	Exercise of ESOP	65,984,382	659,843,820	13,939,177,100	-
November 15, 2018	1,800	10	35	Cash	Exercise of ESOP	65,986,182	659,861,820	13,939,222,100	-

Shareholding pattern of our Company

The following is the shareholding pattern of our Company, as on December 31, 2018***:***

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights: Class eg: X	Class eg:y	Total	Total as a % of (A+B+C)				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	1	22268877	0	0	22268877	33.75	0	0	0	0	0	0	33.75	0	0.00	0.00	0.00	22268877
(B)	Public	11360	43717305	0	0	43717305	66.25	0	0	0	0	0	0	66.25	0.00	0.00	n.a.	n.a.	43559575
(C)	Non Promoter-Non Public																		
(C1)	Shares Underlying DRs						NA												
(C2)	Shares held by Employee Trusts																		
	Total	**11361**	**65986182**	**0**	**0**	**65986182**	**100.00**	**0**	**0**	**0**	**0**	**0**	**0**	**100.00**	**0**	**0.00**	**0.00**	**0.00**	**65828452**

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

	Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights: Class X	Class y	Total	Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(1)	**Indian**																				
a	Individual/Hindu Undivided Family			0	0	0	0	0.00								0.00	0				
b	Central Government/ State Governments			0	0	0	0	0.00								0.00	0				
c	Financial Institutions / Banks			0	0	0	0	0.00								0.00	0				
d	Any other (Specify) Body Corporate		1	22268877	0	0	22268877	33.75								33.75		-			22268877
	Sub Total A(1)		**1**	**22268877**	**0**	**0**	**22268877**	**33.75**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**33.75**	**0**	**0.00**			**22268877**
(2)	**Foreign**																				
a	Individual (Non resident Individuals / Foreign individuals)							0.00													
b	Government							0.00													

c	Institutions							0.00													
d	Foreign Portfolio Investor							0.00													
e	Any other (Specify)							0.00													
	Sub Total A(2)		0	0	0	0	0	0.00	0	0	0	0	**0**	**0**	**0**	**0.00**	**0**		**0**		**0**
	Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)		**1**	**22268877**	**0**	**0**	**22268877**	**33.75**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**33.75**	**0**	**0.00**			**22268877**

Table III - Statement showing shareholding pattern of the Public shareholder

	Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights: Class X	No. of Voting Rights: Class y	No. of Voting Rights: Total	Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
(1)	**Institutions**																				
a	Mutual Funds/UTI		8	4167434			4167434	6.32	0	0	0	0.00	0		0	6.32					4167434
b	Venture capital Funds						0	0.00	0	0	0	0.00	0		0	0.00					
c	Alternate Investment Funds		1	436959			436959	0.66	0	0	0	0.00	0		0	0.66					436959
d	Foreign Venture Capital Investors						0	0.00	0	0	0	0.00	0		0	0.00					
e	Foreign Portfolio Investors		89	16326049			16326049	24.74	0	0	0	0.00	0		0	24.74					16326049
f	Financial Institutions / Banks		4	16405			16405	0.02	0	0	0	0.00	0		0	0.02					16405
g	Insurance Companies						0	0.00	0	0	0	0.00	0		0	0.00					
h	Provident Funds /						0	0.00	0	0	0	0.00	0		0	0.00					

	Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights Class X	Class y	Total	Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
	Pension Funds																				
i	Any other (Specify)						0	0.00	0	0	0	0.00	0		0	0.00					
								0.00	0	0	0	0.00	0		0	0.00					
	Sub Total B(1)		**102**	**20946847**	**0**	**0**	**20946847**	**31.74**								**31.74**					**20946847**
(2)	**Central Government / State Government / President of India**																				
	Sub Total B(2)		0	0	0	0	0	**0.00**	0	0	0	0	0	0	0	**0.00**	0				
(3)	**Non-Institutions**																				
a	Individuals																				
	Individual Shareholders holding Nominal Share Capital upto Rs.2 Lakhs		9622	1304851			1304851	1.98	0	0	0	0.00	0		0	1.98					1149071
	Individual		9	482186			482186	0.73	0	0	0	0.00	0		0	0.73					482186

	Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights: Class X	No. of Voting Rights: Class y	No. of Voting Rights: Total	Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
	Shareholders holding Nominal Share Capital in excess of Rs.2 Lakhs																				
b	NBFCs Registered with RBI		2	13450			13450	0.02	0	0	0	0.00	0		0	0.02					13450
c	Employee Trusts						0	0.00	0	0	0	0.00	0		0	0.00					
d	Overseas Depositories (holding DRs) (balancing figure)						0	0.00	0	0	0	0.00	0		0	0.00					
e	Any other		1625	20969971	0	0	20969971	31.78	0	0	0	0.00	0		0	31.78					20968021
	ASSOCIATION OF PERSONS		1	30	0	0	30	0.00	0	0	0	0.00	0		0	0.00					30
	CORPORATE BODY-FOREIG		1	13421889	0	0	13421889	20.34	0	0	0	0.00	0		0	20.34					13421889

Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX) No. of Voting Rights Class X	Class y	Total	Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	Number of equity shares held in dematerialized form (XIV)
N BODY																				
CLEARING MEMBER		30	4779	0	0	4779	0.01	0	0	0	0.00	0		0	0.01					4779
DOMESTIC BODY CORPORATE		256	6858285	0	0	6858285	10.39	0	0	0	0.00	0		0	10.39					6856335
FOREIGN INSTITUTIONAL INVESTORS		1	8216	0	0	8216	0.01	0	0	0	0.00	0		0	0.01					8216
FOREIGN PORT FOLIO INVESTOR-CORPORATE-3		9	408405	0	0	408405	0.62	0	0	0	0.00	0		0	0.62					408405
LIMITED LIABLITY PARTNERSHIP/CORPORATE BODY - LLP		10	23510	0	0	23510	0.04	0	0	0	0.00	0		0	0.04					23510

Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
								Class X	Class y	Total										
NON RESIDENT INDIANS - REPATRIABLE		980	124713	0	0	124713	0.19	0	0	0	0.00	0		0	0.19					124713
NON RESIDENT INDIANS - NON REPATRIABLE		334	57811	0	0	57811	0.09	0	0	0	0.00	0		0	0.09					57811
TRUST		1	10394	0	0	10394	0.02	0	0	0	0.00	0		0	0.02					10394
IEPF Authority		1	51439	0	0	51439	0.08	0	0	0	0.00	0		0	0.08					51439
Unclaimed Securities Suspense Account		1	500	0	0	500	0.00	0	0	0	0.00	0		0	0.00					500
Sub Total B(3)		**11258**	**22770458**	**0**	**0**	**22770458**	**34.51**	**0**	**0**	**0**	**0.00**	**0**		**0**	**34.51**					**22612728**
Total Public Shareholding (B)= (B)(1)+(B)(2) +(B)(3)		**11360**	**43717305**	**0**	**0**	**43717305**	**66.25**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**66.25**					**43559575**

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No.(Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
									Class X	Class y	Total								
(1)	**Custodian / DRHolder**				Nil												NA		
(a)	Name of DR Holder if available				Nil												NA		
					Nil												NA		
(2)	**Employee Benefit Trust (under SEBI(Share Based Employee Benefit) Regulations, 2014)**				Nil												NA		
	Name				Nil												NA		
	Total Non-Promoter - Non Public Shareholding (C)= (C) (1) +(C) (2)				Nil												NA		

Shareholding of Promoter in our Company

The following is the shareholding of our Promoter in our Company, as on December 31, 2018:

Sr. no.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Total shareholding as a percentage of the total number of Equity Shares	Number of Equity Shares pledged	Percentage of Equity Shares pledged with respect to shares owned
1.	Shriram Capital Limited	22268877	22268877	33.75	0	0.00

Top 10 Equity Shares holders as on December 31, 2018

The following are the details of the top ten shareholders of our Company, as December 31, 2018:

Sr. no.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Total shareholding as a percentage of the total number of Equity Shares
1.	Shriram Capital Limited	22268877	22268877	33.75
2.	Dynasty Acquisition (FPI) Ltd	13421889	13421889	20.34
3.	Piramal Enterprises Limited	6579840	6579840	9.97
4.	East Bridge Capital Master Fund Limited	2562364	2562364	3.88
5.	Matthews India Fund	1873192	1873192	2.84
6.	WF Asian Smaller Companies Fund Limited	1516817	1516817	2.30
7.	East Bridge Capital Master Fund I Ltd	1478419	1478419	2.24
8.	Cornalina Acquisition (FII) Limited	1223810	1223810	1.85
9.	WF Asian Reconnaissance Fund Limited	1206745	1206745	1.83
10.	Acacia Partners, LP	1000000	1000000	1.52
	Total	53131753	53131753	80.52

The aggregate number of securities of the Company and its Subsidiary purchased or sold by the promoter group, the directors of our Promoter, our Directors and their relatives within six months immediately preceding the date of filing of this Draft Shelf Prospectus:

The promoter group, the directors of our Promoter, our Directors and their relatives have not purchased or sold any securities of the Company and its Subsidiary within six months immediately preceding the date of filing of this Draft Shelf Prospectus

Debt-equity ratio

The debt to equity ratio of our Company as on December 31, 2018 (prior to this Issue) is based on a total outstanding debt of ₹ 224,648.00 million, and shareholders' funds amounting to ₹ 61,673.96 million which was 3.64 times as on December 31, 2018. The debt to equity ratio post the Issue (assuming subscription of ₹ 30,000 million) would be 4.13 times, based on a total outstanding debt of ₹ 254,648 million and shareholders' fund (as December 31, 2018) of ₹ 61,673.96 million. The actual debt equity ratio post the Issue would depend upon the actual position of debt and equity on the date of Allotment.

Amount (in ₹ million)#

Particulars	Prior to the Issue (as of December 31, 2018)	Post the Issue
Secured Loan	154,203.99	184,203.99
Unsecured Loan	70,444.01	70,444.01
Total Debt [A]	224,648.00	254,648.00
Share Capital	659.86	659.86
Reserves	61,046.05	61,046.05
Total Shareholders' Funds [B]	61,673.96*	61,673.96*
Debt Equity Ratio (No. of Times)# [A]/[B]	3.64	4.13

 # Any change in total debt and net worth after December 31, 2018 has not been considered.
**Excluding ₹ 31.95 million of misclleanous expenditure-expenses for the public issue of non-covertible debentures to the extent not written off.*

For details of the outstanding debt of our Company, please see the section titled "*Financial Indebtedness*" on page 114 of this Draft Shelf Prospectus.

Top ten holders of debt instruments

Set forth below are our details of our top ten holders of debentures on a cumulative basis outstanding as on December 31, 2018.

(₹ *in million*)

S no.	Name of holder	Amount
1.	SBI Magnum Low Duration Fund	3000
2.	SBI Dual Advantage Fund - Series XXII	2500
3.	HDFC Trustee Company Ltd A/C Hdfc Floating Rate Debt Fund	2500
4.	HDFC Trustee Company Ltd A/C Hdfc Floating Rate Debt Fund	2500
5.	Reliance Capital Trustee Co Ltd A/C-Reliance Low Duration Fund	2500
6.	SBI Dual Advantage Fund Series XXIV	2000
7.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	1550
8.	ICICI Bank Limited	1500
9.	Postal Life Insurance Fund A/C	1300
10.	SBI Dual Advantage Fund - Series XIX	1150

Details of any Acquisition or Amalgamation in the last one year

Our Company has not made any acquisition or amalgamation in the last one year prior to filing of this Draft Shelf Prospectus.

Details of any Reorganization or Reconstruction in the last one year

Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Draft Shelf Prospectus.

OBJECTS OF THE ISSUE

Issue Proceeds

Our Company has filed this Draft Shelf Prospectus for a public issue of NCDs aggregating upto the Shelf Limit, in one or more tranches.

The funds raised through this Issue will be utilised for our various financing, lending, investments, repaying our existing liabilities or loans, towards our business operations, capital expenditure, working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (in ₹ million)
Gross proceeds to be raised through each Tranche Issue	As mentioned in the relevant Tranche Prospectus
Less: - Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus
Net Proceeds of the Tranche Issue after deducting the Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings of our Company[#]	At least 75%
2.	General Corporate Purposes	Maximum of up to 25%
Total		**100%**

Issue Related Expenses

The expenses of this Issue include, among others, fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses, brokerage fees payable to RTA, fees payable to the Debenture Trustee and listing fees. The estimated Issue expenses for each Tranche Prospectus shall be specified in respective Tranche Prospectus Issue.The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Funding plan
NA

Summary of the project appraisal report
NA

Schedule of implementation of the project
NA

Interim use of Proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from the financial year ended March 31, 2019, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Further, in accordance with the Debt Listing Agreement, our Company will furnish to the BSE on a half yearly basis, a statement indicating material deviations, if any, in the use of Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results. We shall utilize the proceeds of the Issue only upon execution of the documents for creation of security and receipt of listing and trading approval from BSE as stated in this Draft Shelf Prospectus in the section titled "*Terms of the Issue*" on page 147 and upon the listing of the NCDs.

Other confirmations

All monies received pursuant to the issue of NCDs to public shall be kept in a separate bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;

Details of all monies utilised out of each Tranche Issue referred to above shall be disclosed separately in our annual financial statementsindicating the purpose for which such monies had been utilised;

Details of all unutilised monies out of issue of NCDs, if any, referred to above shall be disclosed separately in our annual financial statements indicating the form in which such unutilized monies have been invested;

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company.

The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoters, our Directors, Key Managerial Personnel, or companies promoted by our Promoters except in ordinary course of business.

No part of the proceeds from this Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Draft Shelf Prospectus in the section titled "*Terms of the Issue*" beginning on page 147.

Variation in terms of contract or objects in this Draft Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which the Shelf Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013.

Benefit / interest accruing to Promoters or Directors out of the objects of the Issue

There is no benefit or interest accruing to the Promoters or Directors from the objects of the Issue.

STATEMENT OF TAX BENEFITS

Under the existing provisions of law, the following tax benefits, inter-alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested as defined in Section 2(18)(b)(B) of the Income Tax Act, 1961, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

This statement has been prepared solely in connection with the Issue under the Regulations as amended.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

A. Under the Income-Tax Act, 1961 ("I.T. Act")

I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

2. As per section 2(29A) read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   As per section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

   However as per the third proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

   In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

3. As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 2 above would also apply to such short term capital gains.

4. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

5. Securities Transaction Tax ("STT") is a tax levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the debentures.

6. Income tax is deductible at source on interest on debentures, payable to resident debenture holders at the time of credit/ payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

   a) Any security issued by a Company in a dematerialised form and is listed on recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

b) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), Debenture Holder does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.

c) When theAssessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.

d) (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a companyor a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

Further, section 87A provides a rebate of 100 percent of income-tax or an amount of Rs. 2,500 whicheve is less to a resident individual whose total income does not exceed Rs.3,50,000.

(ii) Senior citizens, who are 60 or more years of age at any time during the financialyear,enjoythe special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

7. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.

8. As per Section 74 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set- off against subsequent year's long-term capital gains.

II. Tax benefits available to the Non-Resident Debenture Holders

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

a) As per section 115C(e) of the Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

b) As per section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition.

Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

c) As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the new assets are transferred or converted into money.

d) As per section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

e) As per section 115H of the I.T. Act, where a non-resident Indian becomes assessable as resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

c) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act, and at the normal rates for Short Term Capital Gains if the payee debenture holder is a non-resident Indian.

4. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set- off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets whose gains are exempt under Section 10(38) of the I.T. Act) during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

5. The income tax deducted shall be increased by surcharge as under:

(a) In the case of non-resident Indian, surcharge at the rate of 10% of such tax liability (if agreegate of such income paid or likely to be paid and subject to the deductionexceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000) and 15% of such tax liability (if income exceeds Rs. 1,00,00,000) subject to deduction.

(b) In the case of foreign companies, surcharge at the rate of 2% of such tax liability where the income orthe aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000, surcharge at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 10,00,00,000.

(c) Cess is to be applied at 4% on aggregate of base tax and surcharge.

6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate ("**TRC**"), is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.

7. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance

of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

III. Tax benefits available to the Foreign Portfolio Investors ("FPIs")

1. As per Section 2(14) of the I.T. Act, any securities held by FPIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FPIs as capital gains.

2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FPIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.

3. Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess) in accordance with and subject to the provisions of Section 115AD of the I.T. Act.

4. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% (plus applicable surcharge and cess) on payment by way of interest paid by an Indian company to FPIs in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government.

5. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FPIs.

6. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. Tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf. Further, as per the provisions of Section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. Exemption under Sections 54F of the I.T. Act

1. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

   This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

VI. Requirement to furnish PAN under the I.T. Act

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at

the higher of the following rates:

(i) at the rate specified in the relevant provision of the I.T. Act; or

(ii) at the rate or rates in force; or

(iii) at the rate of twenty percent.

3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

4. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (1) above in such a case.

5. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (2) above will apply apart from penal consequences.

VII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April, 2017:

(a) without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

(b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration; shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the I.T. Act.

VIII. General Anti-Avoidance Rule ('GAAR)

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be interalia denial of tax benefit, applicable w.e.f 1-04-2017. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

NOTES:

1. The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by the Finance Act, 2018.

2. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

3. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the nonresident has fiscal domicile.

4. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.

5. Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person at the rate of 10% on tax where total income exceeds Rs. 50 lakh but does not exceed Rs. 1 crore and at the rate of 15% on tax where the total income exceeds Rs. 1 crore.

6. Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds Rs. 1 crore.

7. Surcharge is levied on domestic companies at the rate of 7% on tax where the income exceeds Rs 1 crore but does not exceed Rs. 10 crores and at the rate of 12% on tax where the income exceeds Rs. 10 crores.

8. Health and Education Cess is to be applied at 4% on aggregate of base tax and surcharge.

9. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

10. The above statement sets out the provisions of law in a summary manner only and is not complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.

11. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.

12. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Except as noted below, all data in this section is sourced from the reports titled "NBFC Report 2018", "Banking Report 2018" and "Retail Finance Auto Report 2018" from CRISIL Research ("**CRISIL Reports**"). All forward looking statements, estimates and projections in this section are CRISIL Research's forward looking statements, estimates and projections.*

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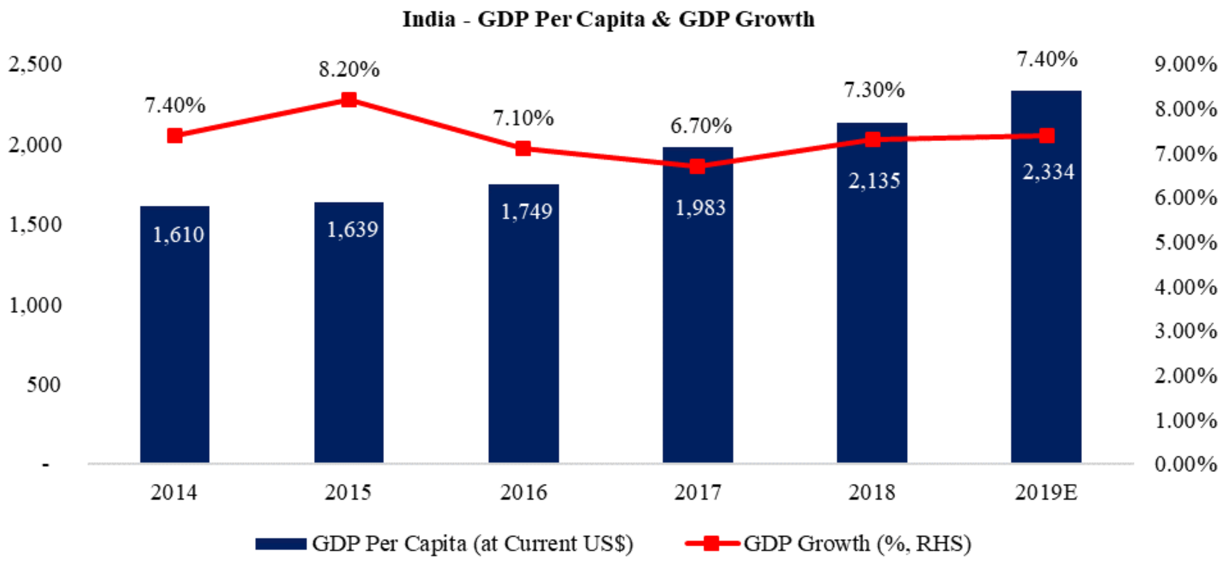
OVERVIEW OF THE INDIAN ECONOMY

Stable Economy with Consistent Growth

India is currently the sixth-largest economy in the world with a GDP of US$ 2.85 trillion in 2018. It is the seventh-largest country by area and the second-most populated country in the world with an estimated population of 1.30 billion as of July 2018 (*Source: Central Intelligence Agency, The World Factbook, accessed on September 28, 2018*). In 2017 and 2018, India's GDP grew by 6.7% and 7.3%, respectively, and is expected to grow by 7.4% in 2019 (*Source: IMF*).

The following chart shows growth rates in GDP (constant prices) and GDP per capita (constant prices) of India between 2013 and 2018:



Source: IMF.

As per the RBI, real GDP growth is expected to accelerate in Fiscal 2019 vis-à-vis Fiscal 2018, with the pace of growth easing in first half of the year relative to the second half. Stabilisation of the GST regime, progress on resolution of distressed assets under the IBC and initiatives towards strengthening of bank balance sheets are supporting economic and investment activity. However, the uncertain global environment poses an important downside risk to the domestic growth outlook.

Economic Indicators

Adequate Forex Cover: India's forex reserves were at US$ 398,122.3 million as of February 8, 2019 (*Source: RBI*).

Consistent foreign investment flows: India has attracted long-term foreign capital investments totaling US$563 billion between April 2000 and June 2018, of which US$45 billion was in Fiscal 2018 (*Source: Department of Industrial Policy and Promotion*).

Increased Industrial Activity: The index of industrial production grew at a 4.3% in Fiscal 2018, compared to 4.6% in Fiscal 2017 (*Source: Reserve Bank of India, Annual Report, 2017-18*).

Growing Trend of Urbanization: Around 377 million Indians, representing 31.14% of the country's population, lived in urban areas in 2016. The urban population is expected to grow to approximately 600 million (representing 40% of the country's population) by 2031 and 850 million (representing 50% of the country's population) by 2051 (*Source: Ministry of Urban Development, Handbook of Urban Statistics, 2016*).

Falling Household Size: Coupled with increasing urbanization, the average Indian household size has been reducing. According to the 2011 census, the average household size was 4.9 in 2011 compared with 5.3 in 2001. Based on the 2011 census, 68.8% of total occupied housing units had one or two rooms, 27.3% had more than two rooms, and 3.9% had no exclusive rooms (*Source: Ministry of Statistics and Programme Implementation, Selected Socio-Economic Statistics, September 2017*).

NON-BANKING FINANCIAL COMPANIES

Non-Banking Financial Companies ("**NBFCs**") have played an important role in the Indian financial system by complementing and competing with banks, and by bringing in efficiency and diversity into financial intermediation. NBFCs have evolved considerably in terms of operations, heterogeneity, asset quality and profitability, and regulatory architecture. NBFCs are companies engaged in the business of loans and advances, acquisition of shares, stock, bonds, debentures or securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but do not include any institution whose principal business is that of agricultural activity, industrial activity, sale, purchase or construction of immovable property. A non-banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any other manner, or lending in any manner is also a NBFC (Residuary Non-Banking Company). It is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. All NBFCs are not entitled to accept public deposits. Only those NBFCs holding a valid certificate of registration with authorization to accept public deposits can accept/hold public deposits. NBFCs authorized to accept/hold public deposits besides having minimum stipulated net owned fund should also comply with the directions such as investing part of the funds in liquid assets, maintain reserves, rating etc. issued by the Bank.

Types of NBFCs

Based on deposit mobilization, NBFCs are classified into two major categories: NBFCs-D (deposit taking) and NBFCs-ND (non-deposit taking). In view of the phenomenal increase in their number and deposits, a comprehensive legislative framework for NBFCs-D was introduced in 1997 to protect the interests of depositors. A conscious policy was pursued by the Government to discourage acceptance of deposits by NBFCs so that only banks could accept public deposits. Hence, no new license has been given to NBFCs-D after 1997. NBFCs-ND were sub-divided into two categories in 2006 - Systemically Important Non- Deposit taking NBFCs ("**NBFCs-ND-SI**") and other Non-Deposit taking NBFCs ("**NBFCs-ND**") based on asset size. NBFCs with an asset size greater than ₹ 1 billion were considered as NBFC-ND-SI. The threshold for recognition of NBFCs-ND-SI was increased to ₹ 5 billion in 2014. This classification was made to ensure greater regulatory control over NBFCs-NDSI, which were expected to pose greater systemic risks on account of their larger size. NBFCs-ND-SI, as a result, were subjected to stricter prudential regulations as compared to NBFCs-ND.

Based on activities undertaken, NBFCs are classified into 12 major categories. While loan companies and investment companies have traditionally been the two core categories of the NBFC sector, newer categories have been added to this sector over time in recognition of the growing diversification of financial intermediation and the need for better regulatory oversight. Illustratively, in 2006, 'hire purchase and 'equipment leasing' categories were merged and categorized as Asset Finance Companies ("**AFCs**") – the third major category in the NBFC sector. Infrastructure Finance Companies ("**NBFC-IFCs**") were defined as a separate category in 2010. NBFC-IDFs were set up in 2011 to increase long-term debt financing of infrastructure projects as well as to alleviate asset liability mismatches arising out of financing such projects. They were envisaged to take over loans provided for infrastructure projects based on Public Private Partnership ("**PPP**") route which had completed one year of commercial operation. NBFCs-MFI were also set up in 2011 to serve the needs of the micro finance sector and the underserved segments more effectively. The focus of the regulations was more on strengthening the lending and recovery practices in the sector, especially with regard to the pricing of credit and multiple lending operations leading to over borrowing. NBFC-Factors were notified in accordance with the Factoring Regulation Act, 2011 as they were required to be registered with the RBI as NBFCs to commence their operations.

Classification of NBFCs based on activities undertaken

Types of NBFCs	Activity
1. Asset Finance Company (AFC)	Financing of physical assets supporting productive / economic activity, including automobiles, tractors and generators
2. Loan Company	Providing finance by extending loans or otherwise for any activity other than its own but does not include an AFC
3. Investment Company	Acquiring securities for the purpose of selling
4. Infrastructure Finance Company (NBFC-IFC)	Providing infrastructure loans
5. Systemically Important Core Investment Company (CIC-ND-SI)	Acquiring shares and securities for investment in mainly equity shares
6. Infrastructure Debt Fund (NBFC-IDF)	For facilitating flow of long-term debt into infrastructure projects
7. Micro Finance Institution (NBFC-MFI)	Extending credit to economically disadvantaged groups as well support Micro, Small and Medium Enterprises
8. Factor (NBFC-Factor)	Undertaking the business of acquiring receivables of an assignor or extending loans against the security interest of the receivables at a discount
9. NBFC Non-Operative Financial Holding Company ("**NOFHC**")	For permitting promoter / promoter groups to set up a new bank
10. Mortgage Guarantee Company ("**MGC**")	Undertaking mortgage activities
11. Account Aggregator ("**NBFC-AA**")	Collecting and providing the information of customers' financial assets in a consolidated, organised and retrievable manner to the customer or others as specified by the customer
12. Non-Banking Financial Company – Peer to Peer Lending Platform (NBFC-P2P)	Providing an online platform to bring lenders and borrowers together to help mobilise unsecured finance

(Source: Reserve Bank of India, Non-Banking Finance Companies in India's Financial Landscape, October 2017)

Notwithstanding the addition of newer categories over time, loan companies remain the single largest category, with a share of 36.2% in total assets of NBFCs as of March 31, 2017. NBFCs-IFC emerged as the second-largest category following the growing thrust on infrastructure financing. AFCs occupied the third position constituting 13.7% of total assets of NBFCs followed by investment companies. NBFCs-MFI, although accounting for only about 3% of the NBFC sector's assets as of March 31, 2017, have shown a steady rise in share since their inception.

Shares of NBFCs classified by activities in total assets of the NBFC sector

Category (%)	As of March 31,

	2012	2013	2014	2015	2016	2017
Loan companies	31.2	28.9	28.6	28.0	33.2	36.2
NBFCs-IFC	30.8	32.1	34.0	35.4	27.1	31.5
AFCs	12.6	14.2	14.3	13.9	13.2	13.7
Investment companies	22.3	21.4	19.7	17.7	22.4	12.6
NBFCs-MFI	1.6	1.9	1.9	2.4	2.8	3.0
CICs ND-SI	1.0	1.2	1.2	2.2	0.9	2.2
NBFCs-Factor	0.5	0.3	0.3	0.2	0.2	0.1
IDF-NBFCs	0.0	0.0	0.0	0.1	0.3	0.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Note: 1. Data are provisional; 2. NOFHC, MGC and NBFC-AA data are not captured in the table as they have a minuscule share in the total assets of the NBFC sector.
(Source: Reserve Bank of India, Non-Banking Finance Companies in India's Financial Landscape, October 2017)

OUTLOOK ON NBFCS

Liquidity

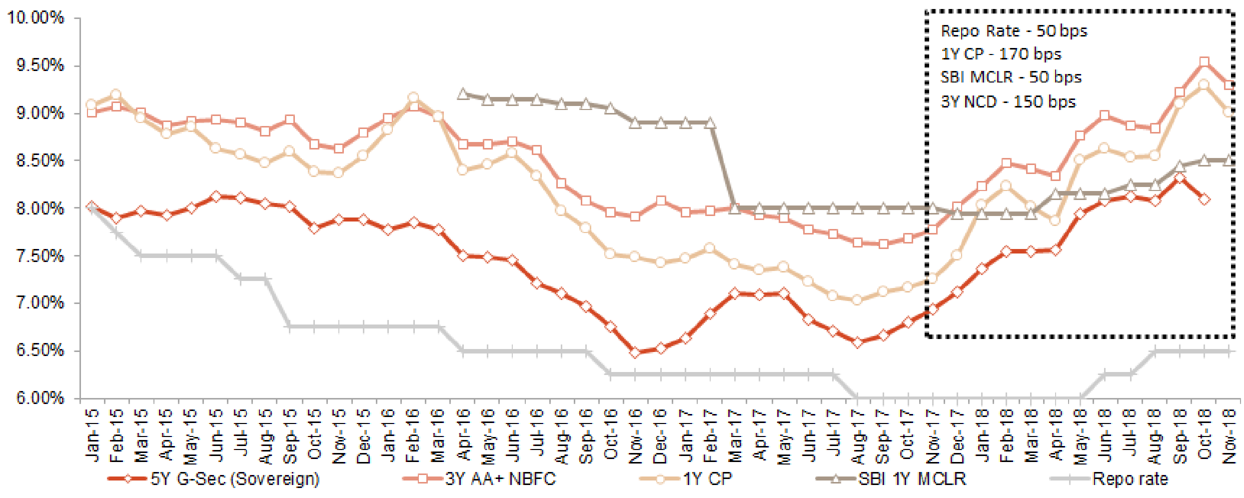
NBFCs grew at a strong pace in the first half of Fiscal 2019, showing year-on-year growth of 17%. However, defaults by certain prominent NBFCs in the second half of the year created panic, causing investor confidence in lending to NBFCs to dip. This subsequently led to a spike in market rates and slowdown in commercial paper ("**CP**") and bond issuances for all NBFCs. Investors' risk perception increased significantly towards players with negative asset liability management ("**ALM**") mismatch and high exposure to developer financing. NBFCs that have been relying heavily on short-term CP instruments may find it difficult to grow at the same pace and witness a sharp slowdown in their growth in the second half of Fiscal 2019. It is expected that the current liquidity condition may lead to a sharp slowdown in credit growth in the second half, thereby taking overall Fiscal 2019 growth to 13% on-year (~600 bps lower than the earlier estimates). The current liquidity squeeze, however, is expected to soften gradually over time until the end of the first half of Fiscal 2020. Despite the slowdown in growth, NBFCs are expected to continue growing faster than the overall banking sector as prompt corrective action and weak capitalised public sector banks may drag overall banking credit growth.

Interest rates

HFCs and NBFCs enjoyed a lower cost of borrowing over the past couple of years in the declining interest rate environment and had easy access to market borrowings. However, with the reversal in the interest rate cycle, borrowing costs are expected to move up. CPs/non- convertible debentures ("**NCDs**") and banks' marginal cost of funds based lending rate ("**MCLR**") (one year) have increased by more than ~160 bps and 50 bps, respectively, over the past one year. With the interest rate cycle likely to remain on a higher trajectory and estimating more than 50% of non-bank liabilities will get repriced in Fiscal 2019, the cost of borrowing is expected to rise by 30-40 bps in Fiscal 2019 and by a further ~70 bps in Fiscal 2020. NBFCs with higher exposure to market borrowings and short-term instruments may see relatively higher impact on their cost of borrowing in the near term. Moreover, entities facing higher liquidity issues may see greater increase in their cost of borrowings.

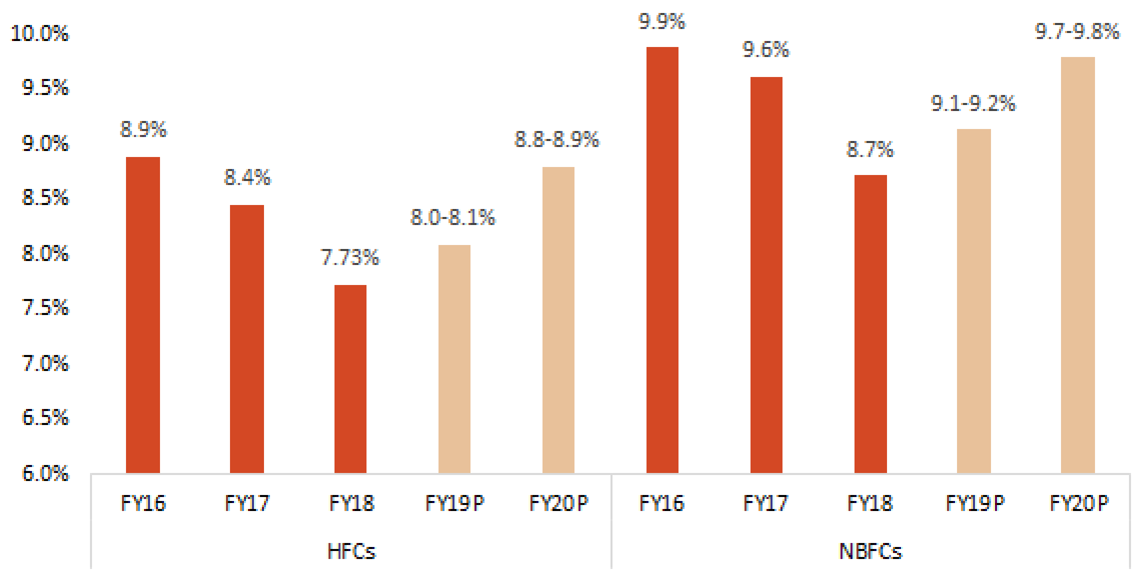
With increasing cost of borrowings, interest rates have also been on the rise. This trend is expected to continue going forward. The pace and intensity of increase in interest rates will depend on product competitiveness, existing interest rates and company's dominance in the industry.

Trend in Interest Rates



Source: RBI, SBI, CRISIL Research

Trend in cost of borrowings



Note: Based on sample set of CRISIL rated non-banks;
Government backed infrastructure NBFCs are not considered for calculating numbers for NBFCs
Players in each set cover more than 90% of the book in the respective segment
Source: CRISIL Ratings, CRISIL Research

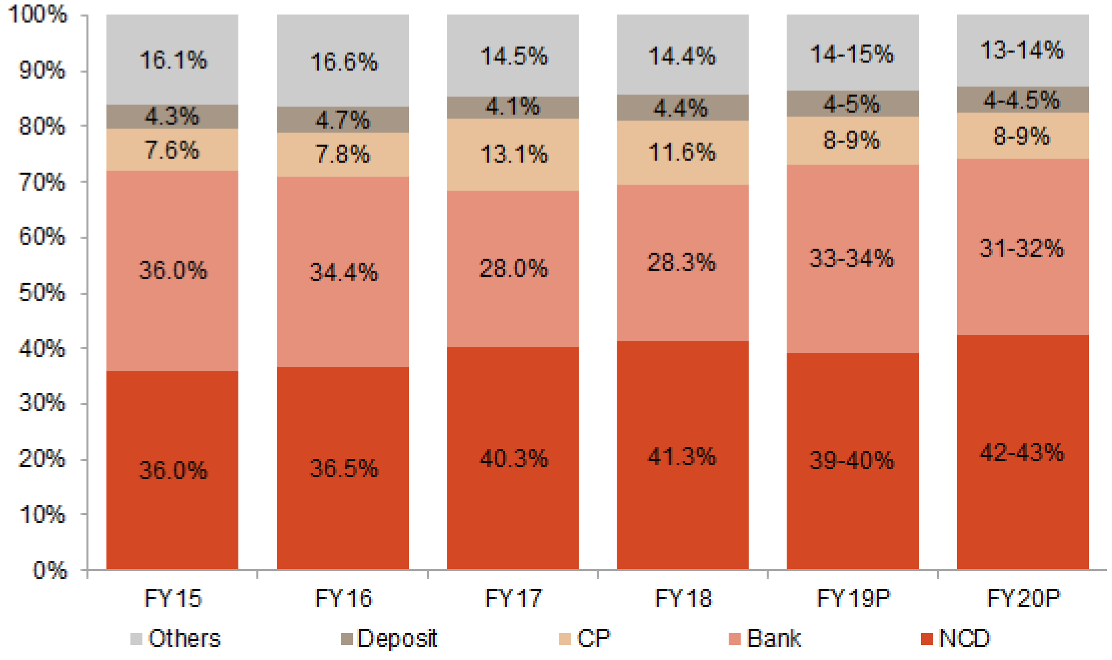
Margins

With the increase in cost of borrowing and intense competition, margin expansion is not expected in any segment over the next two years. Ability to pass on higher cost of borrowings and fixed or floating rate nature of loans are key determinant for the outlook on margins. Most of the NBFCs, except in mid and small HFCs, auto, wholesale and gold segments, are expected to see stable margins. Mid and small HFCs are expected to find it difficult to completely pass on the increase in rates on account of intense competition despite financiers charging a premium in this niche segment owing to associated risk. In case of auto finance, fixed rate nature of loans and inability to pass on higher rates, especially in segments like new passenger vehicles and commercial vehicles due to high competition, may lead to margin compression in the near term. Owing to the liquidity crisis, wholesale segment has also seen a sharp increase in risk perception and yields. With commercial paper rates having risen by more than 150 bps for certain NBFCs, market players may find it difficult to completely pass on higher rates.

Funding Mix

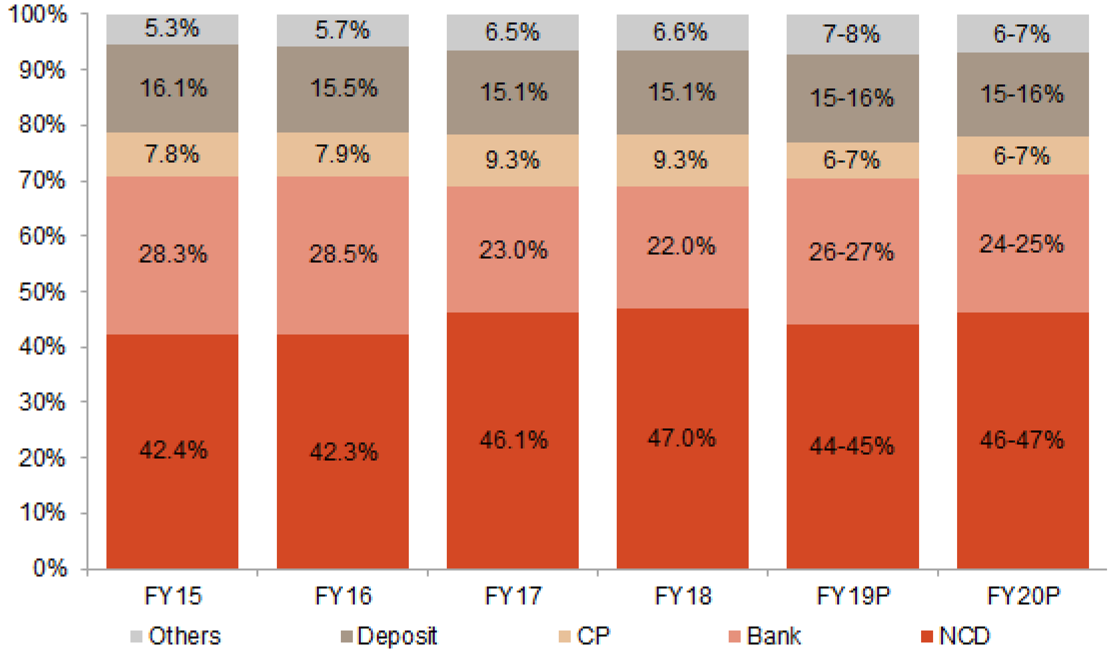
Competitive market rates and easy access to market borrowings led to an increase in mix of CPs/NCDs till Fiscal 2018. Proportion of market borrowings in the borrowing mix of non-banks has been in the range of 6-10% over the past three years. However, the cautious approach of mutual fund debt investors in light of recent defaults by prominent NBFCs, coupled with market rates moving higher than the banks MCLR rate, are expected to lead to higher bank borrowings going forward. Bank borrowings are expected to increase sharply by ~5% in Fiscal 2019. Conversely, the share of commercial paper in NBFCs' funding profile is expected to come down by ~3% in Fiscal 2019.

Trend in resource profile of NBFCs



Note: Government backed Infrastructure NBFCs are not considered
Source: Company reports, CRISIL Research

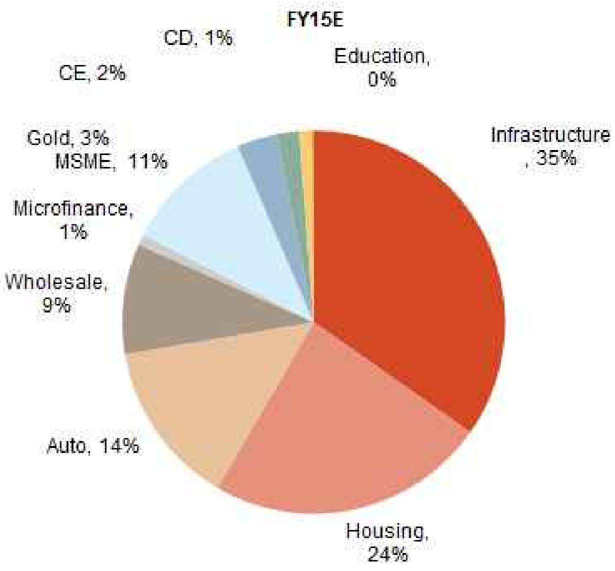
Trend in resource profile of HFCs

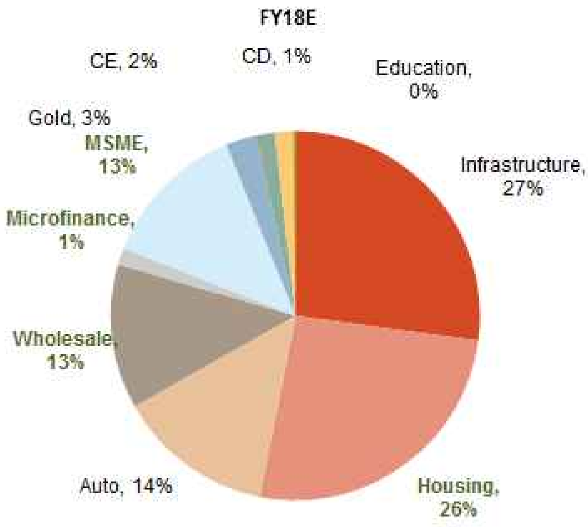


Note: Players in each set covers more than 90% of the respective industries
Source: Company reports, CRISIL Research

OVERVIEW OF SELECT SEGMENTS

The break-up of the different segments contributing to the NBFCs' AUM portfolio are:



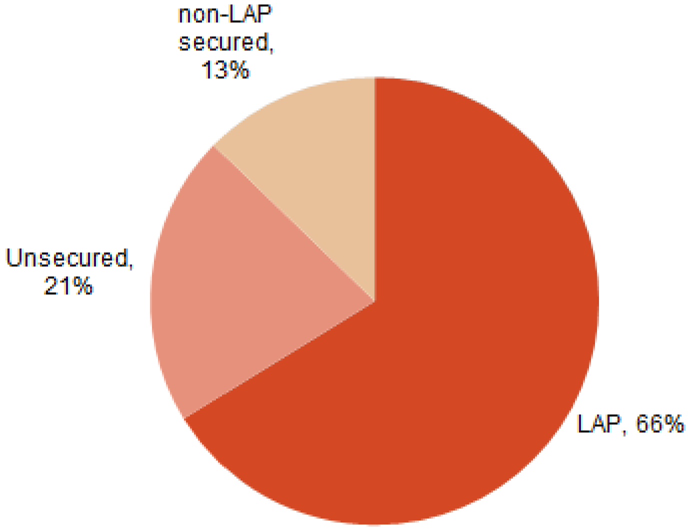


The retail segment, which comprises the housing, auto and micro, small & medium enterprises ("**MSMEs**") sectors, accounted for more than half of the overall NBFC market pie as of March 2018. The share of infrastructure loans, which currently accounts for more than 25% of the pie, has been shrinking consistently over the past few years. HFCs, wholesale and diversified NBFCs, on the other hand, have gained market share at the expense of infrastructure and auto financing NBFCs.

MSME Finance

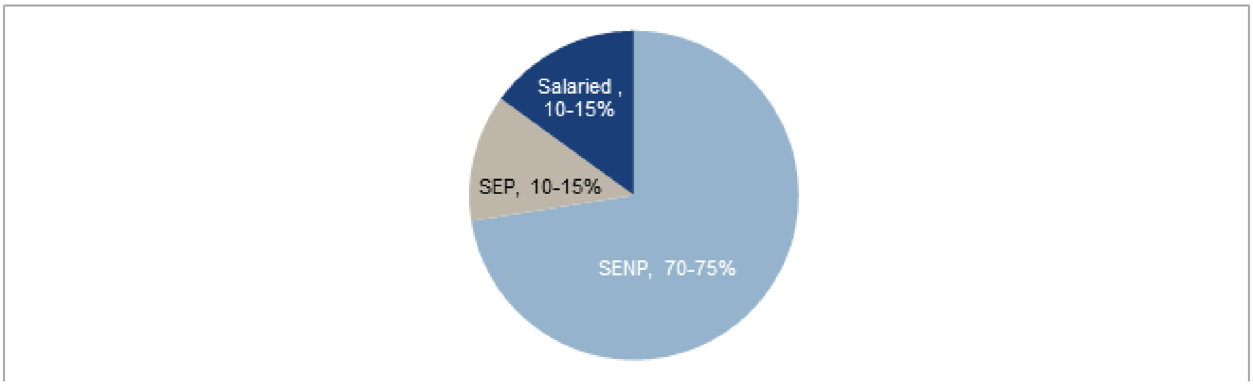
MSMEs complement large corporates as suppliers and directly cater to end-users. The MSME sector contributes to the country's socio-economic development by providing large employment opportunities in rural and backward areas, reducing regional imbalances, and assuring equitable distribution of national wealth and income. The segment contributed to 29% of the GDP as of Fiscal 2016, thus supporting the country's economic development and growth. MSME financing typically comprises of unsecured loans and secured loans, which are further divided into loans against property ("**LAP**") and non-LAP secured loans.

Portfolio mix of non-banks



Loans against property

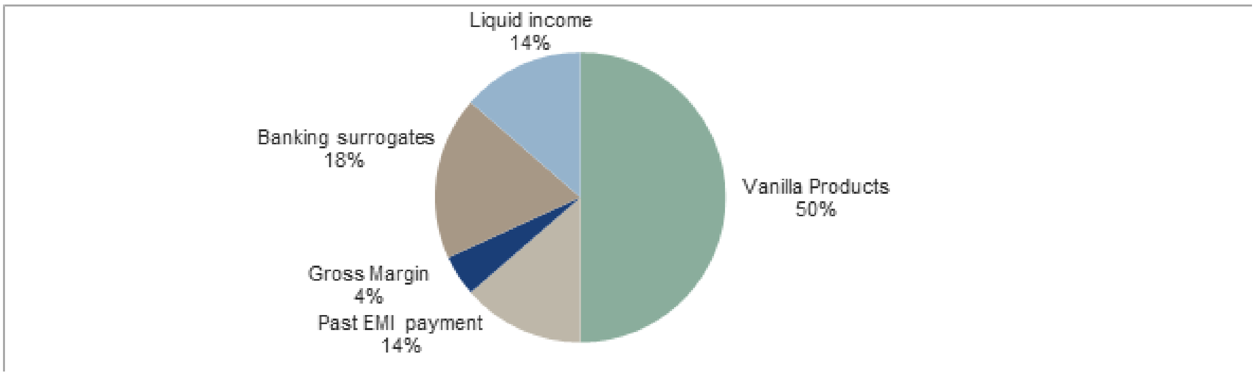
A LAP is availed of by mortgaging a property (residential or commercial) with the lender. The end-use of the loan amount is not closely monitored. It could be used for either business or personal purposes. It can be availed of by both salaried and self-employed individuals. Self-employed people account for almost 80-85% of LAP disbursements; of these, ~70-75% are self-employed non-professionals ("**SENP**") and the rest self-employed professionals ("**SEP**"). The salaried class accounts for the remaining ~15%, primarily availing of LAPs to meet personal expenses related to marriage, education, healthcare and repayment of previous loans. SEPs comprise doctors, chartered accountants and architects, who mainly need funds for expansion of their clinics and offices. SENPs, on the other hand, comprise small manufacturers and traders, who avail of LAP as a term loan to meet capacity expansion, debt repayment, business diversification or working capital needs.



LAP is a secured loan, as it provides collateral to the financier in the form of the property. Its interest rate is lower compared with personal or business loans. For all these reasons, LAPs have grown popular among borrowers in recent years. CRISIL Research estimates the total outstanding LAP to have grown at a CAGR of 25% over the past 5 years to reach ₹ 4.0 trillion by March 2018. Growth was led by increase in product awareness coupled with increase in financier's willingness to lend. LAPs offer relatively lower turnaround time, bear lower interest rate, and also requires less documentation compared with other secured SME products. Moreover, rising property prices, increase in formalization in the economy, rise in loan-to-value ratios, and greater penetration beyond top 10 cities have also supported strong LAP growth.

Due to the higher share of the informal self-employed segment (where formal income documents are either not available or do not show the true repayment capability of the borrower) in the LAP market, financiers resort to various surrogate methods for cash-flow appraisal. Cautionary approach by lenders is expected to lower surrogate assessment in near term. Increase in availability of data with GST coming in and increasing formalisation in the system may also lead to further decrease in surrogate assessment in long term.

Plain vanilla appraisals account for 50% of total NBFC LAP assessment (Fiscal 2018)



While NBFCs/ HFCs target riskier self-employed customers, banks focus more on salaried individuals and self-employed individuals with good credit profiles. For borrowers, who have taken several personal and business loans earlier at higher interest rates, LAPs offer an attractive option, helping them foreclose old loans and take a single loan (LAP) at comparatively lower interest rates.

With high competition, all time low yields, asset quality concerns and current liquidity issues, it is expected that the LAP market will grow at a modest 14-15% CAGR over the next 2 years and touch ₹ 5.2 trillion by Fiscal 2020. However, NBFCs have recently lost their LAP share due to efforts to contain asset quality deterioration and yield pressure. Against the backdrop of high delinquency seen by certain NBFCs over the past two years and recent liquidity issues, CRISL Research expects NBFCs to growth to slow down further to 6-8% CAGR over the next two years. Growth for even HFCs is expected to slow down to 16-18% over the next 2 years due to liquidity issues. Consequently, non-bank (NBFC and HFC) growth in LAP segment is expected to be close to 12% CAGR over the next 2 years as against ~19% CAGR during Fiscals 2016 to 2018. However, private banks and well capitalised PSU banks are expected to partly capture the slowdown in NBFCs and HFCs in the near term.

Growth drivers

LAPs have been popular in top 10 metros, due to the high concentration of businesses. However, players have been expanding to other Tier I/II cities, which are highly under-banked and where competition is lower. This trend is expected to continue. Increase in penetration and availability of formal lending channels in such cities may take away market share from money lenders, and drive growth in the LAP segment for NBFCs. Further, demonetisation, implementation of the GST regime, and the Government's strong push for digitisation have led to higher transparency in the system. Such transparency is expected to push up the loan amount eligibility of borrowers. Formalisation may also help many new borrowers to come under the ambit of formal lending channels. Relatively lower turnaround time and low interest rate, when compared to other MSME financing products, will also continue to be key growth drivers in this segment. Further, higher government support for the affordable housing segment (in terms of interest rate subsidies) as well as a low interest rate scenario will boost overall housing loan demand over the next two Fiscals.

Non-LAP secured loans

Non-LAP (loan against property) secured MSME (micro, small and medium enterprises) loans include both working capital products (like cash credit, overdraft facility and bill discounting) and other term loan products, including asset-backed or hypothecated loans. Hypothecated loans are term loans where the collateral offered are a combination of property, inventory, etc. While banks completely dominate working capital loans, non-banking financial companies (NBFCs) have managed to capture a share of asset-backed/hypothecated term loans over the past couple of years.

Yields of non-LAP secured MSME loans are higher than that of LAP-secured loans, and majorly depend on the type of collateral offered (in the case of hypothecated loans) or the type of asset against which the loan is financed (in the case of asset-backed loans). Many NBFCs offer big ticket, non-LAP secured loans at very attractive rates to rapidly grow their books. Many of these loans are also customized loans, given on a case by case basis, depending on the collateral availability and repayment capability of the respective MSME. Operational expenditure on these loans is higher compared with LAP on account of the greater time and expenses incurred in appraising the client’s collateral. The asset quality in this segment is relatively inferior, as are recovery rates, vis-a-vis LAP loans, due to the former's illiquid collateral.

Growth drivers

CRISIL Research expects NBFCs' non-LAP secured MSME books to clock 21-23% CAGR over Fiscals 2018-2020. This growth is expected to be driven by relatively higher flexibility provided by NBFCs in terms of repayment and collateral flexibility vis-a-vis banks, which demand relatively high liquid collateral and have stringent criteria and due to increase in penetration in the equipment/asset backed loans category.

Unsecured MSME loans

Unsecured MSME (micro, small & medium enterprises) loans are given to self-employed borrowers without collateral. An unsecured small business loan is largely taken to tide over a liquidity crunch, take advantage of short-term opportunities, or for a small business expansion - mostly when the cash credit limit of the bank has been exhausted. Many lenders give these loans on top of other existing secured loans with them.

Competition in the secured loans market (especially retail loans) has driven non-banking financial companies (NBFCs) and some private banks to eye fresh opportunities to maximize profitability via unsecured small business loans. Unsecured business loan outstanding grew at a strong 26% CAGR over the past three years to ₹ 1,200 billion in Fiscal 2018. CRISIL Research expects unsecured business loans to continue to outpace credit growth over the next two years and reach ₹ 1.8 trillion by Fiscal 2020.

Growth drivers

NBFCs have aggressively focused on this segment in the past few years and their book has grown significantly faster than that of banks. However, with current tight liquidity scenario NBFCs growth is expected to witness slight moderation in Fiscal 2019, and to pick up in Fiscal 2020 as the situation improves. NBFCs are expected to gain slight market share by the end of Fiscal 2020.

Better risk-adjusted returns than other MSME products; lack of any collateral requirements; and low penetration and base coupled with increasing availability of customer data and faster disbursements driven by technology are the key features supporting the growth in this segment. With the average ticket size (ATS) expected to remain at ₹ 1.5-2.0 million, growth in this segment is expected to largely be volume driven, led by the 10 metros.

Uncomfortable giving higher ticket size loans, most players want to restrict their exposure per client. As per industry sources, higher ticket size loans get distributed between two and three NBFCs/banks, as a result of which the ATS remains low. However, a few NBFCs disburse higher ticket size loans of more than ₹ 10 million as they aggressively want to increase their market share. Many NBFCs only lend unsecured loans to other existing customers who have secured loans with them.

Gold Finance

The industry's assets under management (AUM) grew at a CAGR of 10% between Fiscals 2012 and 2015. While banks registered healthy growth in the gold loans segment, NBFCs were marked by slowdown and weakening competitive positioning owing to (i) withdrawal of eligibility for NBFCs under priority sector lending; the RBI putting a ceiling on loan-to-value (LTV) ratio that could be given out by NBFCs at 60%, as against 75% for banks; and (iii) RBI norms for conducting gold loan auctions.

The situation, however, improved thereafter. AUM rose at 8.2% from ₹ 2,140 billion in Fiscal 2016 to ₹ 2,508 billion in Fiscal 2018 because of a rise in gold prices by 12%, growth in prices was aided by good monsoon and macroeconomic turmoil with respect to the US-North Korea conflict, NBFCs' focus on improving the business per branch as they diversified their regional concentration, undertook aggressive marketing, and witnessed strong growth from non-southern regions. Their AUM increased from ₹ 530 billion, in Fiscal 2016 to ₹ 640 billion in Fiscal 2018.

Growth drivers

Going forward, CRISIL Research expects the industry AUM to grow to over ₹ 2,700 billion by Fiscal 2020, driven by stable gold prices, higher geographical penetration, and flexibility offered by players in terms of interest rates and loan tenure. NBFCs' AUM in this segment is expected to grow at a CAGR of 9%, to ₹ 760 billion in Fiscal 2020. The gold loan market is expected to continue to be attractive because of strong collateral, higher interest rates, lower cost and better return on investment. The segment is expected to also benefit from product diversification and cross-selling opportunities in the future, including other gold-based products and the opportunity to capture under-penetrated, untapped markets. Organized gold loan penetration remains significantly low which provides ample opportunity for organized financiers' loan book growth. Marketing initiatives by NBFCs aimed at raising awareness against heavy interest rates charged by the unorganized players, especially in rural parts, are also expected to aid growth. Additionally, NBFCs ability to leverage technology and improve their online gold disbursements could also turn out to be an important factor.

Gold holders in the south are more open to pledging gold to raise funds than those in other Indian regions. Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, and Puducherry together accounted for ~ 61% of AUMs of the top four gold loan NBFCs, as on March 31, 2018. Although attempts by NBFCs to expand into certain pockets of northern and western India have lowered the share of southern markets, the south still remains a stronghold for NBFC gold loan demand. However, NBFCs will still have to contend with public sentiment against pledging gold, as well as a general distrust of financiers, as they look to expand beyond the south.

Personal Loans

Between Fiscals 2015 and 2017, the domestic unsecured personal loan ("**UPL**") segment expanded at 26% CAGR; amounting to ~14% of the total personal loan segment (retail or consumer loan book) as classified by the RBI. As of Fiscal 2017, South India led all other zones with 37% share in unsecured personal loan disbursal, attributable to strong banking channel and financial inclusion in the region.

A typical customer for UPL is a salaried employee with stable income, preferably from an established corporate. Salaried employees make up 85% of the customer base. Customer profile also varies across banks, NBFCs and P2P lending platforms, with banks mainly targeting category A corporate salaried employees and P2P platforms catering to self-employed customers and small corporate employees. All player groups use cross-selling strategy, with almost 70% of the customer base acquired through that.

Growth drivers

The unsecured personal loan segment is expected to grow at 24% CAGR from Fiscal 2018 to Fiscal 2021, supported by significant under-penetration of credit in Indian households and increasing credit appetite of Indian consumers, healthy GDP growth and rising per capita income and expenditure, development of third party distribution networks, and digitisation.

Auto Finance

NBFCs accounted for almost half (~49%) of the market share in Fiscal 2018, having steadily increased their share in the segment over the years on account of better understanding the customer profiles, product offerings; introduction of efficient collection systems that are also increasingly convenient for customers/ borrowers; as well as latent credit demand for auto loans in riskier product segments, in riskier customer profiles and in semi urban/rural areas.

While competition from banks in auto financing is set to increase with their increased focus on retail segment on account of stress on corporate segment, NBFCs are expected to continue to enjoy high share in riskier segments. For instance, while used vehicle loans account for over one third of NBFCs books; banks' presence is limited to some 'make' and financing sale from organized dealers. Factors such as difficulties in assessing borrower income and value of used assets, and challenges in collection and recovery have kept banks away from used-vehicle financing. First time users, small road transport operators, driver-turned-owners/ first-time entrepreneurs are the target customers of NBFCs which banks consider to be riskier customer segments.

Strong grassroots presence enable NBFCs to have better understanding of their customer segments and geographies, this helps them in developing products better suited to their customers. NBFCs are also increasingly focusing on strengthening their presence and expanding their reach further by increasing penetration into rural and urban centers, and building partnerships with private financiers (private financiers take the credit risks whereas the NBFCs provide the loans) in the unorganised market to leverage their local knowhow to enhance the market share.

NBFCs mainly cater to customers' financing requirement for income generating assets. GNPAs in the segments like commercial vehicles and tractors are situational (unlike intentional defaults of personal and passenger vehicle segments). Therefore, asset quality in these segments is linked to overall economic growth, farm income and transport/vehicle operators' profitability. In passenger vehicles, defaults by taxi operators/drivers can be situational and/ or intentional. However, as NBFCs lend to customers with weak credit profiles, risk of customer default is higher compared to banks. Despite transition to accelerated recognition of non-performing assets in Fiscal 2018, GNPAs numbers declined on account of improved focus of financiers on collection, tightening of appraisal criteria by financiers and one of the leading players increasing its focus on financing relatively newer vehicles in used vehicle segment. Certain financiers have also started linking sales person incentive structure to the asset quality of his/her sold portfolio rather than making collection people entirely accountable for collection. Additional measures include early legal action against delinquent customers, and expansion of regional call centers (in regional languages) to increase awareness amongst the customers that timely payment of installments will improve their credit score and will result in their lower interest cost should they were to borrow again. Improvement in macroeconomic environment also supported improvement in asset quality. In near term, asset quality is expected to improve supported by improvement in economic growth and low incremental provisioning requirement as transition to 90 dpd GNPAs recognition (as mandated by Reserve Bank of India) has been completed in Fiscal 2018. In medium to long term, GNPAs are expected to come down, supported by improvement in economic growth, increased coverage of customers by credit bureaus, use of credit scoring models, proper pricing of risk by financiers, multiple verification by internal team as well as outsourced agencies, and increasing role of digital in collections.

Two wheeler finance

Following the exit of major players, especially large banks, in 2008, NBFCs have gained share in the two-wheeler finance market. Captive NBFCs target customers in all geographies, to drive sales. Non-captive NBFCs cater to self-employed segment in rural and semi-urban areas.

The two-wheeler industry grew ~27% in Fiscal 2018, compared to ~11% in the previous Fiscal. This growth was supported by improvement in the rural economy in a good monsoon year. Motorcycle sales (which account for nearly 63% of total two-wheeler sales) grew 14% due to good crop output, farm loan waiver in key states, and increase in minimum support prices (MSP). Scooters grew a strong 20% on the back of new model launches in 125cc segment, multi-ownership, and increasing rural penetration. Moped sales dipped 3% over a high base in Fiscal 2018. Scooters continue to gain popularity, as evidenced by the segment's increased share in total two-wheeler industry, from 21% in Fiscal 2013 to 33% in Fiscal 2018. Motorcycles accounted for 63% share in Fiscal 2018, as compared to 73% in Fiscal 2013.

In line with the growth in the two-wheeler industry, overall disbursements in this lending segment increased ~31% on-year in Fiscal 2018, supported mainly by 15% growth in sales and 11% growth in average prices. Consumer preference has shifted significantly towards premium segment's vehicles (its share has grown to 14% in total two-wheeler volume from 12% in Fiscal 200) mostly in urban areas.

CRISIL Research expects overall disbursements to increase at ~19% in Fiscal 2019. The total finance market is expected to reach ~₹ 575 billion in Fiscal 2023 from ~₹ 270 billion in Fiscal 2018. Factors that are expected to drive disbursement growth in long term include growth in two-wheeler sales and average prices; increase in average ticket size (on account of jump in average price and rise in loan to value); considerable shift of consumer preference towards premium segments (mostly in urban areas); increase in finance penetration; better credit monitoring and availability of credit bureau data that may help players reduce delinquencies and expand customer base.

Growth drivers

CRISIL Research expects the auto finance industry to grow at a CAGR of 17% during Fiscals 2018-2020. Tracking the industry performance, the outstanding loan portfolio of NBFCs in the auto finance industry is also expected to grow at a CAGR of ~15-17% over next two years.

Growth for NBFCs to mainly come from commercial vehicles (new light commercial vehicles and used commercial vehicles), used passenger vehicles, tractor, two wheeler and three wheeler segments. Increasing affordability and demand for commercial vehicles from road and mining are expected to drive disbursement growth growing forward. For instance, CRISIL Research expects the number of households that can afford a small car to rise at a CAGR of ~9-11% over the next five years, reaching 232 million households in Fiscal 2023. Redistribution freight demand from consumption-driven sectors is also expected to increase with improvement in the economy.

In the two-wheeler finance segment, disbursement growth in the long term is expected to be driven by, *inter alia*, growth in two-wheeler sales and average prices, increase in average ticket size, shift of consumer preference towards premium segments, increase in finance penetration, better credit monitoring and increase in captive financing.

Housing Finance

Home loans outstanding of housing finance companies (HFCs) grew at a CAGR of 21% to ₹ 6.3 trillion between Fiscal 2013 and Fiscal 2018. Demand for individual home loans rose on account of increasing demand from tier 2 and 3 cities, rising disposable incomes, interest rate subventions, and Fiscal incentives on housing loans.

The housing finance industry remains concentrated, with top five players accounting for ~80% of outstanding loans as of March 2018. However, the extent of concentration has reduced with mid and small-sized HFCs gaining market share by growing faster, albeit on a low base. In this segment, profitability is expected to stay stable as higher cost of funds offsets yields.

Growth drivers

Despite a flourishing housing finance industry, India still faces a huge shortage of houses, especially in the urban areas. The share of urban population rose steadily from 31% in 2011 to an estimated 33.9% in 2018. CRISIL Research expects urbanisation to accelerate, with the urban population growing at a CAGR of 2.0-2.5% between 2018 and 2022, compared with the overall population growth of 1.2% during the same period. The increasing urbanization is expected to boost per-capita GDP, as was evident during the previous five years, and also enhance financial literacy and quality of living. Urbanisation has a twin impact on housing demand: it results in a rise in the number of nuclear families, leading to the formation of more urban households, and reduces the area requirement per household.

In the short-to-medium term, disposable income is expected to rise as a result of implementation of the Seventh Pay Commission's recommendations and sustained low inflation. Increasing disposable income, typically, has a positive correlation with demand for housing units as it increases the affordability. India's mortgage-to-GDP ratio was still low at 10% in Fiscal 2016 compared with other developing countries, but it has improved from 7.4% in Fiscal 2010, given rising incomes, improving affordability, growing urbanisation and nuclearisation of families, emergence of tier-II and tier-III cities, ease of financing, tax incentives, and widening reach of financiers. Nuclearisation refers to formation of multiple single families out of one large joint family; each of these families live in separate houses while the ancestral house may be retained or partitioned to buy new houses. Nuclearisation in urban areas is primarily driven by changing lifestyle of people, individualism, changing social/cultural attitudes and increased mobility of labour in search of better employment opportunities. These trends are expected to continue in future.

An increase in finance penetration is also expected to support the industry's growth. Rising demand for housing from tier-II and tier-III cities, and a subsequent surge in construction activity, have increased the focus of financiers on these geographies. Consequently, finance penetration in urban areas is estimated to have increased to 44.5% in 2018, from an estimated 39% in 2012. Boosted by the affordable housing push and rising competition in higher ticket size loans, CRISIL Research expects finance penetration to increase to 45% in urban areas Fiscal 2020.

The implementation of the Real Estate (Regulatory & Development) Act, 2016 ("**RERA Act**") could have some impact over the next one-two Fiscals until the industry adjusts to the new regulatory regime, as RERA has forced developers to focus on completing their existing projects. This, coupled with sluggish demand, has resulted in fewer new launches of residential properties. However, CRISIL Research expects the implementation of RERA to lead to better structure, transparency and discipline in the real estate sector in future.

OUR BUSINESS

The following information is qualified in its entirety, and should be read together with, the more detailed financial and other information included in this Draft Shelf Prospectus, including the information contained in "Financial Information" and "Risk Factors" on pages 113 and 11, respectively, of this Draft Shelf Prospectus.

Unless otherwise indicated, the financial information included herein is based on the (i) Reformatted Audited Financial Statements, (ii) the Limited Review Financial Results for the three-month and six-month period ended September 30, 2018 and (iii) the Limited Review Financial Results for the three-month and nine-month period ended December 31, 2018, as included in this Draft Shelf Prospectus. In this section, reference to "we", "us" or "our" refers to our Company together with its Subsidiary, on a consolidated basis, unless otherwise indicated.

Overview

We are a deposit-taking NBFC with multiple product offerings, including small enterprise/ MSME financing, loans against gold, financing for two-wheelers, auto loans, personal loans, and housing finance loans. We are a part of the Shriram group of companies (the "**Shriram Group**"), a prominent financial services conglomerate in India.

We believe that we specialise in small enterprise finance, which accounted for 52.76%, 50.96% and 49.80% of our AUM as on March 31, 2018, March 31, 2017 and March 31, 2016, respectively. A significant portion of our AUM also comprises of two-wheeler finance, with such segment accounting for 17.22%, 15.77% and 16.28% of our AUM as on March 31, 2018, March 31, 2017 and March 31, 2016, respectively. For the six-month period ended September 30, 2018, small enterprise finance and two-wheeler finance segments accounted for 57.88% and 17.75% of our Company's AUM, respectively, on a standalone basis.

We also provide loans against gold, auto loans, personal loans and housing finance loans. Having commenced operations in 1986, we have established a pan-India presence, through 1,057 branches as of December 31, 2018 and remain committed to serving unbanked and underserved sections of our customer-base.

We operate a 'hub-and-spoke' business model, where responsibilities from loan origination to loan recovery are vested in our business outlets under the general supervision and control of our head office in Chennai. We employ dedicated in-house teams who are typically drawn locally with in-depth knowledge of customers for pre-lending field investigation and post-lending procedures. Our network of business outlets is fully inter-connected and each business outlet is connected to our head office through a proprietary enterprise resource planning ("**ERP**") platform.

We are a part of the Shriram Group, a prominent financial services conglomerate in India, present across various segments in the Indian financial services sector, as well as real estate, engineering projects and information technology sectors. The extensive customer base and wide-spread network of the Shriram Group present us with a large pool of target customers who, we believe, trust the Shriram brand name. In addition, we believe that the goodwill associated with the Shriram brand allows us to access funding at a competitive cost.

We have demonstrated consistent growth in our business and profitability. Our total revenue increased to ₹ 5,37,353.17 lakhs for Fiscal 2018 from ₹ 4,70,901.53 lakhs for Fiscal 2017, at a CAGR of 14.11%. Our net profit after tax increased to ₹ 68,710.86 lakhs for Fiscal 2018 from ₹ 57,808.84 lakhs for Fiscal 2017, at a CAGR of 18.86%. In the six-month period ended September 30, 2018, our Company's revenue and profit after tax amounted to ₹ 2,91,601 lakhs and ₹ 47,578.94 lakhs, respectively, on a standalone basis. For details of our Company's total revenue and profit after tax for the nine-month period ended December 31, 2018, on a standalone basis, please see *"Financial Statements"* on page 113.

Key financial parameters

Provided below is a summary of our key financial parameters for the last three Fiscals and the six-month period ended September 30, 2018.

On a consolidated basis

(Amount in ₹ lakhs)

Particulars	Fiscal 2018 (Consolidated) (IGAAP)	Fiscal 2017 (Consolidated) (IGAAP)	Fiscal 2016 (Consolidated) (IGAAP)
Paid up equity share capital	6,596.58	6,594.34	6,592.72
Net worth	574,776.98	518,757.57	464,875.55
Total Debt (of which)			
- Non-Current Maturities of Long Term Borrowing	1,263,567.76	1,093,733.15	1,001,268.70
- Short Term Borrowing	489,825.61	381,485.51	105,315.62
- Current Maturities of Long Term Borrowing	433,322.45	367,776.95	419,575.09
Net Fixed Assets	8,770.49	8,329.33	8,725.17
Non-Current Assets (Net of Fixed Assets)	1,554,901.23	1,212,948.19	791,634.24

Cash and Cash Equivalents	53,771.50	64,204.56	65,468.65
Current Investments	28,659.92	26,039.16	34,690.87
Current Assets (Net of Cash and Bank Balances & Current Investments)	1,431,808.48	1,318,149.26	1,306,794.85
Current Liabilities (Net of Short-Term Borrowings & Current Maturities of Long Term Borrowing)	112,352.04	104,881.39	138,186.64
Assets under Management	29,15,006.19	24,62,287.06	20,29,859.88
Off Balance Sheet Assets	9,641.76	28,507.21	55,225.34
Interest Income	530,311.04	465,625.53	393,951.91
Interest Expense	175,062.09	162,793.13	140,544.26
Provisioning & Write-offs	107,181.47	93,828.28	62,683.41
Profit after tax (PAT)	68,710.86	57,808.84	55,206.45
Gross NPA (%)	8.76%	6.43%	5.00%
Net NPA (%)	3.64%	1.80%	1.59%

On a standalone basis

(Amount in ₹ lakhs)

Particulars	Fiscal 2018 (Unconsolidated) (IGAAP)	Fiscal 2017 (Unconsolidated) (IGAAP)	Fiscal 2016 (Unconsolidated) (IGAAP)
Paid up equity share capital	6,596.58	6,594.34	6,592.72
Net worth	556,621.54	502,840.94	451,161.76
Total Debt (of which)			
- Non-Current Maturities of Long-Term Borrowing	1,159,060.68	981,425.92	926,754.33
- Short Term Borrowing	463,921.17	381,301.95	100,027.58
- Current Maturities of Long-Term Borrowing	419,091.87	341,470.05	414,056.17
Net Fixed Assets	7,889.78	7,816.10	8,485.16
Non-Current Assets (Net of Fixed Assets)	1,395,761.28	1,053,234.62	682,088.95
Cash and Cash Equivalents	53,209.56	63,713.44	64,190.54
Current Investments	26,057.4	22,915.89	33,548.53
Current Assets (Net of Cash and Bank Balances & Current Investments)	1,413,923.17	1,305,966.11	1,297,129.19
Current Liabilities (Net of Short-Term Borrowings & Current Maturities of Long-Term Borrowing)	1,072,35.04	95,668.77	126,025.36
Assets under Management	2736,465.22	2,284,692.40	1,902,356.72
Off Balance Sheet Assets	9,641.76	28,507.21	55,225.34
Interest Income	503,581.32	437,959.32	377,231.07
Interest Expense	163,863.82	151,100.33	134,921.28
Provisioning & Write-offs	105,370.61	91,052.60	61,634.33
Profit after tax (PAT)	66,472.05	55,605.99	52,978.03
Gross NPA (%)	9.00%	6.73%	5.15%
Net NPA (%)	3.63%	1.89%	1.62%
Tier I Capital Adequacy Ratio (%)	20.57%	22.22%	23.36%
Tier II Capital Adequacy Ratio (%)	0.79%	1.66%	2.78%

(Amount in ₹ lakhs)

Particulars	Six-month period ended September 30, 2018 (Unconsolidated) (IndAS)
Paid up equity share capital	6,597.22
Net worth	583,502.79
Total Debt (of which)	
- Non-Current Maturities of Long-Term Borrowing	1,142,373.16
- Short Term Borrowing	501,579.47
- Current Maturities of Long-Term Borrowing	706,347.98
Net Fixed Assets	8,073.55
Non-Current Assets (Net of Fixed Assets)	47,707.47
Cash and Cash Equivalents	139,728.85
Current Investments	49,443.58
Current Assets (Net of Cash and Bank Balances & Current Investments)	4,161.87
Current Liabilities (Net of Short-Term Borrowings & Current Maturities of Long	41,794.66

Term Borrowing)	
Assets under Management	2,733,544.73
Off Balance Sheet Assets	22,614.96
Interest Income	286,136.14
Interest Expense	95,921.76
Provisioning & Write-offs	46,596.99
Profit after tax (PAT)	47,578.94
ECL (%)	7.54%
Tier I Capital Adequacy Ratio (%)	20.57%
Tier II Capital Adequacy Ratio (%)	0.61%

Debt-Equity Ratio

Particulars	Prior to the Issue (As on December 31, 2018)	Post-Issue
Standalone basis	3.64	4.13

For further details, please see "*Capital Structure - Debt-equity ratio*" on page 55.

Our Strengths

We believe that the following are our key strengths:

Significant position in the high-growth small enterprise finance segment

We believe we specialize in the small enterprise financing. As on September 30, 2018, our AUM in the small enterprise finance segment amounted to ₹ 17,11,261.90 lakhs, comprising 57.88% of our AUM on a standalone basis. The small enterprise segment also accounted for 52.76%, 50.96% and 49.80% of our AUM as on March 31, 2018, March 31, 2017 and March 31, 2016, respectively. With our significant presence in the small enterprise finance segment, we believe that we are ideally positioned to take advantage of the expected growth in this segment.

The small enterprise finance segment has significant room for growth in the Indian marketplace. Within the MSME segment, LAPs, non-LAP secured loans and unsecured MSME loans are expected to grow at CAGRs of 14-15%, 21-23% and 23-25%, respectively, during Fiscals 2018 to 2020. The growth is expected to be supported by, among others, increasing penetration and availability of formal lending channels in under-banked areas, and increasing availability of customer data aided by technology. (*Source: CRISIL Report*)

Established brand name and association with the Shriram Group

We are a part of the Shriram Group, which is a prominent Indian financial services conglomerate. The Shriram Group delivers a broad range of financial services, including commercial vehicle financing, consumer finance, life and general insurance and real estate in India. We believe that our relationship with the Shriram Group provides brand recall and we will continue to derive significant marketing and operational benefits.

The large customer base and wide-spread network of certain Shriram Group companies, including Shriram Transport Finance Company Limited, Shriram Fortune Solutions Limited and Shriram Financial Products Solutions (Chennai) Private Limited companies provide us with a large pool of target customers who, we believe, trust the Shriram brand name. Our association with the Shriram Group and the strength of the "Shriram" brand allows us to attract new clients, enabling us to expand within our target market in existing and new geographies with minimal marketing spend. We also believe that the goodwill associated with the Shriram brand allows us to access funding at a relatively competitive cost.

We also draw upon a range of resources from our Promoter, SCL. Pursuant to the service agreement dated February 28, 2017 entered into with SCL, our Company can avail specialized advisory and support services from our Promoter, in connection with, among others, group strategy, new ventures, management information systems, brand building, risk management, taxation, group information technology, external relations, corporate communications, investor relations and policy advocacy. For details of the service agreement, see "*History and Certain Corporate Matters – Other Material Agreements*" on page 103.

In addition, certain of our business outlets are also located on premises leased or sub-leased from SCL, or on a premise sharing basis with other companies in the Shriram Group. We intend to continue to leverage the brand value of the "Shriram" brand and support from our Promoter and other companies in the Shriram Group to grow our business.

Diversified portfolio of products

We have successfully diversified our product portfolio, which consists of loans to the small enterprise finance segment, two-wheeler loans, loans against gold, auto loans, personal loans and housing finance loans. Within each of these segments, we offer a wide array of products to our customers. Each of our products differs in terms of the average tenure, average yield, average interest rate and average size of loan.

As of March 31, 2018, approximately 52.76 % of our AUM comprised loans to small enterprises, 17.22 % of our AUM comprised two-wheeler loans, 11.57% of our AUM comprised loans against gold, 7.34% of our AUM comprised personal loans, 4.98% of our AUM comprised auto loans, and 6.12% of our AUM comprised housing finance loans, respectively. Further, loans to small enterprises, two-wheeler loans, loans against gold, personal loans and auto loans comprised 57.88%, 17.75%, 11.15%, 8.50%, and 4.73% of our Company's AUM as of September 30, 2018, on a standalone basis.

We believe that our diverse revenue streams reduce our dependence on any particular product, thus enabling us to spread and mitigate our risk exposure to any particular industry, business or customer segment.

'Hub-and-spoke' business model with efficient credit policies and procedures resulting in high asset quality

We operate a 'hub-and spoke' business model, where responsibilities from loan origination to loan recovery are vested in each of our business outlets under the general supervision and control of our head office in Chennai. Our business outlet networks are fully interconnected, and each business outlet is connected to our head office through our proprietary ERP platform. Our ERP platform enables our management to monitor each loan from origination to repayment or recovery of the loan. While our senior management is primarily responsible for the policy formulation for our businesses, the decentralisation of routine operational tasks enables us to achieve reduced turnaround time, from sourcing of customers to credit approvals to sanctioning of loans to customers.

We focus on closely monitoring our assets and borrowers through our executives at each business outlet. Our executives at the business outlets strive to develop a relationship with our target customer base, which enables us to capitalize on local knowledge. We follow well-defined credit policies, including limits on customer exposure and the nature of security provided to augment the asset quality of our loans. Further, we believe that we have developed a culture of accountability by making our product executives at each business outlet responsible for loan administration and monitoring as well as recovery of the loans they originate. We have a dedicated team of executives at each business outlet who are responsible for (i) loan origination, (ii) credit evaluation, (iii) pre-lending field investigations where our executives personally visit our prospective customers at their homes or offices, and (v) post-lending procedures. The team of executives responsible for origination of a loan is also responsible for the timely servicing of loans, recoveries and monitoring the performance of each loan from origination to closure of the loan. We typically offer incentivized salary structures to such executives, where their incentives are linked to recovery of instalments on the loans. We believe our efficient credit policies, credit approval procedures, credit delivery process and relationship-based loan administration and monitoring methodology have helped us increase our customer loyalty and earn repeat business and customer referrals.

Our stringent credit policies and relationship-based model have also helped us maintain high asset quality, as evidenced by relatively low NPA levels. As of March 31, 2018, our Gross NPA (%) and Net NPA (%) were 8.76% and 3.64%, respectively. Our Company's ECL (%) amounted to 7.54%, as on September 30, 2018 on a standalone basis.

Advanced processes and technology systems

We believe that we have implemented sophisticated technology platforms across our operations. We have invested in our technology systems and processes to improve overall productivity and ensure efficient management of customer credit quality. Our information technology support systems aid us in performing the processes involved in a loan transaction. We have licensed the SVS UNO system, a comprehensive, integrated business solution from Shriram Value Services Limited, to address the strategic and day to day challenges faced by us. SVS UNO is designed to suit the needs of organizations with large branch networks, such as ours and assists in loan origination, collections, loan maintenance, deposits and treasury operations. In relation to the SVS Uno platform, we also avail data centre services from Shriram Value Services Limited with all round support, guaranteed 99.5% up time, customized firewall and security settings.

Each of our business outlets is connected with our servers in our head office in Chennai through our proprietary ERP platform. This technology increases our operational and managerial efficiency by streamlining our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis. In addition, we have also implemented technology-led processing systems to make our appraisal and collection processes more efficient, reduce transaction costs, facilitate rapid delivery of credit to our customers and augment the benefits of our relationship-based approach. For instance, we have deployed customized tablets that enable customers to obtain loan from the convenience of their homes or offices. Our digital footprint, through such tablets, extends to business outlets across the country. We have also developed a customer relationship management application, as well as mobile and web-based applications.

We believe that our advanced technology systems enable us to respond to market opportunities and challenges swiftly, improve the quality of service to our customers, and improve our risk management capabilities. We continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies and ensure customer credit quality.

Experienced senior management team

We have an experienced management team, which is supported by a capable and motivated pool of employees. Our Board consists of ten Directors having extensive experience in the financial services and related sectors. Our management promotes a result-oriented culture that is intended to reward employees on the basis of merit. In order to maintain our strong credit appraisal and risk management systems, and to enforce our credit policies, we employ a number of senior managers who have extensive experience in the Indian banking and financial services sector providing loans to retail customers. We believe that the in-depth industry knowledge of our management and professionals provide us with a distinct competitive advantage.

Strategy

Our key strategic priorities are as follows:

Continue to grow our small enterprise finance segment

Within the MSME segment, LAPs, non-LAP secured loans and unsecured MSME loans are expected to grow at CAGRs of 14-15%, 21-23% and 23-25%, respectively, during Fiscals 2018 to 2020 (*Source: CRISIL Report*).

We believe that we are well positioned to capitalise on the expected growth potential in this segment and will continue to focus on growing our market share, improving margins and profitability therein. We also expect our association with the Shriram Group and the strength of the Shriram brand to allow us to continue to expand within our target market in existing and new geographies with minimal marketing spend.

Continue to focus on controlling operating costs and operational efficiency

While we have grown significantly since our incorporation in 1986, we believe we have maintained efficiency in our operations. For Fiscals 2018, 2017 and 2016, we recorded profit after tax of ₹ 68,710.86 lakhs, ₹ 57,808.84 lakhs and ₹ 55,206.45 lakhs, respectively. In the six-month period ended September 30, 2018, our Company's profit after tax amounted to ₹ 47,578.94 lakhs, on a standalone basis. For details of our Company's profit after tax for the nine-month period ended December 31, 2018, on a standalone basis, please see *"Financial Statements"* on page 113.

As we establish new business outlets, we intend to continue to pursue the following initiatives, among others, to reduce costs and enhance our operational efficiency so that our operating costs do not outpace our growth:

- continually assess and improve our technology platform so that our credit approval, administration and monitoring processes allow us to service our customers on a real-time basis while ensuring that our appraisal and collection processes are effective and minimize risk; and

- seek additional ways to capitalize on the large customer base and wide-spread network of business outlets of the Shriram Group.

Further expand operations by growing our business outlet network

As of December 31, 2018, we had 1,057 business outlets across India, with a significant presence in south India. As on December 31, 2018, 663 of our Company's 969 business outlets and 29 of our Subsidiary's 88 business outlets are located in the states of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Kerala. We intend to expand our operations through new business outlets in cities and towns where we historically have had relatively limited operations, such as in eastern and northern parts of India, and to further consolidate our position and operations in the western and southern parts of India. We intend to continue to make efforts to expand into other regions in India with a focus on tier II and tier III cities, where we believe the demand for our products will grow steadily in the near future.

Improve our credit ratings to decrease our cost of funds

We fund our capital requirements through a variety of sources, including term loans and working capital facilities from banks and financial institutions, issuance of non-convertible debentures and commercial paper and fixed deposits from retail customers. Our cost of borrowings is driven by our credit ratings, our financial discipline and our business performance.

We believe that we have been able to achieve relatively stable and competitive cost of funds from a range of sources primarily due to our credit ratings and the goodwill associated with the Shriram brand. Based on our increasingly strong balance sheet, we believe that we will be able to further improve our credit ratings, which will likely decrease our cost of funds. Reduction in our cost of borrowings in turn allows us to competitively price our products to the advantage of our customers. We believe that this competitive pricing combined with our loan service levels will allow us to attract more customers with good credit records, to grow our portfolio and attain a higher incremental market share.

For details of our credit ratings, see "– *Credit Rating*", on page 99.

Sustain the growth in our housing finance business

Despite a flourishing housing finance industry, India still faces a huge shortage of houses, especially in the urban areas. Growth in the housing finance segment is expected to be driven by, among others, increasing urbanization, government support for affordable housing segment, and increase in disposable incomes. (*Source: CRISIL Report*)

We provide home loans through our subsidiary, Shriram Housing Finance Limited ("**Shriram Housing**"), which is registered as a non-deposit accepting HFC with the National Housing Bank. As of March 31, 2018, we have disbursed ₹ 75,886.30 lakhs in home loans, primarily to middle-income customers in semi-urban locations. As on December 31, 2018, Shriram Housing operates through 88 branches and 24 sales offices across 18 states in India with 823 employees. We believe that we are well positioned to sustain the growth in our housing finance business through our established infrastructure, our existing customer base and our association with other entities in the Shriram Group.

Description of Our Business

Our Products

We offer multiple financing products, including loans to MSMEs; loans against gold; financing for two-wheelers; auto loans, personal loans and housing finance loans.

Small Enterprise Finance Segment

Our target customers in the small enterprise finance segment typically consist of self-employed professionals, wholesale and retail dealers, merchants, builders, small and medium scale manufacturing concerns and service providers. Typically, customers avail such borrowings to fund their businesses' expansion and to meet their working capital requirements. Each small enterprise finance loan is typically customized to suit the requirements of the customer after having assessed and understood their business model.

As on September 30, 2018, our AUM in the small enterprise finance segment was ₹ 17,11,261.90 lakhs, comprising 57.88% of our Company's total AUM as of such date, on a standalone basis. With AUM amounting to ₹ 15,37,841.41 lakhs, the segment also contributed to 52.76% of our total AUM as on March 31, 2018.

Two-Wheeler Loans

Our target customers in this segment typically include salaried and self-employed individuals in rural and semi urban areas. We also enter into arrangements with OEMs and dealers to offer our financial products to their potential customers, locally or nation-wide, as the case may be.

As on September 30, 2018, our AUM in the two-wheeler loans segment was ₹ 5,24,794.37 lakhs, comprising 17.75% of our Company's total AUM as of such date, on a standalone basis. With AUM amounting to ₹ 5,01,936.94 lakhs, the segment also contributed to 17.22% of our total AUM as on March 31, 2018.

Loans against Gold

We provide gold loans primarily to individuals who own gold jewellery but do not have access to formal credit within a reasonable time, or to whom credit may not be available at all, to meet their short-term requirements.

As on September 30, 2018, our AUM in the gold loans segment was ₹ 3,29,547.19 lakhs, comprising 11.15% of our Company's total AUM as of such date, on a standalone basis. With AUM amounting to ₹ 3,37,381.39 lakhs, the segment also contributed to 11.57% of our total AUM as on March 31, 2018.

Personal Loans

In the personal loan segment, we target customer segments that do not have easy access to banks or other modes of financing for immediate short- or medium-term funding requirements within reasonable time. Customers typically seek personal loans for medical treatment, education and weddings. Our officials reach out directly to our personal loan customers and visit them at their doorstep to carry out loan origination and credit evaluation, so as to ensure speedy processing of loans.

As on September 30, 2018, our AUM in the personal loans segment was ₹ 2,51,213.35 lakhs, comprising 8.50% of our Company's total AUM as of such date, on a standalone basis. With AUM amounting to ₹ 2,14,023.16 lakhs, the segment also contributed to 7.34% of our total AUM as on March 31, 2018.

Auto Loans

We offer a variety of loans to finance the purchase of new and pre-owned passenger and commercial vehicles segment, including three wheelers and four wheelers vehicles. Our vehicle financing products are principally targeted at the financing of pre-owned passenger vehicles. With respect to new vehicle loans, our executives are stationed at the showrooms of various passenger and commercial vehicle dealers. Our executives are responsible for sourcing, credit verification, loan origination and recovery of the loan.

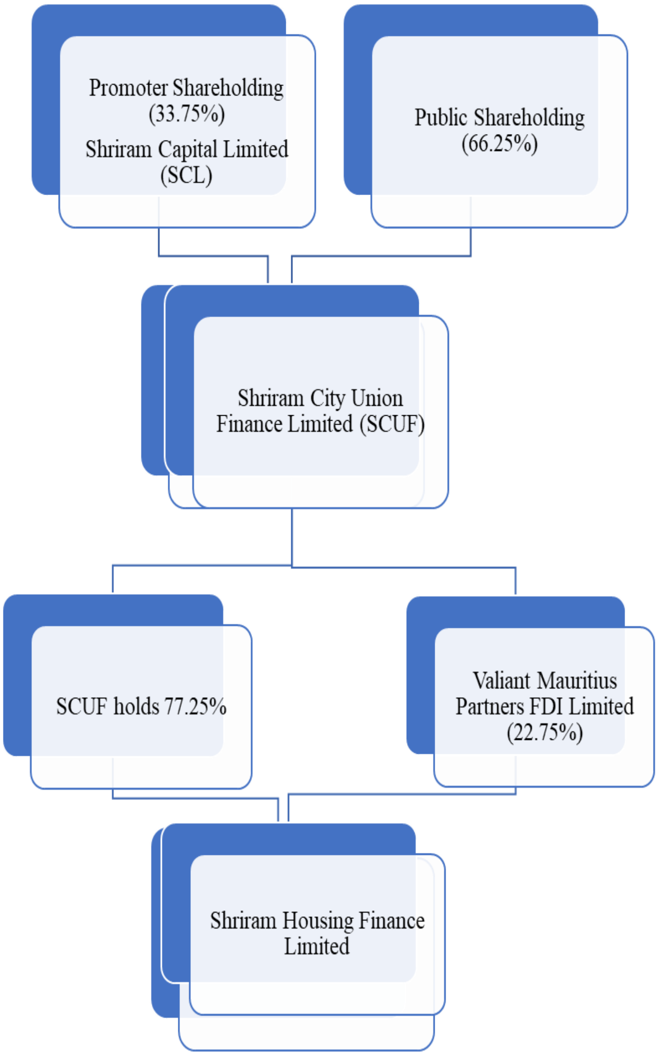
As on September 30, 2018, our AUM in the auto loans segment was ₹ 1,39,720.44 lakhs, comprising 4.73% of our Company's total AUM as of such date, on a standalone basis. With AUM amounting to ₹ 1,45,282.32 lakhs, the segment also contributed to 4.98% of our total AUM as on March 31, 2018.

Housing Finance

We provide housing finance loans through our subsidiary Shriram Housing, which is registered as a non-deposit accepting HFC with the National Housing Bank. We grant housing finance loans for buying, renovating, extending and improving homes. As on December 31, 2018, Shriram Housing operates through 88 branches and 24 sales offices, with 823 employees.

Our housing finance business caters primarily to middle-income customers in semi-urban locations, targeting prospective home owners from tier II and tier III cities. As of March 31, 2018, our AUM for housing finance was ₹ 1,78,540.97 lakhs, which represented 6.12% of our total AUM as of that date.

Corporate Structure



Our Operations

Business Outlet Network

As of December 31, 2018, we had a wide network of 1,057 business outlets across India. Our business is concentrated in rural and semi-urban areas of south India in the states of Tamil Nadu, Andhra Pradesh, Telangana, Kerala and Karnataka. The distribution of business outlets across India by region, as of December 31, 2018, is set out in the following table:

States	Number of Business Outlets	
	Company	Subsidiary
Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Telanagna	663	29
Gujarat, Maharashtra, Rajasthan	154	28
Others	152	31
Total Business Outlets	969	88

A typical business outlet comprises three to six employees, including the branch manager. As of December 31, 2018, all of our business outlets were connected to servers at our corporate office to enable real time information sharing with respect to our loan disbursement and recovery administration. Our customer origination efforts strategically focus on building long term relationships with our customers and addressing specific issues and local business requirements of potential customers in a specific region.

Customer Evaluation, Credit Appraisal and Disbursement

Initial Evaluation

All customer origination and evaluation, loan disbursement, loan administration and monitoring as well as loan recovery processes are carried out by our executives at each business outlet, who are responsible for loan origination, credit evaluation, pre-lending field investigations and post lending procedures under the general supervision and control of our head office. The team of officials responsible for origination of a loan is also responsible for the timely servicing of loans, recoveries, and monitoring performance of each loan from origination to closure of the loan. We typically offer incentivized salary structures to such officials where their incentives are directly linked to recovery of instalments. We do not engage direct selling or other marketing and distribution agents or appraisers to carry out these processes.

When a customer is identified and the requisite information for a financing proposal is received, a branch manager or our branch executive personally visits the applicant at his or her home and/or place of business to assess the loan requirements and creditworthiness of the applicant. The prospective borrower is required to be KYC compliant and must provide, *inter alia*, employment details, annual income and information on outstanding loans. The applicant is required to provide proof of identification and residence for verification purposes. We may also require an applicant to provide a reference from an existing customer. Generally, where the applicant is unable to provide sufficient immovable or movable property to secure the entire value of the loan, the applicant is also required to furnish a guarantee from an acceptable guarantor. Detailed information relating to the guarantor is also required.

Credit Policies and Security

We follow stringent credit policies and internal control measures to ensure the asset quality of our loans and the security provided for such loans. Any deviation from our credit policies in connection with a loan application requires prior approval from designated authorities. In addition to a credit evaluation of the applicant, we rely on guarantor arrangements, the availability of security, referrals from existing relationships and close client relationships in order to manage our asset quality. From time to time, our management prescribes loan approval parameters which are linked to the value of the underlying security and/or collateral.

In connection with any secured retail or small enterprise loan (other than loans secured by gold), we generally require immovable or movable property to be provided as security for the value of the loan amount and conduct appropriate legal diligence and valuation of such properties. In cases where the borrower is unable to provide property as security, the borrower is required to furnish a guarantee from an acceptable guarantor.

For our two-wheeler and vehicle loans, the two-wheeler or vehicle is hypothecated in favour of our Company until closure of the loan. In certain cases, we may also require post-dated checks from the customer covering an initial period of the loan. Security received from the borrower, including unutilized post-dated checks, if any, is released on repayment of all dues or on collection of the entire outstanding loan amount, provided no other existing right or lien for any other claim exists against the borrower.

With respect to gold loans, the principal form of security we accept is gold ornaments. We typically do not extend loans against bullion, gold bars, coins or biscuits. The amount that we finance against gold is typically based on a fixed rate per gram of gold content in the jewellery. We appraise gold jewellery based on pre-defined policies and solely based on its gold content, without factoring in production cost, style, brand or value of any gemstones. Each business outlet offering gold loans has designated executives for gold appraisal who operate under a clear policy regarding their function and responsibilities. We generally lend between 50% and 60% of the price of gold as arrived at in line with the guidelines of RBI, and our loan amount is generally lower than the guidelines prescribed by RBI.

Pledged gold is stored at the business outlet that disbursed the loan in an iron safe or a strong room (depending on the volume of gold stored at such location), which are built in accordance with industry practice. Ensuring the safety and security of each business outlet offering gold loans is vital to the business, as the gold is kept on the premises. Security measures implemented by us include burglar alarms, security guards and IP or CCTV cameras. Gold inventory is insured in accordance with industry practice, and each business outlet offering gold loans is subject to various internal audit processes.

Approval Process

The branch manager evaluates the loan proposal based on the creditworthiness of the borrower, proposed end use of the loan, reference from existing customer(s) and nature of security provided by the borrower. In addition, our branch managers may also consider other factors in the approval process such as the location and the time period of residence, subsisting liabilities, past repayment records, and sources of income.

We have implemented an elaborate approval matrix, identifying approving authorities for loans across our product segments, depending on customer type, size and nature of the loan. In case of deviations from stipulated norms, such proposals are approved by the appropriate authority. For instance, in the personal loan segment, sanction of loans to persons above the age of 65 years must compulsorily be approved by the state product head of our Company.

To minimize the time required for approvals, we have a decentralized approval authority and standardized documentation and procedures across our business outlets. The applicant is informed of the outcome of the approval process, as well as the amount of loan approved, the terms and conditions of such financing, including the rate of interest during the tenure of the loan.

Disbursement

On approval and execution of loan documents and creation of security where applicable, in favour of the Company, the executive proceeds to enable disbursement. The executive ensures KYC compliance for both the borrower and the guarantor(s), if any. The executive also explains to the customer the terms of sanction in English or in the local language of the borrower, and a statement to such effect is included as part of the loan documentation. The borrower is provided with a copy of the loan documents executed by him or her, and the Company retains evidence of the borrower's acceptance of the terms and conditions of the loan as part of the loan documentation.

Our disbursals across our various products for the periods indicated are as follows:

(Amount in ₹ lakhs)

	Fiscal		
	2018	**2017**	**2016**
Small Enterprise Finance	10,34,626.78	9,13,258.26	8,16,977.45
Two-wheeler Loans	5,05,940.77	4,14,267.41	3,71,831.37
Gold Loans	6,72,187.62	6,64,054.82	4,89,230.67
Personal Loans	1,92,365.83	1,39,742.56	1,07,050.43
Auto Loans	87,098.07	1,04,241.02	79,763.62
Housing Finance Loans	75,886.30	96,429.61	79,245.31
Total	**25,68,105.37**	**23,31,993.69**	**19,44,098.86**

In addition, our Company also disbursed the following amounts during the six-month period ended September 30, 2018, on a standalone basis:

(Amount in ₹ lakhs)

	Six-month period ended September 30, 2018
Small Enterprise Finance	5,68,196.59
Two-wheeler Loans	2,55,112.48
Gold Loans	3,05,379.35
Personal Loans	1,21,844.39
Auto Loans	37,250.79
Total	**12,87,783.59**

Loan administration and monitoring

The borrower (and guarantor, if required) executes the security creation documents and the loan agreement setting out the terms of the loan. A loan repayment schedule is attached as a schedule to the loan agreement, which generally sets out periodical repayment terms. Repayments are made in periodical installments and can be made by cash, cheque or by means of NEFT/ RTGS. Loans disbursed are recovered from the borrower in accordance with the terms and conditions of the respective agreement.

In order to successfully monitor our loan portfolio, we track loan repayment schedules of our customers on a monthly basis based on the outstanding tenure of the loans, the number of installments due and missed payments, if any. We also carry out periodical inspections of the secured property both before and after disbursements We believe that close monitoring of debt servicing enables us to maintain high recovery ratios and resultant asset quality. This data is analyzed based on the loans disbursed and location of the borrower. The official originating the loan is also responsible for monitoring the quality of the underlying security and/or collateral and timely repayment of loans.

Collection and Recovery

We believe that our loan recovery procedure is particularly well-suited to our target market for each of our products. The entire collection operation is administered in-house through our branches. We do not outsource loan recovery or collection operations. In case of default, the reasons for the default are identified by the executive responsible for each loan and appropriate action is initiated, such as requiring partial repayment and/or seeking additional guarantees or collateral. The performance of the recovery executive is closely supervised by the respective branch manager.

In the event of a default in terms of our pre-defined policies the relevant officer is required to make a personal visit to the borrower to determine the gravity of the loan recovery problem. We may initiate the process for repossession of the underlying asset and enforcement of the charge if required. Our officers are trained to repossess assets and/or enforce the security interest and no external agency is involved in such processes. The notice to the borrower specifies the outstanding amount to be paid within a specified period, failing which the asset may be disposed of and/or the charge enforced. In the event there is a short fall in the recovery of the outstanding amount from enforcement of the charge, legal proceedings against the borrower may be initiated.

In case of recovery from customers other than in the two-wheeler finance and auto loan segments, we may issue a notice and in case of a continuing default, proceed with arbitration and also take other legal steps as are open to us in law, for recovery of amount due under the agreement.

Asset Quality

We maintain our asset quality through the establishment of prudent credit norms, the application of stringent credit evaluation tools, limiting customer and security exposure and direct interaction with customers. In addition to our credit evaluation and recovery mechanism, our largely asset-backed lending model and adequate asset cover has helped maintain low gross and net NPA levels. Our historical AUM for each segment and Net NPAs of our business have been as follows:

(Amount in ₹lakhs)

	As of March 31,		
	2018	**2017**	**2016**
AUM	29,15,006.19	24,62,287.06	20,29,859.89
Two-wheeler Loans	5,01,936.94	3,88,393.89	3,30,385.05
Auto Loans	1,45,282.32	1,42,613.84	1,14,017.46
Personal Loans	2,14,023.16	1,56,201.42	1,06,317.70
Loans Against Gold	3,37,381.39	3,42,681.28	3,40,799.72
Small Enterprise Finance Segment Loans	15,37,841.41	12,54,801.97	10,10,836.79
Housing Finance Loans	1,78,540.97	1,77,594.66	1,27,503.17
Gross NPA	2,55,302.45	1,58,280.82	1,01,523.52
Net NPA	1,00,399.15	44,209.74	32,236.15

Our Company's ECL as on September 30, 2018 amounted to ₹ 222,992.52 lakhs, on a standalone basis.

Classification of Assets

The Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("**NBFC-D Master Directions**") provide standards for asset classification, treatment of NPAs and provisioning against NPAs for deposit-taking NBFCs in India. An asset is termed as an NPA if interest or installments of the principal amount remain overdue for a period of six months or more, provided that that the period of 'six months or more' stipulated above shall be 'five months or more' for Fiscal 2016; 'four months or more' for Fiscal 2017 and 'three months or more', for Fiscal 2018 and thereafter.

Our Company, like other deposit-taking NBFCs, is required to classify lease and hire purchase assets, loans, advances and other forms of credit into various classes. The relevant RBI guidelines for asset classification are set forth below:

- *Standard assets*: An asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

- *Sub-standard assets*: An asset which has been classified as an NPA for a period not exceeding 18 months provided that the period 'not exceeding 18 months' stipulated in this sub-clause shall be 'not exceeding 16 months' for Fiscal 2016; 'not exceeding 14 months' for Fiscal 2017; and 'not exceeding 12 months' for Fiscal 2018 and thereafter; or where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms.;

- *Doubtful assets*: A term loan, hire purchase asset, lease asset or any other asset which remains a sub-standard asset for a period exceeding 18 months for the Fiscal ended March 31, 2015; 'exceeding 16 months' for the Fiscal ended March 31, 2016; 'exceeding 14 months' for Fiscal 2017 and 'exceeding 12 months' for Fiscal 2018 and thereafter.

- *Loss assets* (a) An asset which has been identified as loss asset by the NBFC or its internal or external auditor or by the RBI during the inspection of the NBFC, to the extent that it is not written off by the NBFC; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

Our Company's Audit Committee has constituted a policy for making provisions in alignment with, and in certain cases in excess of, the amounts prescribed by RBI. We may make further provisions if we determine that it is prudent for a known and identified risk. Additional provisions may also be made based on individual analysis of loan accounts.

Details of provisions and amounts written off as of the specified dates are set out below:

(Amount in ₹ lakhs)

	As of March 31,		
	2018	**2017**	**2016**
Gross NPAs	2,55,302.45	1,58,280.82	1,01,523.52
Provisions	1,54,903.30	1,14,071.08	69,287.37
Net NPAs	1,00,399.15	44,209.74	32,236.15
Gross NPA to AUM	8.76%	6.43%	5.00%
Net NPA to AUM	3.64%	1.80%	1.59%
Provision Coverage Ratio	60.67%	72.07%	68.25%

Our write-offs were ₹ 63,966.35 lakhs, ₹ 46,691.37 lakhs and ₹ 30,226.47 lakhs as of March 31, 2018, March 31, 2017 and March 31, 2016, respectively.

On a standalone basis, our total provisions and write-offs as of September 30, 2018 were ₹ 222,992.52 lakhs and ₹ 32,363.98 lakhs, respectively.

For details of our Company's provisions and write-offs as on and for the nine-month period ended December 31, 2018, on a standalone basis, please see *"Financial Statements"* on page 113.

We believe that our eventual write-offs are relatively low because of our relationship-based customer origination and customer support, prudent loan approval processes, including adequate collateral being obtained and our ability to realize such collateral in a timely manner.

Treasury Operations

Our treasury operations help us meet our funding requirements and manage short-term surpluses. We have multiple sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio. This enables us to achieve funding stability and liquidity. Our sources of funding include term loans from banks and financial institutions, cash credit from banks, redeemable non-convertible debentures through public offer and on a private placement basis, subordinated bonds, short term commercial paper, public deposits and inter-corporate deposits. We have appointed Shriram Financial Products Solutions (Chennai) Private Limited and Shriram Fortune Solutions Limited to assist us in private placement of debentures, capital introduction and mobilization of deposits pursuant to Service Agreements dated April 1, 2014 and January 1, 2007, respectively.

We believe that we have developed long-term relationships with our lenders and established a track record of timely servicing of our debts. We believe that our established track record of timely debt repayment, strong brand equity, credit ratings and risk management have allowed us to secure attractive interest rates on our funding sources. Historically, we have been able to secure fixed rate long term loans of three to five years tenure to stabilize our cost of borrowings.

The following table sets forth the principal components of our secured loans as of the dates indicated:

(Amount in ₹ lakhs)

	As of March 31,		
	2018	**2017**	**2016**
Long Term Borrowings			
Redeemable Non-convertible Debentures (retail private placement)	515.98	2,989.54	30,282.39
Non-convertible Debentures (institutional private placement)	265,200.00	151,986.67	134,953.33
Redeemable Non-convertible Debentures (public issue)	17,414.62	33,464.24	46,477.41
Term Loans from Banks	1,013,835.41	799,401.74	776,319.85
Term Loans from Financial Institutions	23,350.00	44,500.00	27,500.00
Refinance from National Housing Bank	1,281.95	1,798.25	2,446.65
Total (a)	1,321,597.96	1,034,140.44	1,017,979.63
Short Term Borrowings			
Term Loans from Financial Institutions	25,000.00	35,000.00	5,000.00
Cash Credit from Banks	130,065.18	112,585.51	88,315.62
Working Capital Demand Loans from Banks	80,900.00	33,900.00	3,000.00
Total (b)	235,965.18	181,485.51	96,315.62
Total (a+b)	1,557,563.14	1,215,625.95	1,114,295.25

The following table sets forth the principal components of our unsecured loans as of the dates indicated:

(Amount in ₹lakhs)

	As of March 31,		
	2018	**2017**	**2016**
Long Term Borrowings			
Fixed Deposits	285,749.86	325,590.84	298,585.57
Subordinated debts	89,542.39	101,778.82	104,278.59
Total (a)	375,292.25	427,369.66	402,864.16
Short Term Borrowings			
Term loans from banks	19,000.00	-	1,000.00
Commercial Paper	234,860.43	200,000.00	8,000.00
Total (b)	253,860.43	2,00,000.00	9,000.00
Total (a+b)	629,152.68	6,27,369.66	4,11,864.16

For details of our Company's outstanding borrowings as on December 31, 2018, see "*Financial Indebtedness*" on page 114.

We generate profit from the difference between the interest rates on our interest-earning assets, which are the loans we extend, and interest-bearing liabilities, which are our borrowings. The average cost of borrowings for the dates indicated is set out below:

	Fiscal		
Particulars	**2018**	**2017**	**2016**
Cost of borrowing	8.84%	9.81%	10.28%

For the six-month period ended September 30, 2018, our Company's average cost of borrowings amounted to 8.65%.

Our Company is registered as a deposit-taking NBFC with the RBI, which authorizes us to accept deposits from the public. We do not, however, depend on deposits as our primary source of funding. As of September 30, 2018, and March 31, 2018, we had fixed deposits outstanding of ₹ 298,939.09 lakhs and ₹ 285,749.86 lakhs, which constituted 12.79 % and 13.07%, respectively, of our Company's total borrowings as of such dates, on a standalone basis.

Our Company's treasury department also undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI's requirements for asset and liability management. We aim to maintain a balance between interest-earning liquid assets and available cash, while ensuring a smooth functioning of our business operations. We actively manage our cash and funds flow using various cash management services provided by banks. We also invest our surplus funds in fixed deposits with banks, mutual funds and government securities. All of our investments are made in accordance with the investment policy approved by our Board, which also prescribes limits on industry-wise exposure and amount on investment in any particular mutual fund scheme.

Securitization and assignment of our portfolio against financing activities

We have historically undertaken securitization and assignment transactions to efficiently utilize our capital and as a cost-effective source of funds. We currently sell part of our assets from time to time under financing activities through securitization transactions. Our securitization transactions involve provision of additional collateral and deposits or bank guarantees. We may also assign future specified receivables in favour of assignees for a consideration in advance. As of March 31, 2018, our total book value of loan assets securitized was ₹ 9,641.76 lakhs.

We continue to provide administration services for the securitized and assigned portfolio, the expenses for which are provided for at the outset of each transaction. The gains arising out of securitization which vary according to a number of factors such as the tenure of the securitized portfolio, the yield on the portfolio securitized and the discounting rate applied, are treated as income over the tenure of agreements as per RBI guidelines on securitization of standard assets. Loss, if any, is recognized upfront.

We are required to provide credit enhancement for the securitization transactions by way of either fixed deposits or bank guarantees. Aggregate credit enhancement amount outstanding for securitizations as of March 31, 2018 was ₹ 3,183.11 lakhs. The aggregate credit enhancement amount outstanding for legacy assignment as of March 31, 2018 was nil. In the event a relevant bank or institution does not realize the receivables due under the secured or assigned loan assets, such bank or institution would have recourse to the credit enhancement.

As on September 30, 2018, total book value of loan assets securitized by our Company and aggregate credit enhancement amount outstanding for securitizations were ₹ 23,388.64 lakhs and ₹ 2,334.01 lakhs, respectively. The aggregate credit enhancement amount outstanding for legacy assignment was nil, as on September 30, 2018.

Capital Adequacy

Our Company is subject to capital adequacy requirements set out by the RBI for systemically important deposit-taking NBFCs, which currently require us to maintain a capital adequacy ratio consisting of Tier I and Tier II capital of not less than 15% of our aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. Our standalone capital adequacy ratios were 21.37%, 23.88% and 26.14% as of March 31, 2018, March 31, 2017 and March 31, 2016, respectively. Information related to our capital adequacy ratio on a standalone basis and the capital adequacy ratio required by RBI for the dates specified are set out below:

(Amount in ₹ lakhs)

Particulars	As of September 30, 2018	As of March 31,		
		2018	2017	2016
Eligible Tier I Capital	577,785.35	541,268.99	493,227.83	4,42,235.11
Eligible Tier II Capital	17,145.93	20,814.14	36,944.46	52,550.35
Total Capital	594,931.29	5,62,083.12	530,172.29	4,94,785.46
Total Risk-weighted Assets	2,808,905.68	2,630,717.17	2,220,153.58	1,892,769.79
Capital Adequacy Ratio	21.18%	21.37%	23.88%	26.14%
Capital Adequacy Ratio required by RBI	15.00%	15.00%	15.00%	15.00%

Further, our Subsidiary is required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital of not lower than 12% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable. Information related to our Subsidiary's capital adequacy ratio and the capital adequacy ratio required by NHB for the dates specified are set out below:

(Amount in ₹crores)

Particulars	As of March 31,		
	2018	2017	2016
Eligible Tier I Capital	439.28	417.21	389.01
Eligible Tier II Capital	7.86	9.05	5.97
Total Capital	447.14	426.26	394.99
Total Risk-weighted Assets	1,374.64	1,423.01	921.84
Capital Adequacy Ratio	32.53%	29.95%	42.85%
Capital Adequacy Ratio required by NHB	12.00%	12.00%	12.00%

Credit Rating

The following table sets forth certain information with respect to our credit ratings:

Credit Rating Agency	Instruments	Ratings	Limit
CRISIL	Subordinated Debt	CRISIL AA/Stable	₹ 10,000 lakhs
	Non-convertible Debentures	CRISIL AA/Stable	₹ 3,00,000 lakhs
CARE	Non-convertible Debentures -III	CARE AA+; Stable	₹ 30 lakhs
	Non-convertible Debentures- VIII (public issue)	CARE AA+; Stable	₹7,906 lakhs
	Non-convertible Debentures – IX (public issue)	CARE AA+; Stable	₹9,515 lakhs
	Non-convertible Debentures- XII	CARE AA+; Stable	₹10,000 lakhs
	Non-convertible Debentures- XV	CARE AA+; Stable	₹350 lakhs
	Non-convertible Debentures- XVI	CARE AA+; Stable	₹750 lakhs
	Non-convertible Debentures- XVIII	CARE AA+; Stable	₹10,000 lakhs
	Non-convertible Debentures- XIX	CARE AA+; Stable	₹11,500 lakhs
	Non-convertible Debentures- XX	CARE AA+; Stable	₹35,500 lakhs
	Non-convertible Debentures- XXI	CARE AA+; Stable	₹13,500 lakhs
	Non-convertible Debentures- XXII	CARE AA+; Stable	₹50,000 lakhs
	Non-convertible Debentures- XXIII	CARE AA+; Stable	₹50,000 lakhs
	Non-convertible Debentures- XXIV	CARE AA+; Stable	₹40,000 lakhs
	Non-convertible Debentures- XXV	CARE AA+; Stable	₹65,000 lakhs
	Non-convertible Debentures	CARE AA+; Stable	₹60,000 lakhs
	Non-convertible Debentures	CARE AA+; Stable	₹50,000 lakhs
	Non-convertible Debentures	CARE AA+; Stable	₹300,000 lakhs
	Sub-debt -I	CARE AA+; Stable	₹12,020 lakhs
	Sub-debt -II	CARE AA+; Stable	₹10,000 lakhs
	Sub-debt -III	CARE AA+; Stable	₹600 lakhs
	Commercial Paper	CARE A1+	₹300,000 lakhs
	Fixed Deposit	CARE AA+(FD); Stable	₹100 lakhs
India Rating	Bank loan	IND AA/Stable	₹15,00,000 lakhs
	Long-term debt programme	IND AA/Stable	₹3,000 lakhs
	Fixed deposit programme	IND AA/Stable	-
ICRA	Commercial Paper	[ICRA] A1+	₹3,00,000 lakhs
	Non-convertible Debentures	[ICRA] AA/ Stable	₹2,500 lakhs

Credit Rating Agency	Instruments	Ratings	Limit
	Fixed Deposit	MAA+/ Stable	-

Risk Management

We have developed a strong risk-assessment model in order to maintain adequate asset quality. The key risks and risk-mitigation principles we apply to address these risks are summarized below:

Interest Rate Risk

Our results of operations are dependent upon the level of our net interest margins. Net interest income is the difference between our interest income and interest expense. Our net interest income as a percentage of total income for the Fiscals 2018, 2017 and 2016 was 66.11%, 64.31%, and 63.04%, respectively. For the six-month period ended September 30, 2018, our Company's net interest income comprised 65.94% of its total income, on a standalone basis. For details of our Company's interest income, interest expense and total expense for the nine-month period ended December 31, 2018, on a standalone basis, please see "*Financial Statements"* on page 113.

Since our balance sheet consists of rupee assets and predominantly rupee liabilities, movements in domestic interest rates constitute the primary source of interest rate risk. We assess and manage the interest rate risk on our balance sheet through the process of asset liability management. We borrow funds at fixed and floating rates of interest, while we extend credit at fixed rates.

We believe we have developed stable long-term relationships with our lenders and established a track record of timely servicing our debts. This has enabled us to become a preferred customer with most of the major banks and financial institutions with whom we do business. Moreover, our credit evaluation capabilities enable us to invest in good quality assets with stable, attractive yields. Some of our loans are classified as priority sector assets by the RBI, which when securitized, find a ready market with various financial institutions, including our lenders.

Liquidity Risk

Liquidity risk arises due to non-availability of adequate funds or non-availability of adequate funds at an appropriate cost, or of appropriate tenure, to meet our business requirements. This risk is minimized through a mix of strategies, including asset securitization/assignment and temporary asset liability gap. We monitor liquidity risk through our Asset Liability Management ("**ALM**") function with the help of liquidity gap reports. This involves the categorization of all assets and liabilities into different maturity profile and evaluating these items for any mismatches in any particular maturities, especially in the short-term. Our ALM policy caps the maximum mismatches in the various maturities in line with RBI guidelines and ALCO guidelines.

To address liquidity risk, we have developed expertise in mobilizing long-term and short-term funds at competitive interest rates, according to the requirements of the situation. For instance, we structure our indebtedness to adequately cover the average three-year tenure of loans we extend. As a matter of practice, we generally do not deploy funds raised from short term borrowing for long term lending.

A summary of our asset and liability maturity profile as of March 31, 2018, which is based on certain estimates, assumptions and our prior experience of the performance of our assets, is set out below:

(Amount in ₹lakhs)

	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
A. OUTFLOWS									
1. Capital	-	-	-	-	-	-	-	6,596.58	6,596.58
a) Equity and perpetual preference shares	-	-	-	-	-	-	-	6,596.58	6,596.58
b) Non-perpetual preference shares	-	-	-	-	-	-	-	-	-
2. Reserves & surplus	-	-	-	-	-	-	-	578,735.64	578,735.64
3. Gifts, grants, donations &	-	-	-	-	-	-	-	-	-

benefactions									
4. Notes, bonds & debentures	5,404.40	897.43	5,937.46	8,589.75	69,768.69	243,615.70	34,000.00	8,000.00	376,213.43
a) Plain vanilla bonds/debentures	-	-	-	-	-	-	-	-	
b) Bonds/debentures with embedded options	5,404.40	897.43	5,937.46	8,589.75	69,768.69	243,615.70	34,000.00	8,000.00	376,213.43
c) Fixed rate notes	-	-	-	-	-	-	-	-	
5. Deposits	25,909.97	10,179.75	11,588.43	31,424.35	62,161.76	127,347.94	30,914.43	-	299,526.63
a) Term deposits from public	25,909.97	10,179.75	11,588.43	31,424.35	62,161.76	127,347.94	30,914.43	-	299,526.63
b) ICDs	-	-	-	-	-	-	-	-	-
c) CDs	-	-	-	-	-	-	-	-	-
6. Borrowings	16,375.00	99,547.93	80,645.82	66,147.08	477,780.02	631,789.80	187,631.47	268.30	1,560,185.42
a) Term money borrowings	875.00	10,687.50	19,645.82	51,093.73	180,315.59	631,363.00	187,204.67	-	1,081,185.31
b) From RBI, Govt, & others	-	-	-	-	210,465.18	-	-	-	210,465.18
Cash Credit	15,500.00	88,860.43	61,000.00	15,053.35	86,999.25	426.80	426.80	268.30	268,534.93
7. Current Liabilities & provisions:	7,419.83	2,637.57	4,565.50	9,154.23	38,593.12	35,227.56	1,791.59	2,697.28	102,086.68
a) Sundry creditors	-	-	-	-	-	-	-	-	-
b) Expenses payable	64.11	58.37	52.53	153.87	277.36	440.80	25.36	-	1,072.40
c) Advance income received	4,642.98	1,973.39	3,697.87	6,131.97	17,057.04	31,182.78	1,111.46	-	65,797.50
d) Interest payable on bonds/deposits	990.39	568.40	788.47	2,439.34	5,377.06	3,299.35	654.77	1,624.78	15,742.56
e) Provisions (other than for NPAs)	1,632.37	-	-	-	15,460.73	138.42	-	797.17	18,028.69
Current Liabilities & Others	89.98	37.41	26.63	429.06	420.92	166.21	-	275.33	1,445.54
A. TOTAL OUTFLOWS (A)	55,109.20	113,262.68	102,737.21	115,315.41	648,303.59	1,037,981.00	254,337.49	596,297.79	2,923,344.37
B. INFLOWS									
1. Cash	6137.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6137.67
2. Remittance in transit									-
3. Balances with banks	27525.37	0.00	1284.00	0.00	18824.46	0.00	0.00	0.00	47,633.83
a) Current account	27500.37	0.00	0.00	0.00	175.35	0.00	0.00	0.00	27,675.72
b) Deposit /short-term deposits	25.00	0.00	1284.00	0.00	18649.11	0.00	0.00	0.00	19,958.11
c) Money at call & short notice	-	-	-	-	-	-	-	-	-
4. Investments (net of provisions)	382.52	200.18	205.16	636.79	27235.28	14334.41	630.56	22,564.13	66,189.03
7. Inflows from assets on lease	157774.66	111955.25	107991.53	349445.53	687383.65	847286.47	254821.13	243433.60	2,760,091.82

8. fixed assets (excluding assets on lease)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8641.01	8,641.01
9. Other assets :	7670.18	1199.68	1052.91	1784.17	4684.29	1672.75	904.06	15682.99	34,651.01
a) Intangible assets & other non-cash flow items	1490.24	1105.10	587.53	1448.81	2116.43	197.67	117.60	8603.11	15,666.48
b) Interest and other income receivable	310.29	0.03	364.90	8.57	462.32	0.00	0.00	0.00	1,146.11
c) Others	5869.64	94.55	100.48	326.79	2105.54	1475.08	786.46	7079.88	17,838.43
B. TOTAL INFLOWS (B)	199,490.40	113,355.11	110,533.60	351,866.49	738,127.68	863,293.63	256,355.74	290,321.72	2,923,344.37
C. Mismatch (B - A)	144,381.20	92.43	7,796.39	236,551.08	89,824.09	(174,687.37)	2,018.25	(305,976.07)	-
D. Cumulative mismatch	144,381.20	144,473.63	152,270.02	388,821.10	478,645.19	303,957.82	305,976.07	(0.00)	
E. C as percentage Of A	261.99%	0.08%	7.59%	205.13%	13.86%	-16.83%	0.79%	-51.31%	

Credit risk

Credit risk is the risk of loss that may occur from the default by our customers under the loan agreements with us. As discussed above, borrower defaults and inadequate collateral may lead to higher NPAs.

We lend on a relationship-based model, and we believe that our high loan recovery ratios indicate the effectiveness of this approach for our target customer base. We also employ advanced credit assessment procedures, which include verifying the identity and checking references of the proposed customer thoroughly at the lead generation stage, along with tele verifications and field visits. Our extensive local presence also enables us to maintain regular direct contact with our customers. In this regard, we assign personal responsibility to each member of the lead generation team for the timely recovery of the loans they originate, closely monitoring their performance against our Company's standards, and maintaining exposure limits with respect to each client. We also have a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables us to implement necessary changes to the credit policy, wherever the need arises. We have also developed a business decision model with the support of leading consultancy firm for credit assessment of our retail MSME portfolio.

Operational Risk

Operational risks arise from inadequate or failed internal processes, people and systems or from external events. These are adequately addressed by the internal control system. These systems are continuously reviewed monitored and modified as necessary. A stable and experienced management team provides much needed continuity and expertise in managing the dynamic changes in the market environment. As one of the features of our lending operations, we offer a speedy loan approval process and therefore have adopted de-centralised loan approval systems. In order to control our operational risks, we have adopted clearly defined loan approval processes and procedures and have implemented comprehensive internal control measures to ensure process quality and standard operating procedures for all operations. We also attempt to mitigate operational risk by maintaining key back-up procedures and undertaking contingency planning. Our in-house and independent internal control process teams carry out audit checks of the critical processes, and all key operational processes are centralized at our head office for better control. If recommended by the internal control process team for any particular business outlet, we engage local audit teams to carry out an audit. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.

Cash Management Risk

Our offices collect and deposit a large amount of cash through a high volume of small transactions taking place in our network. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure high levels of compliance with our cash management systems.

Asset risk

Asset risks arise due to the decrease in the value of the collateral over time. The selling price of collaterals and re-possessed assets may be less than the total amount of loan and interest outstanding in such borrowing and we may be unable to realize the full amount lent to our customers due to such a decrease in the value of the collateral. We may also face certain practical and execution difficulties during the process of seizing collateral. Our officers are trained to repossess assets and/or enforce the security interest and no external agency is involved in such processes.

Risk Management Architecture

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through the Audit Committee and the Asset Liability Management Committee.

- *Audit Committee.* Our Audit Committee acts as a link between the statutory and internal auditors and our Board. It is authorized to select and establish accounting policies, review reports of the statutory and the internal auditors and meet with them to discuss their findings, suggestions and other related matters. Our Audit Committee has access to all information it requires from our Company and can obtain external professional advice whenever required.

- *Asset Liability Management Committee.* Our Asset Liability Management Committee assists our Board in balance sheet planning from a risk-return perspective, including strategic management of interest rate and liquidity risks, management of market risk, capital planning, profit planning and growth projection, analysis and forecasting of future business environment and contingency planning.

Employees

Our total employee strength, as on December 31, 2018, was 28,002.

We primarily recruit and train fresh graduates. As our business model does not require extensive background in banking or the financial services industry, we prefer to hire and train fresh graduates in the particular operational aspects of our business. Moreover, we prefer to hire our workforce from the locality in which they will operate, in order to benefit from their knowledge of the local culture, language, preferences and territory. We emphasize both classroom training and on-the-job skills acquisition. Post recruitment, an employee undergoes induction training to gain an understanding of our Company and our operations. Our product executives are responsible for customer origination, loan administration and monitoring and loan recovery, and this enables them to develop strong relationships with our customers. We believe our transparent organizational structure ensures efficient communication and feedback and drives our performance-driven work culture.

With customer relationships being a key growth driver in our business, executive attrition may potentially lead to loss of business. We, therefore, endeavour to retain employees by building common values and goals throughout our organization and providing a progressive, incentivized career path for promising employees. We have also set up the SCUF Employee Stock Option Scheme, 2006, pursuant to which a total 13,55,000 stock options had been granted as on September 30, 2018, exercisable into 13,55,000 Equity Shares. As on September 30, 2018, a total of 43,700 stock options remained outstanding.

Intellectual Property

Pursuant to a license agreement dated October 1, 2014 entered into between our Company and Shriram Ownership Trust, and addendum dated March 18, 2016 thereto, we are licensed to use the name "Shriram" and the associated logo, on a non-exclusive basis. For details, please see "*Risk Factors - We do not own the "Shriram" trademark and logo. In the event that we are unable to use the "Shriram" trademark and logo or if there are any unauthorized usage which may result in the dilution of the trademarks recognized with our Company and loss of reputation, our business and results of operations may be adversely affected.*" and "*History and Certain Corporate Matters – Material Agreements*" on pages 24 and 103, respectively.

Technology

We use information technology as a strategic tool in our business operations to improve our overall productivity. Our information technology support systems aid us in performing the processes involved in a loan transaction. We have licensed the SVS UNO system, a comprehensive, integrated business solution from Shriram Value Services Limited, to address the strategic and day to day challenges faced by us. SVS UNO is designed to suit the needs of organizations with large branch networks, such as ours and assists in loan origination, collections, loan maintenance, deposits and treasury operations. In relation to the SVS Uno platform, we also avail data centre services from Shriram Value Services Limited with all round support, guaranteed 99.5% up time, customized firewall and security settings.

For example, at the pre-disbursement stage, we store know-your-customer details and other details of customer appraisal into the system for future reference. After disbursement, our system can generate the interest due on each loan at any given point and track each phase of the payment schedule up to maturity. We can control our information technology system from our head office in Chennai, allowing senior management to receive operational data on a prompt basis. We are also able to track our liquidity position, which allows us to plan for shortfalls in advance. All of our business outlets are connected to the centralized data centre in Chennai. Further, we use android-based mobile devices to collect loan payments at the customer's home or business locations. Our production servers also allow us to conduct a daily automated backup.

We currently have the technology and facilities in place to back up our systems. We continue to invest in upgrading our technology infrastructure. For instance, we have deployed customized tablets that enable customers to obtain loan from the convenience of their homes or offices. Our digital footprint, through such tablets, extends to all our network across the country. We have also developed a customer relationship management application, as well as mobile and web-based applications.

Insurance

We maintain insurance coverage for our operations, including a group policy for our employees, standard fire insurance, insurance against burglary and public liability policy. These policies are renewed from time to time.

Competition

Competition in our industry is expected to continue to increase. Our primary competitors are public sector banks, private banks (including foreign banks), co-operative banks, regional rural banks and NBFCs. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We believe that our knowledge of the rural and semi-urban market, existing customer base and associated relationships, the continued expansion of our office network and our association with the Shriram Group, coupled with our proactive approach in providing flexible loan products and speedy service, will enable us to remain competitive.

Property

Our registered office is at 123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India. Our corporate office is at 144, Santhome High Road, Mylapore, Chennai – 600 004, Tamil Nadu, India. As of December 31, 2018, we had 1,057 business outlets across India, which we occupy pursuant to lease agreements or premises sharing agreements.

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REGULATIONS AND POLICIES

The following is a summary of certain laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Our Company is registered as an NBFC which is an asset finance company which accepts public deposits. However, as on July 27, 2015, in terms of our total assets and total income on an unconsolidated basis, our Company is classified as a "loan company" under the provisions of Section 45 IA of the RBI Act and applicable notifications on classification of NBFCs issued by the RBI. As such, our business activities are regulated by RBI regulations applicable to NBFCs registered as a deposit accepting NBFC ("**NBFC-D**").

Following are the significant regulations that affect our operations.

NBFC regulations

1. Regulation of NBFCs registered with the RBI

The RBI regulates and supervises activities of NBFCs. Chapter III B of the Reserve Bank of India Act of 1934 ("**RBI Act**") empowers the RBI to regulate and supervise the activities of all NBFCs in India. The RBI Act defines an NBFC under section 45-I (f).

(i) "a financial institution which is a company;

(ii) a non-banking institution which is a company, and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

(iii) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."

Section 45-I(c) of the RBI Act, further defines "financial institution" to mean any non-banking institution which, among other things, carries on the business or part of its business of making loans or advances or otherwise, of any activity, other than its own or is engaged in the acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, letting or delivering of any goods to a hirer under a hire-purchase agreement, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the purchase or sale of any goods (other than securities) or providing any services of the sale, purchase, construction and/or sale of immoveable property.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if (a) its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC, which comes into existence after the commencement of the Reserve Bank of India (Amendment) Act shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration. In terms of notification No. DNBS.132/CGM(VSNM)-99 dated April 21, 1999 the minimum net owned fund for a new company applying for such certificate of registration to commence business of an NBFC was ₹ 20,000,000, however the minimum net owned fund prescribed for companies already in existence prior to the notification was retained at ₹ 2,500,000. The RBI has now mandated that all NBFCs shall attain a minimum net owned fund of ₹ 20,000,000 by March 31, 2017, as per the following milestones: (i) ₹ 10,000,000 by March 31, 2016 and (ii) ₹ 20,000,000 by the end of March 31, 2017. NBFCs failing to maintain such net owned fund in the prescribed time shall not be entitled to hold a certificate of registration as an NBFC.

Under section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20 per cent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such appropriation.

2. Obligations of NBFC-D under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, as amended, ("Public Deposit Directions")

The RBI's Public Deposit Directions governs the manner in which NBFCs may accept and/or hold public deposits. The Public Deposit Directions places the following restrictions on NBFCs in connection with accepting public deposits:

(i) *Prohibition from accepting any demand deposits*: NBFCs are prohibited from accepting any public deposit which is repayable on demand.

(ii) *Ceiling on quantum of deposits*: An asset finance company or a loan company or an investment company or a factor (a) having minimum NOF as stipulated by the Bank, and (b) complying with all the prudential norms, shall accept or renew public deposit, together with the amounts remaining outstanding in the books of the company as on the date of acceptance or renewal of such deposit, not exceeding one and one-half times of its NOF. Provided that an asset finance company holding public deposits in excess of the limit of one and one-half times of its NOF shall not renew or accept fresh deposits till such time it reaches the revised limit. Further, matured public deposits cannot be renewed without the express and voluntary consent of the depositor.

(iii) Downgrading of credit-rating: In the event that credit rating issued by a credit rating agency recognised by RBI, for an asset finance company is downgraded below the minimum specified investment grade, with respect to the relevant credit rating agency, and the NBFC, being an asset finance company or a loan company or an investment company, shall regularise the excess deposit in the following manner: (a) forthwith stop accepting fresh public deposit, (b) all existing deposits shall runoff to maturity, (c) report the position of the credit rating within fifteen working days to the RBI.

(iv) *Ceiling on rate of interest*: An NBFC cannot invite or accept or renew public deposits at a rate of interest exceeding twelve and half per cent per annum. Such interest may be paid or compounded at rests which shall not be shorter than monthly rests.

(v) *Minimum lock-in period:* An NBFC is prohibited from granting any loan against a public deposit or make premature repayment of a public deposit within a period of three months from the date of acceptance of such public deposit. Provided that in the event of the death of a depositor, a NBFC may repay the public deposit prematurely, even within the lock-in period, to the surviving depositor/s in the case of joint holding with survivor clause, or to the nominee or the legal heir/s of the deceased depositor, on the request of the surviving depositor, nominee or legal heir, and only against submission of proof of death, to the satisfaction of the company.

(vi) *NBFC failing to repay public deposit prohibited from making loans and investments:* A NBFC-D which has failed to repay any public deposit or part thereof in accordance with the terms and conditions of such deposit, cannot grant any loan or other credit facility by whatever name called or make any investment or create any other asset as long as such default exists.

3. Obligations of NBFC-D under the Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended ("Master Directions")

(i) *Rating of NBFCs*: Pursuant to the RBI Master Directions, all applicable NBFCs as defined in the RBI Master Directions are required to, as per RBI instructions to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating to the Regional Office of the RBI under whose jurisdiction their registered office is functioning.

(ii) *Income recognition*: NBFC-Ds are required to follow recognised accounting principles in connection with income recognition. Income including interest/ discount/ hire charges/ lease rentals or any other charges on NPA is recognised only when it is actually realised. Any such income recognised before the asset became non-performing and remaining unrealised must be reversed.

(iii) *Provisioning Requirements*: An NBFC-D, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the RBI Master Directions. Every applicable NBFC (which includes NBFC-D) shall make provisions for standard assets at 0.40 per cent by the end of March 2018 which shall not be reckoned for arriving at net NPAs.

(iv) *Capital Adequacy Norms*: Every NBFC-D is required to maintain a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value off-balance sheet items. The Tier I capital in respect of applicable NBFCs, at any point of time, shall not be less than 8.5% by March 31, 2016 and 10% by March 31, 2017.

(v) *Exposure Norms:* In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the NBFC-D, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the NBFC-D. Further, the NBFC-D may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-D for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Further, NBFC-D may exceed the concentration of credit / investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and / or investment.

(vi) *Asset Classification*: The RBI Master Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes: i) standard assets; ii) sub-standard assets; iii) doubtful assets; and iv) loss assets.

(vii) *Fair Practices Code:* The Master Directions contain fair practice guidelines, to promote good and fair practices by setting minimum standards to be adhered to by NBFCs in dealing with customers, such as communication to the borrower being made in the vernacular language or a language understood by the borrower, measures for customer protection, grievance redressal mechanism, regulation of excessive interest charged by NBFCs, etc.

4. *Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016, as amended ("KYC Norms")*

NBFCs have been advised to follow certain customer identification procedures for the opening of accounts and monitoring transactions of suspicious nature for the purpose of reporting it to appropriate authority. Accordingly, NBFCs have been advised to ensure that a proper policy framework on 'know your customer' and anti-money laundering measures is formulated and put in place with the approval of the RBI. The KYC policies are required to have certain key elements, including, customer acceptance policy, risk management, customer identification procedures and monitoring of transactions.

5. *Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016*

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-D is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors, capital adequacy, asset classification and provisioning.

6. *Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016*

All NBFC-Ds and Systemically Important Non-Deposit taking NBFCs ("NBFC-ND-SI") shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. They are required to report all cases of fraud of ₹1 lakh and above, and if the fraud is of ₹10 million or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof to Central Fraud Monitoring Cell, Bangalore.

7. *Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017*

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("**Risk Management Directions**"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

8. *Directions on Information Technology Framework for the NBFC Sector, 2017*

The RBI, through its circular dated June 8, 2017 (Ref. No. 2016-17/53) directed NBFCs to enhance safety, security, efficiency in processes leading to benefits for NBFCs and their customers ("**IT Framework Directions**"). The focus of the IT Framework Directions is on Information Technology ("**IT**") governance, IT policy, information & cyber security, IT operations, information systems ("**IS**") audit, business continuity planning and IT services outsourcing. More stringent directions are applicable to NBFC-ND-SIs. For other NBFCs with an asset size below 500 crores, it is recommended they have policies such as a Board approved IT/IS policy, information security and cyber security and a business continuity planning policy.

9. *Norms for Excessive Interest Rates*

The RBI, through its circular dated May 24, 2007, (Ref. No. 2006-07/ 414) directed all NBFCs to put in place appropriate internal principles and procedures to determine interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 2, 2012 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

10. Corporate Governance

RBI vide its Master Circular dated July 1, 2015, introduced the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 for the consideration of all NBFC-Ds. The guidelines recommend that such NBFCs constitute an Audit Committee (to ensure that an information system audit of internal systems and processes is conducted at least once in two years to assess operational risks), a Nomination Committee (to ensure that fit and proper persons are nominated as directors on their respective boards) and a Risk Management Committee to institute risk management systems. Further, all NBFCs are required to obtain undertakings and a deed of covenant from all directors and furnish a quarterly statement to the RBI on change of directors along with a certificate from the managing director that fit and proper criteria' has been followed. All applicable NBFCs are required to disclose details pertaining to asset-liability profile, non-performing assets and movement of non-performing assets, details of exposures, movement in ratings, customer complaints etc. in their annual financial statements.

In addition to the above, NBFCs are required to rotate the partner of the chartered accountant firm conducting the audit every three years so that the same partner does not continuously conduct the audit of the company for more than a period of three years. NBFCs are also mandated to frame internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines which shall be published on the company' s web-site, if any, for the information of various stakeholders.

11. Accounting Standards & Accounting policies

Subject to the changes in Indian Accounting Standards and regulatory environment applicable to a NBFC may change our accounting policies in the future and it might not always be possible to determine the effect on the Profit and Loss account of these changes in each of the accounting years preceding the change.

In such cases the profit/ loss of NBFCs for the preceding years might not be strictly comparable with the profit/ loss for the period for which such accounting policy changes are being made.

12. Reporting by Statutory Auditor

In addition to their obligations under the Companies Act every auditor of an NBFC, is also required to make a separate report on the accounts of the NBFC to the Board of Directors (the **"Report"**) confirming:

(i) that the NBFC-D has obtained a CoR from the RBI and is entitled to continue to hold such CoR in terms of its principal business criteria (financial asset/income pattern) as on March 31 of the financial year in which the Report is submitted;
(ii) that the NBFC meets the prescribed net owned fund requirement.
(iii) that the NBFC-D has complied with the provisions of the Public Deposit Directions and the Non- Banking Financial Company Returns (Reserve Bank) Directions, and its capital adequacy ratio as disclosed in the return submitted to the RBI has been correctly determined and is in compliance with the minimum capital to risk (weighted) assets ratio prescribed by the RBI;
(iv) that the NBFC-D has complied with the liquid assets requirement as prescribed by the RBI in exercise of its powers under section 45-IB of the RBI Act.

The Report should contain reasons for any unfavorable or qualified statement or failure to express opinion on any matter by the auditor. The auditor is obliged to submit an exception report to the RBI in such a case. Every NBFC shall submit a certificate from its statutory auditor to the regional office of the Department of Non-Banking Supervision of the RBI under whose jurisdiction the NBFC is registered, within one month from the date of finalisation of the balance sheet and in any case not later than December 30th of that financial year, that it is engaged in such business requiring it to hold a CoR under Section 45-IA of the RBI Act and is eligible to hold it.

The statutory auditor of the NBFC-D is required to submit to the Board of Directors of the company a report inter alia certifying that such company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts and standard assets as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

13. Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 1,000.00 million, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including an Asset Liability Committee ("**ALCO**") and ALM support groups, and the ALM process including liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and review its functioning periodically. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/ 31 days time-bucket should not exceed the prudential limit of 15% of outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

14. Anti-Money Laundering

The RBI has issued a Master Circular dated July 01, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

Foreign Investment Regulations

FEMA Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA and the rules, regulations and notifications thereunder, read with the presently applicable consolidated FDI Policy of 2017, effective from August 28, 2017 as issued by the Department of Industrial Policy and Promotion, ("**DIPP**").

The RBI, in exercise of its powers under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ("**FEMA 20**") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. FEMA 20 lays down that no prior consent and approval is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the relevant ministry/ministries of the Government and/or the RBI.

Foreign Direct Investment

FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA 20 and the Foreign Direct Investment Policy ("**FDI Policy**"). FDI is permitted, except in certain prohibited sectors, in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/ activities that cannot be brought in under the automatic route may be brought in through the approval route.

Laws relating to Employment

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

Our Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Laws relating to Intellectual Property

Trade Marks Act

The Trade Marks Act, 1999 (the "**Trademark Act**") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registerable under the Trademark Act.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non- Performing Asset "**NPA**"). Securitisation Companies and Reconstruction Companies ("**SCs/RCs"**) are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60% of the amount outstanding to a borrower as against 75%. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for
its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI (Amendment) Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatoryauthority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the
borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency andBankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting *inter alia* any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, various tax related legislations and other applicable laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Shriram Hire-Purchase Finance Private Limited on March 27, 1986 as a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the RoC. With effect from October 29, 1988, the status of our Company was changed to a public limited company, pursuant to which the name of our Company was changed to Shriram Hire-Purchase Finance Limited. The name of our Company was subsequently changed to Shriram City Union Finance Limited and a fresh certificate of incorporation dated April 10, 1990 was issued by the RoC. The corporate identification number of our Company is L65191TN1986PLC012840.

Our Company holds a certificate of registration dated July 27,2015, (issued in lieu of the original registration dated September 4, 2000) bearing registration no. 07-00458 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act.

For details in relation to our business activities and investments, please see section titled “Our Business” on page 76.

Main objects

Our main objects as contained in our Memorandum of Association, *inter alia*, are:

- To lend money on security on movable or immovable properties or any shares or securities of any nature or without security and to negotiate loans;

- To undertake and carry on the business of financing hire-purchase contracts relating to property or assets of any description either fixed or movable and in particular relating to houses, lands, government bonds, goods, chattels, motorcars, motor-buses, motor-lorries, auto-rickshaws, omnibuses, tricycles, scooters, bicycles, unicycles, quadricycles, velocipedes, carriages and vehicles of all kinds whether mechanically propelled by steam, oil, gas, petrol or electricity or otherwise, tractors, bullion, stocks, shares, television sets, machineries of all kinds, pump-sets, refrigerators, electric and electronic goods and other household articles;

- To issue on commission, subscribe for, take acquire and hold, sell, exchange and deal in shares, stock, bonds, obligations or securities of any government, local authority or Company.

- To draw, accept, endorse, discount, buy, sell and deal in bills of exchange, promissory notes, bonds, debentures and other negotiable instruments and securities.

- To acquire, improve, manage, work, develop, exercise all rights in respect of leases and mortgages and to sell, dispose of, turn to account and otherwise deal with property of all kinds, and in particular, land, buildings, concessions, patents, business concerns and undertakings;

- Generally, to carry on and undertake any business or operation, commonly carried on or undertaken by capitalists, financiers;

- To borrow or take deposits of money on interest or otherwise from any person or persons, local authority or government and advance, lend or deposit any such money or other moneys of the Company for the time being on such security or otherwise as the Company may deem expedient. But the Company shall not do any banking business, as defined in the Banking Regulation Act, 1949;

- To carry on business of an investment company or an investment trust company, to undertake and transact trust and agency investment, financial business, financiers and for that purpose to lend or invest money and negotiate loans in any form or manner, to draw, accept , endorse, discount, buy, sell and deal in bills of exchange, hundies, promissory notes and other negotiable instruments and securities and also to issue on commission , to subscribe for, underwrite, take, acquire and hold, sell and exchange and deal in shares stocks, bonds or debentures or securities of any government or public authority or company, gold and silver and bullion and to form, promote, subsidise and assist companies, syndicates and partnership to promote and finance industrial enterprises and also to give any guarantees for payment of money or performance of any obligation or undertaking, to give advances, loans and subscribe to the capital of industrial undertakings and to undertake any business transaction or operation commonly carried on or undertaken by capitalists, promoters, financiers and underwriters; and

- To act as investors, guarantors, underwriters and financers with the object of financing industrial enterprises, to lend or deal with the money either with or without interest or security including in current or deposit account with any bank or banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposit or loan upon such terms and conditions as the company may approve. Provided that the Company shall not do any banking business as defined under the Banking Regulation Act, 1949.

- The Company shall either singly or in association with other bodies corporates, act as asset management company/ manager/ fund manager in respect of any scheme of mutual fund whether open-end scheme or closed-end Scheme, floated/to be floated by any trust/mutual fund (whether offshore or onshore)/Company by providing management of mutual fund for both offshore and onshore mutual funds, financial services consultancy, exchange of research and analysis on commercial basis. Constitute any trust and to subscribe and act as, and to undertake and carry on the office or offices and duties of trustees, custodian trustees, executors, administrators, liquidators, receivers, treasures, attorneys, nominees and agents; and to manage the funds of all kinds of trusts and to render periodic advice on investments, finance, taxation and to invest these funds from time to time in various forms of investments including shares, term loans and debentures etc. Carry on and undertake the business of portfolio investment and Management, for both individuals as well as large corporate bodies and/or such other bodies as approved by the government, in equity shares, preference shares, stock, debentures (both convertible and non-convertible), company deposits, bonds unit, loans, obligations and securities issued or guaranteed by Indian or foreign governments, states, dominions, sovereigns, municipalities or public authorities and/or any other financial instruments, and to provide a package of investment/merchant banking services by acting as managers to public issue of securities, to act as underwriters, issue house and to carry on the business of registrar to public issue/various investment schemes and to act as brokers to public issue.

Without prejudice to the generality of the foregoing, to acquire any shares, stocks, debentures, debenture-stock, bonds, units of any Mutual Fund Scheme or any other statutory body including Unit Trust of India, obligations or securities by original subscription, and/or through markets both primary, secondary or otherwise participation in syndicates, tender, purchase, (through any stock exchange, OTC exchange or privately), exchange or otherwise and to subscribe for the same whether or not fully paid-up, either conditionally or otherwise, to guarantee the subscription thereof and to exercise and to enforce all rights and powers conferred by or incidental to the ownership thereof and to advance, deposit or lend money against securities and properties to or with any company, body corporate, firms, person or association or without security and on such terms as may be determined from time to time.

To engage in merchant banking activities, venture capital, acquisitions, amalgamations and all related merchant banking activities including loan Syndication.

- To carry on the business as manufacturers, exporters, importers, contractors, sub-contractors, sellers, buyers, lessors or lessees and Agents for wind, electric generators and turbines, hydro turbines, thermal turbines, solar modules and components and parts including rotor blades, braking systems, tower, nacelle, control unit, Generators, etc. and to set up wind farms for the company and/or other singly or jointly and also to generate, acquire by purchase in bulk, accumulate, sell distribute and supply electricity and other power (subject to and in accordance with the laws in force from time to time).

- To carry on in India or elsewhere the business of consultancy services in various fields, such as, general, administrative, commercial, financial, legal, economic, labour and industrial relations, public relations, statistical, accountancy, taxation and other allied services, promoting, enhancing propagating the activity of investment in securities, tendering necessary services related thereto, advising the potential investors on investment activities, acting as brokers, sub-brokers, investment consultant and to act as marketing agents, General Agents, sub-agents for individuals / bodies corporate/institutions for marketing of shares, securities, stocks, bonds, fully convertible debentures, partly convertible debentures, non-convertible debentures, debenture stocks, warrants, certificates premium notes, mortgages , obligations, inter corporate deposits, call money deposits, public deposits, commercial papers, general insurance products, life insurance products and other similar instruments whether issued by government, semi government, local authorities, public sector undertakings, companies, corporations, co-operative societies and other similar organizations at national and international levels.

- To carry out life or general or any other insurance business operations as intermediary, Broker, Corporate broker, agent, corporate agent, marketing agent, advisor and solicitor by soliciting and servicing of insurance business for any of the insurance products whether issued by government, semi government, local authorities, public sector undertakings, companies, corporations, co-operative societies and other similar organisations directly or through brokers, sub-brokers, agents at national and international levels to any person/Company/authority including customers of the company, group companies and related parties without participation in the risk involved in the concerned insurance.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

Holding company

For details of our Promoter, please see "*Our Promoter*" on page 112.

Subsidiary company

Shriram Housing Finance Limited

Shriram Housing Finance Limited ("**SHFL**"), our Subsidiary, was incorporated under the Companies Act, 1956 on November 9, 2010. Its registered office is situated at 123 Angappa Naicken Street, Chennai 600 001, Tamil Nadu, India. The main objects of the company are, *inter alia*, to carry on the business of providing long term finance for construction or purchase of a house, flat or any part or portions thereof for residential or commercial purposes and to act as a securitisation and reconstruction company under the SARFAESI Act. As on December 31, 2018, our Company holds 77.25 % of equity shares of face value of ₹ 10 each in SHFL.

Our Company has not entered into any material contracts other than contracts in the ordinary course of business, in the two years preceding the date of the Draft Shelf Prospectus.

We have had no acquisition, amalgamation, re-organisation or reconstruction in the year preceding the date of filing of the Draft Shelf Prospectus.

Material Agreements

Investor and share subscription agreements

1. **Shareholders' Agreement dated March 30, 2012, as amended by an agreement dated July 5, 2013, between SHFL, our Company and Valiant Mauritius Partners FDI Limited ("Investor"), ("Shareholders' Agreement)**

    The Company, their subsidiary SHFL and the Investor have entered into a share subscription agreement pursuant to which the Investor has agreed to acquire shares issued by SHFL in various tranches, in accordance with the terms and conditions of the share subscription agreement. Pursuant to the same, the Company, SHFL and the Investor have entered into the Shareholders' Agreement for the purpose of recording terms and conditions of their relationship and with respect to matters relating to the ownership and management of SHFL.

    Some of the main provisions of the Agreement are summarized below:

    Size and Composition of the board: The Investor will have the right to nominate and appoint directors in SHFL, in proportion to their ownership in SHFL, as rounded off to the lowest integer, provided that the board will always comprise of at least one director nominated and appointed by the Investor. The chairman of the board however, shall be a nominee of the Company. The chairman does not have a casting vote.

    Right of First Offer: The Company will have the right of first offer with respect to transfer of any equity shares in SHFL by the Company. The Investor will be required to provide a written notice, including details of the expected sale price to the Company of the same and the Company has up to twenty one days after receipt of this notice to exercise this right by delivery of written notice. A rejection or failure to respond to the Investor's notice gives the Investor the right to sell these equity shares to a third party, at a price not lower than the expected sales price mentioned in the Investor's notice.

    Tag-Along Rights: The Investor shall have tag-along rights but not the obligation to require the Company to cause a third-party to whom the transfer of equity shares is made, the same consideration per equity share and upon the same terms and conditions as are to be paid and given to the Company.

    Pre-emptive Rights: No issue of equity securities of any type or class can be made by SHFL to any person, unless SHFL has offered these securities to the Investor.

    Non-Compete: The Company shall not directly, indirectly or beneficially, invest in or participate in or be financially engaged in any business that is similar to the business or competes with the business of financing the purchase of house, as carried on by SHFL.

    Term and Termination: The Shareholders' Agreement may be terminated any time: (i) by mutual written agreement; (ii) if the shareholding of the Investor in SHFL falls below 8 per cent; (iii) upon occurrence of an offer for sale of issue of equity shares of SHFL resulting in the listing of these equity shares on a stock exchange.

2. **Agreement dated May 29, 2015 between Dynasty Acquisitions Ltd ("Dynasty") and our Company, ("Agreement")**

    Dynasty had entered into a share purchase agreement with TPG India Invesyments I Inc. ("**TPG**") dated May 7, 2015 pursuant to which Dynasty purchased Equity Shares representing approximately 20.37 % of share capital in the Company making it the single largest public shareholder. Pursuant to the Agreement, Dynasty is granted certain minority rights available only to TPG.

    Some of the main provisions of the Agreement are summarized below:

    Board Nomination: The Board shall appoint at least one director nominated by Dynasty. This right continues until Dynasty ceases to hold at least 7.5% of the share capital in the Company. The Board shall further have one independent director at all times, whose appointment has been approved by Dynasty. This right continues until Dynasty ceases to hold at least 10% of the share capital in the Company.

    Observer: Dynasty shall be entitled to nominate at least one observer who has the right to attend and participate in all

Board and audit committee meetings on a non-voting basis. This right continues until Dynasty ceases to hold at least 7.5% of the share capital of the Company.

Fundamental Matters:

The following actions by the Company require prior written consent of Dynasty. These rights continue until Dynasty ceases to hold at least 10% of the share capital of the Company.

- Acquisition of assets of other businesses, creation of joint ventures, partnerships, mergers, demergers and consolidations or any other business combination with another entity, (unrelated to the existing business of the Company and not permitted under the memorandum of association or articles of association of the Company) other than (i) Acquisitions involving an amount lower than ₹ 1,000,000,000 (Rupees one thousand million); (ii) acquisitions in the ordinary course of business; (iii) acquisitions involving another listed entity; and (iv) acquisitions within the Shriram Group, subject of the board of directors and shareholders of the relevant entities within the Shriram Group.

- Any new related party transactions entered into by our Company other than (i) existing related party transactions or related party transactions already approved by Dynasty; (ii) related party transactions on an arm's length basis and; (iii) related party transactions with each related party transaction which cumulatively during a year involve a sum lower than 1% of the assets under management of the Company.

Term and Termination: The Agreement shall terminate upon Dynasty ceasing to be a shareholder or the shareholding of Dynasty in the Company falls below 7.5 per cent, provided that the right to nominate an independent director and in regard to fundamental matters shall terminate upon the Investor ceasing to hold above 10% of the share capital of the Company.

Other material agreements

1. **License Agreement dated October 1, 2014 between Shriram Ownership Trust, ("SOT") and our Company, ("License Agreement")**

Pursuant to the License Agreement, SOT has granted our Company the license to use the non-exclusive copyright, relating to the existing artistic work "SHRIRAM" logo ("**Copyright**"), assigned in favour of SOT by Shriram Capital Limited, and to reproduce the said work in connection with the business activities of our Company in the territory of India during the term of the Copyright. Some of the main provisions of the License Agreement are as follows:

Consideration: We paid SOT royalty/license fees at the rate of 1% of annual total income of the Company for each year ending March 31 starting from April 1, 2015 subject to a limit of 5% on profit of the Company before tax and licence fee in a financial year. In addition to the royalty payment, our Company will also pay to SOT amounts by way of reimbursement of actual expenses incurred by SOT in respect of protection and defence of the Copyright.

Term: The License Agreement with effect from October 1, 2014 is valid till September 30, 2019 after which the agreement shall get automatically renewed for a further period of five years on same terms unless both parties agree on a revision.

2. **Service Agreement between the Company and Promoter dated February 28, 2017 ("Service Agreement")**

The Company has entered into an agreement to formalise the role and various advisory and support services to be provided by the Promoter to the Company.

Some of the main provisions of the Service Agreement can be summarized below:

Role of SCL: SCL shall provide specialised advisory and support services to our Company, in connection with group strategy, new ventures, management information systems, synergy, group human resource, brand building, risk management, taxation, regulatory, secretarial, group information technology, external relations, corporate communications, investor relations, policy advocacy and that the Company shall avail of such aforementioned services, in accordance with terms of Service

Consideration: Our Company shall pay SCL a sum of ₹ 153.30 million for the financial year of 2017- 2018, in equal quarterly instalments, excluding applicable taxes. Subject to the review of board of directors or the audit committee, the said fees shall be subject to annual revision up to 5% (five percent) per annum, over and above the fees payable during the respective previous financial year, effective from April 1, 2017.

Term*:* Service Agreement shall come into effect on April 1, 2017 and shall be valid for a period of 5 (five) years therefrom unless terminated earlier by either party with a notice period of 1 (one) year. And on the expiry of the aforementioned period of 5 (five) years, Service Agreement shall automatically stand renewed with the same annual increases as set out in Service Agreement, unless otherwise agreed to in writing between the parties.

OUR MANAGEMENT

Board of Directors

Pursuant to the Articles of Association, our Company is required to have not less than three and not more than 12 Directors. Currently, our Company has 10 Directors on the Board out of which one is an executive Director and nine are non-executive Directors. Further, our Board consists of six independent Directors.

The following table sets forth details regarding the Board as on date of this Draft Shelf Prospectus:

Name, Designation, Term, DIN	Age	Address	Director of the Company since	Other Directorships
Debendranath Sarangi *Designation*: Chairperson, Non-Executive and Independent Director *Term*: 5 years upto July 27, 2020 *Nationality*: Indian *DIN*: 01408349	66	7C West Mada Street, Srinagar Colony, Saidapet, Chennai - 600 015	January 29, 2015	(i) Etica Developers Private Limited (ii) Rohini Industrial Electricals Limited (iii) The Tamil Nadu Tea Plantation Corporation Limited (iv) Voltas Limited
Duruvasan Ramachandra *Designation*: Managing Director and Chief Executive Officer, Executive and Non-Independent Director *Term*: 3 years upto June 5, 2020 *Nationality*: Indian *DIN*: 00223052	56	H No 1-66/1, Villa No. 5, CEO Enclave, Gachibowli, Hyderabad - 500 032	June 6, 2017	CES Limited
Gerrit Lodewyk Van Heerde *Designation*: Non-Executive, Non-Independent Director *Term*: Liable to retire by rotation *Nationality*: South African *DIN*: 06870337	51	2, Dahlia Avenue, Welgedacht, Bellville, Cape Town 7530, Erf 31452, South Africa	August 1, 2014	(i) Botswana Insurance Holdings Limited; (ii) Letshego Holdings Limited. (iii) Shriram Transport Finance Company Limited
Maya S. Sinha *Designation*: Non-Executive, Independent Director *Term*: 5 years upto July 27, 2020 *Nationality:* Indian *DIN*: 03056226	59	11, 3rd Floor, Vipul Building, 28 B G Kher Marg, Malabar Hill, Mumbai 400 006	May 28, 2015	(i) Airasia (India) Limited; (ii) Clear Maze Consulting Private Limited; (iii) CMC Skills Private Limited; (iv) Ensemble Infrastructure India Limited; (v) Flemingo Travel Retail Limited; (vi) G R Infraprojects Limited; (vii) Prabhat Properties Private Limited; (viii) Avana Logistek Limited (ix) Shreyas Shipping and Logistics Limited; (x) Tata Boeing Aerospace Limited.
Pranab Prakash Pattanayak *Designation:* Non-Executive, Independent Director *Term*: 5 years upto March 31, 2019 *Nationality*: Indian *DIN*: 00506007	70	Flat No. A4/311, Gokulam Complex, India Heritage Foundation, Doddakallasandra, 8th Mile, Kanakapura Road, Bangalore 560 062	October 31, 2012	(i) Falcon Marine Exports Limited. (ii) IIFL Asset Management Company Limited;
Ranvir Dewan *Designation:* Non-Executive, Non-Independent Director *Term*: Liable to retire by rotation *Nationality*: Singaporean *DIN*: 01254350	65	41, Ewe Boon Road, #11-41, Crystal Tower, Singapore 048624	December 1, 2010	(i) Union Bank Finance Company Limited. (ii) Union Bank of Colombo;
Shashank Singh *Designation:* Non-Executive, Non-	42	7A, Manek, 7th Floor, 11, L D Ruparel Marg, Malabar Hill, Mumbai 400 006	October 28, 2015	(i) Apax Partners India Advisers Private Limited;

Independent Director *Term*: Liable to retire by rotation *Nationality*: Indian *DIN*: 02826978				(ii) Healthium Medtech Private Limited; (iii) Impact Foundation (India); (iv) Zensar Technologies Limited;
Subramaniam Krishnamurthy *Designation:* Non-Executive, Independent Director *Term*: 5 years upto March 31, 2019 *Nationality*: Indian *DIN*: 00140414	79	C/39, Ashtalakshmi Apartments,59, Arundale Beach Road, Besant Nagar Chennai-600 090	April 28, 2005	(i) Kerala Ayurveda Limited; (ii) Ayurvedagram Heritage Wellness; Centre Private Limited
Venkataraman Murali *Designation:* Non-Executive, Independent Director *Nationality*: Indian *Term*:5 years upto March 31, 2019 *Nationality*: Indian *DIN*: 00730218	59	DLF Commander's Court Towers, CCC 034, No.49, Ethiraj Salai, Egmore, Chennai 600 008	December 1, 2011	(i) Shriram Housing Finance Limited. (ii) Take Solutions Limited; (iii) Witzenmann (India) Private Limited;
Vipen Kapur *Designation:* Non-Executive, Independent Director *Term*: 5 years upto March 31, 2019 *Nationality*: Indian *DIN*: 01623192	72	No. A1-1201, World SPA, Sector 41, Gurgaon, Haryana-122 002	June 15, 2007	(i) Alternative Green Energy Solutions Limited; (ii) ILD Millennium Private Limited. (iii) Sanat Products Limited; (iv) Shriram General Insurance Company Limited;

Brief Profiles

The following are brief biographies of our Directors:

Debendranath Sarangi is the Chairperson of our Board, and an Independent Director of our Company**.** He holds a master's degree in political science from the University of Delhi and a master's in economics from the University of Swansea in the United Kingdom. He was a member of the Indian Administrative Services from 1977 to 2012. He retired as the Chief Secretary to the Government of Tamil Nadu on December 31, 2012. He also served as special advisor to the Government of Tamil Nadu for a period of one year after retirement.

Duruvasan Ramachandra is the Managing Director and a non-Independent Director. He has been serving the Shriram Group for more than 3 decades. Previously, he has served as the CEO and Executive Director of Shriram Chits P Ltd, Hyderabad and the Managing Director of M/s Shriram Life Insurance Company Limited.

Gerrit Lodewyk Van Heerde is a Non-Execuutive, Non-Independent Director of our Company. He holds a bachelor's degree in commerce from the North West University and an honours degree in actuarial science from the University of Stellenbosch in South Africa. He is the Fellow of the Faculty of Actuaries in Scotland and a Fellow of the Actuarial Society of South Africa. He was the Chief Financial Officer of Sanlam Emerging Markets from November 2012 till August 2015.

Maya S Sinha is an Independent Director of our Company. She holds a bachelor's degree in economics and mathematics from Lady Shri Ram College, Delhi University and holds a master's degree from the Delhi School of Economics, Delhi University. She was a member of the Indian Revenue Service from 1981 to 2003.

Pranab Prakash Pattanayak is an Independent Director of our Company. He holds a bachelor's and master's degree from Utkal University. He has experience in banking and financial services sector, having worked with the State Bank of India, where he held senior management positions.

Ranvir Dewan is a Non-Executive, Non-Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Delhi. He is a Fellow of the Institute of Chartered Accountants in England & Wales (FCA) and a member of the Institute of Chartered Accountants Ontario. He was previously associated with Citibank for 13 years holding various senior positions. At present, he is working in TPG Capital, a company based at Singapore, as head of Financial Institutions Group Operations since June 2006.

Shashank Singh is a Non-Executive, Non-Independent Director in our Company. He holds a bachelor's degree from St. Stephen's College, University of Delhi, a master's degree in arts from Cambridge University in the United Kingdom and a master's degree in business administration from Harvard Business School. He has extensive expertise in the areas of corporate finance and strategy, with over 14 years of experience in private equity. At present, he is a partner and head of the India office of Apax Partners, the global private equity fund.

Subramaniam Krishnamurthy is an Independent Director in our Company. He holds a bachelor's degree from the University of Madras, a diploma in specialized banking from the Indian Merchants' Chamber, a diploma in Industrial Relations & Personnel Management (IR&PM) from Bharatiya Vidya Bhavan, a bachelor's degree in law from the University of Mysore and a master's degree in labour studies from the Madurai Kamaraj University. He is an associate of the Indian Institute of Bankers. Subramanian Krishnamurthy has over four decades of experience in the banking sector, with RBI and commercial banks. He has previously held the position of Banking Ombudsman, Chennai for a period of around two years.

Venkataraman Murali is an Independent Director in our Company. He 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 an Associate Member of the Institute of Cost & Works Accountants of India. He is the senior partner of M/s Victor Grace & Co., Chartered Accountants, Chennai.

Vipen Kapur is an Independent Director of our Company. He holds a bachelor's degree in commerce from University of Madras. He is also an associate of the Institute of Bankers. He had served in Grindlays Bank (now Standard Chartered Bank) and was the Vice President and manager of the New Delhi branch of Bank of America. He was also the Vice President and General Manager at Al Rushaid Investment Company. He also served with the Sinar Mas Group in Indonesia as Group Managing Director.

Borrowing powers of the Board

Pursuant to special resolution passed by the shareholders of our Company at their AGM held on July 25, 2018 and in accordance with provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 as amended, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company upon such terms and conditions and with or without security as the Board may think fit, provided that money or monies to be borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹ 3,60,000 million. The aggregate value of the NCDs to be offered under the Offer Documents, together with the existing borrowings of our Company, is within the approved borrowing limits of ₹ 3,60,000 million.

Interest of our Directors

None of our Directors are interested in (a) the promotion of the Company; or (b) directly or indirectly, in any property acquired or proposed to be acquired, of or by the Company within two years preceding the date of the Draft Shelf Prospectus (under the objects of the Issue or otherwise).

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to them or to such firm of company in which they are interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

No relative of any Director has been appointed to an office or place of profit.

All of our Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them.

Certain of our Directors may also be regarded as interested in the Equity Shares and stock options held by them, their relatives or by the companies, firms, trusts in which they are interested as directors, members, partners, trustees and promoters, as well as the benefits arising out of such shareholding

Except as disclosed below, no remuneration has been paid or is payable to any of our Directors by the Company's Subsidiary or associate companies.

Venkataraman Murali is a director of the Company's Subsidiary and his remuneration details for the period ended December 31, 2018 and the last three fiscal years ended 2018, 2017 and 2016 are as follows:

(Amount in ₹ million)

Period ended December 31, 2018	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
0.26	0.26	0.18	0.12

None of our Directors hold any equity shares in the Company's Subsidiary or associate companies.

None of our Directors have taken any loan from our Company.

Other undertakings and confirmations

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, defaulter list maintained by the RBI and/or Export Credit Guarantee Corporation of India Limited.

As on the date of the Draft Shelf Prospectus, our Directors do not hold any outstanding options.

Shareholding of Directors as on date of Draft Shelf Prospectus

As on the date of the Draft Shelf Prospectus, our Directors do not hold any Equity Shares in our Company.

Remuneration of the Directors

Managing Director and Chief Executive Officer

The present remuneration structure of the Managing Director and Chief Executive Officer consists of basic pay, allowances and perquisites, retirement benefits, ESOP and reimbursement of expenses incurred in the performance of office duties. The following table sets forth all compensation paid to Duruvasan Ramachandra**,** Managing Director and Chief Executive Officer with effect from June 6, 2017:

Particulars	Remuneration
Basic salary	₹5,00,000 per month with annual increment of not less than 10% per annum with effect from April 1 every year
Allowances and Perquisites	• Annual membership fees for a maximum of two clubs and all expenses at the club for an official purpose reimburses or paid to the club by the Company. • Company to provide a car. The running and maintenance expenses including the driver's salary for use on Company's business borne/ reimbursed by the Company. • Premium on personal accident/group insurance shall be paid as per the policy of the Company, subject to a maximum of ₹4000 per annum. • Payment for water, gas, electricity and soft furnishing of residence. Payment of subscription charges for newspapers and periodicals subject to a maximum of 10% of the salary shall be paid/ reimbursed by the Company. • Leave/Travel concession for the Managing Director and Chief Executive Officer and family paid/borne by the Company subject to a maximum of ₹ 2,00,000 per annum
ESOP	Employee Stock Options may be granted as decided by the Nomination and Remuneration Committee/Board from time to time, according to the Employee Stock Option Scheme of the Company.
Reimbursement of Expenses	• Reimbursement of expenses incurred on medical, surgical and hospitalisation for Managing Director and Chief Executive Officer and family upto ₹ 1,00,000 per annum. • Expenditure on business promotion, entertainment, travel undertaken and other expenses incurred reasonably for official purposes shall be borne by the Company.

Other Directors

Independent Directors are paid remuneration by way of sitting fees, as well as reimbursement of reasonable, connected expenses incurred for attending the Board/Committee meetings, as follows:

Name of Committee/Board	Sitting Fee Amount (in ₹) per meeting
Board Meeting, Audit and Risk Management Committee, Independent Directors Meeting, Nomination and Remuneration Committee	50,000
General Meeting, Stakeholders Relationship Committee, Information Technology Strategy Committee and Corporate Social Responsibility Committee	25,000

Non- Independent Directors are paid remuneration by way of sitting fees, as well as reimbursement of reasonable, connected expenses incurred for attending the Board/Committee meetings, as decided by the Board from time to time.

The following table sets forth all compensation recorded by the Company to all, for the last three fiscal years

(Amount in ₹ million)

Name of Directors	Period ended December 31, 2018	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
Debendranth Sarangi	0.43	0.70	0.50	0.45

Durvuvasan Ramachandra	4.97	5.98	5.87	5.89
Maya S. Sinha	0.32	0.54	0.39	0.29
Gerrit Lodewyk Van Heerde	Nil	Nil	Nil	Nil
Pranab Prakash Pattanayak	0.40	0.60	0.40	0.41
Ranvir Dewan	Nil	Nil	Nil	Nil
Shashank Singh	Nil	Nil	Nil	Nil
Subramaniam Krishnamurthy	0.47	0.67	0.39	0.46
Venkataraman Murali	0.42	0.67	0.39	0.50
Vipen Kapur	0.42	0.56	0.23	0.43

Changes in Board during the last three years

Name, Designation and DIN	Date of Appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks
Gopalasamudram Srinivasaraghavan Sundara *Non-Executive, Non-Independent Director* *DIN*: 00361030	28/07/2016	1/11/2012	Resignation as Non-Executive, Non-Independent Director
Ramakrishnan Subramanian *Non-Executive, Non-Independent Director* *DIN*: 02192747	03/02/2017	28/07/2016	Resignation as Non-Executive, Non-Independent Director
Khushru Burjor Jijina *Non-Executive, Non-Independent Director* *DIN*: 00209953	07/05/2018	28/10/2015	Resignation as Non-Executive, Non-Independent Director

Corporate Governance

Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations, Companies Act 2013 and other Applicable Law in relation to the composition of our Board and constitution of committees thereof.

Committees of the Board of Directors

Our Board constitutes sub-committees in its ordinary course of business. With regard to corporate governance requirements, the following committees have been constituted:

A. Audit and Risk Management Committee
B. Nomination and Remuneration Committee
C. Stakeholders Relationship Committee
D. Asset Liability Management Committee
E. Banking and Securities Management Committee
F. Corporate Social Responsibility Committee

The details of these committees are as follows:

A. Audit and Risk Management Committee

The audit committee was constituted by a meeting of our Board held on January 31, 2001 and reconstituted as the Audit and Risk Management Committee by a meeting of our Board dated May 2, 2017 with effect from May 3, 2017. The members of the Audit and Risk Management Committee are:

Sr. No	Name of the Member	Designation	Designation
1.	Venkataraman Murali	Chairperson	Non-Executive, Independent
2.	Subramanian Krishnamurthy	Member	Non-Executive, Independent
3.	Pranab Prakash Pattanayak	Member	Non- Executive, Independent

Sr. No	Name of the Member	Designation	Designation
4.	Ranvir Dewan	Member	Non-Executive, Non-Independent

The terms of reference of the Audit and Risk Management Committee, *inter alia*, include:

- Review financial reporting process, financial conditions financial statements, results of operations
- Ensure financial statements are correct, sufficient and credible
- Review internal control and its adequacy, financial controls, risk management systems, risk assessment reports
- Review management letters, letters of internal control weakness, audit report issued by the auditor
- Recommend appointment, re-appointment, terms of appointment/ reappointment and remuneration (audit fees and fees for other services) of statutory auditors and review such for internal auditor
- Review performance and independence of auditor and effectiveness of audit process
- Review effectiveness, adequacy and structure of internal audit
- Review internal audit report, investigation report and follow up action thereon
- Review the use / application of funds raised through public issue, rights issue, preferential issue etc. and review statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/ notice and review the report submitted by any monitoring agency, if appointed for the public issue, rights issue, preferential issue.
- Review repayment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review and monitor different policies including Risk Management Policy, recommend them to the Board
- Approve appointment of Chief Financial Officer (CFO)
- Formulate Related Party Transaction ("RPT") Policy and approve RPTs as required
- Scrutiny of inter-corporate loans inter corporate investments and if necessary valuation of assets or undertaking
- Seek information from employees, obtain legal or professional advice

B. Nomination and Remuneration Committee

The remuneration and compensation committee was constituted by a meeting of our Board held on January 30, 2002 and reconstituted by a meeting held on November 22, 2007. It was subsequently reconstituted as the Nomination and Remuneration Committee by a meeting of our Board dated July 28, 2016 with effect from August 1, 2016. The members of the Nomination and Remuneration Committee are:

Sr. No	Name of the Member	Designation	Designation
1.	Vipen Kapur	Chairperson	Non-Executive, Independent
2.	Gerrit Lodewyk Van Heerde	Member	Non-Executive, Non-Independent
3.	Debendranath Sarangi	Member	Non-Executive, Independent

The terms of reference of the Nomination and Remuneration Committee, *inter alia*, include:

- Identify fit and proper persons to be directors and recommend their appointment to the Board, as and when need arise
- Should such a need arise, recommend removal of director from the Board
- Annual evaluation of performance of every director, Board and Committee
- Identify persons who may be appointed as members of senior management
- Formulate/Recommend to the Board policies for qualification, attributes, fit & proper person and independence of directors, remuneration of directors/key managerial personnel/ employees keeping in view to attract, motivate and retain talent required for the progress and to guide policies and practices in the talent management of the Company.
- Scrutinise the declarations/undertakings by the Directors
- Formulate, administer/ recommend to the Board Employees Stock Option Plans, Employee welfare schemes, incentive plans for employees and interpret and adopt rules for the operation thereof
- Approve employment agreements, severance arrangements, change in control agreements

C. Stakeholders Relationship Committee

The shareholders' and investors' grievance committee were constituted by a meeting of our Board held on January 30, 2002 and subsequently reconstituted as the Stakeholders Relationship Committee by a meeting of our Board dated July 28, 2016 to be effective from August 1, 2016. The members of the Stakeholders Relationship Committee are:

Sr. No	Name of the Member	Designation	Designation
1.	Subramanian Krishnamurthy	Chairperson	Non-Executive, Independent

2.	Maya Sinha	Member	Non-Executive, Independent
3.	Vipen Kapur	Member	Non-Executive, Independent
4.	Venkataraman Murali	Member	Non-Executive, Independent

The terms of reference of the Stakeholders Relationship Committee, *inter alia*, include:

- Facilitate better investor/share holder/security holder services and relations
- Consider and resolve the grievances of security holders including the complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
- Review Security holding pattern
- Transfer unclaimed dividend/fixed deposit/debentures/ subordinated debt amounts to Investor Education and Protection Fund as per provisions of law
- Approve and authorise matters relating to Depositories, Registrar and Transfer Agents
- Monitor Insider Trading Code

D. Asset Liability Management Committee

The Asset Liability Management Committee was constituted by a meeting of our Board held on October 31, 2001. It was reconstituted at meeting of our Board dated May 2, 2017 to be effective from May 3, 2017. The members of the Asset Liability Management Committee are:

Sr. No	Name of the Member	Designation	Designation
1.	Pranab Pattanayak	Chairperson	Non-Executive, Independent
2.	Duruvasan Ramachandra	Member	Managing Director and Chief Executive Officer
3.	Ramasubramaniam Chandrasekar	Member	Chief Financial Officer
4.	Y.S. Chakravarti.	Member	Chief Operating Officer

The terms of reference of the Asset Liability Management Committee, *inter alia*, include:

- Formulate, review monitor and recommend Policy on Investment, Asset Liability Management and Private Placement of NCDs and Securitisation and Interest Rate Approach and Gradation of Risk and other related matters
- Provide framework (comprehensive and dynamic) for measuring, monitoring and managing liquidity of assets, liabilities and altering /managing asset liability portfolio from risk-return, interest risk, liquidity risk, business risk and other risk perspective, decide good risk management system and ensuring adherence to the limits set by the Board.
- Formulate business strategy in line with the budget.
- monitor the asset liability gap and strategize action to mitigate the risk associated.
- Any other subject as may be specified by any regulation or Board from time to time.

E. Banking and Securities Management Committee:

The Banking and Securities Management Committee was constituted by a meeting of our Board held on July 28, 2016 to be effective from August 1, 2016. It was reconstituted at meeting of our Board dated May 2, 2017 to be effective from May 3, 2017. The members of the Banking and Securities Management Committee are:

Sr. No	Name of the Member	Designation	Designation
1.	Duruvasan Ramachandra	Chairperson	Managing Director and Chief Executive Officer
2.	Ramasubramaniam Chandrasekar	Member	Chief Financial Officer
3.	Y. S. Chakravarti	Member	Chief Operating Officer

The terms of reference of the Banking and Securities Management Committee, *inter alia*, include:

- All types of banking and demat operations including open, close, change, modify, transfer, request for confirmation of balances and confirm bank/securities balances with respect to bank accounts, loan accounts and demat accounts held by the Company.
- Issue, allot, change, modify and reject terms of issue or allotment of equity shares, preference shares, debentures, bonds, debt instruments, equity instruments, hybrid instruments, warrants, (together referred as "Securities") on preferential, rights, bonus, public issue, private placement and employee stock option scheme basis and any terms and conditions thereof.

- Borrow money from any bank, financial institution, foreign financial institution, corporates,
- any other entity within the permissible limit either by way of short term loan or long term loan by whatever name called i.e. term loan, working capital loan, cash credit. Working capital demand loan, over draft, commercial papers, securities and assignment or securitization of any assets of the Company to any bank or institution within permissible limits and to do activities thereof with respect to such borrowings including creation of security on assets, registration of charges and execution of any agreements or deeds with banks, financial institution and corporates
- Invest, deposit or otherwise the funds of the Company in any form with banks/ mutual funds, any funds, any institutions, companies or any bodies, and transfer/ change/ modify/ encash/ liquidate any or all of these.
- Review or seek reports or information pertaining to the security holders or from any employee, security holder and share transfer agents of the Company.
- Decide, approve or reject the transfer/ transmission/ nomination/ dematerialization, rematerialisation/ split/ consolidation/ issue of renewed and duplicate certificate, buy back and early redemption of any Securities.
- Monitor, decide and execute agreements on all activities relating to Issuing and Paying Agent, Merchant Bankers, Brokers, Trustees, Registrar and Transfer Agents, Legal Advisors, Bankers, Credit Rating Agencies, Stock Exchanges, depositories and all other intermediaries/agents with respect to Public/Private issue of securities, Commercial Papers and any securities.
- Any matter relating to Banking, Borrowings, listing/delisting of securities with the Stock Exchange, depositories, depository participants or any activity of business importance or any matter which the Board may direct from time to time.

F. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by a meeting of our Board held on April 30, 2014 to be effective from May 1, 2014. It was reconstituted by a resolution passed by circulation by our Board dated May 7, 2018 to be effective from May 8, 2018. The members of the Corporate Social Responsibility Committee are:

Sr. No	Name of the Member	Designation	Designation
1.	Maya S Sinha	Chairperson	Non-Executive, Independent
2.	Debendranath Sarangi	Member	Non-Executive, Independent
3.	Duruvasan Ramachandra	Member	Managing Director and Chief Executive Officer

The terms of reference of the Corporate Social Responsibility Committee, *inter alia*, include:

- Formulate, amend, change and recommend to the Board Corporate Social Responsibility (“CSR”) Policy of the Company in compliance with applicable regulations and implement, monitor and report compliance of the CSR Policy.
- Recommend the amount of expenditure and report utilization of money on CSR projects/programs/activities.
- Plan, identify, decide, approve execute and monitor CSR projects/ programs/ activities. Approve CSR activities/expenditure in case of emergency situations or natural calamities.
- Monitor and decide on all the activities with respect to CSR including appointment of any CSR Agent/ intermediary/ Implementing agency and authorize any official to do any or all necessary acts and deeds as may be required for the purpose of CSR projects/program/activity of the Company.
- Institute transparent monitoring mechanism for the implementation of CSR projects/Programs.

OUR PROMOTER

Our Promoter is Shriram Capital Limited.

Brief background of our Promoter

Our Promoter was originally incorporated as a private limited company under the Companies Act, 1956 on April 5, 1974.

The registered office of our Promoter is located at Shriram House, No.4, Burkit Road, T Nagar, Chennai – 600 017.

Our Promoter is a systemically important core-investment company registered with the RBI under section 45-IA of the RBI Act.

Shareholding of our Promoter in our Company

For details of the shareholding of our Promoter in our Company as of December 31, 2018, see "*Capital Structure*" at page 42 of this Draft Shelf Prospectus.

Interest of our Promoter

Our Promoter has no interest, direct or indirect, in any property acquired by our Company in the last two years from the date of this Prospectus, or in any property proposed to be acquired by our Company.

Except as stated in the section titled "*Financial Statements*" on page 113, and in the section titled "*History and other Corporate Matters-other material agreements*" on page 103, and to the extent of the Equity Shares held by it and the dividend paid to it as a shareholder in our Company, our Promoter does not have any other interest in our Company and its business.

Other understanding and confirmations

Our Promoter has confirmed that it has not been identified as wilful defaulter by the RBI or any other governmental authority.

No violation of securities laws has been committed by our Promoter in the past or are currently pending against it. Our Promoter is not debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Shareholding Pattern of Shriram Capital Limited as on December 31, 2018:

Sr. No.	Name of Shareholder	No. of Shares	Percentage Shareholding (%)
1.	Shriram Financial Ventures (Chennai) Private Ltd	75,81,19,281	70.56
2.	Shrilekha Business Consultancy Private Ltd	21,49,12,006	20.00
3.	TPG India Investments II INC	10,13,80,344	9.44
4.	Sri R Thyagarajan & Sri D V Ravi C/o Shriram Ownership Trust	250	0
5.	Piramal Enterprises Limited	1,000	0
6.	Mr. R Kannan	50	0
7.	Mr. S Natarajan	50	0
8.	Mr. D V Ravi	50	0
9.	Mr. G S Sundararajan	50	0
10.	Mr. S Murali	50	0
	Total	**1,07,44,13,131**	**100**

Board of directors of Shriram Capital Limited

1. Mr. Ajay Gopikisan Piramal, Chairman;
2. Mr. Rajesh Ratanlal Laddha, Managing Director & CEO;
3. Mr. Ravi Devaki Venkataraman, Managing Director;
4. Mr. N Lakshmi Narayanan, Director;
5. Mr. Gowrishankar Kuppuswamy Tirumangalam, Director;
6. Mr. Bhatia Puneet, Director;
7. Mr. Ian Maxwell Kirk, Director;
8. Mr. Prasheem Seebran, Director;
9. Mrs. Akhila Srinivasan, Director;
10. Mr. Jasmit Singh Gujral, Director; and
11. Mr. Umesh Govind Revankar, Director.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Report of the Independent Auditor's on the Reformatted Summary Standalone Financial Statements

The Board of Directors
Shriram City Union Finance Limited
123, Angappa Naicken Street,
Chennai, 600 001

Dear Sir,

Sub: Auditors' Report on Reformatted Standalone Statements in relation to the proposed public issue ("Issue") of secured, redeemable, non-convertible debentures ("NCDs") by Shriram City Union Finance Limited **("Issuer/Company")**.

1. This report is issued in accordance with terms of reference of our Engagement Letter dated December 5, 2018.

2. We have examined the attached Reformatted Standalone Financial Statements of Shriram City Union Finance Limited ("the Company") which comprise of the Reformatted Standalone Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015,and 2014, the Reformatted Standalone Summary Statement of Profit and Loss and the Reformatted Standalone Summary Statement of Cash Flows for each of the years ended March 31, 2018, 2017, 2016, 2015, and 2014 and the Summary of Significant Accounting Policies, (collectively referred to as 'Reformatted Standalone Statements') annexed to this report and as approved by the Banking and Securities Management Committee to the Board of Directors (committee) of the Company and have been prepared by the Management of the Company, in accordance with the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");

   b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("SEBI Regulations"), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992

   to be included in the Draft Shelf Prospectus and Shelf Prospectus, in connection with the proposed public issue of NCDs by the Company.

Management's responsibility for the Reformatted Standalone Statements

3. The preparation of the Reformatted Standalone Statements is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Reformatted Standalone Statements.

   The Management is also responsible for identifying and ensuring that the Company complies with the Act, Rules and SEBI regulations.

Auditor's responsibilities

4. Our responsibility is to express our opinion based on the examination of such Reformatted Standalone Statements with regards to:

   a. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), except that these financial information have not been adjusted for changes in accounting policies, retrospectively in the respective financial years to reflect the same accounting policies for all the reporting periods and for adjustments of amounts pertaining to previous years in the respective financial years to which they relate.

   b. The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) which includes the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Statements. This guidance note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

   We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, covering Quality Control for firms that perform audits and reviews of historical financial information and other assurance and related service engagements.

Reformatted Standalone Financial Statements

5. The Reformatted Standalone Financial Statements referred to above, relating to profits, assets and liabilities and cash flows of the Company are contained in the following annexures to this report:

   a. Annexure I containing the 'Statement of Reformatted Standalone Assets and Liabilities' of the Company as at March 31 2018, 2017, 2016, 2015 and 2014.

   b. Annexure II containing the 'Statement of Reformatted Standalone Profit and Loss' of the Company for each of the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.

Pune Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038, Phone – 020 – 25280081, Fax – 020 – 25280275; Email – audit@gdaca.com
Mumbai Office: Office No. 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai – 400 021, Phone – 022 – 4922 0555, Fax – 022 – 4922 0504;

G.D. APTE & CO. ★ Chartered Accountants ★

c. Annexure III containing the 'Statement of Reformatted Standalone Cash Flow Statements' of the Company for each of the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.

d. Annexure IV to Annexure VI containing standalone significant accounting policies and notes to financial statements.

6. These Reformatted Standalone Financial Statements have been compiled by the Management from the audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014. No adjustments have been made for any events occurring subsequent to the dates of the audit opinions specified in paragraph 10 below, in the preparation and presentation of the Reformatted Standalone Financial Statements.

7. We have not audited any Standalone Financial Statements of the Company as of any date or for any period subsequent to March 31, 2018. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2018.

Other Standalone Financial Information:

8. At the Company's request, we have also examined the following Other Standalone Financial Information of the Company as at and for the years ended on March 31, 2018, 2017, 2016, 2015 and 2014 proposed to be included in the Draft Shelf Prospectus and the Shelf Prospectus as approved by the Committee, annexed to this report:

   a. Statements of Accounting Ratios (Standalone) as at and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 (Annexure VII)

   b. Statement of Dividends for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 (Annexure VIII)

   c. Capitalization Statement (Annexure IX)

Opinion

9. Based on our examination of the Reformatted Standalone Statements, we state that in our opinion, the Reformatted Standalone Financial Statements and Other Standalone Financial Information of the Company mentioned above, as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 have been prepared in accordance the Act, the Rules and the SEBI Regulations.

10. We report that the Reformatted Standalone Financial Statements have been extracted and prepared by the management from the audited Standalone Financial Statements of the company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 which were approved

by the Board of Directors on April 26, 2018; May 02, 2017; April 27, 2016; April 28, 2015 and April 30, 2014 respectively. The Standalone Financial Statements of the Company for the financial year ended March 31, 2018 have been audited by us in respect of which we have issued unmodified audit opinion dated April 26, 2018. The Standalone financial statements of the Company for the financial years ended March 31, 2017, 2016, 2015 and 2014 respectively have been audited by Pijush Gupta & Co., Chartered Accountants (the predecessor auditors) and in respect of which they have issued unmodified audit opinion dated May 02, 2017; April 27, 2016; April 28, 2015 and April 30, 2014 respectively to the Members of the Company. Based on our examination of these Reformatted Standalone Statements for the year ended March 31, 2018 and reliance on the Auditor's Report on Reformatted Standalone Statements for the years ended March 31, 2017, 2016, 2015 and 2014 dated February 16, 2019 by the predecessor auditors, we state that:

a. The figures of earlier years have been regrouped (but not restated retrospectively for change in any accounting policy and for adjustments of amounts pertaining to previous years), wherever necessary, to conform to the classification adopted for the standalone financial statements for the year ended March 31, 2018 for the purpose of Reformatted Standalone Financial Statements.

b. There are no extraordinary items that need to be disclosed separately in the Reformatted Standalone Financial Statements.

c. There is no qualification or adverse remark in the auditor's report on the Audited Standalone Financial Statements as at and for each of the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 that requires adjustments to the Reformatted Standalone Financial Statements.

11. We did not perform audit tests for the purposes of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon on the Reformatted Standalone Statements.

12. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports, nor should this be construed as a new opinion on any of the financial statements/information referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

Restrictions of use

14. This report is issued at the specific request of the Company for inclusion in the Draft Shelf Prospectus and the Shelf Prospectus to be filed by the Company with BSE Limited, the Securities and Exchange Board of India and the Registrar of Companies in connection with the Proposed

Issue of NCD and is not to be used, referred to or distributed for any other purpose without our prior written consent. This report may not be useful for any other purpose.

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

U. S. Abhyankar
Partner
Membership Number: 113 053
UDIN: 19113053AAAAAG8790

Chennai, February 16, 2019

G.D. APTE & CO. ★ Chartered Accountants ★

Shriram City Union Finance Limited

Statement of Reformatted Standalone Assets and Liabilities **Annexure I**

(` in lacs)

			As at March 31				
	Particulars	**Note No**	**2018**	**2017**	**2016**	**2015**	**2014**
	Equity and liabilities						
A	**Shareholders' fund**						
	Share capital	3	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44
	Reserves and surplus	4	550,024.00	496,246.51	444,569.04	403,523.56	283,898.71
	Share application money pending allotment		0.96	0.09	-	-	-
	Total shareholders' fund		**556,621.54**	**502,840.94**	**451,161.76**	**410,114.12**	**289,827.15**
B	**Non-current liabilities**						
	(a) Long-term borrowings	5	1,159,060.68	981,425.92	926,754.33	773,287.63	893,035.28
	(b) Other long-term liabilities	6A	32,760.41	35,046.56	49,908.67	35,275.20	37,234.81
	(c) Long-term provisions	7A	158,150.48	115,891.97	17,508.50	8,710.45	5,677.13
	Total non-current liabilities		**1,349,971.57**	**1,132,364.45**	**994,171.50**	**817,273.28**	**935,947.22**
C	**Current liabilities**						
	(a) Short-term borrowings	8	463,921.17	381,301.95	100,027.58	117,745.08	38,355.37
	(b) Trade payables						
	Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		701.41	490.14	566.00	325.57	1,066.78
	(c) Other current liabilities	6B	518,802.81	430,698.24	472,226.29	413,876.54	341,326.35
	(d) Short-term provisions	7B	6,822.69	5,950.44	67,289.24	44,467.11	31,790.11
	Total current liabilities		**990,248.08**	**818,440.77**	**640,109.11**	**576,414.30**	**412,538.61**
D	**Total equity and liabilities (A+B+C)**		**2,896,841.19**	**2,453,646.16**	**2,085,442.37**	**1,803,801.70**	**1,638,312.98**

Significant accounting policies 2.1

The accompanying notes are an integral part of the Reformatted Financial Statements

As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited

Statement of Reformatted Standalone Assets and Liabilities **Annexure I**

(` in lacs)

			As at March 31				
	Particulars	**Note No**	**2018**	**2017**	**2016**	**2015**	**2014**
	Assets						
E	**Non-current assets**						
	(a) Fixed assets						
	(i) Tangible assets	9	7,577.70	6,974.96	7,044.05	7,545.83	9,126.33
	(ii) Intangible assets	9	312.08	841.14	1,441.11	679.84	1,016.16
	(b) Non-current investments	10	46,741.18	48,535.69	45,685.33	25,379.46	16,845.45
	(c) Deferred tax assets (net)	11	7,245.89	4,422.47	3,720.83	3,095.02	1,803.67
	(d) Long-term loans and advances	12A	1,336,628.71	992,796.27	622,714.45	534,415.81	426,729.35
	(e) Other non-current assets	13A	5,145.50	7,480.19	9,968.34	18,602.74	10,894.62
	Total non-current assets		**1,403,651.06**	**1,061,050.72**	**690,574.11**	**589,718.70**	**466,415.58**
F	**Current assets**						
	(a) Current investments	14	26,057.40	22,915.89	33,548.53	72,788.69	45,910.00
	(b) Cash and bank balances	15	53,209.56	63,713.44	64,190.54	78,143.21	247,288.54
	(c) Short-term loans and advances	12B	1,412,062.17	1,303,341.46	1,291,345.74	1,054,612.94	860,721.65
	(d) Other current assets	13B	1,861.00	2,624.65	5,783.45	8,538.16	17,977.21
	Total current assets		**1,493,190.13**	**1,392,595.44**	**1,394,868.26**	**1,214,083.00**	**1,171,897.40**
G	**Total assets (E+F)**		**2,896,841.19**	**2,453,646.16**	**2,085,442.37**	**1,803,801.70**	**1,638,312.98**

Significant accounting policies 2.1

The accompanying notes are an integral part of the Reformatted Financial Statements

As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Statement of Reformatted Standalone Profit and Loss **Annexure II**

(₹ in lacs)

			For the year ended March 31				
	Particulars	**Note No**	**2018**	**2017**	**2016**	**2015**	**2014**
A.	**Income**						
	i. Revenue from operations	16	508,330.80	443,162.42	383,486.50	348,223.97	319,133.11
	ii. Other income	17	1,826.07	290.57	2,115.63	4,939.25	4,729.53
	Total Income		**510,156.87**	**443,452.99**	**385,602.13**	**353,163.22**	**323,862.64**
B.	**Expenses**						
	i. Employee benefits expense	18	70,354.11	55,028.92	51,323.19	41,156.22	27,076.37
	ii. Finance cost	19	166,771.09	153,441.60	138,344.88	132,729.70	133,533.57
	iii. Depreciation and amortisation	9	3,325.93	3,462.17	3,691.62	4,265.54	2,955.25
	iv. Other expenses	20	62,556.86	55,103.44	49,923.86	45,522.67	43,891.72
	v. Provisions & write offs	21	105,370.61	91,052.60	61,634.33	45,380.39	38,419.37
	Total Expenses		**408,378.60**	**358,088.73**	**304,917.88**	**269,054.52**	**245,876.28**
C.	**Profit before tax**		**101,778.27**	**85,364.26**	**80,684.25**	**84,108.70**	**77,986.36**
D.	**Tax expenses**						
	Current tax		38,129.64	30,459.91	28,332.03	29,593.66	23,037.33
	Deferred tax		(2,823.42)	(701.64)	(625.81)	(1,291.35)	12.26
	Tax of earlier years						2,822.45
	Total tax expense		**35,306.22**	**29,758.27**	**27,706.22**	**28,302.31**	**25,872.04**
E.	**Profit after tax from continuing operations**		**66,472.05**	**55,605.99**	**52,978.03**	**55,806.39**	**52,114.32**
F.	**Earnings per Equity share**	22					
	Equity shares of par value ₹ 10/- each						
	Basic (₹)		100.79	84.34	80.37	86.18	89.76
	Diluted (₹)		100.71	84.24	80.27	86.03	89.53

Significant accounting policies 2.1
The accompanying notes are an integral part of the Reformatted Financial Statements
As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited

Statement of Reformatted Standalone Cash Flow Statement

Annexure III

(` in Lacs)

Particulars	For the Year Ended March 31				
	2018	2017	2016	2015	2014
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Taxes	**101,778.27**	**85,364.26**	**80,684.25**	**84,108.70**	**77,986.36**
Adjustments for :					
Depreciation and amortization	3,325.93	3,462.17	3,691.62	4,265.54	2,955.25
(Profit)/Loss on sale of fixed assets (net)	27.45	7.64	(4.06)	(13.94)	27.90
Public issue expenditure for non-convertible debentures	300.75	366.48	734.59	977.45	575.41
Provision for Non-performing assets and bad debts written off	102,868.76	89,007.09	59,989.85	44,652.87	38,603.19
Contingent provision for standard assets	2,501.85	2,045.51	1,599.36	716.29	(189.53)
Provision for hedging contracts	-	-	-	-	(486.75)
Provision for diminution in the value of investments	-	-	45.12	11.23	5.71
Other income written back				(67.26)	(470.18)
Provision no longer required	-	-	(1,553.08)	-	-
(Gain)/Loss on sale of investments	(1,505.31)	-	(417.53)	(3,998.56)	(719.47)
Dividend Income	(144.50)	(128.43)	-	(284.45)	(5.00)
Amortisation of Govt Securities premium	249.39	-	-	-	-
Operating profit before working capital changes	**209,402.59**	**180,124.72**	**144,770.12**	**130,367.87**	**118,282.89**
Movements in Working capital:					
(Increase) / decrease in assets under financing activities	(514,760.10)	(426,961.88)	(357,900.23)	(334,191.43)	40,321.09
(Increase) / decrease in Short-term loans and advances	1,015.28	(567.13)	1,082.51	(591.14)	(4,802.85)
(Increase) / decrease in Long-term loans and advances	(1,803.51)	836.15	224.24	2,024.34	676.77
(Increase) / decrease in Other current assets	6,534.30	3,593.14	859.77	4,421.83	5,561.33
(Increase) / decrease in Other non-current assets	(4,470.37)	1,687.33	1,994.76	3,762.18	5,829.72
(Increase) / decrease in Investments	(1,735.64)	13,829.26	46,426.96	67,431.44	(121,001.94)
Increase / (decrease) in other current liabilities	88,306.20	(41,613.66)	60,130.69	70,090.81	(11,083.61)
Increase / (decrease) in other non-current liabilities	(1,456.96)	(16,273.04)	15,138.53	(842.72)	(2,600.52)
Cash generated from operations	**(218,968.21)**	**(285,345.11)**	**(87,272.65)**	**(57,526.82)**	**31,182.88**
Direct taxes paid (net of refunds)	(38,129.64)	(30,459.91)	(28,332.03)	(31,975.97)	(26,164.12)
Net Cash from/(used in) operating activities (A)	**(257,097.85)**	**(315,805.02)**	**(115,604.68)**	**(89,502.79)**	**5,018.76**

Shriram City Union Finance Limited
Statement of Reformatted Standalone Cash Flow Statement

Annexure III

Shriram City Union Finance Limited

Statement of Reformatted Standalone Cash Flow Statement

Annexure III

B. CASH FLOWS FROM INVESTING ACTIVITIES

(` in Lacs)

Particulars	For the Year Ended March 31				
	2018	2017	2016	2015	2014
Purchase of fixed assets including intangible assets	(3,450.90)	(2,827.07)	(3,979.72)	(2,811.45)	(3,382.39)
Capital advance for assets	7.90	(10.88)	1,400.92	(1,391.46)	-
Proceeds from sale of fixed assets	23.85	26.32	32.68	110.28	23.47
Purchase of investments	-	(4,643.10)	(20,305.85)	(20,131.56)	(6,280.53)
Proceeds from sale of investments	1,463.21	1,326.53	18,600.00	218.67	-
Profit on sale of investments	-	-	-	3,937.94	-
Dividend Income	144.50	128.43	-		5.00
Investment in subsdiary company	-	-	-	-	(9,544.00)
Gain/(Loss) on sale of investments	1,505.31	-	417.53	(76.05)	-
Net Cash from/(used in) investing activities (B)	**(306.13)**	**(5,999.77)**	**(3,834.44)**	**(20,143.63)**	**(19,178.45)**

(` in Lacs)

Particulars	For the Year Ended March 31				
	2018	2017	2016	2015	2014
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share capital including securities premium and share application money	8.70	5.77	7.55	78,972.56	13,036.47
Increase / (decrease) of long-term borrowings	177,634.76	54,671.59	153,466.70	(119,747.65)	65,443.53
Increase / (decrease) of short-term borrowings	82,619.22	281,274.37	(17,717.53)	79,389.71	(121,873.19)
Public issue expenses for non-convertible debentures paid	-	-	-	(53.53)	(1,468.32)
Dividend Paid	(10,542.37)	(9,880.26)	(10,203.64)	(6,908.03)	(5,880.22)
Tax on dividend	(2,148.14)	(2,013.37)	(2,079.82)	(1,264.84)	(999.34)
Cash and bank balances received on account of merger with SRHPL	-	-	-	-	5,666.33
Net Cash from/(used in) financing activities (C)	**247,572.17**	**324,058.10**	**123,473.26**	**30,388.22**	**(46,074.74)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(9,831.81)**	**2,253.31**	**4,034.14**	**(79,258.20)**	**(60,234.44)**
Cash and cash equivalents at the beginning of the year	43,258.26	41,004.95	36,970.81	116,229.01	176,463.45
Cash and cash equivalents at the end of the year	33,426.45	43,258.26	41,004.95	36,970.81	116,229.01

Shriram City Union Finance Limited

Statement of Reformatted Standalone Cash Flow Statement

Annexure III

(` in Lacs)

Particulars	As at March 31				
	2018	**2017**	**2016**	**2015**	**2014**
Components of cash and cash equivalents					
Cash on hand	**6,134.11**	**5,562.57**	**4,485.06**	**5,723.59**	**6,231.07**
Balances with banks in :					
Current accounts	27,049.78	36,662.77	34,181.71	24,686.61	21,515.06
Unclaimed dividend accounts	92.56	82.92	73.18	60.61	49.53
Deposits with maturity of less than 3 months	150.00	950.00	2,265.00	6,500.00	88,433.35
Total Cash and cash equivalents (Note No 15)	**33,426.45**	**43,258.26**	**41,004.95**	**36,970.81**	**116,229.01**

Notes

1) The above cash flow statement have been prepared under the indirect method set out in accounting standard AS-3 Cash Flow Statement notified pursuant to the companies Accounting standard rules, 2006.

2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited

Notes Forming Part of reformatted statement of assets & liabilities **Annexure IV**

Note- 3 - Share capital

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Authorised Capital					
Equity share capital (` in lacs)	11,850.00	11,850.00	11,850.00	11,850.00	11,850.00
Preference share capital (` in lacs)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
	15,850.00	**15,850.00**	**15,850.00**	**15,850.00**	**15,850.00**
Number of equity shares of Rs.10/- each	118,500,000	118,500,000	118,500,000	118,500,000	106,500,000
Number of equity shares of Rs.100/- each	-	-	-	-	1,200,000
Number of cummulative redeemable preference shares of Rs.100/- each	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Issued share capital					
Equity share capital (` in lacs)	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44
Number of equity shares of Rs.10/- each	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432
Subscribed share capital					
Equity share capital (` in lacs)	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44
Number of equity shares of Rs.10/- each	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432
Paid up share capital (fully paid up)					
Equity share capital (` in lacs)	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44
Number of equity shares of Rs.10/- each	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432

3.1 Reconciliation of number of equity shares outstanding at the beginning and at end of reporting period.	As at March 31,				
	2018	2017	2016	2015	2014
Number of shares outstanding at the beginning of the year	65,943,402	65,927,152	65,905,612	59,284,432	55,416,340
Number of shares Issued during the period - Employee stock option scheme [Refer Note 24]	22,360	16,250	21,540	41,340	37,050
Issued pursuant to merger	-	-	-	-	781,042
Conversion of Warrants	-	-	-	-	3,050,000
Preferential allotment to M/s Piramal Enterprises Limited	-	-	-	6,579,840	-
Number of shares outstanding at the end of the year	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432

(` in lacs)

3.1. Reconciliation of the equity share capital outstanding at the beginning and at end of reporting period.	As at March 31,				
	2018	2017	2016	2015	2014
Share capital outstanding at the beginning of the year	6,594.34	6,592.72	6,590.56	5,928.44	5,541.63
Issued during the period - Employee stock option scheme [Refer Annexure VI Note 24]	2.24	1.62	2.16	4.13	3.71
Issued pursuant to merger	-	-	-	-	78.10
Conversion of Warrants	-	-	-	-	305.00
Preferential allotment to M/s Piramal Enterprises Limited	-	-	-	657.99	-
Share capital outstanding at the end of the year	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44

The Company as per approval given by the shareholders of the Company at the Extraordinary General Meeting held on May 30, 2014 had issued and allotted of 65,79,840 numbers of fully paid up equity shares of `10/- each for cash at a price of `1,200/- per Equity Share (including a premium of `1,190/- per Equity Share) aggregating to ` 78,958.08 lacs to M/s Piramal Enterprises Limited ("PEL") on preferential basis on June 3, 2014 in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said equity shares are locked in for a period of one year from the date of trading approval by stock exchanges granting last (i.e. from June 25, 2014 to June 30, 2015) as per Regulation 78(2) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 read with amendment notification dated August 26, 2013 as SEBI (ICDR) Second Amendment Regulations, 2013.

On October 31, 2012 the Board of directors of the Company have approved the merger of SRHPL with the Company.

In terms of the composite Scheme of Arrangement ("Scheme") among Shriram Retail Holdings Private Limited ("SRHPL"), Shriram Enterprise Holdings Private Limited ("SEHPL") and Shriram City Union Finance Limited ("SCUF"), under section 391 to 394 read with Section 100-104 of the Companies Act, 1956 was approved by the Hon'ble High Court of Madras on June 24, 2013. The Scheme came into effect on August 16, 2013 with filing of Form 21 with Registrar of Companies, Chennai on the same date.
Prior to the merger, SRHPL held 26,610,571 shares of the Company

The swap ratio was revised from 413:69 to 418:69 (418 equity shares of `10 each of The Company against 69 equity shares of `10 each of Consolidated SRHPL) due to increase in cash and cash equivalent of Consolidated SRHPL as per provision of clause 14.3 of the Scheme, with the signing of revised swap ratio letter by the Company with Consolidated SRHPL on August 15, 2013.

Accordingly, on August 19, 2013, 2,73,91,613 equity shares of `10 each fully paid of the Company were allotted to the shareholders of Consolidated SRHPL, which resulted in increase in paid up share capital of the Company by 7,81,042 equity shares of ` 10 each.

The National Stock Exchange of India Limited, BSE Limited and Madras Stock Exchange Limited approved the listing of these shares on September 10, 2013, October 17, 2013 and September 25, 2013 respectively.

The amalgamation has been accounted for under the purchase method as prescribed by Accounting Standard - 14 Accounting for amalgamation, notifed under Companies (Accounting Standards)Rules 2006 (as amended).

All the Assets (other than shares of the company held by SRHPL) and Liabilities of SRHPL have been vested in the Company with effect from August 16, 2013.

In accordance with the said scheme, excess of the net asset value taken over by the Company, vis-à-vis, additional equity shares issued has been transferred to Capital Reserves.

Details of net assets taken over and transfer to Capital Reserves is as under:

Particulars	**(` in lacs)**
Total value of assets acquired by the Company	6,617.12
Less: Total value of liabilities acquired by the Company	67.13
Fair Value of Net Assets taken over	6,549.99
Less: Additional issue of equity shares 781042 shares @ ` 10 each	(78.10)
Amount taken to Capital Reserve on Merger	6,471.88

3.2 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 the equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

Dividend details

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Total amount of per equity share dividend recognized as distributions to equity shareholders Rs.	18.00	15.00	15.00	15.00	10.00
Amount of interim dividend paid per equity share Rs.	6.00	5.00	5.00	4.50	4.00
Amount of final dividend proposed / paid per equity share Rs.	12.00	10.00	10.00	10.50	6.00

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.

3.3.Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As at March 31,				
	2018	2017	2016	2015	2014
Equity shares of Rs. 10/- each fully paid					
Shriram Capital Limited					
Number of shares	22,268,877	22,268,877	22,268,877	22,268,877	22,268,877
% holding in the class	33.76%	33.78%	33.78%	33.79%	37.56%
Dynasty Acquisition FPI Limited					
Number of shares	13,421,889	13,421,889	13,421,889	-	-
% holding in the class	20.35%	20.36%	20.36%	-	-
Norwest Venture Partners X FII-Mauritius					
Number of shares	-	-	-	-	3,823,502
% holding in the class	-	-	-	-	6.45%
TPG India Investments I INC					
Number of shares	-	-	-	13,421,889	13,421,889
% holding in the class	-	-	-	20.37%	22.64%
Piramal Enterprises Limited					
Number of shares	6,579,840	6,579,840	6,579,840	6,579,840	-
% holding in the class	9.97%	9.98%	9.98%	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.

3.4 Shares reserved for issue under option :

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan (Refer Note no - 24)

3.5.Preferential issue of share warrants

During the financial year 2012-132,850,000 warrants have been converted to equity shares,out of the total 59,00,000 warrants issued in financial year 2011-12 at the exercise price of ` 570 each
During the financial year 2013-143,050,000 warrants have been converted to equity shares

3.6 The Company has issued 138,540 equity shares (March 31, 2017: 315,311; March 31, 2016: 8,29,393; March 31, 2015: 11,90,030 ;March 31, 2014: 11,48,690) during the period of five years immediately preceding the reporting date on exercise of options granted under ESOP, wherein a part of the consideration was received in form of employee service.

Shriram City Union Finance Limited
Notes Forming Part of reformatted statement of assets & liabilities **Annexure IV**
(` in lacs)

Note -4 - Reserves and surplus	**As at March 31,**				
Particulars	**2018**	**2017**	**2016**	**2015**	**2014**
Capital reserve	7,871.88	7,871.88	7871.88	7,871.88	1,400.00
Add: Transfer from Profits on account of reverse merger with Shriram Retail Holdings Pvt Ltd.	-	-	-	-	6,471.88
Closing balance	**7,871.88**	**7,871.88**	**7,871.88**	**7,871.88**	**7,871.88**
Capital redemption reserve	**2,328.98**	**2,328.98**	**2328.98**	**2,328.98**	**2,328.98**
Securities premium account					
Opening Balance	175,369.25	175,328.39	175,274.22	98,644.52	81,471.36
Add: Securities premium received	56.22	40.86	54.17	78,404.05	17,173.16
Less: Amount utilised towards share issue expenses	-	-	-	(1,774.35)	-
Closing balance	**175,425.47**	**175,369.25**	**175,328.39**	**175,274.22**	**98,644.52**
Debenture redemption reserve					
Opening Balance	6,422.54	7,412.07	16,494.61	15,995.20	8,290.40
Add: Transfer from Surplus in the statement of profit and loss	2,059.53	2,247.40	5,122.26	8,398.63	7,704.80
Less: Transfer to General Reserve on account of redemption	(3,996.04)	(3,236.93)	(14,204.80)	(7,899.22)	-
Closing balance	**4,486.03**	**6,422.54**	**7412.07**	**16,494.61**	**15,995.20**
General Reserve					
Opening Balance	62,697.35	53,899.42	34,395.62	20,915.40	15,695.40
Add: Transfer from Surplus in the statement of profit and loss	6,648.00	5,561.00	5,299.00	5,581.00	5,220.00
Add: Transfer from Debenture redemption reserve	3,996.04	3,236.93	14,204.80	7,899.22	-
Closing balance	**73,341.39**	**62,697.35**	**53899.42**	**34,395.62**	**20,915.40**
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934					
Opening Balance	75,135.30	64,013.30	53,416.00	42,255.00	31,815.00
Add: Transfer from Surplus in the statement of profit and loss	13,296.00	11,122.00	10,597.30	11,161.00	10,440.00
Closing balance	**88,431.30**	**75,135.30**	**64013.30**	**53,416.00**	**42,255.00**
Share Options Outstanding Account					
Employee stock option outstanding	164.13	200.93	249.71	343.32	427.22
Less: Utilised during the year	(50.63)	(36.80)	(48.78)	(93.61)	(83.90)
Closing balance	**113.50**	**164.13**	**200.93**	**249.71**	**343.32**
Surplus in statement of Profit and Loss					
Opening Balance	166,257.08	133,514.07	113,492.54	95,544.41	73,945.98
Less: Additional depriciation (as per the Conmpanies Act, 2013)				(366.39)	
Add: Profit for the current year	66,472.05	55,605.99	52,978.03	55,806.39	52,114.32
Add: Excess provision written back - tax on dividend	-	-	-	-	-
Add/Less: Appropriations	-	-	-	-	-
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(13,296.00)	(11,122.00)	(10,597.30)	(11,161.00)	(10,440.00)
Transfer to general reserve	(6,648.00)	(5,561.00)	(5,299.00)	(5,581.00)	(5,220.00)
Transfer to debenture redemption reserve	(2,059.53)	(2,247.40)	(5,122.26)	(8,398.63)	(7,704.80)
Interim dividend	(3,957.50)	(3,296.88)	(3,296.01)	(2,965.74)	(2,371.09)
Tax on interim dividend	(805.65)	(635.22)	(671.01)	(592.97)	(402.96)
Final Dividend of Previous year	(6,594.51)	(0.40)	(0.11)	(396.30)	(184.15)
Tax on Final Dividend of Previous year	(1,342.49)	(0.08)	(0.02)	(67.35)	(31.30)
Proposed final dividend	-	-	(6,592.72)	(6,920.09)	(3,557.07)
Tax on proposed dividend	-	-	(1,378.07)	(1,408.79)	(604.52)
Net surplus statement of profit and loss	**198,025.45**	**166,257.08**	**133,514.07**	**113,492.54**	**95,544.41**
Total	**550,024.00**	**496,246.51**	**444,569.04**	**403,523.56**	**283,898.71**

Note- 5 - Long-term borrowings - Non Current **(` in lacs)**

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Secured					
Privately placed redeemable non-convertible debentures - Retail	-	515.98	2,995.61	30,496.55	98,597.82
Privately placed redeemable non-convertible debentures - Institutional	176,700.00	42,800.00	39,586.67	45,650.00	36,650.00
Public issue of redeemable non-convertible debentures:					
Issued in 2011	-	-	-	30,860.80	61,208.00
Issued in 2012	-	-	11,116.35	11,116.35	43,360.14
Issued in 2013	-	7,900.60	8,624.82	15,361.06	15,361.06
Issued in 2014	9,514.02	9,514.02	13,788.52	20,000.00	-
Term loan from Banks	751,282.60	640,577.05	512,486.11	314,999.88	447,663.10
Term loan from Financial Institutions	19,800.00	25,000.00	19,500.00	27,500.00	34,500.00
Total	**957,296.62**	**726,307.65**	**608,098.08**	**495,984.64**	**737,340.12**
Unsecured					
Fixed deposits	158,262.38	165,575.88	216,877.43	173,024.40	42,635.90
Subordinated debts	43,501.68	89,542.39	101778.82	104,278.59	113,059.26
Total	**201,764.06**	255,118.27	318,656.25	277,302.99	155,695.16
Grand Total	**1,159,060.68**	**981,425.92**	**926,754.33**	**773,287.63**	**893,035.28**

Note- 5 - Long-term borrowings - Current Maturities **(` in lacs)**

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Secured					
Privately placed redeemable non-convertible debentures - Retail	515.98	2,473.56	27,286.78	67,029.45	88,601.44
Privately placed redeemable non-convertible debentures - Institutional	24,600.00	35,786.67	63,766.66	1,000.00	11,400.00
Public issue of redeemable non-convertible debentures:					
Issued in 2011	-	-	-	-	13,792.00
Issued in 2012	-	11,116.35	-	32,243.79	-
Issued in 2013	7,900.60	658.77	6,736.24	-	-
Issued in 2014	-	4,274.50	6,211.48	-	-
Term loan from Banks	208,997.10	95,408.81	217,847.10	194,412.52	124,082.72
Term loan from Financial Institutions	3,550.00	19,500.00	8,000.00	7,000.00	5,000.00
Total	**245,563.68**	**169,218.66**	**329,848.26**	**301,685.76**	**242,876.16**
Unsecured					
Fixed deposits	127,487.48	160,014.96	81,708.14	38,707.78	19,195.30
Subordinated debts	46,040.71	12,236.43	2,499.77	8,787.04	11,451.11
Total	**173,528.19**	**172,251.39**	**84,207.91**	**47,494.82**	**30,646.41**
Amount disclosed under the head "Other Current Liability" [Refer note no-6B]	**(419,091.87)**	**(341,470.05)**	**(414,056.17)**	**(349,180.58)**	**(273,522.57)**
Grand Total	-	-	-	-	-

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

A. Secured Redeemable Non-Convertible Debentures

(i) Privately Placed Redeemable Non - Convertible Debentures (NCDs) of ` 1,000/- each - Unquoted -Retail

Terms of repayment as on March 31,2018

Non-Current Portion **- NIL**

Current Maturities **(` in lacs)**

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
12 months	2.80	513.18	-	-	515.98
Total current maturities	**2.80**	**513.18**	**-**	**-**	**515.98**
				-	
Grand Total	**2.80**	**513.18**	**-**	**-**	**515.98**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees 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.

Terms of repayment as on March 31,2017 **(` in lacs)**

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
12-24 months	2.80	513.18	-	-	515.98
Total non-current portion	**2.80**	**513.18**	**-**	**-**	**515.98**
12 months	7.94	2,144.26	321.36	-	2,473.56
Total current maturities	**7.94**	**2,144.26**	**321.36**	**-**	**2,473.56**
Grand Total	**10.74**	**2657.44**	**321.36**	**-**	**2,989.54**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees 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.

Terms of repayment as on March 31, 2016

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
24-36 months	2.80	513.18	-	-	515.98
12-24 months	8.47	2,149.80	321.36	-	2,479.63
Total non-current portion	**11.27**	**2,662.98**	**321.36**	**-**	**2,995.61**
12 months	127.91	26,916.27	241.48	1.12	27,286.78
Total current maturities	**127.91**	**26,916.27**	**241.48**	**1.12**	**27,286.78**
Grand Total	**139.18**	**29579.25**	**562.84**	**1.12**	**30282.39**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees 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. The company may grant loan against the security of Secured Non-Convertible Debentures upon the terms and conditions as may be decided by the company and subject to applicable statutory and /or regulatory requirements.

Terms of repayment as on March 31, 2015

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
36-48 months	2.80	514.03	-	-	516.83
24-36 months	8.85	2,167.09	321.36	-	2,497.30
12-24 months	151.81	27,088.01	241.48	1.12	27,482.42
Total non-current portion	**163.46**	**29,769.13**	**562.84**	**1.12**	**30,496.55**
12 months	3,044.50	63,692.75	-	292.20	67,029.45
Total current maturities	**3,044.50**	**63,692.75**	**-**	**292.20**	**67,029.45**
Grand Total	**3,207.96**	**93,461.88**	**562.84**	**293.32**	**97,526.00**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on are secured by a legal 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 Trustees 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. The Company may grant loan against the security of Secured Non-Convertible Debentures upon the terms and conditions as may be decided by the Company and subject to applicable statutory and /or regulatory requirements.

Terms of repayment as on March 31, 2014

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
Over 60 months	-	-	-	-	-
48-60 months	4.80	514.03	-	-	518.83
36-48 months	8.85	2,175.71	321.36	-	2,505.92
24-36 months	202.73	27,361.45	241.48	1.12	27,806.78
12-24 months	3,329.91	64,144.10	-	292.28	67,766.29
Total non-current portion	**3,546.29**	**94,195.29**	**562.84**	**293.40**	**98,597.82**
12 months	17,838.96	70,644.02	3.10	115.36	88,601.44
Total current maturities	**17,838.96**	**70,644.02**	**3.10**	**115.36**	**88,601.44**
Grand Total	**21,385.25**	**164,839.31**	**565.94**	**408.76**	**187,199.26**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees 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. The Company may grant loan against the security of Secured Non-Convertible Debentures upon the terms and conditions as may be decided by the Company and subject to applicable statutory and /or regulatory requirements.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

(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	Non-current portion					Redeemable/ Redeemed on
	As at March 31,					
	2018	2017	2016	2015	2014	
8.90%	11,500.00	-	-	-	-	27-Mar-23
8.09%	8,000.00	-	-	-	-	5-Dec-22
10.75% *	200.00	300.00	400.00	500.00	500.00	4-Feb-21
7.97%	30,000.00	-	-	-	-	27-Oct-20
7.97%	20,000.00	-	-	-	-	6-Oct-20
8.15%	500.00	-	-	-	-	30-Jun-20
9.30%	5,000.00	5,000.00	5,000.00	-	-	22-Jun-20
9.30%	5,000.00	5,000.00	5,000.00	-	-	17-Jun-20
8.15%	35,000.00	-	-	-	-	27-May-20
8.20%	11,500.00	11,500.00	-	-	-	16-Apr-20
8.25%	10,000.00	10,000.00	-	-	-	7-Oct-19
8.33%	40,000.00	-	-	-	-	23-Jul-19
7.95%	-	-	-	-	-	24-Dec-18
8.95%	-	7,500.00	7,500.00	-	-	30-Oct-18
9.07%	-	3,500.00	3,500.00	-	-	10-Aug-18
9.10%	-	-	10,000.00	10,000.00	-	27-Mar-18
8.85%	-	-	-	-	-	22-Mar-18
10.60%	-	-	2,500.00	2,500.00	2,500.00	13-Dec-17
10.50%	-	-	666.67	2,000.00	2,000.00	23-Nov-17
10.75%	-	-	1,000.00	1,000.00	1,000.00	26-Jul-17
10.75%	-	-	2,150.00	2,150.00	2,150.00	12-Jul-17
9.18%	-	-	270.00	-	-	10-Jul-17
9.00%	-	-	1,600.00	-	-	1-Jun-17
11.66%**	-	-		27,500.00	27,500.00	30-Mar-17
10.65%	-	-	-	-	1,000.00	23-May-15
Total	**176,700.00**	**42,800.00**	**39,586.67**	**45,650.00**	**36,650.00**	

* Repaid in instalments.

** 10.49% for the FY 2013-14.

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees appointed.

Secured redeemable non-convertible debenture may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the company.

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ` 1,000,000/- each - Quoted

(` in lacs)

Rate of Interest	Current maturities As at March 31, 2018	2017	2016	2015	2014	Redeemable/ Redeemed on
10.75%*	100.00	100.00	100.00	-	-	4-Feb-21
7.95%	13,500.00	-	-	-	-	24-Dec-18
8.95%	7,500.00	-	-	-	-	30-Oct-18
9.07%	3,500.00	-	-	-	-	10-Aug-18
9.10%	-	10,000.00	-	-	-	27-Mar-18
8.85%	-	17,500.00	-	-	-	22-Mar-18
10.60%	-	2,500.00	-	-	-	13-Dec-17
10.50%	-	666.67	666.66	-	-	23-Nov-17
10.75%	-	1,000.00	-	-	-	26-Jul-17
10.75%	-	2,150.00	-	-	-	12-Jul-17
9.18%	-	270.00	-	-	-	10-Jul-17
9.00%	-	1,600.00	-	-	-	1-Jun-17
10.49%	-	-	27,500.00	-	-	30-Mar-17
9.12%	-	-	5,000.00	-	-	14-Feb-17
8.82%	-	-	15,000.00	-	-	28-Feb-17
9.12%	-	-	5,000.00	-	-	26-Dec-16
8.98%	-	-	500.00	-	-	21-Oct-16
9.14%	-	-	10,000.00	-	-	23-Sep-16
10.65%	-	-	-	1,000.00	-	23-May-15
10.65%	-	-	-	-	1,000.00	3-Feb-15
11.00%	-	-	-	-	1,500.00	1-Dec-14
10.61%	-	-	-	-	2,900.00	2-Jun-14
Total	**24,600.00**	**35,786.67**	**63,766.66**	**1,000.00**	**5,400.00**	

* Repaid in instalments.

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ` 1,00,000/- each - Quoted

Rate of Interest	Current maturities As at March 31, 2018	2017	2016	2015	2014	Redeemable/ Redeemed on
10.75%	-	-	-	-	900.00	7-Oct-14
10.75%	-	-	-	-	2,100.00	30-Sep-14
10.75%	-	-	-	-	900.00	7-Apr-14
10.75%	-	-	-	-	2,100.00	2-Apr-14
Total	**-**	**-**	**-**	**-**	**6,000.00**	

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees appointed.

Secured redeemable non-convertible debenture may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the company.

(iii) Public Issue of Redeemable Non-Convertible Debentures (NCDs) of ` 1,000/- each - Quoted

a. Issued in 2011

Non-Current portion

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on	Put and Call option
Option I	11.60%	-	-	-	5,429.05	5,429.05	25-Aug-16	25-Aug-15
	12.10%	-	-	-	21,556.45	43,653.65	25-Aug-16	25-Aug-15
	11.85%	-	-	-	3,875.30	12,125.30	25-Aug-16	25-Aug-15
Total		**-**	**-**	**-**	**30,860.80**	**61,208.00**		

Current Maturities

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on	Put and Call option
	11.50%	-	-	-	-	9,570.95	25-Aug-14	-
Option II	11.85%	-	-	-	-	1,346.35	25-Aug-14	-
	11.60%	-	-	-	-	2,874.70	25-Aug-14	-
Total		**-**	**-**	**-**	**-**	**13,792.00**		

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.

Secured redeemable non-convertible debenture may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the company.

a. Issued in 2012

Non-Current portion

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on
Option I	10.60%	-	-	-	-	29,697.61	6-Oct-15
	10.60%	-	-	-	-	2,546.08	6-Oct-15
Option II	11.75%	-	-	7,551.36	7,646.19	7,646.19	6-Oct-17
	10.75%	-	-	94.83	3,470.16	3,470.16	6-Oct-17
Option IV	11.75%	-	-	3,467.11	-	-	6-Oct-17
	10.75%	-	-	3.05	-	-	6-Oct-17
Total		**-**	**-**	**11,116.35**	**11,116.35**	**43,360.04**	

Current Maturities

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on
Option I	10.60%	-	-	-	29,697.71	-	6-Oct-15
	10.60%	-	-	-	2,546.08	-	6-Oct-15
Option II	11.75%	-	7,539.12	-	-	-	6-Oct-17
	10.75%	-	107.07	-	-	-	6-Oct-17
Option IV	11.75%	-	3,468.46	-	-	-	6-Oct-17
	10.75%	-	1.70	-	-	-	6-Oct-17
Total		**-**	**11,116.35**	**-**	**32,243.79**	**-**	

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.

c. Issued in 2013

Non-Current portion

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on
Series I	10.75%	-	-	-	187.15	187.15	4-Jan-17
	11.00%	-	-	-	4,197.91	4,197.91	4-Jan-17
Series II	10.75%	-	-	7.40	7.00	7.00	4-Jan-18
	11.25%	-	-	309.78	310.18	310.18	4-Jan-18
Series III	10.75%	-	503.40	503.82	3.00	3.00	4-Jan-19
	11.50%		4,515.94	4,515.52	5,016.34	5,016.34	4-Jan-19
Series IV	10.75%	-	-	-	112.50	112.50	4-Jan-17
	11.00%	-	-	-	2,238.68	2,238.68	4-Jan-17
Series V	10.75%	-	-	14.75	-	-	4-Jan-18
	11.25%	-	-	261.38	276.13	276.13	4-Jan-18
Series VI	10.75%	-	289.65	292.67	300.50	300.50	4-Jan-19
	11.50%	-	2,526.14	2,523.12	2,515.29	2,515.29	4-Jan-19
Series VII	10.75%	-	0.13	0.40	-	-	4-Jan-19
	11.25%	-	65.34	195.98	196.38	196.38	4-Jan-19
Total		**-**	**7,900.60**	**8,624.82**	**15,361.06**	**15,361.06**	

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**
Current Maturities

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on
Series I	10.75%	-	-	180.00	-	-	4-Jan-17
	11.00%	-	-	4,205.06	-	-	4-Jan-17
Series II	10.75%	-	6.40	-	-	-	4-Jan-18
	11.25%		310.78	-	-	-	4-Jan-18
Series III	10.75%	522.74	-	-	-	-	4-Jan-19
	11.50%	4,496.60	-	-	-	-	4-Jan-19
Series IV	10.75%	-	-	118.00	-	-	4-Jan-17
	11.00%	-	-	2,233.18	-	-	4-Jan-17
Series V	10.75%	-	16.74	-	-	-	4-Jan-18
	11.25%	-	259.38	-	-	-	4-Jan-18
Series VI	10.75%	288.72	-	-	-	-	4-Jan-19
	11.50%	2,527.07	-	-	-	-	4-Jan-19
Series VII	10.75%	0.13	0.13	-	-	-	4-Jan-19
	11.25%	65.34	65.34	-	-	-	4-Jan-19
Total		**7,900.60**	**658.77**	**6,736.24**	**-**	**-**	

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.

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**
d. Issued in 2014

Non-Current portion

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on
Series I	10.50%	-	-	-	2,137.00	-	3-May-16
	11.00%	-	-	-	3,818.77	-	3-May-16
Series II	10.75%	-	-	0.17	-	-	3-May-17
	11.50%	-	-	3,508.59	3,508.76	-	3-May-17
Series III	10.85%	3,027.35	3,017.20	3,031.26	32.00	-	3-May-19
	11.75%	5,036.20	5,046.35	5,032.29	8,031.55	-	3-May-19
Series IV	11.34%	-	-	-	255.71	-	3-May-16
Series V	10.75%	-	-	10.24	-	-	3-May-17
	11.50%	-	-	755.50	-	-	3-May-17
	12.68%	-	-	-	765.74	-	3-May-17
Series VI	10.85%	516.52	510.66	507.63	-	-	3-May-19
	11.75%	933.95	939.81	942.84	-	-	3-May-19
	14.72%				950.47		3-May-19
	13.35%	-	-	-	500.00	-	3-May-19
Total		**9,514.02**	**9,514.02**	**13,788.52**	**20,000.00**	**-**	

Current Maturities

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on
Series I	10.50%	-	-	5,112.10	-	-	3-May-16
	11.00%	-	-	843.67	-	-	3-May-16
Series II	10.75%	-	7.04	-	-	-	3-May-17
	11.50%		3501.72	-	-	-	3-May-17
Series IV	10.50%	-	-	2.53	-	-	3-May-16
	11.00%	-	-	253.18	-	-	3-May-16
Series V	10.75%	-	9.19	-	-	-	3-May-17
	11.50%	-	756.55	-	-	-	3-May-17
Total		**-**	**4,274.50**	**6,211.48**	**-**	**-**	

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.

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**
Term Loan From Banks

Terms of repayment as at March 31, 2018

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	8.10% to 9.10%	1 to 60 installments of quarterly, half yearly and yearly frequency	82,421.58	8,277.78
36-48 months	8.20% to 9.70%	1 to 48 installments of bullet, quarterly,half yearly frequency	622,236.02	158,868.89
24-36 months	8.15% to 9.15%	1 to 36 installments of bullet, quarterly, half yearly and monthly frequency	25,625.00	31,850.43
12-24 months	7.90% to 8.70%	Bullet repayment	21,000.00	10,000.00
			751,282.60	**208,997.10**

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, 2017

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	8.15% to 10.20%	1 to 60 installments of bullet, half yearly and yearly frequency	85,707.92	8,277.78
36-48 months	8.40% to 10.00%	1 to 48 installments of bullet, half yearly and yearly frequency	482,369.67	18,625.00
24-36 months	8.40% to 10.00%	1 to 36 installments of bullet & quarterly frequency	72,499.46	57,506.03
12-24 months	7.95%	1 to 24 installments of bullet,monthly,quarterly and half yearly frequency	-	11,000.00
			640,577.05	**95,408.81**

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, 2016

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	9.30% to 9.65%	1 to 60 installments of bullet, half yearly and yearly frequency	69,986.11	2,013.89
36-48 months	9.65% to 9.95%	1 to 48 installments of bullet, half yearly and yearly frequency	270,000.00	-
24-36 months	9.60% to 9.70%	1 to 36 installments of bullet & quarterly frequency	100,000.00	-
12-24 months	9.30% to 10.40%	1 to 24 installments of bullet,monthly,quarterly and half yearly frequency	72,500.00	2,500.00
up to 12 months	9.65% to 10.40%	1 to 12 installments of bullet,quarterly and half yearly frequency	-	213,333.21
			512,486.11	**217,847.10**

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, 2015

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
36-48 months	10.75 to 11.25%	1 to 48 installments of bullet, half yearly and yearly frequency	30,000.00	-
24-36 months	10.50% to 11.50%	1 to 36 installments of bullet & quarterly frequency	75,000.00	-
12-24 months	10.50% to 11.50%	1 to 24 installments of bullet,monthly,quarterly and half yearly frequency	209,999.88	21,500.00
up to 12 months	10.00% to 11.00%	1 to 12 installments of bullet,quarterly and half yearly frequency	-	172,912.52
			314,999.88	**194,412.52**

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, 2014

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
36-48 months	10.75%	Bullet payment on maturity	15,000.00	-
24-36 months	10.40% to 12.00%	1 to 36 installments of bullet, and quarterly frequency	241,505.55	5,000.00
12-24 months	10.50% to 11.25%	1 to 24 installments of bullet,monthly,quarterly and half yearly frequency	191,157.54	24,083.33
up to 12 months	10.45% to 10.95%	1 to 12 installments of bullet,,quarterly and half yearly frequency	-	94,999.39
			447,663.09	**124,082.72**

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 Financial Institutions

Terms of repayment as at March 31, 2018

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	9.15%	1 to 60 installments of quarterly frequency	19,800.00	3,550.00
Grand Total			**19,800.00**	**3,550.00**

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, 2017

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	8.00% to 10.00%	1 to 60 installments of quarterly frequency	25,000.00	-
Upto 12 months	8.00% to 10.00%	1 to 12 installments of half yearly & yearly frequency	-	19,500.00
Grand Total			**25,000.00**	**19,500.00**

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, 2016

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
24-36 months	9.95%	1 to 36 installments of yearly frequency	19,500.00	8,000.00
Grand Total			**19,500.00**	**8,000.00**

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, 2015

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
24-36 months	10.75%	1 to 36 installments of yearly frequency	27,500.00	7,000.00
Grand Total			**27,500.00**	**7,000.00**

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, 2014

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	10.75%	1 to 60 installments of yearly frequency	6,500.00	1,500.00
36-48 months	10.75%	1 to 48 installments of yearly frequency	28,000.00	3,500.00
Grand Total			**34,500.00**	**5,000.00**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Details of Fixed Deposits - Unsecured

Terms of repayment as on March 31, 2018 **(` in lacs)**

Long Term Borrowings

Redeemable at par (from the date of Balance Sheet)	**Rate of interest**			
	>= 6% < 8%	**>= 8% < 10%**	**>= 10% < 12%**	**Total**
48-60 months	8,850.08	9,790.84	-	18,640.92
36-48 months	2,353.49	9,920.02	-	12,273.51
24-36 months	44,957.60	14,693.21	82.02	59,732.83
12-24 months	27,975.36	31,503.64	8,136.12	67,615.12
Total non-current portion	**84,136.53**	**65,907.71**	**8,218.14**	**158,262.38**
12 months	44,753.53	79,307.98	3,425.97	127,487.48
Total current maturities	**44,753.53**	**79,307.98**	**3,425.97**	**127,487.48**
Grand Total	**128,890.06**	**145,215.69**	**11,644.11**	**285,749.86**

Terms of repayment as on March 31, 2017

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	**Rate of interest**			
	>= 6% < 8%	**>= 8% < 10%**	**>= 10% < 12%**	**Total**
48-60 months	1,073.92	9,508.01	-	10,581.93
36-48 months	155.08	10,144.32	82.02	10,381.42
24-36 months	12,160.27	32,342.93	8,380.44	52,883.64
12-24 months	6,469.57	81,819.50	3,439.82	91,728.89
Total non-current portion	**19,858.84**	**133,814.76**	**11,902.28**	**165,575.88**
12 months	30,726.06	28,904.56	100,384.34	160,014.96
Total current maturities	**30,726.06**	**28,904.56**	**100,384.34**	**160,014.96**
Grand Total	**50,584.90**	**162,719.32**	**112,286.62**	**325,590.84**

Terms of repayment as at March 31, 2016

(` in lacs)

Redeemable at par within	**Rate of interest**			
	>= 6% < 8%	**>= 8% < 10%**	**>= 10% < 12%**	**Total**
48-60 Months	-	6,970.42	82.02	7,052.44
36-48 Months	-	1,795.90	8,519.11	10,315.02
24-36 months	-	72,342.22	3,502.58	75,844.80
12-24 months	-	21,085.33	102,579.84	123,665.17
Total non-current portion	**-**	**102,193.87**	**114,683.55**	**216,877.43**
12 months	52.99	48,421.81	33,233.34	81,708.14
Total current maturities	**52.99**	**48,421.81**	**33,233.34**	**81,708.14**
Grand Total	**52.99**	**150,615.69**	**147,916.89**	**298,585.57**

Terms of repayment as at March 31, 2015

(` in lacs)

Redeemable at par within	Rate of interest			
	>=6% <8%	>=8% <10%	>=10% <12%	Total
48-60 months	-	561.00	8,667.50	9,228.50
36-48 months	-	138.13	2,866.63	3,004.75
24-36 months	-	7,716.24	104,610.42	112,326.66
12-24 months	52.63	14,271.94	34,139.92	48,464.49
Total non-current portion	**52.63**	**22,687.31**	**150,284.46**	**173,024.40**
12 months	21.53	38,663.16	23.09	38,707.78
Total current maturities	**21.53**	**38,663.16**	**23.09**	**38,707.78**
Grand Total	**74.16**	**61,350.47**	**150,307.55**	**211,732.18**

Terms of repayment as at March 31, 2014

(` in lacs)

Redeemable at par within	Rate of interest			
	>=6% <8%	>=8% <10%	>=10% <12%	Total
48-60 months	-	-	1,396.94	1,396.94
36-48 months	-	-	404.53	404.53
24-36 months	56.52	268.43	33,411.41	33,736.37
12-24 months	21.21	7,053.76	23.09	7,098.06
Total non-current portion	**77.73**	**7,322.20**	**35,235.97**	**42,635.90**
12 months	95.39	19,099.91	-	19,195.30
Total current maturities	**95.39**	**19,099.91**	**-**	**19,195.30**
Grand Total	**173.12**	**26,422.11**	**35,235.97**	**61,831.20**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Subordinated Debts - Unsecured

The company had issued subordinated debt bonds with coupon rate of 7 % to 15 % per annum which are redeemable over a period of 60 months to 88 months

Terms of repayment as at March 31, 2018

(i) Privately Placed Subordinated Debts of ` 1,000/- Each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	**Rate of interest**		
	< 10%	**>= 10% < 12%**	**Total**
24-36 months	-	14,272.81	14,272.81
12-24 months	-	21,728.87	21,728.87
Total non-current portion	**-**	**36,001.68**	**36,001.68**
12 months	9.03	25,511.68	25,520.71
Total current maturities	**9.03**	**25,511.68**	**25,520.71**
Grand Total	**9.03**	**61,513.36**	**61,522.39**

(ii) Privately Placed Subordinated Debts of ` 100,000/- each - Quoted

Non- Current portion **-NIL**

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	**Rate of interest**	
	>= 10% < 12%	**Total**
12 months	**20,520.00**	**20,520.00**
Total current maturities	**20,520.00**	**20,520.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	**Rate of interest**	
	>= 10% < 12%	**Total**
12-24 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Terms of repayment as on March 31, 2017

(i) Privately Placed Subordinated Debts of ` 1,000/- each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	**Rate of interest**		
	< 10%	**>= 10% < 12%**	**Total**
36-48 months	-	14,272.81	14,272.81
24-36 months	-	21,728.87	21,728.87
12-24 months	9.03	25,511.68	25,520.71
Total non-current portion	**9.03**	**61,513.36**	**61,522.39**
12 months	1,230.54	8,490.89	9,721.43
Total current maturities	**1,230.54**	**8,490.89**	**9,721.43**
Grand Total	**1,239.57**	**70,004.25**	**71,243.82**

(ii) Privately Placed Subordinated Debts of ` 100,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest >= 10% < 12%	Total
12-24 months	20,520.00	20,520.00
Total non current portion	**20,520.00**	**20,520.00**
12 months	2,515.00	2,515.00
Total current maturities	**2,515.00**	**2,515.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest >= 10% < 12%	Total
24-36 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Terms of repayment as on March 31, 2016

(i) Privately Placed Subordinated Debts of ` 1,000/- each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest		
	< 10%	>= 10% < 12%	Total
48-60 months	-	14,272.81	14,272.81
36-48 months	-	21,728.87	21,728.87
24-36 months	9.03	25,511.68	25,520.71
12-24 months	1,230.54	8,490.89	9,721.43
Total non-current portion	**1,239.57**	**70,004.25**	**71,243.82**
12 months	56.17	2,443.60	2,499.77
Total current maturities	**56.17**	**2,443.60**	**2,499.77**
Grand Total	**1,295.74**	**72,447.85**	**73,743.59**

(ii) Privately Placed Subordinated Debts of ` 100,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest >= 10% < 12%	Total
24-36 Months	20,520.00	20,520.00
12-24 Months	2,515.00	2,515.00
Total non-current portion	**23,035.00**	**23,035.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest	
	>= 10% < 12%	Total
36-48 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Terms of repayment as on March 31, 2015

(i) Privately Placed Subordinated Debts of ` 1,000/- each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest			
	< 10%	>= 10% < 12%	>= 12% < 14%	Total
over 60 months	-	14272.81	-	14272.81
48-60 months	-	21,728.87	-	21,728.87
36-48 months	9.03	25,511.68	-	25,520.71
24-36 months	1,230.54	8,490.89	-	9,721.43
12-24 months	56.17	2,443.60	-	2,499.77
Total non-current portion	**1,295.74**	**72,447.85**	**-**	**73,743.59**
12 months	-	8,731.43	55.61	**8,787.04**
Total current maturities	**-**	**8,731.43**	**55.61**	**8,787.04**
Grand Total	**1,295.74**	**81,179.28**	**55.61**	**82,530.63**

(ii) Privately Placed Subordinated Debts of ` 100,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest	
	>= 10% < 12%	Total
48-60 Months	20,520.00	20,520.00
24-36 Months	2,515.00	2,515.00
Total non-current portion	**23,035.00**	**23,035.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest	
	>= 10% < 12%	Total
48-60 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Terms of repayment as on March 31, 2014

(i) Privately Placed Subordinated Debts of ` 1,000/- each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	**Rate of interest**			
	< 10%	**>= 10% < 12%**	**>= 12% < 14%**	**Total**
over 60 months	-	36004.76	-	36004.76
48-60 months	9.03	25,502.23	-	25511.26
36-48 months	1,230.54	8,490.89	-	9721.43
24-36 months	56.17	2,443.60	-	2499.77
12-24 months	-	8,731.43	55.61	8787.04
Total non-current portion	**1,295.74**	**81,172.91**	**55.61**	**82,524.26**
12 months	-	3,763.80	7,687.31	**11,451.11**
Total current maturities	**-**	**3,763.80**	**7,687.31**	**11,451.11**
Grand Total	**1,295.74**	**84,936.71**	**7,742.92**	**93,975.37**

(ii) Privately Placed Subordinated Debts of ` 100,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	**Rate of interest**	
	>= 10% < 12%	**Total**
48-60 Months	20,520.00	20,520.00
36-48 Months	2,515.00	2,515.00
Total non-current portion	**23,035.00**	**23,035.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	**Rate of interest**	
	>= 10% < 12%	**Total**
Over 60 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Note- 6A- Other long-term liabilities **(` in lacs)**

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Interest accrued but not due on borrowings	32,294.25	34,520.21	47,673.17	30,294.64	26,756.68
Application Money on redeemable non convertible debentures	-	-	-	-	10.40
Application Money on redeemable non subordinated debts	-	-	-	-	37.14
Unrealised gain on securitisation **	466.16	526.35	2,137.79	4,759.63	10,326.51
Retention and Other liabilities	-	-	97.72	220.93	104.08
	32,760.41	**35,046.56**	**49,908.67**	**35,275.20**	**37,234.81**

** Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation / assignment.

Note- 6B -Other Current liabilities **(` in lacs)**

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Current maturities of long-term borrowings (Refer note no 5)	419,091.87	##	414,056.17	349,180.58	273,522.57
Interest accrued but not due on borrowings	33,503.25	36,689.71	15,512.49	24,444.03	24,934.30
Interest received in advance	-	-	152.52	-	862.84
Investor Education and Protection Fund shall be credited by the following amounts (as and when due)*					
Unclaimed dividends	92.56	82.92	73.18	60.61	49.53
Unclaimed matured deposits and interest accrued thereon	13,776.77	9,092.22	3,175.79	1,721.40	13.37
Unclaimed matured debentures and interest accrued thereon	1,493.89	2,695.26	5,441.77	4,420.08	7,273.53
Unclaimed matured Subordinate debts and interest accrued thereon	2,046.55	775.00	1,817.70	718.97	2,511.29
Temporary credit balance in bank accounts	31,892.55	24,591.54	16,907.37	20,637.06	11,941.72
Tax deducted at source	942.46	560.72	478.55	223.66	479.62
Statutory due pertaining to employees	577.04	546.56	475.00	563.93	210.40
Service tax - contested #	-	-	-	1,553.08	1,553.08
Unrealised gain on securitisation **	606.24	1,657.98	3,473.75	5,675.69	12,096.90
Retention and other liabilities	14,779.63	12,536.28	10,661.99	4,677.45	5,877.20
Total	**518,802.81**	**430,698.24**	**472,226.29**	**413,876.54**	**341,326.35**

As regards the recovery of Service tax on lease and hire purchase transactions, the Hon'ble Supreme Court vide its order dated October 26, 2010 has directed the competent authority under the Finance act, 1994 to decide the matter in accordance with the law laid down.

*Accrued interest is up to the date of maturity. Amounts shall be credited to Investor Education & Protection Fund to the extend unclaimed as and when due.

** Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation / assignment.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Note-7A- Long-term provisions **(` in lacs)**

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Provision for employee benefits					
Provision for gratuity	-	-	2,200.04	1,895.94	972.00
Provision for leave encashments	1,231.92	104.32	721.32	536.73	374.12
Provision for others					
Provision for non-performing assets	152,571.64	112,690.16	12,685.65	4,931.96	3,266.51
Contingent provision on standard assets	4,346.92	3,015.73	1,819.73	1,309.18	1,039.09
Provision for Diminution in the value of Investments	-	81.76	81.76	36.64	25.41
TOTAL	158,150.48	115,891.97	17,508.50	8,710.45	5,677.13

Note- 7B - Short-term provisions **(` in lacs)**

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Provision for employee benefits					
Provision for gratuity	796.48	427.87	70.32	59.55	33.76
Provision for leave encashments	412.73	1,079.75	31.19	25.59	21.04
Provision for others					
Provision for non-performing assets	-	-	55,623.62	33,548.58	23,133.11
Provision for contingent provision on standard assets	5,613.48	4,442.82	3,593.32	2,504.51	2,058.30
Provision for income tax(net of advance income tax)	-	-	-	-	2,382.31
Proposed Dividend	-	-	6,592.72	6,920.09	3,557.07
Corporate Dividend Tax	-	-	1,378.07	1,408.79	604.52
TOTAL	**6,822.69**	**5,950.44**	**67,289.24**	**44,467.11**	**31,790.11**

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Note- 8 - Short-term borrowings **(` in lacs)**

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Secured					
Term loans from Banks	-	-	-	8,000.00	1,600.00
Term loan from financial institutions	25,000.00	35,000.00	5,000.00	-	-
Cash credit from Banks	114,521.17	112,401.95	84,527.58	106,745.08	36,755.37
Working capital Demand loan from Banks	80,400.00	33,900.00	2,500.00	2,500.00	-
Total	**219,921.17**	**181,301.95**	**92,027.58**	**117,245.08**	**38,355.37**
Unsecured					
Term loans from banks	19,000.00	-	-	-	-
Commercial papers	225,000.00	200,000.00	8,000.00	-	-
Inter Corporate Deposits	-	-	-	500.00	-
Total	**244,000.00**	**200,000.00**	**8,000.00**	**500.00**	**-**
Grand Total	**463,921.17**	**381,301.95**	**100,027.58**	**117,745.08**	**38,355.37**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

8.1 Term Loan from Institutions

(` in lacs)

Rate of Interest	Repayment Details	As at March 31, 2018
8.85%	Bullet Payment at the end of 1 year	15,000.00
8.75%	Bullet Payment at the end of 1 year	10,000.00
Total		**25,000.00**

Nature of Security

Term Loans from Financial Institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

(` in lacs)

Rate of Interest	Repayment Details	As at March 31, 2017
8.90%	Bullet Payment at the end of 1 year	10,000.00
8.75%	Bullet Payment at the end of 1 year	10,000.00
8.30%	Bullet Payment at the end of 1 year	15,000.00
Total		**35,000.00**

Nature of Security

Term Loans from Financial Institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

(` in lacs)

Rate of Interest	Repayment Details	As at March 31, 2016
9.25%	Bullet Payment at the end of 1 year	5,000.00
Total		**5,000.00**

Nature of Security

Term Loans from Financial Institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

8.2. Cash Credit from bank

(` in lacs)

Particulars	As at March 31,2018	As at March 31 2017	As at March 31,2016	As at March 31, 2015	As at March 31,2014
Rate of Interest	8.15% to 11.25%	8.20% to 11.25%	9.50% to 13.00%	10.00% to 13.25%	10.25% to 14.00%
Secured with exclusive charge by way of hypothecation of specific assets under financing.	114,521.17	112,401.95	84,527.58	106,745.08	36,755.37
Total	114,521.17	112,401.95	84,527.58	106,745.08	36,755.37

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

8.3.Working capital Demand loan from Banks

(` in lacs)

Particulars	Rate of Interest	As at March 31,2018
Secured with exclusive charge by way of hypothecation of specific assets under financing.	8.15% to 8.50%	80,400.00
Total		80,400.00

(` in lacs)

Particulars	Rate of Interest	As at March 31,2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.85% to 8.95%	33,900.00
Total		33,900.00

(` in lacs)

Particulars	Rate of Interest	As at March 31,2016
Secured with exclusive charge by way of hypothecation of specific assets under financing.	9.25% to 9.95%	2,500.00
Total		2,500.00

(` in lacs)

Particulars	Rate of Interest	As at March 31,2015
Secured with exclusive charge by way of hypothecation of specific assets under financing.	10.00%	2,500.00
Total		2,500.00

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets Annexure IV

8.4 Term Loan from Banks- Unsecured

(` in lacs)

Rate of Interest	**Repayment Details**	**As at March 31,2018**
7.76% to 7.85%	Bullet Payment at the end of 1 year	19,000.00
Total		19,000.00

Terms of repayment

Outstanding as at March 31, 2017, March 31, 2016 : Nil.

Term Loan from Banks - Secured

(` in lacs)

Rate of Interest	**Repayment Details**	**As at March 31,2015**
10.00%	Bullet Payment at the end of 1 year	8,000.00
Total		8,000.00

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 Banks - Secured

(` in lacs)

Rate of Interest	**Repayment Details**	**As at March 31,2014**
9.95%	Bullet Payment at the end of 1 year	1,600.00
Total		1,600.00

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

8.5 Commercial Papers

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2018
7.40% to 8.50%	Bullet Payment on maturity	225,000.00
Total		225,000.00

Commercial Papers

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2017
7.40% to 8.50%	Bullet Payment on maturity	200,000.00
Total		200,000.00

Commercial Papers

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2016
7.26% to 8.50%	Bullet Payment on maturity	8,000.00
Total		8,000.00

Commercial Papers as on March 31, 2015 and March 31, 2014 was NIL

8.6.Inter corporate Deposits

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2015
10%	Bullet Payment on maturity	500.00
Total		500.00

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets & Liabilities
Note - 9 Tangible and Intangible Fixed Assets

Annexure IV
(` in Lacs)

Particulars	Gross Block															
	As at April 1, 2013	Additions during the year	Deletions during the year	As at March 31, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	Additions during the year	Deletions during the year	As at March 31, 2016	Additions during the year	Deletions during the year	As at March 31, 2017	Additions during the year	Deletions during the year	As at March 31, 2018
Tangible Assets																
Assets for Own Use																
Land - Freehold	2.22	0.18	-	2.40	-	0.09	2.31	-		2.31	-	-	2.31	-	-	2.31
Buildings	12.94	-	-	12.94	-	-	12.94	-		12.94	-	-	12.94	-	-	12.94
Plant and Equipment																
Plant and Machinery					-	2.70	-									
Computer	4,022.34	444.66	28.00	4,439.00	729.43	29.30	5,139.13	544.19	32.28	5,651.04	831.83	173.51	6,309.36	1,226.85	602.69	6,933.52
Electrical Installations and Equipment	1,200.22	454.87	16.25	1,638.85	314.97	14.95	1,936.17	270.08	6.38	2,199.87	231.82	15.06	2,416.65	454.44	34.06	2,837.03
Furniture and Fixtures																
Furniture and Fixtures	3,155.24	673.26	38.54	3,789.96	233.58	0.57	1,688.02	216.34	7.93	1,896.42	221.07	13.42	2,104.07	266.82	8.54	2,362.35
Office Equipment					355.15	107.71	2,582.38	321.90	39.77	2,864.51	149.47	37.55	2,976.43	114.18	18.07	3,072.54
Vehicles	23.05	0.52	2.30	21.27	1.68	0.45	22.50	14.43	3.90	33.03	-	0.32	32.71	24.76	0.20	57.27
Leasehold Improvement	5,314.65	1,540.23	-	6,854.88	1,056.18	80.75	7,830.31	1,045.34	62.00	8,813.65	1,227.83	32.18	10,009.30	1,275.61	11.54	11,273.37
Total Tangible Assets	**13,730.67**	**3,113.73**	**85.10**	**16,759.30**	**2,690.99**	**236.51**	**19,213.77**	**2,412.28**	**152.27**	**21,473.79**	**2,662.02**	**272.04**	**23,863.77**	**3,362.66**	**675.10**	**26,551.33**
Intangible Assets																
Computer Software	588.94	1,198.75	-	1,787.69	120.46	-	1,908.15	1,567.45	-	3,475.60	165.05	-	3,640.65	88.24	-	3,728.89
Total Intangible Assets	**588.94**	**1,198.75**	**-**	**1,787.69**	**120.46**	**-**	**1,908.15**	**1,567.45**	**-**	**3,475.60**	**165.05**	**-**	**3,640.65**	**88.24**	**-**	**3,728.89**
Grand Total	**14,319.61**	**4,312.48**	**85.10**	**18,546.99**	**2,811.45**	**236.51**	**21,121.92**	**3,979.73**	**152.27**	**24,949.39**	**2,827.07**	**272.04**	**27,504.42**	**3,450.90**	**675.10**	**30,280.22**

Note:
The assets which are shown under the Intangible Assets are not internally self generated assets.

Shriram City Union Finance Limited **Annexure IV**

Notes forming part of Reformatted Statement of Assets & Liabilities **(` in Lacs)**

Particulars	Depreciation / Amortisation																
	As at April 1, 2013	**Depreciation for the year**	**Deletions during the year**	**As at March 31, 2014**	**Depreciation for the year**	**Adjustment to Opening Retained Earnings**	**Deletions during the year**	**As at March 31, 2015**	**Depreciation for the year**	**Deletions during the year**	**As at March 31, 2016**	**Depreciation for the year**	**Deletions during the year**	**As at March 31, 2017**	**Depreciation for the year**	**Deletions during the year**	**As at March 31, 2018**
Tangible Assets																	
Assets for Own Use																	
Land - Freehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	2.77	0.21	-	2.98	0.17	-	-	3.15	0.17	-	3.32	0.18	-	3.50	0.18	-	3.68
Plant and Equipment																	
Plant and Machinery					-	-	2.56										
Computer	1,569.97	623.79	20.41	2,173.35	1,482.62	253.55	26.32	3,883.19	657.31	30.62	4,509.88	584.09	164.45	4,929.52	708.15	572.32	5,065.35
Electrical Installations and Equipment	194.22	105.53	1.75	298.00	182.13	-	5.53	472.05	208.67	2.60	678.12	220.04	5.23	892.93	245.21	16.56	1,121.58
Furniture and Fixtures																	
Furniture and Fixtures	831.53	316.72	10.53	1,137.72	111.98	-	0.34	815.50	134.50	6.35	943.66	154.31	8.26	1,089.69	178.22	7.03	1,260.88
Office Equipment					641.55	112.84	36.21	1,152.06	607.34	27.60	1,731.80	476.73	30.89	2,177.64	297.86	16.41	2,459.09
Vehicles	6.51	2.11	0.97	7.65	2.45	-	0.09	10.01	2.69	1.83	10.87	3.63	0.05	14.45	5.36	0.06	19.75
Leasehold Improvement	2,410.07	1,603.19		4,013.26	1,387.85	-	69.13	5,331.99	1,274.77	54.65	6,552.11	1,258.16	29.19	7,781.08	1,273.65	11.43	9,043.30
Total Tangible Assets	**5,015.07**	**2,651.55**	**33.66**	**7,632.96**	**3,808.76**	**366.39**	**140.17**	**11,667.94**	**2,885.45**	**123.65**	**14,429.74**	**2,697.14**	**238.07**	**16,888.81**	**2,708.63**	**623.81**	**18,973.63**
Intangible Assets																	
Computer Software	467.83	303.70	-	771.53	456.78	-	-	1,228.31	806.17	-	2,034.48	765.03	-	2,799.51	617.30	-	3,416.81
Total Intangible Assets	**467.83**	**303.70**	**-**	**771.53**	**456.78**	**-**	**-**	**1,228.31**	**806.17**	**-**	**2,034.48**	**765.03**	**-**	**2,799.51**	**617.30**	**-**	**3,416.81**
Grand Total	**5,482.90**	**2,955.25**	**33.66**	**8,404.49**	**4265.54**	**366.39**	**140.17**	**12896.25**	**3691.62**	**123.65**	**16,464.22**	**3462.17**	**238.07**	**19,688.32**	**3325.93**	**623.81**	**22,390.44**

Note:

With effect from April 1, 2014 the Company has adopted the remaining useful life of assets as required under the Companies Act 2013, which required change in rates of depreciation. Accordingly, depreciation of ` 366.39 lacs on account of assets where useful life is already exhausted as on 31st March 2014 has been adjusted against retained earnings. Had there been no change in rates of depreciation on assets, depreciation for the financial year would have been lower by `1,422.24 lacs.

The assets which are shown under the Intangible Assets are not internally self generated assets.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

(` in Lacs)

Particulars	Net Block					
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
Tangible Assets						
Assets for Own Use						
Land - Freehold	2.31	2.31	2.31	2.31	2.40	2.22
Buildings	9.26	9.44	9.62	9.79	9.96	10.17
Plant and Equipment						
Plant and Machinery					0.14	
Computer	1,868.17	1,379.84	1,141.17	1,255.94	2,265.65	2,452.37
Electrical Installations and Equipment	1,715.45	1,523.72	1,521.76	1,464.13	1,340.71	1,006.00
Furniture and Fixtures						
Furniture and Fixtures	1,101.47	1,014.38	952.77	872.52	751.16	2,323.71
Office Equipment	613.45	798.79	1,132.71	1,430.33	1,901.07	
Vehicles	37.52	18.26	22.16	12.49	13.62	16.54
Leasehold Improvement	2,230.07	2,228.22	2,261.55	2,498.32	2,841.62	2,904.58
Total Tangible Assets	**7,577.70**	**6,974.96**	**7,044.05**	**7,545.83**	**9,126.33**	**8,715.59**
Intangible Assets						
Computer Software	312.08	841.14	1,441.11	679.84	1,016.16	121.11
Total Intangible Assets	**312.08**	**841.14**	**1,441.11**	**679.84**	**1,016.16**	**121.11**
Grand Total	**7,889.78**	**7,816.10**	**8,485.16**	**8,225.67**	**10,142.49**	**8,836.70**

Note:

The assets which are shown under the Intangible Assets are not internally self generated assets.

Note-10 NON-CURRENT INVESTMENTS **(` in Lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Long-Term Investment					
A. Trade Investment					
Investment in subsidiary (valued at cost unless stated otherwise)					
Unquoted Equity Instruments :					
Shriram Housing Finance Limited Equity shares of ` 10 /- each fully paid-up (No of shares as on March 31,2018 - 165,440,000 ; March 31,2017 - 165,440,000 ;March 31,2016 - 165,440,000 March 31,2015 - 165,440,000 ; March 31,2014 - 165,440,000)	16,544.00	16,544.00	16,544.00	16,544.00	16,544.00
Total	**16,544.00**	**16,544.00**	**16,544.00**	**16,544.00**	**16,544.00**
B. Other than Trade Investment					
1) Investment in Equity Instruments (valued at cost unless stated otherwise)					
Quoted Equity Instruments :					
Ceylinco Insurance PLC Equity shares at the FV of ` 776.50/- each fully paid-up (No of shares as on March 31,2018 - 1,264,470 ; March 31,2017 - 1,264,470 ;March 31,2016 - 1,264,470; March 31,2015 - NIL ; March 31,2014 - NIL)	9,877.38	9,877.38	9,877.38	-	-
Total	**9,877.38**	**9,877.38**	**9,877.38**	**-**	**-**
Unquoted Equity Instruments :					
(i) Highmark Credit Information Services Private Limited Equity shares of ` 10/- each fully paid-up (No of shares as on March 31,2018- 963,265 ; March 31,2017- 963,265 ; March 31,2016- 963,265 ; March 31,2015- 963,265; March 31,2014- 16,32,653)	118.00	118.00	118.00	118.00	200.00
(ii) Shriram Seva Sankalp Foundation Equity Shares of ` 10/- each fully paid-up (No of shares as on March 31,2018 -18,000 ; March 31,2017 -18,000; March 31,2016 -18,000 ; March 31,2015 -18,000 ; March 31,2014 -NIL)	1.80	1.80	1.80	1.80	-
(iii) Visage Holdings & Finance Private Limited Equity shares of ` 10/- each fully paid-up (No of shares as on March 31,2018 -NIL ; March 31,2017-598,726 ;March 31,2016 -598,726 ;March 31,2015 -NIL ; March 31,2014 -NIL)	-	997.00	997.00	-	-
Total	**119.80**	**1,116.80**	**1,116.80**	**119.80**	**200.00**
2) Investment in Approved Government Securities (valued at cost unless stated otherwise)					
Quoted Investments :					
6.13% GOI 2028	100.00	101.45	101.45	101.45	101.45
9.22% Gujarat SDL 2023	3,000.00	3,175.64	3,175.64	3,175.64	-
9.55% Tamil Nadu SDL 2023	1,700.00	1,833.24	1,833.24	1,833.24	-
9.25% Maharashtra SDL 2023	3,400.00	3,605.33	3,605.33	3,605.33	-
8.27% GOI 2020	12,000.00	12,281.85	7,638.75	-	
Total	**20,200.00**	**20,997.51**	**16,354.41**	**8,715.66**	**101.45**
3) Investment in Pass Through Certificates					
Unquoted Investment :					
Small Business Loan Trust - Series I	-	-	1,792.74	-	
Total	-	-	**1,792.74**	-	
Grand Total	**46,741.18**	**48,535.69**	**45,685.33**	**25,379.46**	**16,845.45**
Aggregate amount of Unquoted Investments (cost of acquisition)	16,663.80	17,660.80	19,453.54	16,663.80	16,744.00
Aggregate amount of Quoted Investments (cost of acquisition)	30,077.38	30,874.89	26,231.79	8,715.66	101.45
Aggregate amount of Quoted Investments (Market Value)	30,615.83	30,293.46	33,879.19	8,790.29	76.04
Aggregate amount of provision for diminution in value of Investments	-	81.76	81.76	36.64	25.41

In accordance with the Reserve Bank of India circular no. RBI/2006-07/225 DNBS (PD) C.C No.87/03.02.2004/2006-07 dated January 4, 2007, the Company has created a floating charge on the statutory liquid assets comprising of investment in approved government securities being statutory liquid assets to the extent of ` 20,200.00 lacs (March 31, 2017: ` 20,997.51 lacs March 31, 2016: ` 16,354.41 lacs March 31, 2015: ` 8,715.66 lacsMarch 31,2014: ` 101.45) lacs in favour of trustees representing the public deposit holders of the Company.

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Note-11 Deferred Tax Assets -Net **(` in Lacs)**

Particulars	**As at March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Deferred Tax Assets					
Timing difference on account of :					
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting period	1,942.27	1,574.27	1,327.56	990.08	205.03
Contingent provision against standard assets	3,447.09	2,581.26	1,873.35	1,296.27	1,052.80
Provision for Gratuity	10.54	-	520.62	408.33	181.46
Provision for leave encashment	457.49	298.10	142.75	76.30	44.05
Provision for Lease rental	32.53	28.70	21.94	-	
Provision for Bonus	1,355.97	43.98	65.05	-	353.52
Provision for Service Tax	-	-	-	527.89	527.89
Merger Expenses	-	0.24	0.48	0.71	0.95
Estimated Disallowances	-	-	-	271.92	203.94
interest Payable	-	-	-	-	24.55
Gross deferred tax assets (A)	**7,245.89**	**4,526.55**	**3,951.75**	**3,571.50**	**2,594.19**
Deferred Tax Liabilities					
Deferred expenses incurred for NCD mobilization	-	104.08	230.92	476.48	790.52
Gross deferred tax liabilities (B)	**-**	**104.08**	**230.92**	**476.48**	**790.52**
Deferred tax asset- Net (A-B)	**7,245.89**	**4,422.47**	**3,720.83**	**3,095.02**	**1,803.67**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Note-12A - Long Term Loan & Advances

(` in Lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Unsecured, Considered Good					
Capital advances	47.24	-	44.26	1,445.18	53.72
Prepaid expenses	2.58	-	-	4.16	-
Security Deposits	1,960.96	1,575.85	1,617.73	1,472.28	1,664.96
Advances recoverable in cash or in kind or for value to be received	1,505.84	-	-	-	-
Investment through Pass through certificate - Own	2.33	92.35	886.62	1,252.15	3,087.97
Loans and Advances					
Assets under financing activities :					
- Secured, considered good	874,381.41	644,722.20	574,131.20	506,557.87	406,386.36
- Unsecured, considered good	212,362.77	192,728.10	26,989.27	17,114.83	11,743.09
- Doubtful	246,365.58	153,677.77	19,045.37	6,569.34	3,793.25
Total	**1,336,628.71**	**992,796.27**	**622,714.45**	**534,415.81**	**426,729.35**

Note-12B Short Term Loan & Advances

(` in Lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Unsecured, Considered Good					
Capital advances	-	55.14	-	-	-
Input Credit Receivable	1,488.69	83.58	42.18	38.35	94.63
Prepaid expenses	455.52	517.58	408.88	339.29	245.59
Interest paid in Advance	6,168.98	3,553.69	6.75	-	-
Security Deposits	503.31	551.48	354.77	461.71	100.00
Advances recoverable in cash or in kind or for value to be received	20.06	3,232.70	6,576.08	7,597.53	5,810.59
Investment through Pass through certificate - Own	70.15	1,782.96	1,766.20	1,800.49	3,395.42
Loans and Advances					
Assets under financing activities :					
- Secured, considered good	1,099,308.76	1,036,423.17	1,130,236.73	957,614.29	784,524.41
- Unsecured, considered good	304,046.70	257,141.16	72,991.23	44,187.74	36,304.02
- Doubtful	-	-	78,962.92	42,573.54	30,246.99
Total	**1,412,062.17**	**1,303,341.46**	**1,291,345.74**	**1,054,612.94**	**860,721.65**

Disclosure on loan against Gold as on March 31, 2018 Vide RBI notification DNBS.CC.PD.No.266/03.10.01/2011-12 dated March 26, 2012:

(` in Lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Total Assets under Management	2,736,465.22	2,284,692.40	1,902,356.72	1,574,617.61	1,272,998.13
Total Loan against gold	337,381.39	342,681.28	340,799.72	294,277.65	245,342.81
Percentage of Gold Loan on Total Assets (on book)	12.33%	15.00%	17.91%	18.69%	19.27%

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Note- 13A - Other non-current assets **(` in Lacs)**

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Other Bank balances of non current portion (Annexure IV Note 15)	-	1,200.01	1,200.01	9,000.00	1,623.00
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	-	-	300.97	708.27	1,494.97
Interest accrued on fixed deposit and other loan and advances	-	81.84	486.36	198.26	0.40
Securitisation-receivable	296.89	250.54	1,533.36	3,816.21	7,776.25
Advance Tax (net of provisions for tax)	4,505.86	5,947.80	6,447.65	4,880.00	-
Premium paid on Govt Securities	342.75	-	-	-	-
Total	**5,145.50**	**7,480.19**	**9,968.34**	**18,602.74**	**10,894.62**

Note- 13B - Other Current assets **(` in Lacs)**

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	-	300.75	366.26	693.55	830.77
Interest accrued on fixed deposit and other loan and advances	1,116.59	1,017.17	1,691.63	1,769.27	3,916.44
Securitisation-receivable	620.81	1,306.73	3,725.55	6,075.34	13,230.00
Premium paid on Govt Securities	123.60	-	-	-	-
Total	**1,861.00**	**2,624.65**	**5,783.45**	**8,538.16**	**17,977.21**

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Note-14 Current Investment **(` in Lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Treasury Bills	25,857.40	22,249.68	18,348.53	12,215.99	3,910.00
Certificate of Deposits with Banks	-	-	15,000.00	41,772.70	32,500.00
Commercial Paper	-	-	-	-	2,500.00
Mutual Fund	200.00	200.00	200.00	18,800.00	7,000.00
Small Business Loan Trust - Series I	-	466.21	-	-	-
Total	**26,057.40**	**22,915.89**	**33,548.53**	**72,788.69**	**45,910.00**

Treasury Bills as at March 31, 2018

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
364D T-Bill	18-Jan-18	10-Jan-19	6.50%	14,103.52
364D T-Bill	8-Mar-18	21-Feb-19	6.62%	11,753.88
Total				**25,857.40**

Treasury Bills as at March 31, 2017

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
364D T-Bill	29-Jun-16	22-Jun-17	6.86%	3,279.34
364D T-Bill	20-Sep-16	8-Jun-17	6.57%	3,342.84
364D T-Bill	3-Jan-17	9-Nov-17	6.24%	2,374.18
364D T-Bill	14-Feb-17	18-Jan-18	6.24%	945.34
364D T-Bill	7-Mar-17	1-Feb-18	6.20%	12,307.98
Total				**22,249.68**

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Treasury Bills as at March 31, 2016

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
364D T-Bill	25-Jun-15	28-Apr-16	7.67%	4,097.94
364D T-Bill	7-Jan-16	16-Sep-16	7.20%	8,558.85
364D T-Bill	7-Jan-16	16-Sep-16	7.22%	2,380.85
364D T-Bill	29-Mar-16	5-Jan-17	7.10%	2,370.06
364D T-Bill	29-Mar-16	16-Feb-17	7.09%	940.83
Total				**18,348.53**

Treasury Bills as at March 31, 2015

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
91D T-Bill	27-Mar-15	25-Jun-15	8.24%	1,470.13
364D T-Bill	27-Mar-15	23-Jul-15	8.20%	974.17
364D T-Bill	27-Mar-15	9-Jul-15	8.20%	9,771.69
Total				**12,215.99**

Treasury Bills as at March 31, 2014

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
182D T Bill	27-Dec-13	5-Jun-14	8.70%	110.00
364D T Bill	27-Dec-13	2-Oct-14	8.82%	1,500.00
188D T Bill	28-Mar-14	2-Oct-14	8.75%	2,300.00
Total				**3,910.00**

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Certificate of Deposits with Banks as at March 31,2016

(` in Lacs)

Particulars	**Date of Investment**	**Date of Maturity**	**Rate of Interest**	**Amount**
IDBI	31-Mar-16	4-Apr-16	7.95%	5,000.00
Coporation Bank	31-Mar-16	7-Jun-16	12.00%	10,000.00
Total				**15,000.00**

Certificate of Deposits with Banks as at March 31, 2015

(` in Lacs)

Particulars	**Date of Investment**	**Date of Maturity**	**Rate of Interest**	**Amount**
Union Bank	30-Mar-15	10-Jun-15	8.60%	19,666.56
State Bank of Mysore	30-Mar-15	12-Jun-15	8.59%	2,457.18
Bank of India	31-Mar-15	15-Jun-15	8.59%	9,824.28
Corporation Bank	31-Mar-15	15-Jun-15	8.57%	9,824.68
Total				**41,772.70**

Certificate of Deposits with Banks as at March 31, 2014

(` in Lacs)

Particulars	**Date of Investment**	**Date of Maturity**	**Rate of Interest**	**Amount**
Andhra Bank	27-Mar-14	2-Jun-14	9.13%	5,000.00
Andhra Bank	27-Mar-14	2-Jun-14	9.12%	10,000.00
Indian Bank	27-Mar-14	30-May-14	9.04%	10,000.00
IDBI Bank	27-Mar-14	13-Jun-14	9.33%	7,500.00
Total				**32,500.00**

Commercial Paper as at March 31, 2014

(` in Lacs)

Particulars	**Date of Investment**	**Date of Maturity**	**Rate of Interest**	**Amount**
IFMR Capital Finance Private Limited	27-Mar-14	31-Oct-14	13.25%	1,000.00
IFMR Capital Finance Private Limited	27-Mar-14	28-Nov-14	13.25%	1,500.00
Total				**2,500.00**

Mutual Fund as at March 31, 2018, March 31,2017 , March 31,2016 and March 31,2014

Since it is an equity and debt opportunities fund under the open ended scheme the maturity date will be considered as redemption date as and when required.

Mutual Fund as at March 31, 2015

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount Invested
i) FMP- Mutual Fund				
ICICI	11-Jun-14	15-Jun-15	8.80%	1,200.00
Reliance	17-Jun-14	22-Jun-15	8.85%	2,500.00
Reliance	17-Jun-14	22-Jun-15	8.85%	1,500.00
Reliance	17-Jun-14	19-Jun-15	8.85%	1,000.00
ICICI	19-Jun-14	23-Jun-15	8.85%	1,000.00
ICICI	25-Jun-14	29-Jun-15	8.95%	900.00
HDFC	25-Jun-14	29-Jun-15	8.85%	3,200.00
HDFC	2-Jul-14	7-Jul-15	8.83%	1,500.00
Reliance	2-Jul-14	6-Jul-15	8.85%	3,300.00
ICICI	2-Jul-14	6-Jul-15	8.85%	2,000.00
ICICI	8-Jul-14	9-Jul-15	8.90%	500.00
Total (i)				**18,600.00**
ii) Shriram MF Equity and Debt Opportunity Fund -(Growth)*	22-Nov-13	NA	NA	200.00
Total (ii)				**200.00**
Total-Mutual Fund(i+ii)				**18,800.00**

* Since it is an equity and debt opportunities fund under the open ended scheme the maturity date will be considered as redemption date as and when required.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets & Liabilities **Annexure IV**

Note-15. CASH AND BANK BALANCES - Non- Current

(` in lacs)

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Other bank Balances :					
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-	-
Deposits with original maturity for more than 12 months	-	-	-	9,000.00	-
Margin money deposit *		1,200.01	1,200.01	-	1,623.00
Total	**-**	**1,200.01**	**1,200.01**	**9,000.00**	**1,623.00**
Amount disclosed under the head "other non-current assets" (Annexure IV-Refer note 13A)	**-**	**(1,200.01)**	**(1,200.01)**	**(9,000.00)**	**(1,623.00)**

Note -15. CASH AND BANK BALANCES - Current

(` in lacs)

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Cash and cash equivalents :					
Balances with banks in :					
- Current accounts	27,049.78	36,662.77	34,181.71	24,686.61	21,515.06
- Unclaimed dividend	92.56	82.92	73.18	60.61	49.53
- Deposits with original maturity of less than 3 months	150.00	950.00	2,265.00	6,500.00	88,433.35
Cash on hand	6,134.11	5,562.57	4,485.06	5,723.59	6,231.07
Total	**33,426.45**	**43,258.26**	**41,004.95**	**36,970.81**	**116,229.01**
Other bank Balances :					
Deposits with original maturity for more than 3 months but less than 12 months	16,600.00	17,450.00	-	19,600.00	90,000.00
Deposits with original maturity for more than 12 months	-	-	14,000.00	-	-
Margin money deposit *	3,183.11	3,005.18	9,185.59	21,572.40	41,059.53
Total	**53,209.56**	**63,713.44**	**64,190.54**	**78,143.21**	**247,288.54**

* Margin money deposit of ` 3,183.11 lacs as at March 31, 2018 ` 4,205.19 lacs as at March 31, 2017, ` 10,385.60 lacs as at March 31, 2016, ` 21,572.40 lacs as at March 31, 2015, and ` 42,682.53 lacs as at March 31, 2014 are pledged with banks as margin for securitisation.

Shriram City Union Finance Limited

Notes forming part of Reformatted Profit and Loss **Annexure V**

(` in lacs)

Note-16 Revenue From Operations

Particulars	For the year ended March 31				
	2018	**2017**	**2016**	**2015**	**2014**
Income from finance and other charges	496,377.31	428,225.23	365,036.22	320,474.87	287,105.23
Income on Long Term Securitisation / assignment*	2,443.49	4,388.97	6,311.56	11,169.77	20,125.24
Interest on Long Term Investment through PTC-Securitisation* *	18.55	133.30	266.00	1,256.37	1,947.22
Interest on Margin money on securitisation / assignment	258.13	690.52	1,358.45	3,112.52	4,376.11
Bad debts recovery	4,536.96	4,733.75	5,866.91	4,504.07	3,796.12
Interest on deposit with bank	1,187.44	1,466.64	2,111.29	6,571.56	1,597.51
Interest on government securities	3,296.40	3,054.66	2,147.55	880.19	42.90
Other financial services- Commission	212.52	469.35	388.52	254.62	142.78
Total	**508,330.80**	**443,162.42**	**383,486.50**	**348,223.97**	**319,133.11**

*Includes exempt income (subject to EIS tax u/s 115 TA of the Income Tax Act) for the year ended March 31, 2018 is NIL, March 31, 2017 : ` 33.90 lacs, March 31, 2016 : ` 323.08 lacs, March 31, 2015 : ` 1,020.06 lacs, and March 31, 2014 : ` 1,700.42 lacs.

**Includes exempt income for the period ending March 31, 2018 is NIL(March 31, 2017 : ` 3.08 lacs ; March 31, 2016-` 195.85 lacs March 31,2015-NIL,March 31,2014- NIL)

Note-17 Other Income (` in lacs)

Particulars	For the year ended March 31				
	2018	**2017**	**2016**	**2015**	**2014**
Dividend Income	144.50	128.43	-	284.45	5.00
Gain on sale of investments-Short Term	14.25	-	417.53	3,949.10	4,115.77
Gain on sale of investments- Long Term	1,491.06	-	-	125.51	-
Profit on sale of assets	9.73	12.64	15.51	24.05	5.85
Miscellaneous income	166.53	149.50	91.01	236.15	575.18
Provision no longer required	-	-	1,553.08	-	-
Gain on Interest rate swap	-	-	38.50	319.99	27.73
Total	**1,826.07**	**290.57**	**2,115.63**	**4,939.25**	**4,729.53**

Note-18 Employee Benefit Expenses (` in lacs)

Particulars	For the year ended March 31				
	2018	**2017**	**2016**	**2015**	**2014**
Salaries and allowances	64,859.93	50,047.34	46,797.46	36,658.39	24,485.61
Contributions to Provident fund and ESI	4,197.11	3,610.09	3,334.67	2,954.35	1,797.09
Gratuity	368.61	622.07	371.37	713.17	78.07
Staff welfare expenses	928.46	749.42	819.69	830.31	715.60
Total	**70,354.11**	**55,028.92**	**51,323.19**	**41,156.22**	**27,076.37**

Shriram City Union Finance Limited

Notes forming part of Reformatted Profit and Loss **Annexure V**

Note 19 Finance Costs **(` in lacs)**

Particulars	For the year ended March 31				
	2018	**2017**	**2016**	**2015**	**2014**
Interest expense on					
Debentures	15,105.23	16,817.82	24,856.02	36,475.89	46,551.76
Subordinate debts	13,943.98	14,092.77	14,421.66	14,938.19	15,231.08
Fixed deposits	29,445.70	32,683.12	26,667.59	14,585.61	2,048.31
Loans from banks	86,762.23	76,123.26	60,177.95	56,280.62	57,117.29
Loans from institutions and others	5,632.60	3,554.24	3,465.28	4,341.26	4,892.15
Commercial Papers	12,974.08	7,829.12	5,332.78	992.03	121.59
Other Borrowing Cost					
Bank Charges	1,138.85	956.96	824.27	954.84	1,017.36
Processing and other charges	563.46	218.88	687.22	582.83	885.61
Brokerage	1,204.96	1,165.43	1,912.11	3,578.43	5,668.42
Total	**166,771.09**	**153,441.60**	**138,344.88**	**132,729.70**	**133,533.57**

Shriram City Union Finance Limited

Notes forming part of Reformatted Profit and Loss **Annexure V**

Note-20 Other Expenses **(` in lacs)**

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Rent	5,303.11	4,923.62	4,596.52	4,015.35	3,491.95
Power and Fuel expenses	900.05	867.93	945.67	844.66	822.72
Repairs & Maintenance to Buildings	1,201.84	1,287.50	1,024.51	889.78	860.56
Repairs & Maintenance to Office Equipment	45.19	57.54	45.51	48.27	31.02
Office upkeep expenses	1,049.01	1,133.10	1,174.54	1,121.99	787.46
Rates & taxes	1,734.95	1,313.25	1,370.61	1,015.98	804.07
Printing & stationery	2,345.78	1,925.20	1,914.82	1,888.52	1,788.34
Travelling & conveyance	5,141.69	5,768.40	5,165.68	5,175.83	5,389.06
Advertisement	1,232.67	957.11	1,055.29	1,271.41	1,280.34
Business promotion expenses	5,229.53	4,734.87	4,509.80	4,234.33	1,976.18
Sourcing fees and other charges	-	-	-	-	2,542.20
Commission	13,035.81	11,383.52	8,685.53	7,144.53	5,763.67
Royalty	5,583.92	4,908.45	4,321.01	2,478.29	882.28
Directors' sitting fees	42.25	26.43	29.99	25.84	5.89
Insurance	386.48	362.23	433.63	428.84	570.43
Communication expenses	2,989.43	3,034.47	3,041.23	3,082.89	2,958.87
Payments to the auditor					
(a) Audit fees	32.70	34.64	31.30	22.87	20.24
(b) Tax audit fees	-	6.89	6.22	5.56	6.05
(c) Certification	5.45	8.15	7.37	6.69	4.93
(d) Out of pocket	14.73	7.25	11.46	11.57	11.37
Professional charges	11,642.66	9,541.05	8,668.49	8,930.75	11,124.27
Legal & Professional fees	837.23	669.78	772.89	807.01	1,030.94
Donations	10.00	-	7.45	0.20	10.70
Public issue expenses for non-convertible debentures	300.75	366.48	734.59	977.45	575.41
Loss on sale of assets	37.18	20.28	11.45	10.11	33.75
Loss on sale of investment	-	-	-	76.05	-
CSR expenses	1,400.00	688.55	649.77	9.33	-
Miscellaneous expenses	2,054.45	1,076.75	708.53	998.57	1,119.02
Total	**62,556.86**	**55,103.44**	**49,923.86**	**45,522.67**	**43,891.72**

Shriram City Union Finance Limited

Notes forming part of Reformatted Profit and Loss **Annexure V**

Note-21 PROVISIONS & WRITE-OFFS **(` in lacs)**

Particulars	For the year ended March 31				
	2018	2017	2016	2015	2014
Provision for Non performing assets	39,881.48	44,380.89	29,828.73	12,080.92	7,732.66
Contingent provision for standard assets	2,501.85	2,045.51	1,599.36	716.29	(189.53)
Bad debts written off	62,987.28	44,626.20	30,161.12	32,571.95	30,870.53
Provision for Diminution in value of Investments	-	-	45.12	11.23	5.71
Total	**105,370.61**	**91,052.60**	**61,634.33**	**45,380.39**	**38,419.37**

Notes forming part of Standalone Financial Statements for the year ended March 31, 2018

1. Corporate information

Shriram City Union Finance Limited (the Company) is a Public Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956.The Corporate Identification Number (CIN) is L65191TN1986PLC012840. Its shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company is a Deposit Accepting Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) with registration number 07-00458 as loan company. The Company operates in India.

2. Basis of preparation

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in accounting policies explained below. The complete financial statements have been prepared along with all disclosures.

2.1 Summary of significant accounting policies

a. Change in accounting policy

Pursuant to Reserve Bank of India (RBI) notification no. DNBR 011/CGM(CDS) dated March 27,2015, the Company has revised its recognition norms of Non-Performing Assets (NPA) from 120 days to 90 days and increased provision on standard assets from 0.35% to 0.40%. Had the Company continued to use the earlier policy of classification of NPA and provision for standard asset, provisions and write offs for the year ended March 31, 2018 would have been lower by ` 14,099.36 lacs, income from operations for the same period would have been higher by ` 2,934.73 lacs and profit before tax for the same period would have been higher by ` 17,034.09 lacs.

b. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates prospectively. The said difference is recognised in the books of accounts in the year in which the results materialise.

d. Fixed Assets, Depreciation/Amortisation & Impairment

(i) Tangible Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2018

(ii) Depreciation on tangible fixed assets

Depreciation on tangible fixed asset is provided on Straight Line basis ('SLM') using the rates arrived at based on the useful lives estimated by the management. The company has used the following useful life to provide depreciation on its fixed assets.

Particulars	Useful life as prescribed by Schedule II of the Companies Act 2013	Useful life estimated by the 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 Fixtures	10 years	10 years
Air Conditioner	10 years	10 years
Office Equipment	5 years	5 years
Motor Car	8 years	8 years
Vehicles	10 years	10 years
Server and Networking	6 years	6 years
Computer	3 years	3 years

Leasehold improvement is amortised on SLM over the lease term subject to a maximum period of 60 months.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of acquisition/sale.

(iii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of useful life of the intangible asset.

Particulars	Rates (SLM)
Computer software	33.33%

Amoritisation on assets acquired /sold during the year is recognised on pro-rata basis to the statement of Profit & Loss till the date of acquisition/sale.

(iv) Impairment of fixed 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 greater of the asset's net selling price and value in use. In assessing the 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 assets.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. The reversal of impairment is recognised in Statement of Profit and Loss ,unless the same is carried at revalued amount and treated as revaluation reserve.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2018

e. Borrowing costs

Borrowing costs includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and are charged to the statement of profit and loss. Ancillary and other borrowing costs are also charged to statement of profit and loss in the year in which they are incurred.

f. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

g. Provision / Write-off of assets

Provision for standard assets and Non-performing assets are made as per estimates of the management, subject to the minimum provision required as per RBI Directions as modified from time to time.

h. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

i. Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

j. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The revenue recognition are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Gain arising on securitization/direct assignment of assets is recognised over the tenure of agreements. Pre securitisation Expenditure or Loss, is recognised upfront.

(iv) Income from services is recognised as per the terms of the contract on accrual basis.

(v) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vi) Dividend is recognised as income in the year in which right to such dividend is established.

(vii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

k. Foreign currency transaction and balances

i) Initial recognition : Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

ii)Conversion : Foreign currency monetary items at Balance Sheet date are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

iii)Exchange differences : All exchange differences are dealt in the Statement of Profit and Loss.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2018

l. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying value of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

n. Employee stock compensation cost

In accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India, the Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

o. Retirement and other employee benefits

(i)Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

(ii)Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering all eligible 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 year mentioned under ‘The Payment of Gratuity Act, 1972’. The Company accounts for liability of future gratuity benefits based on an actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.The Company recognises the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with AS-15 ‘Employee Benefits'. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred. The company has funded gratuity scheme managed through "SCUF Employees' Group Gratuity Trust".

Notes forming part of Standalone Financial Statements for the year ended March 31, 2018

(iii)Leave Encashment

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting 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.

q. Debentures issue expenses

Expenses for private placement of debentures are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

r. Provisions

A provision is recognised when the Company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

t. 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 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 Company does not recognise a contingent liability but discloses its existence in the financial statements.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2017

1. Corporate information

Shriram City Union Finance Limited (the Company) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956.The Corporate Identification Number (CIN) is L65191TN1986PLC012840. Its shares are listed on Bombay Stock Exchange Ltd.(BSE) and National Stock Exchange of India Ltd.(NSE). The Company is a Deposit Accepting Non Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) with registration number 07-00458. The Company operates in India.

2. Basis of preparation

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in accounting policies explained below. The complete financial statements have been prepared along with all disclosures.

2.1 Summary of significant accounting policies

a. Change in accounting policy

(i) As per the requirements of pre-revised AS 4, the Company used to create a liability for dividend proposed/ declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the company cannot create provision for dividend proposed/ declared after the balance sheet date unless a statute requires otherwise. Rather, company will need to disclose the same in notes to the financial statements. Accordingly, the company has disclosed dividend proposed by board of directors after the balance sheet date in the notes.

Had the company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss would have been lower by Rs. 7936.79 lacs and current provision would have been higher by Rs.7936.79 lacs (including dividend distribution tax of Rs.1342.45 lacs).

(ii) Pursuant to Reserve Bank of India (RBI) notification no. DNBR 011/CGM(CDS) dated March 27,2015, the Company has revised its recognition norms of Non-Performing Assets (NPA) from 150 days to 120 days and increased provision on standard assets from 0.30% to 0.35%. Had the Company continued to use the earlier policy of classification of NPA and provision for standard asset, provisions and write offs for year ended March 31, 2017 would have been lower by Rs. 15599.03 lacs, income from operations for the same period would have been higher by Rs. 959.77 lacs and profit before tax for the same period would have been higher by Rs. 16558.79 lacs.

b. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates prospectively.The said difference is recognised in the books of accounts in the year in which the results materialise.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2017

d. Fixed Assets, Depreciation/Amortisation & Impairment

Tangible Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

Depreciation on tangible fixed assets

Depreciation on tangible fixed asset is provided on Straight Line basis ('SLM') using the rates arrived at based on the useful lives estimated by the management. The company has used the following useful life to provide depreciation on it's fixed assets.

Particulars	**Useful life as prescribed by Schedule II of the Companies Act 2013**	**Useful life estimated by the 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 Fixtures	10 years	10 years
Air Conditioner	10 years	10 years
Office Equipment	5 years	5 years
Motor Car	8 years	8 years
Vehicles	10 years	10 years
Server and Networking	6 years	6 years
Computer	3 years	3 years

Leasehold improvement is amortised on SLM over the lease term subject to a maximum of 60 months.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of acquisition/sale.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of useful life of the intangible asset.

Particulars	**Rates (SLM)**
Computer software	33.33%

Amoritisation on assets acquired /sold during the year is recognised on pro rata basis to the statement of profit & Loss till the date of acquisition/sale.

Impairment of fixed 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 greater of the assets, net selling price and value in use. In assessing the 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 assets

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. The reversal of impairment is recognised in Statement of Profit and Loss ,unless the same is carried at revalued amount and treated as revaluation reserve

e. Borrowing costs

Borrowing costs includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to statement of profit and loss in the year in which they are incurred.

f. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

g. Provision / Write-off of assets

Provision for standard assets and Non-performing assets are made as per estimates of the management, subject to the minimum provision required as per RBI Directions as modified from time to time.

h. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

i. Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

j. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The revenue recognisation are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Gain arising on securitization/direct assignment of assets is recognised over the tenure of agreements. Pre securitisation Expenditure or Loss, is recognised upfront.

(iv) Income from services is recognised as per the terms of the contract on accrual basis.

(v) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vi) Dividend is recognised as income in the year in which right to such dividend is established.

(vii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

k. Foreign currency translation and balances

Initial recognition : Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion : Foreign currency monetary items at Balance Sheet date are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.
Exchange differences : All exchange differences are dealt in the Statement of Profit and Loss.

l. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying value of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

n. Employee stock compensation cost

In accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India, the Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

o. Retirement and other employee benefits

(i)Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

(ii)Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering all eligible 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 year mentioned under ‘The Payment of Gratuity Act, 1972’. The Company accounts for liability of future gratuity benefits based on an actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with AS-15 ‘Employee Benefits'. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred. The company has funded gratuity scheme managed through "SCUF Employees' Group Gratuity Trust".

(iii)Leave Encashment

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting 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.

q. Debentures issue expenses

Expenses for private placement of debentures are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

r. Provisions

A provision is recognised when the Company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

t. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

u. 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 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 Company does not recognise a contingent liability but discloses its existence in the financial statements.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

1. Corporate information

Shriram City Union Finance Limited (the Company) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956.The Corporate Identification Number (CIN) is L65191TN1986PLC012840. Its shares are listed on Bombay Stock Exchange Ltd.(BSE) and National Stock Exchange of India Ltd.(NSE). The Company is a Deposit Accepting Non Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) with registration number 07-00458. The Company operates in India.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP), including the accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the guidelines issued by RBI as applicable to NBFCs. The financial statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except the changes in accounting policy mentioned below.

2.1 Summary of significant accounting policies

a. Change in accounting policy

Pursuant to Reserve Bank of India (RBI) notification no. DNBR 011/CGM(CDS) dated March 27,2015, the Company has revised its recognition norms of Non-performing Assets (NPA) from 180 days to 150 days and increased provision on standard assets from 0.25% to 0.30%. As a result of the above change, total amount of provision inclusive of income de-recognition in this respect increased by ` 17,700 lacs with a consequent impact on profit before tax for the year ended on 31st March 2016.

b. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised in current and future years.

d. Fixed Assets, Depreciation & Impairment

(i) Tangible assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

Losses arising from the retirment of, and gains or losses arising from disposal of tangible assets which are carried at cost are recgnised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method at the rates prescribed under Schedule II to the Companies Act, 2013.

(ii) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses,if any. Intangible assets are amortised on a straight line basis as per rates mentioned below

Particulars	Rates (SLM)
Computer software	33.33%

(iii) Impairment of fixed assets

The Company assesses at each balance sheet date if there is an indication of impairment of any asset. If any indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is greater of net selling price and value in use of the asset. Where the carrying amount of an asset is more than its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The value in use is the estimated future cash flows discounted to their present value at pre-tax discount rate which reflects current market assessment of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each Balance Sheet date about existence or decrease of previously recognised impairment losses. If such indication exists, the Company estimates the asset’s recoverable amount. A previously recognised impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

e. Capital advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realise them in cash and over a period of time these advances get converted into fixed assets which are non-current by nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under "long-term loans and advances".

f. Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to statement of profit and loss in the year in which they are incurred.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

g. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

h. Provision/write off of assets

Provision for standard assets and Non-performing assets are made as per estimates of the management, subject to the minimum provision required as per RBI Directions as modified from time to time.

i. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

j. Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

k. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The revenue recognisation are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Gain arising on securitization/direct assignment of assets is recognised over the tenure of agreements. Pre securitisation Expenditure or Loss, is recognised upfront.

(iv) Income from services is recognised as per the terms of the contract on accrual basis.

(v) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vi) Dividend is recognised as income when right to receive payment is established by the date of balance sheet.

(vii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

l. Foreign currency translation and balances

Initial recognition : Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion : Foreign currency monetary items are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

Exchange differences : All exchange differences are dealt within the Statement of Profit and Loss.

m. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

n. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

o. Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India (ICAI).The Company measures cost relating to employees stock option by intrinsic value method. Compensation expenses is amortised on straight line method over the period of vesting of options.

p. Retirement and other employee benefits

(i)Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

(ii)Gratuity

The Company provides for 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 year mentioned under ‘The Payment of Gratuity Act, 1972’. The Company accounts for liability of future gratuity benefits based on an actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred.

(iii)Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting 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 period are adjusted for the effects of all dilutive potential equity shares.

r. Debentures issue expenses

Expenses for private placement of debentures/subordinated debts/deposits are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

s. Provisions

A provision is recognised when the Company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

t. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

u. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

v. 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, which are beyond the control of the Company. A contingent liability also includes 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 where, a liability cannot be measured reliably. The Company does not recognise a contingent liability in the accounts but discloses its existence in the financial statements.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

1. Corporate information

Shriram City Union Finance Limited (the Company) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956.The Corporate Identification Number (CIN) is L65191TN1986PLC012840. Its shares are listed on Bombay Stock Exchange Ltd.(BSE) and National Stock Exchange of India Ltd(NSE). The Company's shares got delisted from Madras Stock Exchange (MSE) voluntarily with effect from February 23, 2015. The Company is a Deposit Accepting Non Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) with registration number 07-00458. The Company operates in India.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP), including the accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the guidelines issued by RBI as applicable to NBFCs. The financial statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except the changes in accounting policy mentioned below.

2.1 Summary of significant accounting policies

a. Change in accounting policy

Presentation and disclosure of financial statements

During the year 2014-15, the revised Schedule III notified under the Companies Act 2013, became applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, there is a change in method of calculation of depreciation under schedule II of the Companies Act 2013. Accordingly depreciation has been calculated based on said schedule II, impact of such change has been disclosed in Note 9 to the financial statements.

b. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management’s best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised in current and future years.

d. Fixed Assets, Depreciation & impairment

(i) Tangible Fixed Assets

Fixed assets, are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and directly attributable cost for bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenditure is incurred.

Gains or losses arising from derecognition of fixed 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.

(ii) Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(iii) Depreciation on Tangible fixed assets

Depreciation on fixed assets is provided based on the useful lives prescribed under the Schedule II to the Companies Act, 2013 with effect from April 1,2014.

Leasehold improvements are amortised on SLM over the primary period of lease subject to a maximum of 60 months. Depreciation on assets acquired /sold during the year is recognised on a prorata basis in the Statement of Profit and Loss account from the date of acquisition or till the date of sale , as the case may be.

(iv) Depreciation on Intangible assets

Amortisation is provided on Straight Line Method (‘SLM’), which reflects the management’s estimate of the useful life of the intangible asset. The Company has used the following rate to provide depreciation on the intangible assets.

Particulars	**Rates (SLM)**
Computer software	33.33%

Amortisation of assets acquired/sold during the year is recognised on prorata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

(v) Impairment of assets

The Company assesses at each balance sheet date if there is an indication of impairment of any asset. If any indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is greater of net selling price and value in use of the asset. Where the carrying amount of an asset is more than its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The value in use is the estimated future cash flows discounted to their present value at pre-tax discount rate which reflects current market assessment of the time value of money and risk specific to the asset.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each Balance Sheet date about existence or decrease of previously recognised impairment losses. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

e. Capital advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realise them in cash and over a period of time these advances get converted into fixed assets which are non-current by nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under "long-term loans and advances".

f. Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to statement of profit and loss in the year in which they are incurred.

g. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

h. Provision/write off of assets

Non performing loans are written off / provided for, as per estimates of management, subject to the minimum provision required as per Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Provision on standard assets is made as required under Reserve Bank of India (RBI) notification No. DNBS.222/CGM (US-2011) dated January 17, 2011.

i. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

j. Leases

Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

k. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Gain arising on securitization/direct assignment of assets is recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI. Loss or expenditure in respect of securitisation / assignment, if any, is recognised upfront.

(iv) The prudential norms for income recognition prescribed under Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 are followed.

(v) Income from services is recognised as per the terms of the contract on accrual basis.

(vi) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vii) Dividend is recognised as income when right to receive payment is established by the date of balance sheet.

(viii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

l. Foreign currency translation and balances

Initial recognition : Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion : Foreign currency monetary items are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

Exchange differences : All exchange differences are dealt within the Statement of Profit and Loss.

m. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

n. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

o. Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India (ICAI).The Company measures cost relating to employees stock option by intrinsic value method. Compensation expenses is amortised on straight line method over the period of vesting of options.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

p. Retirement and other employee benefits

(i)Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

(ii)Gratuity

The Company provides for 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 year mentioned under ‘The Payment of Gratuity Act, 1972’. The Company accounts for liability of future gratuity benefits based on an actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred.

(iii)Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

q. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting 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 period are adjusted for the effects of all dilutive potential equity shares.

r. Expenses on deposits / debentures

Expenses for private placement of debentures/subordinated debts/deposits are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

s. Provisions

A provision is recognised when the Company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best

Notes forming part of Standalone Financial Statements for the year ended March 31, 2015

t. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

u. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

v. 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, which are beyond the control of the Company. A contingent liability also includes 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 where, a liability cannot be measured reliably. The Company does not recognise a contingent liability in the accounts but discloses its existence in the financial statements.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2014

1. Corporate information

Shriram City Union Finance Limited (the company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange Ltd. (BSE),National Stock Exchange of India Ltd.(NSE) and Madras Stock Exchange Ltd.(MSE). The company is a Deposit Accepting Non Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI). The company operates in India.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended, the relevant provisions of the Companies Act, 1956 and the guidelines issued by RBI as applicable to NBFCs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except the changes in accounting policy mentioned below.

2.1 Summary of significant accounting policies

a. Change in accounting policy

Presentation and disclosure of financial statements

During 2011-12, the revised Schedule VI notified under the Companies Act 1956, became applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements

b. Current / Non-current classification of assets / liabilities

Pursuant to applicability of Revised Schedule VI on presentation of financial statements for 2011-12; the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

c. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised in current and future years.

d. Tangible fixed assets

Fixed assets, are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and directly attributable cost for bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2014

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenditure is incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds

and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

e. Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

f. Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on Straight Line Method (SLM) by using the rates arrived at based on the useful lives estimated by the management, which are greater than or equal to the rates prescribed under the Schedule XIV to the Companies Act, 1956.

Leasehold improvements are amortised on SLM over the primary period of lease subject to a maximum of 60 months. All fixed assets individually costing Rs 5,000 or less are fully depreciated in the year of installation. Depreciation on assets acquired /sold during the year is recognised on a prorata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

g. Depreciation on intangible assets

Amortisation is provided on Straight Line Method (‘SLM’), which reflects the management’s estimate of the useful life of the intangible asset. The company has used the following rate to, provide depreciation on the intangible assets.

Particulars	**Rates (SLM)**
Computer software	33.33%

Amortisation on assets acquired/sold during the year is recognised on prorata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

h. Impairment of assets

The company assesses at each balance sheet date if there is an indication of impairment of any asset. If any indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is greater of net selling price and value in use of the asset. Where the carrying amount of an asset is more than its recoverable amount, the asset is considered impaired and is written down to it’s recoverable amount.. The value in use is the estimated future cash flows discounted to their present value at pre-tax discount rate which reflects current market assessment of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each Balance Sheet date about existence or decrease of previously recognised impairment losses. If such indication exists, the company estimates the asset’s recoverable amount. A previously recognised impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2014

i. Capital advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realise them in cash and over a period of time these advances get converted into fixed assets which are non-current by nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under "long-term loans and advances".

j. Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to till the date of sale or from the date of acquisition in the year in which they are incurred.

k. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

l. Provision/write off of assets

Non performing loans are written off / provided for, as per estimates of management, subject to the minimum provision required as per Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Provision on standard assets is made as required under Reserve Bank of India (RBI) notification No. DNBS.222/CGM (US-2011) dated January 17, 2011.

m. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

n. Leases

Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2014

o. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The revenue recognisation are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Gain arising on securitization/direct assignment of assets is recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI. Loss or expenditure in respect of securitisation / assignment, if any, is recognised upfront.

(iv) The prudential norms for income recognition prescribed under Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 are followed.

(v) Income from services is recognised as per the terms of the contract on accrual basis.

(vi) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vii) Dividend is recognised as income when right to receive payment is established by the date of balance sheet.

(viii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

p. Foreign currency translation

Foreign currency transactions and balances

Initial recognition : Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion : Foreign currency monetary items are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

Exchange differences : All exchange differences are dealt with in the Statement of Profit and Loss.

q. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2014

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

r. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

s. Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India (ICAI).The company measures cost relating to employees stock option by intrinsic value method. Compensation expenses is amortised on straight line method over the period of vesting of options.

t. Retirement and other employee benefits

Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

Gratuity

The Company provides for 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 year mentioned under ‘The Payment of Gratuity Act, 1972’. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred.

Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

u. Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

Notes forming part of Standalone Financial Statements for the year ended March 31, 2014

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 period are adjusted for the effects of all dilutive potential equity shares.

v. Expenses on deposits / debentures

Expenses for private placement of debentures/subordinated debts/deposits are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

w. Provisions

A provision is recognised when the company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

x. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

y. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

z. 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, which are beyond the control of the company. A contingent liability also includes 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 where, a liability cannot be measured reliably. The company does not recognise a contingent liability in the accounts but discloses its existence in the financial statements.

Shriram City Union Finance Limited - Standalone

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

Note - 22 Earnings per share (EPS)

Particulars	**For the year ended March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Net Profit after tax as per statement of profit and loss (Rs. in lacs) **(A)**	66,472.05	55,605.99	52,978.03	55,806.39	52,114.32
Weighted average number of equity shares for calculating Basic EPS (in lacs) **(B)**	659.52	659.34	659.16	647.57	580.60
Weighted average number of equity shares for calculating Diluted EPS (in lacs) **(C)**	660.01	660.05	660.03	648.65	582.06
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) **(A) / (B)**	100.79	84.34	80.37	86.18	89.76
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) **(A) / (C)**	100.71	84.24	80.27	86.03	89.53

Particulars	**For the year ended March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Weighted average number of equity shares for calculating Basic EPS (No.in lacs)	659.52	659.34	659.16	647.57	580.60
Add : Equity shares for no consideration arising on grant of stock options under ESOP (in lacs)	0.49	0.71	0.87	1.08	1.46
Weighted average number of equity shares in calculating Diluted EPS (in lacs)	660.01	660.05	660.03	648.65	582.06

Note - 23 Gratuity and other post-employment benefit plans:

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

Note : The company had an unfunded defined benefit gratutiy plan till FY 2015-16 which was funded through SCUF Employee's Group Gratuity Trust from FY 2016-17.

Consequent to the adoption of Accounting Standard 15 'Employee Benefits' (revised), the following disclosures

Statement of Profit and Loss

Net employee benefit expense (recognised in the employee cost)

(` in Lacs)

Particulars	Gratuity				
	For the year ended March 31,				
	2018	2017	2016	2015	2014
Current service cost	493.94	474.66	466.95	235.81	209.18
Interest cost on benefit obligation	30.80	180.49	158.00	93.63	84.99
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Net actuarial (gain)/loss recognised in the year	(277.19)	(33.08)	253.59	383.73	(216.10)
Past service cost	121.06	-	-	-	-
Net benefit expense	**368.61**	**622.07**	**878.54**	**713.17**	**78.07**
Actual return on plan assets	175.76	N.A.	N.A.	N.A.	N.A.

Balance sheet

Benefit assets/(liability) **(` in Lacs)**

Particulars	Gratuity				
	As at March 31				
	2018	2017	2016	2015	2014
Present value of defined benefit obligation	3,045.11	2,732.94	2,270.36	1,955.49	1,005.76
Fair value of plan assets	(2,248.63)	(2,305.07)	N.A.	N.A.	N.A.
Total	796.48	427.87	2,270.36	1,955.49	1,005.76
Less: Unrecognised past service cost	-	-	-	-	-
Plan asset / (liability)*	(796.48)	**(427.87)**	**(2,270.36)**	(1,955.49)	(1,005.76)

Changes in the present value of the defined benefit obligation are as follows:

(` in Lacs)

Particulars	Gratuity				
	As at March 31				
	2018	2017	2016	2015	2014
Opening defined benefit obligation	2,732.94	2,270.36	1,955.49	1,005.76	1,062.37
Interest cost	196.76	180.49	158.00	93.64	84.99
Current service cost	493.94	474.66	469.95	235.81	209.18
Past Service Cost	121.06	-	-	-	-
Transferred In Liability	-	-	-	282.28	(86.04)
Transferred Out Liability	-	(20.02)	11.84	-	-
Benefits paid	(232.20)	(174.19)	(68.34)	(45.73)	(48.64)
Actuarial (gains) / losses on obligation	(267.39)	1.64	(253.58)	383.73	(216.10)
Closing defined benefit obligation	**3,045.11**	**2,732.94**	**2,270.36**	**1,955.49**	**1,005.76**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(` in lacs)

	Gratuity				
Particulars	**As at March 31**				
	2018	**2017**	**2016**	**2015**	**2014**
Investments with insurer	2,248.63	2,305.07	NA	NA	NA

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	**Gratuity**				
	As at March 31				
	2018	**2017**	**2016**	**2015**	**2014**
Discount Rate	7.56%	7.20%	7.95%	8.08%	9.31%
Increase in compensation cost	5.00%	5.00%	5.00%	5.00%	5.00%
Employee Turnover	3% & 31%	2% & 13%	2.00%	2.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation, are on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Gratuity and Other Post-Employment Benefit Plans:

Amounts for the current and previous four years are as follows:

(` in Lacs)

Particulars	**As at March 31**				
	2018	**2017**	**2016**	**2015**	**2014**
Present value of defined benefit obligation	3,045.11	2,732.94	2,270.36	1,955.49	1,005.76
Plan assets	2,248.63	2,305.07	NA	NA	NA
Surplus / (deficit)	(796.48)	(427.87)	(2,270.36)	(1,955.49)	(1,005.76)
Experience adjustments on plan liabilities	(56.96)	(143.41)	(294.08)	(84.58)	(89.71)
Experience adjustments on plan assets	9.79	34.72	NA	NA	NA

The Company has a leave encashment policy. The leave encashment liability is computed based on actuarial valuation and stands at ` 1,644.65 lacs as on March 31, 2018 (March 31, 2017 : ` 1,184.07 lacs, March 31, 2016 : ` 752.51 lacs, March 31, 2015 : ` 562.32 lacs , March 31, 2014 : ` 395.16 lacs)

Note -24 EMPLOYEE STOCK OPTION PLAN

24.1 The Company provides share-based payment schemes to its Employees. 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

The details of Series 1 have been summarised below:

	As at March 31, 2018		As at March 31, 2017		As at Mar 31, 2016		As at Mar 31, 2015		As at March 31, 2014	
Particulars	**Number of Shares**	**Weighted Average Exercise Price(in `)**	**Number of Shares**	**Weighted Average Exercise Price(in `)**	**Number of Shares**	**Weighted Average Exercise Price(in `)**	**Number of Shares**	**Weighted Average Exercise Price(in `)**	**Number of Shares**	**Weighted Average Exercise Price(in `)**
Outstanding at the beginning of the year	72,480	35.00	88,730	35.00	110,270	35.00	151,610	35.00	188,660	35.00
Add: Granted during the year	-	-	-	-	-	-	-	-	-	-
Less: Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Less: Exercised during the year	22,360	35.00	16,250	35.00	21,540	35.00	41,340	35.00	37,050	35.00
Less: Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the period	50,120	35.00	72,480	35.00	88,730	35.00	110,270	35.00	151,610	35.00
Exercisable at the end of the period	-	-	-	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	2.55	-	3.55	-	4.55	-	5.55	-	6.55
Weighted average fair value of options granted	-	227.42	-	227.42	-	227.42	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

As at March 31,	Range of exercise prices (in `)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price (in `)
2018	35.00	50,120	2.55	35.00
2017	35.00	72,480	3.55	35.00
2016	35.00	88,730	4.55	35.00
2015	35.00	110,270	5.55	35.00
2014	35.00	151,610	6.55	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:

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.

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

(` in Lacs)

Particulars	As at March 31				
	2018	**2017**	**2016**	**2015**	**2014**
Compensation cost pertaining to equity-settled employee share-based payment plan included	-	-	-	-	-
Liability for employee stock options outstanding as at end of period	113.50	164.13	200.93	249.71	343.32
Deferred compensation cost	Nil	Nil	Nil	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:

Particulars	As at March 31				
	2018	**2017**	**2016**	**2015**	**2014**
Profit as reported (` in lacs)	66,472.05	55,605.99	52,978.03	55,806.39	52,114.32
Add: Employee stock compensation under intrinsic value method (` in lacs)	-	-	-	-	-
Less: Employee stock compensation under fair value method (` in lacs)	-	-	-	-	-
Proforma profit (` in lacs)	66,472.05	55,605.99	52,978.03	55,806.39	52,114.32
Less: Preference Dividend	-	-	-	-	
Proforma Net Profit for Equity Shareholders (` in lacs)	66,472.05	55,605.99	52,978.03	55,806.39	52,114.32
Earnings per share					
Basic (`)					
- As reported	100.79	84.34	80.37	86.18	89.76
- Proforma	100.79	84.34	80.37	86.18	89.76
Diluted (`)					
- As reported	100.71	84.24	80.27	86.03	89.53
- Proforma	100.71	84.24	80.27	86.03	89.53

24.2 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-25 SEGMENT INFORMATION

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.)

Shriram City Union Finance Limited - Standalone

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

Note 26. RELATED PARTY DISCLOSURE

For the year ended March 31,2018

I) Key Managerial Personnel

a. Mr. R Duruvasan, Managing Director & CEO
b. Mr. R Chandrasekar, Chief Financial Officer
c.. Mr. C R Dash, Company Secretary - CRD

II) Subsidiary

a. Shriram Housing Finance Limited -SHFL

III) Enterprises having significant influence

a. Shriram Capital Limited-SCL
b. Shriram Ownership Trust-SOT
c. Dynasty Acquisition FPI Limited-DAFL
d. Piramal Enterprises Limited-PEL

For the year ended March 31,2017

I) Key Managerial Personnel

a. Mr. R Duruvasan, Managing Director & CEO
b. Mrs. Subhasri Sriram, Chief Financial Officer (up to January 30, 2017)
c. Mr. R Chandrasekar,Chief Financial Officer (From January 30, 2017)
d. Mr. C R Dash, Company Secretary

II) Subsidiaries

a. Shriram Housing Finance Limited (SHFL)

III) Enterprises having significant influence over the Company

a. Shriram Capital Limited- SCL
b. Shriram Ownership Trust-SOT
c. Dynasty Acquisition FPI Limited
d. Piramal Enterprises Limited

For the year ended March 31,2016

I) Key Managerial Personnel

a. Mr. R Duruvasan, Managing Director & CEO
b. Mrs. Subhasri Sriram, Chief Financial Officer
c. Mr. C R Dash, Company Secretary

II) Relatives of Key Managerial Personnel
a. Ms. A. Komaleeswari (Spouse of Mr. R Duruvasan)
b. Mr. Aiyneni Ramachandra Naaidu (Father of Mr. R Duruvasan)
c. Ms. Aiyneni Ammayamma (Mother of Mr. R Duruvasan)
d. Mr. Aiyneni Vamsi Krishna (Son of Mr. R Duruvasan)
e. Mr. B. Perumal (Brother of Mr. R Duruvasan)
f. Ms. S.Usha Rani (Sister of Mr. R Duruvasan)
g. Mr. Sriram (Spouse of Mrs. Subhasri Sriram)
h. Mr. Sankaralingam (Father of Mrs. Subhasri Sriram)
i. Ms. Gomathy Lingam (Mother of Mrs. Subhasri Sriram)
j. Mr. Sailesh Sriram (Son of Mrs. Subhasri Sriram)
k. Ms. Shewta Sriram (Daughter of Mrs. Subhasri Sriram)
l. Ms. Sasmita Dash (Spouse of Mr. C R Dash)
m. Mr. Durga Charan Dash (Father of Mr. C R Dash)
n. Ms. Radhamani Dash (Mother of Mr. C R Dash)
o. Mr. Abhijit Dash (Son of Mr. C R Dash)

III) Subsidiaries
a. Shriram Housing Finance Limited (SHFL)

IV) Enterprises having significant influence over the Company
a. Shriram Capital Limited (SCL)
b. Dynasty Acquisition FPI Limited (From 15th May, 2015)
c. Shriram Ownership Trust (SOT)
d. Piramal Enterprises Limited (PEL)
e.TPG India Investments I INC (Upto 11th May, 2015)

I) Key Managerial Personnel
a. Mr. R Duruvasan, Managing Director & CEO
b. Mrs. Subhasri Sriram, CFO
c. Mr. C R Dash, CS

II) Relatives of Key Managerial Personnel
a. Ms. A. Komaleeswari (Spouse of Mr. R Duruvasan)
b. Mr. Aiyneni Ramachandra Naaidu (Father of Mr. R Duruvasan)
c. Ms. Aiyneni Ammayamma (Mother of Mr. R Duruvasan)
d. Mr. Aiyneni Vamsi Krishna (son of Mr. R Duruvasan)
e. Mr. B. Perumal (Brother of Mr. R Duruvasan)
f. Ms. S.Usha Rani (Sister of Mr. R Duruvasan)
g. Mr. Sriram (Spouse of Mrs. Subhasri Sriram)
h. Mr. Sankaralingam (Father of Mrs. Subhasri Sriram)
i. Ms. Gomathy Lingam (Mother of Mrs. Subhasri Sriram)
j. Mr. Sailesh Sriram (Son of Mrs. Subhasri Sriram)
k. Ms. Shewta Sriram (Daughter of Mrs. Subhasri Sriram)

l. Ms. Sasmita Dash (Spouse of Mr. C R Dash)
m. Mr. Durga Charan Dash (Father of Mr. C R Dash)
n. Ms. Radhamani Dash (Mother of Mr. C R Dash)
o. Mr. Abhijit Dash (Son of Mr. C R Dash)

III) Subsidiary

a. Shriram Housing Finance Limited

IV) Associates

a. Shriram Capital Ltd
b. TPG India Investments I INC

For the year ended March 31,2014

I) Subsidiary

a. Shriram Housing Finance Limited -SHFL (from 9 th November 2010) (SHFL)

II) Other Related Parties

a. Shriram Entreprises Holding Privated Limited (SEHPL)*
b. Shriram Retail Holdings Private Limited (SRHPL)*
C. Shriram Capital Limited
d. TPG India Investments I INC(TPGI)
e. Shriram Ownership Trust (SOT)

III)Key Managerial Personnel

a. R Duruvasan, Managing Director
b. G.S.Sundararajan,Managaing Director

IV) Relatives of Key Managerial Personnel

a. A.Komaleeswari(spouse of R.Duruvasan)
b.Nithya Sundararajan(spouse of G.S.Sundararajan)

Shriram City Union Finance Limited

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

IV) Details of Transactions

` in lacs

Particulars	Enterprises having significant influence over the company				
	As at March 31,				
	2018	2017	2016	2015	2014
Payments/Expenses					
Royalty to SOT	5,583.92	4,908.45	4,321.01	2,479.88	882.28
Data sourcing Fess to SOT	-	-	-	-	363.17
Service charges to SOT	-	-	-	-	2,179.03
Reimbursement of rent and other expenses	518.00	476.49	349.02	208.27	-
License Fees to SCL	1,693.97	2,203.75	2,137.36	1,916.89	1,666.86
Equity dividend to SRHPL*	-	-	-	-	1,596.63
Equity dividend to TPGI	-	-	-	-	536.88
Equity dividend to SCL	3,563.02	3,340.34	3,451.68	-	1,382.75
Equity dividend to DAFL	2,147.50	2,013.28	2,080.39	-	-
Equity dividend to PEL	1,052.77	986.98	1,019.88	-	-
Coversion warrants into equity/securities	-	-	-	-	17,385.00
Balance outstanding as at					
Share Capital held by SCL	2,226.89	2,226.89	2,226.89	2,226.89	2,226.89
Share Capital held by DAFL/TPGI	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	-	-
Share Capital held by CRD	-	-	-	-	-
Investment of SCL	282.08	329.62	-	-	-
Outstanding Expenses to SCL	170.86	155.43	14.40	11.83	-
Outstanding Expenses to SOT	1,330.52	1,029.79	503.90	-	626.88

* SRHPL/SEHPL stands merged with Shriram City Union Finance Limited as on March 31,2014 (Refer Annexure IV note no 3.1)

Shriram City Union Finance Limited

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

` in lacs

Particulars	Subsidiaries				
	As at March 31,				
	2018	2017	2016	2015	2014
Payments/Expenses					
Royalty to SOT	-	-	-	-	-
Reimbursement of rent and other expenses	-	-	-	-	-
License Fees to SCL	-	-	-	-	-
Rent and other expenses to SHFL	298.26	269.87	160.08	156.63	138.00
Loan given to SHFL	-	-	-	14,200.00	2,500.00
paymeny of loan given by SHFL	-	-	-	7,400.00	-
Interest on borrowings from SHPL	-	-	-	18.66	-
Equity dividend to SCL	-	-	-	-	-
Equity dividend to DAFL	-	-	-	-	-
Equity dividend to PEL	-	-	-	-	-
Equity dividend to CRD	-	-	-	-	-
Payments to Key Managerial Personnel	-	-	-	-	-
Security Deposits to SHFL	157.94	-	-	-	-
Investment in equity sharings in SHFL	-	-	-	-	9,544.00
Receipts/Income					
Commision and sublease income - SHFL	-	-	295.36	298.60	186.90
Reimbursement of expenses from - SHFL	92.08	31.13	23.76	8.72	4.58
Repayment of loan - SHFL	-	-	-	14,200.00	2,500.00
Interest of loan - SHFL	-	-	-	155.42	-
Loan from SHFL	-	-	-	7,400.00	-
Sale on land	-	-	-	0.28	-
Balance outstanding as at					
Share Capital held by SCL	-	-	-	-	-
Share Capital held by DAFL	-	-	-	-	-
Share Capital held by PEL	-	-	-	-	-
Share Capital held by CRD	-	-	-	-	-
Investment of SCL	-	-	-	-	-
Investment in Shares of SHFL	16,544.00	16,544.00	16,544.00	16,544.00	16,544.00
Security deposits with SHFL	275.32	117.38	117.38	117.38	117.38
Outstanding Expenses to SHFL	-	25.04	0.54	0.71	
Outstanding Receivable from SHFL	11.40	-	43.74	32.17	17.19
Outstanding Expenses to SCL	-	-	-	-	-
Outstanding Expenses to SOT	-	-	-	-	-

Shriram City Union Finance Limited

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

` in lacs

Particulars	Director/ Key Managerial Personnel				
	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Payments/Expenses					
Royalty to SOT	-	-	-	-	-
Reimbursement of rent and other expenses	-	-	-	-	-
License Fees to SCL	-	-	-	-	-
Rent and other expenses to SHFL	-	-	-	-	-
Equity dividend to SCL	-	-	-	-	-
Equity dividend to DAFL	-	-	-	-	-
Equity dividend to PEL	-	-	-	-	-
Equity dividend to CRD	1.32	1.24	1.36	1.39	0.79
Payments to Key Managerial Personnel	149.91	103.99	114.38	171.77	127.49
Security Deposits to SHFL	-	-	-	-	-
Receipts/Income			-	-	-
Reimbursement of expenses from - SHFL	-	-	-	-	-
Balance outstanding as at					
Share Capital held by SCL	-	-	-	-	-
Share Capital held by DAFL	-	-	-	-	-
Share Capital held by PEL	-	-	-	-	-
Share Capital held by CRD	0.83	0.83	0.91	0.91	0.45
Investment of SCL	-	-	-	-	-
Investment in Shares of SHFL	-	-	-	-	-
Security deposits with SHFL	-	-	-	-	-
Outstanding Expenses to SHFL	-	-	-	-	-
Outstanding Receivable from SHFL	-	-	-	-	-
Outstanding Expenses to SCL	-	-	-	-	-
Outstanding Expenses to SOT	-	-	-	-	-
			-	-	-

Note - 27 Contingent Liabilities And Commitments To The Extent Not Provided For

I) Contingent Liabilities

(` in lacs)

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
a. Income Tax	2,990.65	2,990.65	2,956.88	4,831.24	7,570.87
b. Value Added Tax	137.52		-	-	-
c. Kerala Value Added Tax	-	5.37	4.65	4.65	4.65
d.Tamilnadu Value Added Tax	-	125.65	75.50	-	-
e. Service Tax	3,802.12	-	-	-	-
f. Guarantees issued by the company	2,500.00	2,500.00	2,500.00	-	100.00

As at March 31, 2018

The Income tax assessment of the Company has been completed by Assessing officer upto the Assessment Year 2015-16

Disputed Income tax demand are on account of Disallowance of Interest on Income Tax refund u/s 234D (A.Y.2010-11 to A.Y.2013-14) - `.116.45 lacs and Disallowance u/s 40 a (ia) of the Income Tax Act (A.Y.2012-13 to A.Y.2014-15) - ` 2,874.20 lacs. The above demands are determinable only on receipt of judgements / decisions pending with various forums/authorties. The company is of the opinion that above demands are not sustainable and expects to succeed in its appeals.

Disputed tax demand under Kerala Value Added Tax is on account of sale of seized vehicles for the assessment year 2007-08 is ` 4.65 lacs. The Company filed appeal before Dy.Commissioner ( Appeals ) Ernakulam, Kerala. For the assessment year 2011-12, the disputed tax under Kerala Value Added Tax is on account of goods in transit u/s 47 (6) is ` 0.72 lacs after adjusting the Security deposit of ` 0.72 lacs paid by the supplier.The Company has filed appeal before the Assistant commissioner (Appeals) Ernakulam, Kerala.

Disputed tax demand under Tamilnadu Value Added Tax is on account of sale of seized vehicles/ Sale of Gold Jewellery / Sale of Fixed Asset for the assessment year 2007-08 to 2014-15 is ` 125.65 lacs. The Company has paid the demand amount and filed appeal upto AY 2013-14 before Sales Tax Appellate Tribunal , Chennai. For the Assessment Year 2014-15. the Company would contest against the Order issued by Appellate Deputy Commissioner.

Disputed tax demand under Karnataka Value Added Tax is on account of sale of seized vehicles for the assessment year 2011-12 to assessment year 2012-13 is ` 6.50 lacs. The Company would contest against the Order.

Disputed tax demand under Service Tax is on service rendered towards provision of collection of receivables in respect of Securitisation / Direct Assignment for the period Apr'08 - Sep'14 is ` 3802.12 lacs . The Company has filed an appeal with CESTAT.

The company has issued a guarantee for ` 2,500.00 lacs against refinance obtained by Shriram Housing Finance Limited for NHB

II) Commitments

As at March 31, 2018, ` 305.32 lacs is the estimated amount of contracts remaining to be executed on capital account.

As at March 31, 2017

The Income tax assessment of the company has been completed by Assessing officer upto the Assessment Year 2014-15

Disputed Income Tax demand are on account of Disallowance of Interest expenses u/s 234D - ` 116.45 lacs and Disallowance u/s 40 a (ia) - ` 2,784.20 Lacs.

The above demands 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 disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is ` 4.65 lacs. The company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

The disputed Kerala Value Added Tax demand on account of goods in transit u/s 47 (6) for the assessment year 2011-12 is ` 0.72 lacs after adjusting the Security deposit of ` 0.72 lacs paid by the supplier.The company has filed appeal before the Assistant commissioner (Appeals) Ernakulam, Kerala.

The disputed Tamilnadu Value Added Tax demand on account of sale of seized vehicles/ Sale of Gold Jewellery / Sale of Fixed Asset for the assessment year 2007-08 to 2014-15 is ` 125.65 lacs. The company has paid the demand amount and filed appeal before STAT , Chennai / Dy.Commissioner (A), Chennai.

The company has issued a guarantee for ` 2,500 lacs against refinance obtained by Shriram Housing Finance Limited for NHB

II) Commitments

As at March 31, 2017, ` 119.35 lacs is the estimated amount of contracts remaining to be executed on capital account.

As at March 31, 2016

The Income tax assessment of the company has been completed by Assessing officer upto the Assessment Year 2013-14

Disputed Income Tax demand are on account of Disallowance of Interest expenses u/s 234D - ` 116.45 lacs and Disallowance u/s 40 a (ia) - ` 2,840.43 lacs.

The above demands 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 disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is ` 4.65 lacs. The company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

The disputed Tamilnadu Value Added Tax demand on account of sale of seized vehicles / Gold Jewellery / Fixed Asset for the assessment year 2007-08 to 2013-14 is ` 75.50 lacs. The company has paid the demand and filed appeal before STAT, Chennai.

II) Commitments

(i) As at March 31, 2016, ` 87.76 lacs (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

As at March 31, 2015

The Income tax assessment of the Company has been completed upto the Assessment Year 2012-13.

The disputed demand outstanding for the assessment Year 2012-13 is ` 2,337.47 lacs. For assessment year 2011-12, disputed demand outstanding is ` 1,530.54 lacs. For assessment year 2010-11, disputed demand outstanding is ` 963.23 lacs. The Company has filed appeal for all these disputed cases. The appeal is pending before the Commissioner of Income Tax Appeals, Chennai & ITAT, Chennai.

The disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is ` 4.65 lacs. The Company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

II) Commitments

(i) As at March 31, 2015, ` 5.88 lacs (March 31, 2014 ` 36.89 lacs) (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

As at March 31, 2014

The Income tax assessment of the Company has been completed upto the Assessment Year 2011-12

The disputed demand outstanding for the assessment Year 2011-12 is ` 2,605.75 lacs. For assessment year 2010-11, disputed demand outstanding is ` 672.55 lacs. for assessment year 2008-09, disputed amount on account of penalty proceedings is ` 1,106.48 lacs. The assessment has been re-opened for assessment year 2007-08 and the disputed amount outstandings is ` 3186.09 lacs. The Company has filed appeal for all these disputed cases. The appeal is pending before the Commissioner of Income Tax Appeals, Chennai & ITAT, Chennai.

The Company has provided NSE with bank guarantee of ` 100 lacs from ING Vysya bank, Mount Road branch, chennai and a deposit of ` 100 Lacs as security deposit both together 1% of total public issue of secured non-convertible debentures of ` 20,000 lacs (refer note 27A)

The disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is ` 4.65 lacs. The Company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

II) Commitments

(i) As at March 31, 2014, ` 36.89 lacs (March 31, 2013 ` 118.88 lacs) (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

Note - 27A. UTILIZATION OF MONEY THROUGH PUBLIC ISSUE OF DEBENTURE AND PREFERENTIAL ISSUE OF EQUITY SHARES AND WARRANTS

(i) through public issue of debentures [Annexure IV Note 5(A)(iii)]

During the year ended March 31, 2014, the company has raised ` 15361.06 lacs through public issue of secured redeemable non-convertible debenture of face value of ` 1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	**` in lacs**
Investments in Certificate of deposits	497.04
Investments in Mutual Deposits	14,864.02
Total	**15,361.06**

During the year ended March 31, 2013, the company has raised ` 43,360.00 lacs through public issue of secured redeemable non- convertible debenture of face value of ` 1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	**` in lacs**
Repayment of Loans from Banks (Funding of Cash Credit Account)	39,110.00
Repayment of Commercial Paper	4,250.00
Total	**43,360.00**

During the year ended March 31, 2012, the company has raised ` 75,000.00 lacs through public issue of secured redeemable non- convertible debenture of face value of ` 1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	**` in lacs**
Disbursement of loans	11,409.00
Repayment of Loans from Banks	39,030.00
Repayment of Loans from Banks (Term loans, Securitisation loans)	24,561.00
Total	**75,000.00**

During the year ended March 31, 2012, the company has raised ` 21,547.00 lacs through preferential issue of equity shares and warrants

Particulars	**` in lacs**
Fixed Deposit placed with bank	21,500.00
Disbursement of loans	47.00
Total	21,547.00

Note- 28. DISCLOSURE RELATING TO SECURITISATION / ASSIGNMENT
A. SECURITISATION

(i) The information on securitisation of the Company as an originator in respect of securitisation transaction done during the period is given below

(` in lacs)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
Total number of transactions under par structure	1	-	1	2	6
Total book value of assets	13,702.03	-	10,000.00	29,968.29	120,117.00
Sale consideration received	10,794.09	-	10,000.00	29,968.29	120,117.00

(ii) The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below

(` in lacs)

S. No.	**Particulars**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
1	No of SPVs sponsored by the company for securitisation transactions	3	3	8	12	14
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	9,348.73	11,034.10	35,719.00	93,426.78	171,752.07
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet					
	a) Off-balance sheet exposures					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-
	b) On-balance sheet exposures					
	First loss	3,183.11	4,205.19	10,051.01	20,302.28	20,190.00
	Others	43.22	140.72	708.69	2,599.64	5,726.37
4	Amount of exposures to securitisation transactions other than MRR					
	a) Off-balance sheet exposures					
	i) Exposure to own securitisations					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-
	ii) Exposure to third party securitisations					
	First loss	-	-	-	-	
	Others	-	-	-	-	
	b) On-balance sheet exposures					
	i) Exposure to own securitisations					
	First loss	-	-	-	1,093.60	2,240.39
	Others	-	-	334.59	191.93	5,454.67
	ii) Exposure to third party securitisations					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-

iii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(` in lacs)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**	**Year ended March 31, 2016**	**Year ended March 31, 2015**	**Year ended March 31, 2014**
(i)No. of accounts	-	-	-	12	14
(ii) Aggregate value (net of provisions) of accounts sold	-	-	-	295,468.71	386,057.68
(iii) Aggregate consideration	-	-	-	237,228.55	306,081.17
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-	-
(v) Aggregate gain / loss over net book value	-	-	-	29,355.68	43,786.09

B. Direct Assignment

The information on direct assignment of the company as on originator in respect of par transactions done during the period is given below

(` in lacs)

Particulars	**Year ended March 31, 2016**	**Year ended March 31, 2015**	**Year ended March 31, 2014**
Total number of transactions under par structure	2	-	-
Total book value of assets	20,127.08	-	-
Sale consideration received	18,114.37	-	-

The information on direct assignment of the Company as on originator in respect of outstanding amount of assets assigned under par structure is given below

(` in lacs)

S. No.	**Particulars**				**Year ended March 31, 2018**	**Year ended March 31, 2017**	**Year ended March 31, 2016**	**Year ended March 31, 2015**	**Year ended March 31, 2014**
1	No. of transactions assigned by the Company				-	-	3	1	7
2	Total amount of outstanding				-	-	19,506.34	2,610.68	21,801.65
3	Total amount of exposures retained by the NBFC to comply with MRR as on								
	the date of balance sheet				-	-	-	-	-
	a)	Off-balance sheet exposures			-	-	-	-	-
			*	First loss	-	-	-	-	-
			*	Others	-	-	-	-	-
	b)	On-balance sheet exposures			-	-	-	-	-
			*	First loss	-	-	-	-	-
			*	Others	-	-	1,944.13	261.07	-
4	Amount of exposures to assigned transaction other than MRR								
	a)	Off-balance sheet exposures			-	-	-	-	-
		i) Exposure to own securitisations			-	-	-	-	-
			*	First loss	-	-	-	-	-
			*	loss	-	-	-	-	-
		ii) Exposure to third party securitisations			-	-	-	-	-
			*	First loss	-	-	-	-	-
			*	Others	-	-	-	-	-
	b)	On-balance sheet exposures							
		i)	Exposure to own securitisations						
			*	First loss	-	-	-	-	8,458.48
			*	Others	-	-	-	-	501.01
		ii)	Exposure to third party securitisations						
			*	First loss	-	-	-	-	-
			*	Others	-	-	-	-	-

The information on direct assignment of the Company as on originator in respect of premium transactions done for the FY 2013-14 and FY 2014-15 is NIL

The information ondirect assignment of the Company as on originator in respect of outstanding amount of assets assigned under premium structure is given below

(` in lacs)

S. no.	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
1	No. of transactions assigned by the Company	-	1
2	Total amount of outstanding	-	24.42
3	Total amount of exposures retained by the NBFC to comply with MRR as on the balance sheet		
	a) Off-balance sheet exposures	-	-
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures	-	-
	* First loss	-	-
	* Others	-	-
4	Amount of exposures to assigned transaction other than MRR		
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	* First loss	-	-
	* loss	-	-
	ii) Exposure to third party securitisations	-	-
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	1,709.00
	* Others	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

Details of Assignments transactions undertaken by NBFCs

(` in lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
(i)No. of accounts	-	70,569	59,652	1	8
(ii) Aggregate value (net of provisions) of accounts sold	-	23,963.46	25,107.53	9,987.91	141,975.95
(iii) Aggregate consideration	-	20,022.18	20,127.08	7,405.96	100,407.99
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	394.13	499.54	-	-
(v) Aggregate gain / loss over net book value	-	1,060.43	1,623.65	1,178.57	24,210.89

Note - 29 Disclosure of frauds reported during the year ended March 31, 2018
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

` in lacs

Particulars	Less than 1 lac		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	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

" - " represents NIL

Note - 29. Disclosure of frauds reported during the year ended March 31, 2017
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

` in lacs

Particulars	Less than 1 lac		1 to 25 lacs		Greater than 25 lacs		Total	
	Number	**Value**	**Number**	**Value**	**Number**	**Value**	**Number**	**Value**
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Customer	-	-	-	-	2	210.8	2	210.8
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	2	12.18	-	-	2	12.18
Total	**-**	**-**	**2**	**12.18**	**2**	**210.8**	**4**	**222.98**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/manipulation of books of accounts	-	-	2	12.18	-	-	2	12.18
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	-	-	2	210.8	2	210.8
Total	-	-	**2**	**12.18**	**2**	**210.8**	**4**	**222.98**

"- "represents Nil

Shriram City Union Finance Limited

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

Note - 29 . Disclosure of frauds reported during the year ended March 31, 2016
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

` in lacs

	Particulars	Less than 1 lac		1 to 25 lacs		Greater than 25 lacs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	**Person involved**								
	Staff	-	-	2	26.91	-	-	2	26.91
	Customer	1	1	-	-	1	200	2	201
	Customer & Outsider	-	-	1	15	-	-	1	15
	Staff, Customer & Outsider	-	-	-	-	-	-	-	-
	Total	**1**	**1**	**3**	**41.91**	**1**	**200**	**5**	**242.91**
B)	**Type of Fraud**								
	Misappropriation and Criminal breach of trust	-	-	1	8.81	1	200	2	208.81
	Fraudulent encashment/manipulation of books of accounts	-	-	1	18.1	-	-	1	18.1
	Unauthorised credit facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	1	1	1	15	-	-	2	16
	Total	**1**	**1**	**3**	**41.91**	**1**	**200**	**5**	**242.91**

Note - 29. Disclosure of frauds reported during the year ended Mar 31, 2015
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

` in lacs

	Particulars	Less than 1 lac		1 to 25 lacs		Greater than 25 lacs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	**Person involved**								
	Staff	-	-	1	18.7	-	-	1	18.7
	Customer	-	-	1	3.56	1	681.8	2	685.36
	Customer & Outsider	-	-	-	-	-	-	-	-
	Staff, Customer & Outsider	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**2**	**22.26**	**1**	**681.8**	**3**	**704.06**
B)	**Type of Fraud**	**-**	**-**						
	Misappropriation and Criminal breach of trust	-	-	1	18.7	-	-	1	18.7
	Fraudulent encashment/manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit	-	-	-	-	-	-	-	-
	facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	1	3.56	1	681.8	2	685.36
	Total	-	-	**2**	**22.26**	**1**	**681.8**	**3**	**704.06**

Shriram City Union Finance Limited

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

Note - 29. Disclosure of frauds reported during the year ended Mar 31, 2014
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

` in lacs

	Particulars	**Less than 1 lac**		**1 to 25 lacs**		**Greater than 25 lacs**		**Total**	
		Number	**Value**	**Number**	**Value**	**Number**	**Value**	**Number**	**Value**
A)	**Person involved**								
	Staff	-	-	-	-	-	-	-	-
	Customer	-	-	-	-	2	96.73	2	96.73
	Customer & Outsider	1	0.86	-	-	-	-	1	0.86
	Staff, Customer & Outsider	-		1	2.55	-	-	1	2.55
	Total	**1**	**0.86**	**1**	**2.55**	**2**	**96.73**	**4**	**100.14**
B)	**Type of Fraud**								
	Misappropriation and Criminal breach of trust	1	0.86	1	2.55	1	96.73	3	100.14
	Fraudulent encashment/manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit	-	-	-	-	-	-	-	-
	facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	-	-	-	-	-	-
	Total	**1**	**0.86**	**1**	**2.55**	**1**	**96.73**	**3**	**100.14**

Note- 30 Derivatives

` in lacs

S. No	Particulars	For the Year ended March 31				
		2018	**2017**	**2016**	**2015**	**2014**
i)	The notional principal of swap agreements	-	-	27,500.00	27,500.00	27,500.00
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 swaps	-	-	-	-	-
iv)	Concentration of credit risk arising from the swaps	-	-	-	-	-
v)	The fair value of the swap book	-	-	27,500.00	-	-

Interest Rate Swap

The Company has entered into an interest rate swap to convert the floating rate into a fixed rate liability @ 10.49% till maturity date of March 30, 2017 (underlying long term debt of ` 27,500 lacs)

The amount of derivative transactions outsatnding as on March 31, 2014 is NIL (March 31, 2013 ` 486.75 lacs) The company entered into a interest rate swap to convert the floating rate into a fixed rate liability @ 10.49% till maturity date of March 30, 2017 ( Underlying long term debt of ` 25,000 lacs)

Note -31.1 EXPOSURE TO CAPITAL MARKET

(` in lacs)

S.no	Particulars	As at March 31				
		2018	2017	2016	2015	2014
(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;	26,741.18	10,077.38	10,077.38	200.00	200.00
(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;	43,171.29	48,468.26	49,101.71	38,774.95	28,719.44
(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;	-	556.91	3,955.44	11,687.16	-
(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	**69,912.47**	**59,102.55**	**63,134.52**	**50,662.11**	**28,919.44**

31.2. EXPOSURE TO REAL ESTATE SECTOR

(` in lacs)

S.no	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
i)	**Residential Mortgages** -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	35,684.30	25,803.20	14,064.36	-	-
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	63,497.29	34,313.10	22,072.94	-	-
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**			-	-	-
	Residential	-	-	-	-	-
	Commercial Real Estate	-	-	-	-	-
	Total Exposure to Real Estate Sector	**99,181.58**	**60,116.30**	**36,137.30**	**-**	**-**

Note 32.

Expenditure in Foreign Currency (Cash Basis) for the year ended March 31, 2018, March 31, 2017, March 31, 2016 & March 31, 2015- Nil

Expenditure in Foreign Currency (Cash Basis) for the year ended March 31, 2014- ` 13.81 lacs for Legal Fees

Note 33

The company had no discontinuing operations during the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014

Note- 34

For the Year Ended March 31, 2018

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ` 5,303.11 lacs (March 31, 2017 - ` 4,923.62 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

For the Year Ended March 31, 2017

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ` 4,923.62 lacs (March 31, 2016 - ` 4,596.52 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

For the Year Ended March 31, 2016

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ` 4,596.52 lacs (March 31, 2015 - ` 4,015.35 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

For the Year Ended March 31, 2015

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ` 4,015.35 lacs (March 31, 2014 - ` 3,491.95 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

For the Year Ended March 31, 2014

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ` 3,491.95 lacs (March 31, 2013 - ` 2,806.63 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

The future minimum lease payments in respect of non-cancellable operating leases as at the Balance sheet days are summarised below:

(` in lacs)

Particulars	For the year ended March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
a. Not later than 1 year	428.43	403.83	347.75	209.35	-
b. More than 1 year and less than 5	1,061.59	1,081.11	977.60	335.08	43.48
c. Later than 5 years	261.75	349.03	467.23	1.71	165.78

Note -35. Capital

S.no	Particulars	As at March 31				
		2018	**2017**	**2016**	**2015**	**2014**
i)	CRAR (%)	21.37%	23.88%	26.14%	29.03%	25.77%
ii)	CRAR - Tier I Capital (%)	20.57%	22.22%	23.36%	24.80%	19.87%
iii)	CRAR - Tier II Capital (%)	0.79%	1.66%	2.78%	4.23%	5.89%
iv)	Amount of subordinated debt raised as Tier-II capital (` in lacs)	10,853.74	29,485.91	47,137.31	64,115.03	77,390.76
v)	Amount raised by issue of Perpetual Debt Instruments	-	-	-	-	-

Note-36.Investments **(` in lacs)**

Particulars	As at March 31				
	2018	2017	2016	2015	2014
(1) Value of investments					
(i) Gross value of investments					
(a) In India	62,921.20	61,574.20	69,356.48	98,168.15	62,755.45
(b) Outside India	9,877.38	9,877.38	9,877.38	-	-
(ii) Provisions for diminution					
(a) In India	-	81.76	81.76	36.64	25.41
(b) Outside India	-	-	-	-	-
(iii) Value of Net Investments					
(a) In India	62,921.20	61,492.44	69,274.72	98,131.51	62,730.04
(b) Outside India	9,877.38	9,877.38	9,877.38	-	-
(2) Movement of provisions held towards Diminution on Investments					
(i) Opening balance	81.76	81.76	36.64	25.41	19.70
(ii) Add : Provisions made during the year	-	-	45.12	11.23	5.71
(iii) Less : Write-off/write- back excess provisions during the year	81.76	-		-	-
(iv) Closing balance	-	81.76	81.76	36.64	25.41

Shriram City Union Finance Limited

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

Note- 37

Details of non-performing financial assets purchased / sold during the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31 2014 - Nil

Note -38

Details of financing of parent company products during the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014 - Nil

Note -39

Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the company for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014- Nil

Note -40

Registration obtained from other financial sector regulators for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014- Nil

Note- 41. Details of Penalties imposed by RBI and other regulators

Details of Penalties imposed by RBI and other regulators as on March 31, 2018, March 31, 2016, March 31, 2015 & March 31, 2014 - Nil

For the FY 2016-2017

` 14.21 lacs levied and paid during the year as Penal Interest to RBI for shortfall in SLR in an earlier year,` 57.10 lacs levied and paid during the year as compounding fee to RBI for issuance of convertible warrants to foreign investors without prior permission of RBI in earlier years and ` 20 lacs levied and paid after the balance sheet date as penal interest to RBI for delay in complying with requirements of Fair Practices Code.

Shriram City Union Finance Limited

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

Note-42 Provisions and contingencies

(` in lacs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31,				
	2018	2017	2016	2015	2014
Provisions for diminution on Investment	-	-	45.12	11.23	5.71
Provision towards NPA	39,881.48	44,380.89	29,828.73	12,080.92	7,732.66
Provision made towards income tax	38,129.64	30,459.91	28,332.03	29,593.66	25,859.78
Other Provision and contingencies - Bad Debts written off	-	-	-	32,571.95	30,870.53
Contingent Provision for Standard Assets	2,501.85	2,045.51	1599.36	716.29	(189.53)
Provision for Gratuity	368.61	622.07	371.37	949.73	(56.61)
Provision for Leave encashment	479.01	508.34	302.45	167.16	275.46

Note-43 Drawn Down Reserve

The draw down from reserves was Nil as on March 31,2018, March 31,2017 , March 31,2016 , March 31,2015, March 31,2014

Shriram City Union Finance Limited
Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**
Note - 44 Concentration of Deposits, Advances, Exposures and NPAs

(` in lacs)

Particulars	As at March 31			
	2018	2017	2016	2015
a. Concentration of Deposits				
Total Deposits of twenty largest depositors	7,382.11	4,479.82	3,193.48	2,446.42
Percentage of Deposits of twenty largest depositors to Total Deposits of the company	2.58%	1.38%	1.31%	1.16%
b. Concentration of Advances				
Total Advances to twenty largest borrowers	72,216.09	76,170.71	73,763.67	70,935.68
Percentage of Advances to twenty largest borrowers to Total Advances of the company	2.64%	3.33%	3.88%	4.50%
c. Concentration of Exposures				
Total Exposure to twenty largest borrowers /customers	72,216.09	76,170.71	73,763.67	70,935.68
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the company on borrowers / customers	2.64%	3.33%	3.88%	4.50%
d. Concentration of NPAs				
Total Exposure to top four NPA accounts	5,099.82	7,022.89	6,275.18	6,736.44

e. Sector-wise NPAs

S.no	Sector	Percentage of NPAs to Total Advances in that sector			
		As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015
1	Agriculture & allied activities	-	-	-	-
2	MSME / Corporate borrowers	9.68%	7.12%	5.40%	2.49%
3	Services	-	-	-	-
4	Unsecured personal loans	10.82%	9.00%	5.96%	4.23%
5	Auto loans				
	i) Auto Loans	10.85%	8.99%	6.44%	4.64%
	ii) Two wheeler	10.03%	7.37%	5.05%	4.70%
6	Other personal loans				
	i) Consumer Durable	-	-	-	9.26%
	ii) Pledged Jewel	2.55%	2.68%	3.82%	2.28%
7	Others	1.12%	0.18%	-	-

Shriram City Union Finance Limited

Notes forming part of Reformatted Standalone Financial Statement Annexure VI

Note - 45 Movement of NPAs

(` in lacs)

S.no	Particulars	Year ended March 31,				
		2018	2017	2016	2015	2014
i)	Net NPAs to Net Advances (%)	3.43%	1.79%	1.56%	0.68%	0.60%
ii)	Movement of NPAs (Gross)					
	a) Opening balance	153,677.77	98,008.30	49,142.87	34,040.24	29,423.53
	b) Additions during the year	173,605.79	112,915.95	82,975.23	41,831.79	30,011.73
	c) Reductions during the year	80,917.98	57,246.68	34,109.80	26,729.16	25,395.03
	d) Closing balance	246,365.58	153,677.77	98,008.30	49,142.87	34,040.24
iii)	Movement of Net NPAs	-	-	-	-	-
	a) Opening balance	40,987.61	29,699.03	10,662.34	7,640.62	10,756.58
	b) Additions during the year	85,701.70	38,407.17	29,119.81	10,195.10	7,391.64
	c) Reductions during the year	32,895.38	27,118.58	10,083.12	7,173.38	10,507.59
	d) Closing balance	93,793.94	40,987.61	29,699.03	10,662.34	7,640.62
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)	-	-	-	-	-
	a) Opening balance	112,690.16	68,309.27	38,480.54	26,399.62	18,666.96
	b) Provisions made during the year	87,904.08	74,508.79	53,855.42	31,636.70	22,620.10
	c) Write-off / write-back of excess provisions	48,022.60	30,127.90	24,026.68	19,555.78	14,887.43
	d)Closing balance	152,571.64	112,690.16	68,309.27	38,480.54	26,399.62

Note - 46 Corporate Social Responsibility Expenses Year ended March 31, 2018

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the company. Accordingly the company is required to spend atleast 2% of the average net profits of the company made during the three immediately preceeding financial years, which amounts to ` 1,677.14 lacs for the year 2017-18 .The company has spent ` 1,400.00 lacs during the year.

Note - 46 Corporate Social Responsibility Expenses Year ended March 31, 2017

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the company. Accordingly the company is required to spend atleast 2% of the average net profits of the company made during the three immediately preceeding financial years, which amounts to ` 1,623.50 lacs for the year 2016-17.The company has spent ` 688.55 lacs during the year.

Note - 46 Corporate Social Responsibility Expenses Year ended March 31, 2016

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the company. Accordingly the company is required to spend atleast 2% of the average net profits of the company made during the three immediately preceeding financial years, which amounts to ` 1,524.55 lacs for the year 2015-16.The company has spent ` 649.77 lacs during the year.

Note - 46 Corporate Social Responsibility Expenses Year ended March 31, 2015

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the company. Accordingly the company is required to spend atleast 2% of the average net profits of the company made during the three immediately preceeding financial years, which amounts to ` 1,313.39 lacs for the year 2014-15.The company has spent ` 9.33 lacs during the year.

Note-47. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) was NIL as at March 31,2018,March 31, 2017, March 31, 2016, March 31, 2015.

Note- 48. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) was NIL for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015.

Shriram City Union Finance Limited
Notes forming part of Reformatted Standalone Financial Statement
Annexure VI
Note - 49 Asset Liability Management Maturity Pattern Of Certain Items Of Assets And Liabilities As at March 31, 2018

(` in lacs)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 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
Deposits	25,909.97	10,179.75	11,588.43	31,424.35	62,161.76	127,347.94	30,914.43	-	**299,526.63**
Advances	157,492.46	111,217.04	106,998.25	345,074.14	682,573.56	824,837.11	230,068.73	125,632.29	**2,583,893.58**
Investments	200.00	-	-	-	25,857.40	12,000.00	-	34,741.18	**72,798.58**
Borrowings	20,154.40	90,147.43	81,188.01	73,529.31	525,939.40	813,869.30	186,929.00	-	**1,791,756.85**
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2017

(` 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	21,451.53	12,832.51	14,290.11	41,639.54	78,893.49	144,612.52	20,963.36	-	**334,683.06**
Advances	144,984.55	99,338.36	100,508.93	303,732.14	645,000.35	659,385.74	130,974.90	47,089.66	**2,131,014.63**
Investments	288.60	90.39	6,714.39	195.01	15,627.50	-	12,281.85	36,253.84	**71,451.58**
Borrowings	195,316.64	81,741.03	65,493.78	71,239.07	177,028.32	611,458.19	179,391.84	25,000.00	**1,406,668.87**
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2016

(` 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	7,073.63	3,586.80	3,904.00	20,288.05	50,031.45	199,510.59	17,366.84	-	301,761.37
Advances	46,578.41	99,690.41	99,173.94	295,383.41	583,438.87	550,036.37	118,116.10	11,930.91	1,804,348.42
Investments	36,905.80	71.08	11,012.22	12,596.55	495.90	1,797.89	7,638.75	8,715.66	79,233.86
Borrowings	31,455.20	14,290.05	15,744.09	40,767.66	354,284.03	427,648.65	282,229.57	-	1,166,419.25
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2015

(` 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	3,882.67	2,487.50	2,829.61	10,273.40	20,887.00	160,791.15	12,233.25	-	213,384.58
Advances	56,155.74	83,807.22	81,650.20	260,135.24	529,078.60	433,114.04	72,795.41	19,400.64	1,536,137.09
Investments	-	-	54,542.83	18,045.87	200.00	-	-	25,379.46	98,168.16
Borrowings	18,150.41	9,377.92	51,082.13	115,712.92	259,670.60	432,158.48	123,331.94	14,772.81	1,024,257.21
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Shriram City Union Finance Limited

Notes forming part of Reformatted Standalone Financial Statement **Annexure VI**

Note -50 Rating assigned by credit rating agencies and migration of ratings during the year

Rating Agency	Rating Instrument	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015
India Ratings	Long-Term (NCDs)	IND AA / Stable	IND AA / Stable	IND AA' / Stable	IND AA' / Stable
	Short-Term (CP)	IND A1+	IND A1+	'IND A1+	'IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable	IND AA'	IND AA'
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable	IND tAA	'IND tAA'
CARE	Long-Term (NCDs)	CARE AA+ / Stable	CARE AA+	CARE AA+	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+	CARE A1+	CARE A1+
	Subordinate Debt	CARE AA+ / Stable	CARE AA+	CARE AA+	CARE AA+
	Fixed deposit	CARE AA+ (FD) /Stable	CARE AA+ (FD)	CARE AA+ (FD)	CARE AA+ (FD)
ICRA	Long-Term (NCDs)	ICRA AA / stable	ICRA AA / stable	ICRA AA / stable	ICRA AA / stable
	Short-Term (CP)	ICRA A1+	ICRA A1+	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+/ Stable	MAA+/ Stable	MAA+(Stable)	MAA+/ Stable
CRISIL	Long-Term (NCDs)	CRISIL AA-/Positive	CRISIL AA-/Positive	CRISIL AA-/Stable	CRISIL AA-/Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
	Subordinate Debt	CRISIL AA-/ Positive	CRISIL AA-/ Positive	CRISIL AA-/Stable	CRISIL AA-/Stable
	Fixed deposit	FAA /Positive	FAA /Positive	FAA (Stable)	FAA/Stable

Note - 51 Customer Complaints

S.no	Particulars	2018	2017	2016	2015
		Count	Count	Count	Count
(a)	No. of complaints pending at the beginning of the year	35	16	29	21
(b)	No. of complaints received during the year	3,063	1,220	1,010	1,203
(c)	No. of complaints redressed during the year	2,875	1,201	1,023	1,195
(d)	No. of complaints pending at the end of the year	223	35	16	29

Note 52

Based on the intimation received by the company, none of the suppliers have confirmed to be registered under "Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Therefore, the related information for this purpose stands to be Nil for the year ended March 31,2018 , March 31,2017 , March 31,2016 , March 31,2015 , March 31,2014.

Note - 53 Details of Specified Bank Notes

The details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 as provided in the Table below:-

` in lacs

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 08.11.2016	**4,741.65**	**184.73**	**4,926.38**
(+) Permitted receipts	-	63,067.03	63,067.03
(-) Permitted payments	-	48,921.89	48,921.89
(-) Amount deposited in Banks	4,741.65	12,078.22	16,819.87
Closing cash in hand as on 30.12.2016	**-**	**2,251.65**	**2,251.65**

In the ordinary course of business, loan borrowers of the Company have directly deposited cash as part of their loan repayments in the collection bank accounts of the Company with various banks, aggregating to ` 147.44 lacs during the period November 9, 2016 to December 30, 2016 the denomination wise details of which are currently not available with the Company and hence not included in the above table.

Explanation : For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note - 54. Auction Details as at March 31, 2018

The Company Auctioned 9910 loan accounts (March 31,2017: 7013 accounts) during the financial year and the outstanding dues on these loan accounts were ` 3,297.26 lacs (March 31, 2017: ` 1,936.69 lacs) till the respective dates of auction. The company realised ` 3,248.22 lacs (March 31, 2017 : ` 1,784.77 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.

Auction Details as at March 31, 2017

The Company auctioned 7013 loan accounts (Previous Year : 21,946 accounts) during the financial year.The outstanding dues on these loan accounts were ` 1,936.69 lacs(Previous Year : ` 5,217.96 lacs) till the respective dates of auction. The Company realized ` 1784.77 lacs (Previous Year : ` 5020.86 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 - 55

For the Year Ended March 31, 2018,March 31,2017,March 31,2016,March 31,2015

Additional information in Form AOC-1 with respect to subsidiary as required under Section 129(3) of the Companies Act, 2013 is attached to the Financial Statement.

For the Year Ended March 31, 2014

The Ministry of Corporate Affairs, Government of India, vide General Circular No.2, and 3 dated 8th February 2011 and 21st Februrary 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidaries has been included in the Consolidated Financial Statements

Note - 56

For the Year Ended March 31, 2014

In addition to payments made to auditors shown in Note-20, the Company has made a payment of ` 8.99 lacs to auditors for services rendered by them in connection with the public issue of non-convertible debentures amortised as "public issue expenses for non-convertible debentures" in accordance with the accounting policy stated under Note 2.1.(v)

Note- 57. Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with the reformatted financial statements for FY 2017-18

As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Accounting Ratios- Standalone

Annexure No VIII

S.no	Particular	For the year ended March 31,				
		2018	**2017**	**2016**	**2015**	**2014**
	Number of equity shares at the beginning of the year	65,943,402	65,927,152	65,905,612	59,284,432	55,416,340
	Number of equity Shares at the end of the year	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432
	Weighted average number of shares Rs. 10/-each	65,951,962	65,933,775	65,915,849	64,757,370	58,059,607
	Dilutive effect on weighted average number of shares	66,001,259	66,005,180	66,002,512	64,865,676	58,206,396
	Net Profit after tax available for equity shares (Rs. in lacs)	66,472.05	55,605.99	52,978.03	55,806.39	52,114.32
	Shareholders Fund at the end of the year (Rs. in lacs)*	556,621.54	502,540.19	450,494.53	408,712.30	287,501.41
	Average Shareholders Fund during the year (Opening + Closing)/2 (Rs. in lacs)	529,580.87	476,517.36	429,603.42	348,106.86	255,673.03
A	Basic Earnings Per Share (EPS) Rs.	100.79	84.34	80.37	86.18	89.76
B	Dilutive Earnings Per Share (EPS) Rs.	100.71	84.24	80.27	86.03	89.53
	Return on Shareholders Fund (%)					
C	Considering Shareholders Fund at the end of the year	11.94%	11.06%	11.76%	13.65%	18.13%
D	Considering Average Shareholders Fund during the year	12.55%	11.67%	12.33%	16.03%	20.38%
E	Net Asset value Per Share Rs.	843.98	762.19	683.44	631.14	495.18
	Borrowings (Rs. in lacs)	2,139,763.77	1,799,999.38	1,520,931.11	1,315,589.02	1,268,545.92
F	Debt Equity Ratio	3.84	3.58	3.38	3.22	4.41

Shriram City Union Finance Limited

Notes :

A. Basic Earnings per share (EPS) Rs.	Net Profit Shareholder to Equity Shareholder / Weighted Average Number equity shares outstanding during the year
B. Dilutive Earning Per Share (EPS) Rs.	Net Profit available to Equity Shareholders / Weighted average number of diluted equity shares outstanding during the year
C .Return on Shareholders Fund considering shareholders Fund at the end of the year(%)	Net Profit After Tax / Shareholder's Fund at the end of the year
D. Return on Shareholders Fund considering average Shareholders Fund during the year (%)	Net Profit After Tax / Average Shareholder Fund during the year
E. Net Asset value of shares	Shareholder's Fund at the end of the year / Weighted Average Number of equity shares outstanding at the end of the year
F. Debt Equity	Long Term Borrowings+Short Term Borrowings+Current maturities of Long Term Borrowings+Temporary Credit Balance in bank accounts+Interest accrued but not due on borrowings / Shareholders Fund

*-Shareholders Fund=Share capital + Reserves & Surplus- Miscellaneous expenditure (to the extent not written off or adjusted)

Shriram City Union Finance Limited

Statement of Dividend in respect of Equity Shares **Annexure IX**

(Rs. In lacs)

Particulars	For the year ended March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Interim Dividend					
Rate of Dividend	60%	50%	50%	45%	40%
Number of Equity Shares on which Interim Dividend paid	65,958,377	65,937,557	65,920,272	65,905,172	59,277,082
Amount of Interim Dividend	3,957.50	3,296.88	3,296.01	2,965.74	2,371.09
Dividend Distribution Tax	805.65	635.22	671.01	592.97	402.96
Final Dividend for the previous year*					
Rate of Dividend	100%	100%	105%	60%	60%
Number of Equity Shares on which Final Dividend paid	65,945,127	4,055.00	1,060	6,604,940	3,069,200
Amount of Final Dividend	6,594.51	0.40	0.11	396.30	184.15
Dividend Distribution Tax	1,342.49	0.08	0.02	67.35	31.3
Proposed Final Dividend for the current year #					
Rate of Dividend	-	-	100%	105%	60%
Number of Equity Shares on which dividend paid		-	65,927,152	65,905,612	59,284,432
Amount of Final Dividend	-	-	6,592.72	6,920.09	3,557.07
Dividend Distribution Tax	-	-	1,378.07	1,408.79	604.52

*- Final dividend for the previous year pertaining to FY 2013-2014 to 2016-2017 represents final dividend on equity shares issued after the end of previous financial year till the record date.

#- As per Revised "AS 4- Contingencies and events occurring after the balance sheet date", from the FY 2016-2017, the final dividend proposed by the Board of Directors has been disclosed by way of notes and accounted for in the year in which the same has been approved by the shareholders and distributed.

Shriram City Union Finance Limited

Capitalisation statement **Annexure X**

The debt equity ratio prior to this Issue is based on a total outstanding consolidated debt of Rs. 2,139,763.76 lacs and shareholder funds (net of Miscellaneous expenditure to the extent not written off or adjusted) amounting to Rs. 5,56,621.54 lacs as on March 31, 2018. The debt equity ratio post the Issue (assuming subscription of Rs. 300,000.00 lacs) is 4.38 times, based on a total outstanding debt of Rs. 2,439,763.76 lacs and shareholders fund (net of Miscellaneous expenditure to the extent not written off or adjusted) of Rs. 5,56,621.54 lacs as on March 31, 2018.

Particulars	Prior to the Issue	Post the Issue*
Secured loans as on March 31, 2018 #	1,436,494.25	1,736,494.25
Unsecured loans as on March 31, 2018 #	703,269.51	703,269.51
Total Debt	2,139,763.76	2,439,763.76
Share capital as on March 31, 2018	6,596.58	6,596.58
Reserves as on March 31, 2018	550,024.00	550,024.00
Share application money pending allotment	0.96	0.96
Total Shareholders Fund	556,621.54	556,621.54
Debt Equity Ratio (Number of times) $	3.84	4.38

includes Long-term borrowings, Short-term borrowings, Current maturities of long term debts and interest accrued but not due

$ Debt Equity =

$$\frac{\text{Long Term Borrowings+Short Term Borrowings+Current maturities of Long Term Borrowings+Inerest Accrued but not due}}{\text{Shareholders Fund- Miscellaneous expenditure (to the extent not written off or adjusted)}}$$

Report of the Independent Auditor's on the Reformatted Summary Consolidated Financial Statements

The Board of Directors
Shriram City Union Finance Limited
123, Angappa Naicken Street,
Chennai – 600 001

Dear Sir,

Sub: Auditor's Report on Reformatted Consolidated Financial Statements in relation to Proposed public ("Issue) of secured, redeemable, non-convertible debentures ("NCDs") by Shriram City Union Finance Limited ("Issuer/Company")

1. This report is issued in accordance with terms of reference of our Engagement Letter dated December 5, 2018.

2. We have examined the attached Reformatted Consolidated Financial Statements of Shriram City Union Finance Limited ("the Company") which comprise of the Reformatted Consolidated Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015,and 2014, the Reformatted Consolidated Summary Statement of Profit and Loss and the Reformatted Consolidated Summary Statement of Cash Flows for each of the years ended March 31, 2018, 2017, 2016, 2015, and 2014 and the Summary of Significant Accounting Policies, (collectively referred to as "Reformatted Consolidated Statements") annexed to this report and as approved by the Banking and Securities Management Committee to the Board of Directors (committee) and have been prepared by the Management of the Company, in accordance with the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules);

   b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("SEBI Regulations"), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992.

   to be included in the Draft Shelf Prospectus and Shelf Prospectus, in connection with the proposed public issue of NCDs by the Company.

G.D. APTE & CO. ★ Chartered Accountants ★

Management's responsibility for the Reformatted Consolidated Statements

3. The preparation of the Reformatted Consolidated Statements is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Reformatted Consolidated Statements. The management is also responsible for identifying and ensuring that the Company complies with the Act, Rules and SEBI regulations.

Auditor's Responsibilities

4. Our responsibility is to express our opinion based on the examination of such Reformatted Consolidated Statements with regards to:

   a. The Guidance note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), except that these financial information have not been adjusted for the changes in accounting policies, retrospectively in the respective financial years to reflect the same accounting policies for all the reporting periods and for adjustments of amounts pertaining to previous years in the respective financial years to which they relate.

   b. The Guidance note on reports or Certificates for Special Purposes (Revised 2019) which includes the concepts of test checks and materiality. This Guidance note requires us to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Statements. This guidance note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

   We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, covering Quality Control for firms that perform audits and reviews of historical financial information and other assurance and related service engagements.

Reformatted Consolidated Financial Statements

5. The reformatted Consolidated Financial Statements referred to above, relating to profits, assets and liabilities and cash flows of the Company are contained in the following annexures to this report:

   a. Annexure I containing the 'Statement of Reformatted Consolidated Assets and Liabilities' of the Company as at March 31, 2018, 2017, 2016, 2015 and 2014.

b. Annexure II containing the 'Statement of Reformatted Consolidated Profit and Loss' of the Company for each of the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.

c. Annexure III containing the 'Statement of Reformatted Consolidated Cash Flow Statements' of the Company for each of the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.

d. Annexure IV to Annexure VI containing consolidated significant accounting policies and notes to financial statements.

6. These Reformatted Consolidated Financial Statements have been compiled by the Management from the audited Consolidated Financial Statements of the Company as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014. No adjustments have been made for any events occurring subsequent to the dates of the audit opinions specified in paragraph 10 below, in the preparation and presentation of the Reformatted Consolidated Financial Statements.

7. We have not audited any Consolidated Financial Statements of the Company as of any date or for any period subsequent to March 2018. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2018.

Other Consolidated Financial Information:

8. At the Company's request, we have also examined the following Other Consolidated Financial Information of the Company as at and for the years ended on March 31, 2018, 2017, 2016, 2015 and 2014 proposed to be included in the Draft Shelf Prospectus and the Shelf Prospectus as approved by the Committee of Directors, annexed to this report:

   a. Statement of Accounting Ratios (Consolidated) as at and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 (Annexure VII)

   b. Capitalization Statement (Annexure VIII)

Opinion

9. Based on our examination of the Reformatted Consolidated Statements, we state that in our opinion, the Reformatted Consolidated Financial Statements and Other Consolidated Financial Information of the Company mentioned above, as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 have been prepared in accordance with the Act, the Rules and the SEBI Regulations.

Pune Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038, Phone – 020 – 25280081, Fax – 020 – 25280275; Email – audit@gdaca.com
Mumbai Office: Office No. 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai – 400 021, Phone – 022 – 4922 0555, Fax – 022 – 4922 0504;

G.D. APTE & CO. ★ Chartered Accountants ★

10. We report that the Reformatted Consolidated Financial Statements have been extracted and prepared by the Management from the audited Consolidated Financial Statements of the Company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 which were approved by the Board of Directors on April 26, 2018; May 02, 2017; April 27, 2016; April 28, 2015 and April 30, 2014 respectively. The Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 have been audited by us in respect of which we have issued unmodified audit opinion dated April 26, 2018. We did not audit the financial statements and other financial information, in respect of the subsidiary, whose financial statements include total assets of 1,97,614.62 lacs as at March 31, 2018, total revenues of Rs. 27,197.15 lacs and net cash inflows of Rs. 45.82 lacs after elimination of inter group transactions, as considered in the consolidated financial statements. These financial statement and other financial information have been audited by Pijush Gupta & Co., Chartered Accountants (the predecessor auditors) whose report has been furnished to us by the management and our opinion in so far as it relates to the amounts included in these Consolidated Summary Statement of Asset and Liabilities and Summary Statement of Profit and Loss are based solely on the report of other auditor.

The Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, 2016, 2015 and 2014 have been audited by the predecessor auditors and in respect of which they have issued unmodified audit opinion dated May 02, 2017; April 27, 2016; May 28, 2015 and April 30, 2014 respectively to the Members of the Company. Based on our examination of these Reformatted Consolidated Statements for the year ended March 31, 2018 and reliance on the Auditor's Report on Reformatted Consolidated Statements for the years ended March 31, 2017, 2016, 2015 and 2014 dated February 16, 2019 by the predecessor auditors, we state that:

a. The figures of earlier years have been regrouped (but not restated retrospectively for change in any accounting policy and for adjustments of amounts pertaining to previous years), wherever necessary, to conform to the classification adopted for the Consolidated Financial Statements for the year ended March 31, 2018 for the purpose of Reformatted Consolidated Financial Statements.

b. There are no extraordinary items that need to be disclosed separately in the Reformatted Consolidated Financial Statements.

c. There is no qualification or adverse remark in the auditor's report on the Audited Consolidated Financial Statements as at and for each of the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 that requires adjustments to the Reformatted Consolidated Financial Statements.

Pune Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038, Phone – 020 – 25280081, Fax – 020 – 25280275; Email – audit@gdaca.com
Mumbai Office: Office No. 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai – 400 021, Phone – 022 – 4922 0555, Fax – 022 – 4922 0504;

G.D. APTE & CO. ★ Chartered Accountants ★

11. We did not perform audit tests for the purposes of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon on the Reformatted Consolidated Statement.

12. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports, nor should this be construed as a new opinion on any of the financial statements/information referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

Restrictions of Use

14. This report is issued at the specific request of the Company for inclusion in the Draft Shelf Prospectus and the Shelf Prospectus to be filed by the Company with BSE Limited, the Securities and Exchange Board of India and Registrar of Companies in connection with the Proposed Issue of NCD and is not to be used, referred to or distributed for any other purpose without our prior written consent. This report may not be useful for any other purpose.

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

U. S. Abhyankar
Partner
Membership Number: 113053
UDIN: 19113053AAAAAG8790

Chennai, February 16, 2019

G.D. APTE & CO. ★ Chartered Accountants ★

Shriram City Union Finance Limited
Statement of Reformatted Consolidated Assets and Liabilities **Annexure I**

(` in lacs)

		Note No.	As at March 31,				
	Particulars		**2018**	**2017**	**2016**	**2015**	**2014**
	Equity and liabilities						
A	**Shareholders' fund**						
	(a)Share capital	3	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44
	(b)Reserves and surplus	4	568,179.44	512,163.14	458,282.83	415,008.92	294,049.34
	(c)Share application money pending allotment		0.96	0.09	-	-	-
	Total shareholders' fund		**574,776.98**	**518,757.57**	**464,875.55**	**421,599.48**	**299,977.78**
B	**Minority Interest**		10,218.80	9,559.48	8,910.74	8,254.48	7,861.34
C	**Non-current liabilities**						
	(a) Long-term borrowings	5	1,263,567.76	1,093,733.15	1,001,268.70	808,974.27	893,035.28
	(b) Other long-term liabilities	6A	32,760.41	35,411.03	50,126.10	35,412.20	37,352.20
	(c) Long-term provisions	7A	161,087.57	118,065.42	19,055.34	9,328.60	5,914.27
	Total non-current liabilities		**1,457,415.74**	**1,247,209.60**	**1,070,450.14**	**853,715.07**	**936,301.75**
D	**Current liabilities**						
	(a) Short-term borrowings	8	489,825.61	381,485.51	105,315.62	117,745.08	38,355.37
	(b) Trade payables						
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
	(ii) Total outstanding dues of creditors other than microenterprises and small enterprises		701.41	490.14	566.00	325.57	1,066.78
	(c) Other current liabilities	6B	537,820.21	466,015.36	489,723.15	419,457.86	341,440.84
	(d) Short-term provisions	7B	7,152.87	6,152.84	67,472.58	44,527.83	31,816.08
	Total current liabilities		**1,035,500.10**	**854,143.85**	**663,077.35**	**582,056.34**	**412,679.07**
E	**Total equity and liabilities**		**3,077,911.62**	**2,629,670.50**	**2,207,313.78**	**1,865,625.37**	**1,656,819.94**

Significant accounting policies 2.1
The accompanying notes are an integral part of the Reformatted Financial Statements
As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Statement of Reformatted Consolidated Assets and Liabilities **Annexure I**

(` in lacs)

		Note No.	As at March 31,				
	Particulars		**2018**	**2017**	**2016**	**2015**	**2014**
	Assets						
F	(a) Fixed Assets						
	(i) Tangible assets	9	8,328.74	7,484.85	7,282.77	7,653.98	9,234.23
	(ii) Intangible assets	9	441.75	844.48	1,442.40	687.23	1,061.32
	(b) Non-current investments	10	37,529.11	37,797.91	36,742.09	10,164.52	1,235.88
	(c) Deferred tax assets (net)	11	7,274.69	4,575.26	3,919.49	3,117.99	1,881.14
	(d) Long-term loans and advances	12A	1,503,734.43	1,159,645.76	741,004.32	605,452.51	457,887.74
	(e) Other non-current assets	13A	6,363.00	10,929.26	9,968.34	18,602.74	10,894.62
	Total non-current assets		**1,563,671.72**	**1,221,277.52**	**800,359.41**	**645,678.97**	**482,194.93**
G	**Current assets**						
	(a) Current investments	14	28,659.92	26,039.16	34,690.87	73,464.69	46,170.51
	(b) Cash and bank balances	15	53,771.50	64,204.56	65,468.65	80,279.71	248,516.54
	(c) Short-term loans and advances	12B	1,424,049.82	1,314,488.24	1,300,990.57	1,057,655.02	861,960.50
	(d) Other current assets	13B	7,758.66	3,661.02	5,804.28	8,546.98	17,977.46
	Total current assets		**1,514,239.90**	**1,408,392.98**	**1,406,954.37**	**1,219,946.40**	**1,174,625.01**
H	**Total assets (F+G)**		**3,077,911.62**	**2,629,670.50**	**2,207,313.78**	**1,865,625.37**	**1,656,819.94**

Significant accounting policies 2.1
The accompanying notes are an integral part of the Reformatted Financial Statements
As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Statement of Reformatted Consolidated Profit and Loss **Annexure II**

(` in lacs)

			For the year ended March 31,				
	Particulars	**Note No.**	**2018**	**2017**	**2016**	**2015**	**2014**
A.	**Income**						
	i Revenue from operations	16	535,282.73	470,359.28	399,819.04	356,169.96	322,555.52
	ii Other income	17	2,070.44	542.25	2,141.19	5,118.16	5,316.12
	Total Income		**537,353.17**	**470,901.53**	**401,960.23**	**361,288.12**	**327,871.64**
B.	**Expenses**						
	i Employee benefits expense	18	74,597.76	59,729.79	54,082.64	42,633.19	28,032.93
	ii Finance cost	19	178,108.17	165,231.69	144,038.43	135,592.38	133,533.57
	iii Depreciation and amortisation expense	9	3,519.03	3,571.21	3,762.29	4,364.84	3,022.27
	iv Other expenses	20	67,636.35	58,853.77	52,456.12	46,199.73	45,163.52
	v Provisions & write offs	21	107,181.47	93,828.28	62,683.41	45,819.01	38,561.63
	Total Expenses		**431,042.78**	**381,214.74**	**317,022.89**	**274,609.15**	**248,313.92**
C.	**Profit before tax**		106,310.39	89,686.79	84,937.34	86,678.97	79,557.72
D.	**Tax expenses**						
	Current tax		39,639.64	31,878.38	29,873.93	30,447.02	23,274.17
	Deferred tax		(2,699.43)	(655.77)	(801.50)	(1,236.84)	(52.20)
	Tax paid for earlier years		-	6.61	2.19	(66.69)	2,794.53
	Total tax expense		**36,940.21**	**31,229.22**	**29,074.62**	**29,143.49**	**26,016.50**
E.	**Profit after tax from continuing operations**		**69,370.18**	**58,457.57**	**55,862.72**	**57,535.48**	**53,541.22**
	Less: Minority Interest		659.32	648.73	656.27	393.41	324.62
			68,710.86	**57,808.84**	**55,206.45**	**57,142.07**	**53,216.60**
F.	**Earnings per Equity share**	22					
	Equity shares of par value ` 10/- each						
	Basic (`)		104.18	87.68	83.75	88.24	91.66
	Diluted (`)		104.11	87.58	83.64	88.09	91.43

Significant accounting policies 2.1
The accompanying notes are an integral part of the Reformatted Financial Statements
As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Statement of Reformatted Consolidated Cash Flow **Annexure III**

(` in lacs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Taxes	**106,310.39**	**89,686.79**	**84,937.34**	**86,678.97**	**79,557.72**
Adjustments for :					
Depreciation and amortization	3,519.03	3,571.21	3,762.29	4,364.84	3,022.27
(Profit)/Loss on sale of fixed assets (Net)	27.99	8.82	(2.63)	(13.86)	27.89
Public issue expenditure for non-convertible debentures	300.75	366.48	734.59	977.45	575.41
Provision for Non-performing assets and bad debts written off	104,663.97	89,956.62	60,759.59	44,901.17	38,663.88
Contingent provision for standard assets	2,382.89	2,353.21	1,878.70	906.61	(107.96)
Provision for hedging contracts	-	-	-	-	(486.75)
Provision for diminution in the value of investments	-	-	45.12	11.23	5.71
Provision no longer required	1.18	2.11	(1,555.10)	(222.40)	(479.06)
(Gain)/Loss on sale of investments	(1,608.40)	(228.31)	(417.53)	(4,175.15)	(760.40)
Provision for Lease rental	27.31	19.92	1.53	4.78	17.33
Loss on sale of investments	-	-	(8.08)	76.05	-
Dividend Income	(144.50)	(128.43)	-	(290.60)	(542.06)
Provision for bonus and ex gratia	-	-	-	7.63	5.95
Loss on sale of Loan and repossessed assets	134.62	1,518.45	-	-	-
Interest received (others)	(115.79)	-	-	-	-
Amortisation of Govt Securities premium	249.39	-	-	-	-
Operating profit before working capital changes	**215,748.82**	**187,126.87**	**150,135.82**	**133,226.72**	**119,499.93**
Movements in Working capital:					
(Increase) / decrease in assets under financing activities	(514,760.10)	(426,961.88)	(357,900.23)	(334,191.43)	40,321.09
(Increase) / decrease in Short-term loans and advances	168.77	(2,069.08)	(5,520.24)	(2,429.40)	(5,736.37)
(Increase) / decrease in Long-term loans and advances	(3,038.81)	(49,841.08)	(47,078.78)	(37,902.31)	(19,249.29)
(Increase) / decrease in other current assets	1,678.66	2,577.60	847.76	4,420.70	5,633.52
(Increase) / decrease in other non-current assets	(2,223.61)	(1,320.82)	1,994.76	3,762.18	6,124.23
(Increase) / decrease in Investments	(1,735.64)	13,829.26	46,426.96	67,431.44	(121,001.94)
Increase / (decrease) in other current liabilities	88,194.09	(44,666.14)	67,106.70	75,036.68	(11,357.26)
Increase / (decrease) in other non-current liabilities	(1,821.43)	(16,125.99)	15,218.95	(815.47)	(2,585.79)
Cash generated from operations	**(217,789.25)**	**(337,451.26)**	**(128,768.30)**	**(91,460.89)**	**11,648.12**
Direct taxes paid (net of refunds)	(39,654.83)	(32,273.47)	(29,891.61)	(32,714.55)	(26,373.04)
Net Cash from/(used in) operating activities (A)	**(257,444.08)**	**(369,724.73)**	**(158,659.91)**	**(124,175.44)**	**(14,724.92)**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets including intangible assets	(4,012.25)	(3,211.35)	(4,177.91)	(2,875.95)	(3,429.00)
Capital advance for assets	7.90	(10.88)	1,400.92	(1,391.46)	
Proceeds from sale of fixed assets	24.07	27.16	34.30	111.52	23.48
Investments in security receipts	(2,303.10)	-	-	-	-
Investments in PTC	(3,249.51)	-	-	-	-
Purchase of Investments	(25.00)	(4,643.10)	(27,805.85)	(21,360.19)	(7,274.72)
Interest received (others)	115.79	-	-	-	-
Proceeds from sale of investments	6,112.76	1,366.34	19,367.37	218.67	
Dividend Income	144.50	128.43	-	0.51	222.08
Gain/(Loss) on sale of investments	1,505.31	-	417.53	4,460.62	2,279.48
Loss on sale of investments	-	-	-	(76.05)	-
Miscellaneous income	-	-	4.68	149.69	8.88
Net Cash from/(used in) investing activities (B)	**(1,679.54)**	**(6,343.40)**	**(10,758.96)**	**(20,762.64)**	**(8,169.80)**

Shriram City Union Finance Limited
Statement of Reformatted Consolidated Cash Flow **Annexure III**

(` in lacs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share capital including securities premium and share application money	8.70	5.77	7.55	78,972.56	22,563.47
Increase / (decrease) of long-term borrowings	157,758.29	113,252.42	197,300.02	(83,547.68)	65,443.53
Increase / (decrease) of short-term borrowings	104,261.15	276,169.89	(12,429.49)	79,389.71	(121,873.19)
Public issue expenses for non-convertible debentures paid	-	-	-	(53.53)	(1,468.32)
Dividend Paid	(10,542.37)	(9,880.26)	(10,203.64)	(6,908.03)	(5,880.22)
Tax on dividend	(2,148.14)	(2,013.37)	(2,079.82)	(1,264.84)	(999.34)
Cash and bank balance received on account of merger with SRHPL	-	-	-	-	5,666.33
Movements in working capital	-	-	-	0.19	-
Net Cash from/(used in) financing activities (C)	**249,337.63**	**377,534.45**	**172,594.62**	**66,588.38**	**(36,547.74)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(9,785.99)	1,466.32	3,175.75	(78,349.70)	(59,442.46)
Cash and cash equivalents at the beginning of the year	43,749.38	42,283.06	39,107.31	117,457.01	176,899.48
Cash and cash equivalents at the end of the year	**33,963.39**	**43,749.38**	**42,283.06**	**39,107.31**	**117,457.01**

Components of cash and cash equivalents	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
Cash on hand	6,137.67	5,752.94	4,577.87	5,744.12	6,234.82
Balances with banks in :					
Current accounts	27,583.16	36,963.52	35,367.01	26,802.58	22,739.31
Unclaimed dividend accounts	92.56	82.92	73.18	60.61	49.53
Deposits with maturity of less than 3 months	150.00	950.00	2,265.00	6,500.00	88,433.35
Total Cash and cash equivalents (Note No 15)	**33,963.39**	**43,749.38**	**42,283.06**	**39,107.31**	**117,457.01**

Notes

1) The above cash flow statement have been prepared under the indirect method set out in accounting standard AS-3 Cash Flow Statement notified pursuant to the companies Accounting standard rules, 2006.
2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

Significant accounting policies 2.1
The accompanying notes are an integral part of the Reformatted Financial Statements
As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Note-3 Share Capital

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Authorised Capital					
Equity share capital (` in lacs)	11,850.00	11,850.00	11,850.00	11,850.00	11,850.00
Preference share capital (` in lacs)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Number of equity Shares of Rs.10/- each	118,500,000	118,500,000	118,500,000	118,500,000	106,500,000
Number of equity shares of Rs.100/- each	-	-	-	-	1,200,000
Number of Cummulative redeemable preference Shares of Rs.100/- each	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Issued share capital					
Equity share capital (` in lacs)	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44
Number of equity shares of Rs.10/- each	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432
Subscribed share capital					
Equity share capital (` in lacs)	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44
Number of equity shares of Rs.10/- each	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432
Paid up (fully paid up)					
Equity share capital (` in lacs)	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44
Number of equity shares of Rs. 10/- each	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432

3.1 Reconciliation of number of equity shares outstanding at the beginning and at end of reporting period.	As at March 31,				
	2018	2017	2016	2015	2014
Number of shares outstanding at the beginning of the year	65,943,402	65,927,152	65,905,612	59,284,432	55,416,340
Issued during the period - Employee stock option scheme Refer note no.24	22,360	16,250	21,540	41,340	37,050
Preferential allotment to Piramal Enterprises Limited	-	-	-	6,579,840	
Issued pursuant to merger	-	-	-	-	781,042
Conversion of warrants	-	-	-	-	3,050,000
Number of shares outstanding at the end of the year	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432

(` in lacs)

3.1.Reconciliation of equity share capital outstanding at the beginning and at end of reporting period.	As at March 31,				
	2018	2017	2016	2015	2014
Share Capital outstanding at the beginning of the year	6,594.34	6,592.72	6,590.56	5,928.44	5,541.63
Issued during the period - Employee stock option scheme Refer note no.24	2.24	1.62	2.16	4.13	3.71
Preferential allotment to Piramal Enterprises Limited	-	-	-	657.99	-
Issued pursuant to merger	-	-	-	-	78.10
Conversion of warrants	-	-	-	-	305.00
Share capital outstanding at the end of the year	6,596.58	6,594.34	6,592.72	6,590.56	5,928.44

The Company as per approval given by the shareholders of the Company at the Extraordinary General Meeting held on May 30, 2014 had issued and allotted of 65,79,840 numbers of fully paid up equity shares of `10/- each for cash at a price of `1,200/- per Equity Share (including a premium of `1,190/- per Equity Share) aggregating to ` 78,958.08 lacs to M/s Piramal Enterprises Limited ("PEL") on preferential basis on June 3, 2014 in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said equity shares are locked in for a period of one year from the date of trading approval by stock exchanges granting last (i.e. from June 25, 2014 to June 30, 2015) as per Regulation 78(2) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 read with amendment notification dated August 26, 2013 as SEBI (ICDR) Second Amendment Regulations, 2013.

On October 31, 2012 the Board of directors of the Company have approved the merger of SRHPL with the Company.
In terms of the composite Scheme of Arrangement ("Scheme") among Shriram Retail Holdings Private Limited ("SRHPL"), Shriram Enterprise Holdings Private Limited ("SEHPL") and Shriram City Union Finance Limited ("SCUF"), under section 391 to 394 read with Section 100-104 of the Companies Act, 1956 was approved by the Hon'ble High Court of Madras on June 24, 2013. The Scheme came into effect on August 16, 2013 with filing of Form 21 with Registrar of Companies, Chennai on the same date.
Prior to the merger, SRHPL held 26,610,571 shares of the Company
The swap ratio was revised from 413:69 to 418:69 (418 equity shares of `10 each of The Company against 69 equity shares of `10 each of Consolidated SRHPL) due to increase in cash and cash equivalent of Consolidated SRHPL as per provision of clause 14.3 of the Scheme, with the signing of revised swap ratio letter by the Company with Consolidated SRHPL on August 15, 2013.

Accordingly, on August 19, 2013, 2,73,91,613 equity shares of `10 each fully paid of the Company were allotted to the shareholders of Consolidated SRHPL, which resulted in increase in paid up share capital of the Company by 7,81,042 equity shares of ` 10 each.

The National Stock Exchange of India Limited, BSE Limited and Madras Stock Exchange Limited approved the listing of these shares on September 10, 2013, October 17, 2013 and September 25, 2013 respectively.

The amalgamation has been accounted for under the purchase method as prescribed by Accounting Standard - 14 Accounting for amalgamation, notifed under Companies (Accounting Standards)Rules 2006 (as amended).

All the Assets (other than shares of the company held by SRHPL) and Liabilities of SRHPL have been vested in the Company with effect from August 16, 2013.

In accordance with the said scheme, excess of the net asset value taken over by the Company, vis-à-vis, additional equity shares issued has been transferred to Capital Reserves.
Details of net assets taken over and transfer to Capital Reserves is as under:

Particulars	**(` in lacs)**
Total value of assets acquired by the Company	6,617.12
Less: Total value of liabilities acquired by the Company	67.13
Fair Value of Net Assets taken over	6,549.99
Less: Additional issue of equity shares 781042 shares @ ` 10 each	(78.10)
Amount taken to Capital Reserve on Merger	6,471.88

3.2. 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 the equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

Dividend details

Particulars	**As at March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
The total amount of per equity share dividend recognized as distributions to equity shareholders Rs.	18	15	15	15	10
Amount of interim dividend paid per equity share Rs.	6	5	5	4.50	4
Amount of final dividend proposed/paid per equity share Rs.	12	10	10	10.50	6

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

3.3 Details of shareholders holding more than 5% equity shares in the Company

Number of share holder	As at March 31,				
	2018	2017	2016	2015	2014
Equity shares of Rs. 10/- each fully paid					
Number of Shares	22,268,877	22,268,877	22,268,877	22,268,877	22,268,877
% holding in the class	33.76%	33.78%	33.78%	33.79%	37.56%
Norwest Venture Partners X FII-Mauritius					
Number of Shares	-	-	-	-	3,823,502
% holding in the class	-	-	-	-	6.45%
TPG India Investments I INC					
Number of Shares	-	-	-	13,421,889	13,421,889
% holding in the class	-	-	-	20.37%	22.64%
Piramal Enterprises Limited					
Number of Shares	6,579,840	6,579,840	6,579,840	6,579,840	-
% holding in the class	9.97%	9.98%	9.98%	9.98%	-
Dynasty Acquisition FPI Limited					
Number of Shares	13,421,889	13,421,889	13,421,889	-	-
% holding in the class	20.35%	20.36%	20.36%	-	-

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.

3.4 Shares reserved for issue under option :
(i) For details of shares reserved for issue under the employee stock option scheme(ESOP) (Refer Note 24)

3.5 Preferential issue of share warrants
During the financial year 2012-13,28,50,000 warrants and during the financial year 2013-14,30,50,000 warrants have been converted to equity shares,out of the total 59,00,000 warrants issued in financial year 2011-12 at the exercise price of ` 570 each

3.6 The company had issued total 138,540 equity shares (March 31, 2017: 315,311, March 31 2016 : 829,393, March 31 2015 : 11,90,030 and March 31 2014 : 11,48,690) respectively during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee service.

Shriram City Union Finance Limited **Annexure IV**

Notes forming part of Reformatted Statement of Assets and Liabilities

Note-4 Reserves and surplus **(` in lacs)**

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Capital reserve	7,871.88	7,871.88	7,871.88	7,871.88	1,400.00
Add: Transfer from Profits on account of reverse merger with shriram Retail Holdings Pvt. Ltd.	-	-	-	-	6,471.88
Closing balance	**7,871.88**	**7,871.88**	**7,871.88**	**7,871.88**	**7,871.88**
Capital redemption reserve	**2,328.98**	**2,328.98**	**2,328.98**	**2,328.98**	**2,328.98**
Securities premium account					
Opening Balance	184,778.30	184,737.44	184,683.27	108,053.57	85,583.23
Add: Securities premium received	56.22	40.86	54.17	78,404.05	22,470.34
Less: Amount utilised towards share issue expense	-	-	-	(1,774.35)	-
Closing balance	**184,834.52**	**184,778.30**	**184,737.44**	**184,683.27**	108,053.57
Debenture redemption reserve					
Opening Balance	6,422.54	7,412.07	16,494.61	15,995.20	8,290.40
Add: Transfer from Surplus in the statement of profit and loss	2,059.53	2,247.40	5,122.26	8,398.63	7,704.80
Less: Transfer to General Reserve on account of redemption	(3,996.04)	(3,236.93)	(14,204.80)	(7,899.22)	-
Closing balance	**4,486.03**	**6,422.54**	**7,412.07**	**16,494.61**	**15,995.20**
General Reserve					
Opening Balance	62,697.35	53,899.42	34,395.62	20,915.40	15,695.40
Add: Transfer from Surplus in the statement of profit and loss	6,648.00	5,561.00	5,299.00	5,581.00	5,220.00
Add: Transfer from Debenture redemption reserve	3,996.04	3,236.93	14,204.80	7,899.22	-
Closing balance	**73,341.39**	**62,697.35**	**53,899.42**	**34,395.62**	**20,915.40**
Statutory Reserve (in pursuant to section 45-IC of the RBI Act, 1934)/(in pursuant to section 29C of the NHB Act, 1987 and section 36(1)(iii) of the Income Tax Act, 1961)					
Opening Balance	76,589.69	65,020.18	53,959.38	42,475.46	31,815.00
Add: Transfer from Surplus in the statement of profit and loss	13,742.51	11569.51	11,060.80	11,483.92	10,660.46
Closing balance	**90,332.19**	**76,589.69**	**65,020.18**	**53,959.38**	**42,475.46**
Share Options Outstanding Account					
Employee stock option outstanding	164.13	200.93	249.71	343.32	427.22
Less: Utilised during the year	(50.63)	(36.80)	(48.78)	(93.61)	(83.90)
Closing balance	**113.50**	**164.13**	**200.93**	**249.71**	**343.32**
Surplus in statement of Profit and Loss					
Opening Balance	171,310.28	136,811.93	115,025.47	96,065.53	73,484.25
Less : Depreciation charged off from retained profit as per Schedule II to The Companies Act, 2013	-	-	-	(367.34)	-
Add: Profit for the current year	68,710.86	57,808.84	55,206.46	57,142.07	53,216.60
Adjustment in minority interest	-	-	-	-	101.03
Add/Less: Appropriations	-	-	-	-	-
- Transfer to Statutory reserve (in pursuant to section 45-IC of the RBI Act, 1934)/(in pursuant to section 29C of the NHB Act, 1987 and section 36(1)(iii) of the Income Tax Act, 1961).	(13,742.51)	(11,569.51)	(11,060.80)	(11,483.92)	(10,660.46)
Transfer to general reserve	(6,648.00)	(5,561.00)	(5,299.00)	(5,581.00)	(5,220.00)
Transfer to debenture redemption reserve	(2,059.53)	(2,247.40)	(5,122.26)	(8,398.63)	(7,704.80)
Interim dividend	(3,957.50)	(3,296.88)	(3,296.01)	(2,965.74)	(2,371.09)
Tax on interim dividend	(805.65)	(635.22)	(671.01)	(592.97)	(402.96)
Final Dividend of Previous year	(6,594.51)	(0.40)	(0.11)	(396.30)	(184.15)
Tax on Final Dividend of Previous year	(1,342.49)	(0.08)	(0.02)	(67.35)	(31.30)
Proposed final dividend	-	-	(6,592.72)	(6,920.09)	(3,557.07)
Tax on proposed dividend	-	-	(1,378.07)	(1,408.79)	(604.52)
Net surplus in the Statement of Profit and Loss	**204,870.95**	**171,310.27**	**136,811.93**	**115,025.47**	**96,065.53**
Total	**568,179.44**	**512,163.14**	**458,282.83**	**415,008.92**	**294,049.34**

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-5 Long term borrowings - Non-Current

(` in lacs)

Particulars	**As at March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Secured					
Privately placed redeemable non-convertible debentures -Retail	-	515.98	2,995.61	30,496.55	98,597.82
Privately placed redeemable non-convertible debentures -Institutional	232,600.00	96,700.00	70,586.67	71,250.00	36,650.00
Public issue of redeemable non-convertible debentures					
Issued in 2011	-	-	-	30,860.80	61,208.00
Issued in 2012	-	-	11,116.35	11,116.35	43,360.14
Issued in 2013	-	7,900.60	8,624.82	15,361.06	15,361.06
Issued in 2014	9,514.02	9,514.02	13,788.52	20,000.00	-
Term loan from Banks	798,767.78	697,346.08	553,713.88	325,086.52	447,663.10
Term loan from Financial Institutions	19,800.00	25,000.00	19,500.00	27,500.00	34,500.00
Refinance from National Housing Bank	1,121.90	1,638.20	2,286.60	-	-
Total	**1,061,803.70**	**838,614.88**	**682,612.45**	**531,671.28**	**737,340.12**
Unsecured					
Fixed deposits	158,262.38	165,575.88	216,877.43	173,024.40	42,635.90
Subordinated debts	43,501.68	89,542.39	101,778.82	104,278.59	113,059.26
Total	**201,764.06**	**255,118.27**	**318,656.25**	**277,302.99**	**155,695.16**
Grand Total	**1,263,567.76**	**1,093,733.15**	**1,001,268.70**	**808,974.27**	**893,035.28**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-5 Long term borrowings - Current Maturities

(` in lacs)

Particulars	**As at March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Secured					
Privately placed redeemable non-convertible debentures -Retail	515.98	2,473.56	27,286.78	67,029.45	88,601.44
Privately placed redeemable non-convertible debentures -Institutional	32,600.00	55,286.67	64,366.66	1,000.00	11,400.00
Public issue of redeemable non-convertible debentures:					
Issued in 2011	-	-	-	-	13,792.00
Issued in 2012	-	11,116.35		32,243.79	-
Issued in 2013	7,900.60	658.77	6,736.24	-	-
Issued in 2014	-	4,274.50	6,211.48	-	-
Term loan from Banks	215,067.63	102,055.66	222,605.97	194,925.85	124,082.72
Term loan from Financial Institutions	3,550.00	19,500.00	8,000.00	7,000.00	5,000.00
Refinance from National Housing Bank	160.05	160.05	160.05	-	-
Total	**259,794.26**	**195,525.56**	**335,367.18**	**302,199.09**	**242,876.16**
Unsecured					
Fixed deposits	127,487.48	160,014.96	81,708.14	38,707.78	19,195.30
Subordinated debts	46,040.71	12,236.43	2,499.77	8,787.04	11,451.11
Total	**173,528.19**	**172,251.39**	**84,207.91**	**47,494.82**	**30,646.41**
Amount disclosed under the head "Other Current Liability" [Refer note no-6B]	(433,322.45)	(367,776.95)	(419,575.09)	(349,693.91)	(273,522.57)
Grand Total	-	-	-	-	-

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Details of Fixed Deposits - Unsecured

Terms of repayment as at March 31, 2018

Long Term Borrowings **(` in lacs)**

Redeemable at par (from the date of Balance Sheet)	Rate of interest			
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	Total
48-60 months	8,850.08	9,790.84	-	18,640.92
36-48 months	2,353.49	9,920.02	-	12,273.51
24-36 months	44,957.60	14,693.21	82.02	59,732.83
12-24 months	27,975.36	31,503.64	8,136.12	67,615.12
Total non-current portion	**84,136.53**	**65,907.71**	**8,218.14**	**158,262.38**
12 months	44,753.53	79,307.98	3,425.97	127,487.48
Total current maturities	**44,753.53**	**79,307.98**	**3,425.97**	**127,487.48**
Grand Total	**128,890.06**	**145,215.69**	**11,644.11**	**285,749.86**

Terms of repayment as at March 31, 2017

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest			
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	Total
48-60 months	1,073.92	9,508.01	-	10,581.93
36-48 months	155.08	10,144.32	82.02	10,381.42
24-36 months	12,160.27	32,342.93	8,380.44	52,883.64
12-24 months	6,469.57	81,819.50	3,439.82	91,728.89
Total non-current portion	**19,858.84**	**133,814.76**	**11,902.28**	**165,575.88**
12 months	30,726.06	28,904.56	100,384.34	160,014.96
Total current maturities	**30,726.06**	**28,904.56**	**100,384.34**	**160,014.96**
Grand Total	**50,584.90**	**162,719.32**	**112,286.62**	**325,590.84**

Terms of repayment as at March 31, 2016

(` in lacs)

Redeemable at par within	Rate of interest			
	>=6% <8%	>=8% <10%	>=10% <12%	Total
48-60 months	-	6,970.42	82.02	7,052.44
36-48 months	-	1,795.90	8,519.11	10,315.02
24-36 months	-	72,342.22	3,502.58	75,844.80
12-24 months	-	21,085.33	102,579.84	123,665.17
Total non-current portion	**-**	**102,193.87**	**114,683.55**	**216,877.43**
12 months	52.99	48,421.81	33,233.34	81,708.14
Total current maturities	**52.99**	**48,421.81**	**33,233.34**	**81,708.14**
Grand Total	**52.99**	**150,615.68**	**147,916.89**	**298,585.57**

Terms of repayment as at March 31, 2015

(` in lacs)

Redeemable at par within	Rate of interest			
	>=6% <8%	>=8% <10%	>=10% <12%	Total
48-60 months	-	561.00	8,667.50	9,228.50
36-48 months	-	138.13	2,866.63	3,004.75
24-36 months	-	7,716.24	104,610.42	112,326.66
12-24 months	52.63	14,271.94	34,139.92	48,464.49
Total non-current portion	**52.63**	**22,687.31**	**150,284.46**	**173,024.40**
12 months	21.53	38,663.16	23.09	38,707.78
Total current maturities	**21.53**	**38,663.16**	**23.09**	**38,707.78**
Grand Total	**74.16**	**61,350.47**	**150,307.55**	**211,732.18**

Terms of repayment as at March 31, 2014

(` in lacs)

Redeemable at par within	Rate of interest			
	>=6% <8%	>=8% <10%	>=10% <12%	Total
48-60 months	-	-	1,396.94	1,396.94
36-48 months	-	-	404.53	404.53
24-36 months	56.52	268.43	33,411.41	33,736.37
12-24 months	21.21	7,053.76	23.09	7,098.06
Total non-current portion	**77.73**	**7,322.20**	**35,235.97**	**42,635.90**
12 months	95.39	19,099.91	-	19,195.30
Total current maturities	**95.39**	**19,099.91**	**-**	**19,195.30**
Grand Total	**173.12**	**26,422.11**	**35,235.97**	**61,831.20**

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

A. Secured Redeemable Non-Convertible Debentures
(i) Privately Placed Redeemable Non - Convertible Debentures (NCDs) of ` 1,000/- each - Unquoted -Retail

Terms of repayment as at March 31,2018

Non-Current Portion - NIL

Current Maturities **(` in lacs)**

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
12 months	2.80	513.18	-	-	515.98
Total current maturities	**2.80**	**513.18**	**-**	**-**	**515.98**
Grand Total	**2.80**	**513.18**	**-**	**-**	**515.98**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees 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.

Terms of repayment as at March 31,2017 **(` in lacs)**

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
12-24 months	2.80	513.18	-	-	515.98
Total non-current portion	**2.80**	**513.18**	**-**	**-**	**515.98**
12 months	7.94	2,144.26	321.36	-	2,473.56
Total current maturities	**7.94**	**2,144.26**	**321.36**	**-**	**2,473.56**
Grand Total	**10.74**	**2657.44**	**321.36**	**-**	**2,989.54**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees 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.

Terms of repayment as at March 31, 2016

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
24-36 months	2.80	513.18	-	-	515.98
12-24 months	8.47	2,149.80	321.36	-	2,479.63
Total non-current portion	**11.27**	**2,662.98**	**321.36**	**-**	**2,995.61**
12 months	127.91	26,916.27	241.48	1.12	27,286.78
Total current maturities	**127.91**	**26,916.27**	**241.48**	**1.12**	**27,286.78**
Grand Total	**139.18**	**29579.25**	**562.84**	**1.12**	**30282.39**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees 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. The company may grant loan against the security of Secured Non-Convertible Debentures upon the terms and conditions as may be decided by the company and subject to applicable statutory and /or regulatory requirements.

Terms of repayment as at March 31, 2015

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
36-48 months	2.80	514.03	-	-	516.83
24-36 months	8.85	2,167.09	321.36	-	2,497.30
12-24 months	151.81	27,088.01	241.48	1.12	27,482.42
Total non-current portion	**163.46**	**29,769.13**	**562.84**	**1.12**	**30,496.55**
12 months	3,044.50	63,692.75	-	292.20	67,029.45
Total current maturities	**3,044.50**	**63,692.75**	**-**	**292.20**	**67,029.45**
Grand Total	**3,207.96**	**93,461.88**	**562.84**	**293.32**	**97,526.00**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on are secured by a legal 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 Trustees 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. The Company may grant loan against the security of Secured Non-Convertible Debentures upon the terms and conditions as may be decided by the Company and subject to applicable statutory and /or regulatory requirements.

Terms of repayment as at March 31, 2014

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest				
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	Total
Over 60 months	-	-	-	-	-
48-60 months	4.80	514.03	-	-	518.83
36-48 months	8.85	2,175.71	321.36	-	2,505.92
24-36 months	202.73	27,361.45	241.48	1.12	27,806.78
12-24 months	3,329.91	64,144.10	-	292.28	67,766.29
Total non-current portion	**3,546.29**	**94,195.29**	**562.84**	**293.40**	**98,597.82**
12 months	17,838.96	70,644.02	3.10	115.36	88,601.44
Total current maturities	**17,838.96**	**70,644.02**	**3.10**	**115.36**	**88,601.44**
Grand Total	**21,385.25**	**164,839.31**	**565.94**	**408.76**	**187,199.26**

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees 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. The Company may grant loan against the security of Secured Non-Convertible Debentures upon the terms and conditions as may be decided by the Company and subject to applicable statutory and /or regulatory requirements.

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

(ii) Privately Placed Redeemable Non-Convertible Debenture-Institutional

Privately Placed Redeemable Non-Convertible Debenture (NCDs) Of ` 1,000,000/- Each - Quoted

(` in lacs)

Rate of Interest	Non-current portion As at March 31, 2018	2017	2016	2015	2014	Redeemable/ Redeemed on
10.30%	4,000.00	4,000.00	4,000.00	4,000.00	-	10-Oct-24
9.00%	1,500.00	1,500.00	-	-	-	2-May-23
9.00%	2,500.00	2,500.00	-	-	-	29-Apr-23
8.90%	11,500.00	-	-	-	-	27-Mar-23
8.09%	8,000.00	-	-	-	-	5-Dec-22
9.35%	1,500.00	1,500.00	1,500.00	1,500.00	-	26-Dec-21
10.25%	1,500.00	1,500.00	1,500.00	1,500.00	-	13-Oct-21
10.25%	4,500.00	4,500.00	4,500.00	4,500.00	-	10-Oct-21
8.97%	5,000.00	-	-	-	-	12-Aug-21
9.50%	2,000.00	2,000.00	-	-	-	1-Jul-21
9.00%	5,000.00	-	-	-	-	12-Feb-21
10.75%*	200.00	300.00	400.00	500.00	500.00	4-Feb-21
9.00%	4,000.00	4,000.00	4,000.00	-	-	27-Oct-20
7.97%	30,000.00	-	-	-	-	27-Oct-20
7.97%	20,000.00	-	-	-	-	6-Oct-20
8.15%	500.00	-	-	-	-	30-Jun-20
9.30%	5,000.00	5,000.00	5,000.00	-	-	22-Jun-20
9.30%	5,000.00	5,000.00	5,000.00	-	-	17-Jun-20
8.15%	35,000.00	-	-	-	-	27-May-20
8.20%	11,500.00	11,500.00	-	-	-	16-Apr-20
9.25%	4,000.00	4,000.00	4,000.00	4,000.00	-	26-Dec-19
8.45%	1,400.00	1,400.00	-	-	-	25-Nov-19
8.25%	10,000.00	10,000.00	-	-	-	7-Oct-19
8.97%	10,000.00	10,000.00	-	-	-	19-Sep-19
8.97%	9,000.00	9,000.00	-	-	-	12-Sep-19
8.33%	40,000.00	-	-	-	-	23-Jul-19
10.65%	-	-	-	-	1,000.00	23-May-15
8.95%	-	7,500.00	7,500.00	-	-	30-Oct-18
Zero coupon	-	2,000.00	2,000.00	-	-	8-Oct-18
9.07%	-	3,500.00	3,500.00	-	-	10-Aug-18
9.50%	-	5,000.00		-	-	28-Jun-18
Zero coupon	-	1,000.00		-	-	25-Apr-18
Zero coupon	-	-	-	600.00	-	24-Nov-16
9.10%	-	-	10,000.00	10,000.00	-	27-Mar-18
11.66%**	-	-	-	27,500.00	27,500.00	30-Mar-17
9.00%	-	-	1,600.00	-	-	1-Jun-17
10.25%	-	-	-	5,000.00	-	1-Dec-17
9.30%	-	-	5,000.00	-	-	1-Dec-17
10.60%	-	-	2,500.00	2,500.00	2,500.00	13-Dec-17
9.30%	-	-	4,500.00	4,500.00	-	26-Dec-17
10.50%	-	-	666.67	2,000.00	2,000.00	23-Nov-17
10.75%	-	-	1,000.00	1,000.00	1,000.00	26-Jul-17
10.75%	-	-	2,150.00	2,150.00	2,150.00	12-Jul-17
9.18%	-	-	270.00	-	-	10-Jul-17
Total	**232,600.00**	**96,700.00**	**70,586.67**	**71,250.00**	**36,650.00**	

* Repaid in instalments.
** 10.49% for the FY 2013-14.

Privately Placed Redeemable Non-Convertible Debenture (NCDs) Of ` 1,000,000/- Each - Quoted

(` in lacs)

Rate of Interest	Current maturities As at March 31, 2018	2017	2016	2015	2014	Redeemable/ Redeemed on
10.75%*	100.00	100.00	100.00	-	-	4-Feb-21
7.95%	13,500.00	-	-	-	-	24-Dec-18
8.95%	7,500.00	-	-	-	-	30-Oct-18
Zero coupon	2,000.00	-	-	-	-	8-Oct-18
9.07%	3,500.00	-	-	-	-	10-Aug-18
9.50%	5,000.00	-	-	-	-	28-Jun-18
Zero coupon	1,000.00	-	-	-	-	25-Apr-18
9.10%	-	10,000.00	-	-	-	27-Mar-18
8.85%	-	17,500.00	-	-	-	22-Mar-18
8.76%	-	10,000.00	-	-	-	12-Feb-18
9.30%	-	4,500.00	-	-	-	26-Dec-17
10.60%	-	2,500.00	-	-	-	13-Dec-17
9.30%	-	5,000.00	-	-	-	1-Dec-17
10.50%	-	666.67	666.66	-	-	23-Nov-17
10.75%	-	1,000.00	-	-	-	26-Jul-17
10.75%	-	2,150.00	-	-	-	12-Jul-17
9.18%	-	270.00	-	-	-	10-Jul-17
9.00%	-	1,600.00	-	-	-	1-Jun-17
10.49%	-	-	27,500.00	-	-	30-Mar-17
8.82%	-	-	15,000.00	-	-	28-Feb-17
9.12%	-	-	5,000.00	-	-	14-Feb-17
9.12%	-	-	5,000.00	-	-	26-Dec-16
Zero coupon	-	-	600.00	-	-	24-Nov-16
8.98%	-	-	500.00	-	-	21-Oct-16
9.14%	-	-	10,000.00	-	-	23-Sep-16
10.65%	-	-	-	1,000.00	-	23-May-15
10.65%	-	-	-	-	1,000.00	3-Feb-15
11.00%	-	-	-	-	1,500.00	1-Dec-14
10.61%	-	-	-	-	2,900.00	2-Jun-14
Total	**32,600.00**	**55,286.67**	**64,366.66**	**1,000.00**	**5,400.00**	

* Repaid in instalments.

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on 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 Trustees appointed.

Secured redeemable non-convertible debenture may be bought back subject to applicable statutory and /or regulatory requirements, upon the terms and conditions as may be decided by the company.

(iii) Privately Placed Redeemable Non-Convertible Debenture (NCDs) Of ` 100,000/- Each - Quoted

(` in lacs)

Rate of Interest	current maturities As at March 31, 2018	2017	2016	2015	2014	Redeemable/ Redeemed on
10.75%	-	-	-	-	900.00	7-Oct-14
10.75%	-	-	-	-	2,100.00	30-Sep-14
10.75%	-	-	-	-	900.00	7-Apr-14
10.75%	-	-	-	-	2,100.00	2-Apr-14
Total	**-**	**-**	**-**	**-**	**6,000.00**	

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on are secured by a legal 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 Trustees appointed.

Secured redeemable non-convertible debenture may be bought back subject to applicable statutory and /or regulatory requirements, upon the terms and conditions as may be decided by the company.

(iv) Public Issue of Redeemable Non-Convertible Debentures (NCDs) of ` 1,000/- each - Quoted
a. Issued in 2011

Non-Current portion

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on	Put and Call option
	11.60%	-	-	-	5,429.05	5,429.05	25-Aug-16	25-Aug-15
Option I	12.10%	-	-	-	21,556.45	43,653.65	25-Aug-16	25-Aug-15
	11.85%	-	-	-	3,875.30	12,125.30	25-Aug-16	25-Aug-15
Total		**-**	**-**	**-**	**30,860.80**	**61,208.00**		

Current Maturities

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed at par on	Put and Call option
	11.50%	-	-	-	-	9,570.95	25-Aug-14	-
Option II	11.85%	-	-	-	-	1,346.35	25-Aug-14	-
	11.60%	-	-	-	-	2,874.70	25-Aug-14	-
Total		**-**	**-**	**-**	**-**	**13,792.00**		

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. Issued in 2012

Non-Current portion

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed on
Option I	10.60%	-	-	-	-	32,243.79	6-Oct-15
Option II	11.75%	-	-	7,551.36	-	-	6-Oct-17
	10.75%	-	-	94.83	11,116.35	11,116.35	6-Oct-17
Option IV	11.75%	-	-	3,467.11	-	-	6-Oct-17
	10.75%	-	-	3.05	-	-	6-Oct-17
Total		**-**	**-**	**11,116.35**	**11,116.35**	**43,360.14**	

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**
Current Maturities

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed on
Option I	10.60%	-	-	-	29,697.71	-	6-Oct-15
	10.60%	-	-	-	2,546.08	-	6-Oct-15
Option II	11.75%	-	7,539.12	-	-	-	6-Oct-17
	10.75%	-	107.07	-	-	-	6-Oct-17
Option IV	11.75%	-	3,468.46	-	-	-	6-Oct-17
	10.75%	-	1.70	-	-	-	6-Oct-17
Total		**-**	**11,116.35**	**-**	**32,243.79**	**-**	

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.

c. Issued in 2013

Non-Current portion

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed on
Series I	10.75%	-	-	-	187.15	187.15	4-Jan-17
	11.00%	-	-	-	4,197.91	4,197.91	4-Jan-17
Series II	10.75%	-	-	7.40	7.00	7.00	4-Jan-18
	11.25%	-	-	309.78	310.18	310.18	4-Jan-18
Series III	10.75%	-	503.40	503.82	3.00	3.00	4-Jan-19
	11.50%		4,515.94	4,515.52	5,016.34	5,016.34	4-Jan-19
Series IV	10.75%	-	-	-	112.50	112.50	4-Jan-17
	11.00%	-	-	-	2,238.68	2,238.68	4-Jan-17
Series V	10.75%	-	-	14.75	-	-	4-Jan-18
	11.25%	-	-	261.38	276.13	276.13	4-Jan-18
Series VI	10.75%	-	289.65	292.67	300.50	300.50	4-Jan-19
	11.50%	-	2,526.14	2,523.12	2,515.29	2,515.29	4-Jan-19
Series VII	10.75%	-	0.13	0.40	-	-	4-Jan-19
	11.25%	-	65.34	195.98	196.38	196.38	4-Jan-19
Total		**-**	**7,900.60**	**8,624.82**	**15,361.06**	**15,361.06**	

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**
Current Maturities

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed on
Series I	10.75%	-	-	180.00	-	-	4-Jan-17
	11.00%	-	-	4,205.06	-	-	4-Jan-17
Series II	10.75%	-	6.40	-	-	-	4-Jan-18
	11.25%		310.78	-	-	-	4-Jan-18
Series III	10.75%	522.74	-	-	-	-	4-Jan-19
	11.50%	4,496.60	-	-	-	-	4-Jan-19
Series IV	10.75%	-	-	118.00	-	-	4-Jan-17
	11.00%	-	-	2,233.18	-	-	4-Jan-17
Series V	10.75%	-	16.74	-	-	-	4-Jan-18
	11.25%	-	259.38	-	-	-	4-Jan-18
Series VI	10.75%	288.72	-	-	-	-	4-Jan-19
	11.50%	2,527.07	-	-	-	-	4-Jan-19
Series VII	10.75%	0.13	0.13	-	-	-	4-Jan-19
	11.25%	65.34	65.34	-	-	-	4-Jan-19
Total		**7,900.60**	**658.77**	**6,736.24**	**-**	**-**	

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.

d. Issued in 2014

Non-Current portion

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed on
Series I	10.50%	-	-	-	2,137.00	-	3-May-16
	11.00%	-	-	-	3,818.77	-	3-May-16
Series II	10.75%	-	-	0.17	-	-	3-May-17
	11.50%	-	-	3,508.59	3,508.76	-	3-May-17
Series III	10.85%	3,027.35	3,017.20	3,031.26	32.00	-	3-May-19
	11.75%	5,036.20	5,046.35	5,032.29	8,031.55	-	3-May-19
Series IV	11.34%	-	-	-	255.71	-	3-May-16
Series V	10.75%	-	-	10.24	-	-	3-May-17
	11.50%	-	-	755.50	-	-	3-May-17
	12.68%	-	-	-	765.74	-	3-May-17
Series VI	10.85%	516.52	510.66	507.63	-	-	3-May-19
	11.75%	933.95	939.81	942.84	-	-	3-May-19
	14.72%				950.47		3-May-19
	13.35%	-	-	-	500.00	-	3-May-19
Total		**9,514.02**	**9,514.02**	**13,788.52**	**20,000.00**	**-**	

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Current Maturities

(` in lacs)

Option Detail	Rate of Interest	As at March 31, 2018	2017	2016	2015	2014	Redeemed on
Series I	10.50%	-	-	5,112.10	-	-	3-May-16
	11.00%	-	-	843.67	-	-	3-May-16
Series II	10.75%	-	7.04	-	-	-	3-May-17
	11.50%		3501.72	-	-	-	3-May-17
Series IV	10.50%	-	-	2.53	-	-	3-May-16
	11.00%	-	-	253.18	-	-	3-May-16
Series V	10.75%	-	9.19	-	-	-	3-May-17
	11.50%	-	756.55	-	-	-	3-May-17
Total		**-**	**4,274.50**	**6,211.48**	**-**	**-**	

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.

Term Loan From Banks

Terms of repayment as at March 31, 2018

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
Above 60 months	8.55%	1 to 14 instalments of half yearly frequency	2,668.40	537.20
48-60 months	7.65% to 9.10%	1 to 60 installments of monthly,quarterly, half yearly,yearly and bullet payments.	126,505.03	13,444.45
36-48 months	8.20% to 9.70%	1 to 48 installments of monthly, quarterly, half yearly and bullet payments.	622,236.02	158,868.89
24-36 months	8.00% to 9.15%	1 to 36 installments of bullet, quarterly, half yearly and monthly frequency	26,358.33	32,217.09
12-24 months	7.90% to 8.70%	Bullet repayment	21,000.00	10,000.00
			798,767.78	**215,067.63**

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, 2017

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
Above 60 months	9.05% to 9.65%	1 to 114 instalments of monthly, quarterly and half yearly frequency	12,227.69	2,563.52
48-60 months	8.15% to 10.20%	1 to 60 installments of bullet, half yearly and yearly frequency	130,249.26	12,361.11
36-48 months	8.40% to 10.00%	1 to 60 installments of bullet, half yearly and yearly frequency	482,369.67	18,625.00
24-36 months	8.40% to 10.00%	1 to 36 installments of bullet & quarterly frequency	72,499.46	57,506.03
12-24 months	7.95%	1 to 24 installments of bullet,monthly,quarterly and half yearly frequency	-	11,000.00
			697,346.08	**102,055.66**

Nature of Security
Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Terms of repayment as at March 31, 2016

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
Above 60 months	9.75% to 9.80%	1 to 20 installment of quarterly & half yearly frequency	10,102.80	2,217.20
48-60 months	9.10% to 9.65%	1 to 60 installments of bullet, half yearly and yearly frequency	101,111.08	4,555.56
36-48 months	9.65% to 9.95%	1 to 48 installments of bullet, half yearly and yearly frequency	270,000.00	-
24-36 months	9.60% to 9.70%	1 to 36 installments of bullet & quarterly frequency	100,000.00	-
12-24 months	9.30% to 10.40%	1 to 24 installments of bullet,monthly,quarterly and half yearly	72,500.00	2,500.00
Upto 12 months	9.65% to 10.40%	1 to 12 installments of bullet, Quarterly & half yearly frequency	-	213,333.21
			553,713.88	**222,605.97**

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, 2015

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
Above 60 months	10.25%	14 installments of half yearly frequency	2,320.00	180.00
48-60 months	10.00% to 10.60%	1 to 12 installments of bullet, Quarterly & half yearly frequency	7,766.64	333.33
36-48 months	10.75% to 11.25%	1 to 48 installments of bullet, half yearly and yearly frequency	30,000.00	-
24-36 months	10.50% to 11.50%	1 to 36 installments of bullet & quarterly frequency	75,000.00	-
12-24 months	10.50% to 11.50%	1 to 24 installments of bullet,monthly,quarterly and half yearly frequency	209,999.88	21,500.00
Upto 12 months	10.00% to 11.00%	1 to 12 installments of bullet, Quarterly & half yearly frequency	-	172,912.52
			325,086.52	**194,925.85**

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, 2014

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
36-48 months	10.75%	Bullet payment on maturity	15,000.00	-
24-36 months	10.40% to 12.00%	1 to 36 installments of bullet, and quarterly frequency	241,505.55	5,000.00
12-24 months	10.50% to 11.25%	1 to 24 installments of bullet,monthly,quarterly and half yearly	191,157.54	24,083.33
up to 12 months	10.45% to 10.95%	1 to 12 installments of bullet,,quarterly and half yearly frequency	-	94,999.39
			447,663.09	**124,082.72**

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 Financial Institutions
Terms of repayment as at March 31, 2018

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	9.15%	1 to 60 installments of quarterly frequency	19,800.00	3,550.00
Grand Total			**19,800.00**	**3,550.00**

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, 2017

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	8.00% to 10.00%	1 to 60 installments of quarterly frequency	25,000.00	-
Upto 12 months	8.00% to 10.00%	1 to 12 installments of half yearly & yearly frequency	-	19,500.00
Grand Total			**25,000.00**	**19,500.00**

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, 2016

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
24-36 months	9.95%	1 to 36 installments of yearly frequency	19,500.00	8,000.00
Grand Total			**19,500.00**	**8,000.00**

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, 2015

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
24-36 months	10.75%	1 to 36 installments of yearly frequency	27,500.00	7,000.00
Grand Total			**27,500.00**	**7,000.00**

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, 2014

(` in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	10.75%	1 to 60 installments of yearly frequency	6,500.00	1,500.00
36-48 months	10.75%	1 to 48 installments of yearly frequency	28,000.00	3,500.00
Grand Total			**34,500.00**	**5,000.00**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Refinance from National Housing Bank

Terms of repayment as at March 31, 2018 **(` in lacs)**

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
Above 60 months	8.50% to 9.00%	47 instalments of quarterly frequency	1,121.90	160.05
Grand Total			**1,121.90**	**160.05**

Nature of security

Refinance from NHB is secured by way of exclusive charge on specified book debts and corporate guarantee from holding company Shriram City Union Finance Limited.

Terms of repayment as at March 31, 2017 **(` in lacs)**

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
Above 60 months	8.50% to 9.00%	47 instalments of quarterly frequency	1,638.20	160.05
Grand Total			**1,638.20**	**160.05**

Nature of security

Refinance from NHB is secured by way of exclusive charge on specified home loan receivables.

Terms of reparyment as at March 31, 2016 **(` in lacs)**

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
Above 60 months	8.50% to 9.00%	47 installments of Quarterly frequency	2,286.60	160.05
Grand Total			**2,286.60**	**160.05**

Nature of security

Refinance from NHB is secured by way of exclusive charge on specified home loan receivables.

Subordinated Debts - Unsecured

Terms of repayment as at March 31, 2018
(i) Privately Placed Subordinated Debts of ` 1,000/- Each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest		
	< 10%	>= 10% < 12%	Total
24-36 months	-	14,272.81	14,272.81
12-24 months	-	21,728.87	21,728.87
Total non-current portion	**-**	**36,001.68**	**36,001.68**
12 months	9.03	25,511.68	25,520.71
Total current maturities	**9.03**	**25,511.68**	**25,520.71**
Grand Total	**9.03**	**61,513.36**	**61,522.39**

(ii) Privately Placed Subordinated Debts of ` 1,00,000/- each - Quoted

Non- Current portion **-NIL**

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest	
	>= 10% < 12%	Total
12 months	**20,520.00**	**20,520.00**
Total current maturities	**20,520.00**	**20,520.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest	
	>= 10% < 12%	Total
12-24 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Terms of repayment as at March 31, 2017

(i) Privately Placed Subordinated Debts of ` 1,000/- each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest		
	< 10%	>= 10% < 12%	Total
36-48 months	-	14,272.81	14,272.81
24-36 months	-	21,728.87	21,728.87
12-24 months	9.03	25,511.68	25,520.71
Total non-current portion	**9.03**	**61,513.36**	**61,522.39**
12 months	1,230.54	8,490.89	9,721.43
Total current maturities	**1,230.54**	**8,490.89**	**9,721.43**
Grand Total	**1,239.57**	**70,004.25**	**71,243.82**

(ii) Privately Placed Subordinated Debts of ` 100,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest	
	>= 10% < 12%	Total
12-24 Months	20,520.00	20,520.00
Total non-current portion	**20,520.00**	**20,520.00**
12 Months	2,515.00	2,515.00
Total current maturities	**2,515.00**	**2,515.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest	
	>= 10% < 12%	Total
24-36 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Terms of repayment as at March 31, 2016

(i) Privately Placed Subordinated Debts of ` 1,000/- each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest		
	< 10%	>= 10% < 12%	Total
48-60 months	-	14,272.81	14,272.81
36-48 months	-	21,728.87	21,728.87
24-36 months	9.03	25,511.68	25,520.71
12-24 months	1,230.54	8,490.89	9,721.43
Total non-current portion	**1,239.57**	**70,004.25**	**71,243.82**
12 months	56.17	2,443.60	2,499.77
Total current maturities	**56.17**	**2,443.60**	**2,499.77**
Grand Total	**1,295.74**	**72,447.85**	**73,743.59**

(ii) Privately Placed Subordinated Debts of ` 100,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest >= 10% < 12%	Total
24-36 Months	20,520.00	20,520.00
12-24 Months	2,515.00	2,515.00
Total non-current portion	**23,035.00**	**23,035.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest >= 10% < 12%	Total
36-48 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Terms of repayment as at March 31, 2015

(i) Privately Placed Subordinated Debts of ` 1,000/- each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest < 10%	>= 10% < 12%	>= 12% < 14%	Total
over 60 months	-	14272.81	-	14272.81
48-60 months	-	21,728.87	-	21,728.87
36-48 months	9.03	25,511.68	-	25,520.71
24-36 months	1,230.54	8,490.89	-	9,721.43
12-24 months	56.17	2,443.60	-	2,499.77
Total non-current portion	**1,295.74**	**72,447.85**	**-**	**73,743.59**
12 months	-	8,731.43	55.61	**8,787.04**
Total current maturities	**-**	**8,731.43**	**55.61**	**8,787.04**
Grand Total	**1,295.74**	**81,179.28**	**55.61**	**82,530.63**

(ii) Privately Placed Subordinated Debts of ` 100,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest >= 10% < 12%	Total
48-60 Months	20,520.00	20,520.00
24-36 Months	2,515.00	2,515.00
Total non-current portion	**23,035.00**	**23,035.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest >= 10% < 12%	Total
48-60 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Terms of repayment as at March 31, 2014

(i) Privately Placed Subordinated Debts of ` 1,000/- each - Unquoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest			
	< 10%	>= 10% < 12%	>= 12% < 14%	Total
over 60 months	-	36004.76	-	36004.76
48-60 months	9.03	25,502.23	-	25511.26
36-48 months	1,230.54	8,490.89	-	9721.43
24-36 months	56.17	2,443.60	-	2499.77
12-24 months	-	8,731.43	55.61	8787.04
Total non-current portion	**1,295.74**	**81,172.91**	**55.61**	**82,524.26**
12 months	-	3,763.80	7,687.31	**11,451.11**
Total current maturities	**-**	**3,763.80**	**7,687.31**	**11,451.11**
Grand Total	**1,295.74**	**84,936.71**	**7,742.92**	**93,975.37**

(ii) Privately Placed Subordinated Debts of ` 100,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest	
	>= 10% < 12%	Total
48-60 Months	20,520.00	20,520.00
36-48 Months	2,515.00	2,515.00
Total non-current portion	**23,035.00**	**23,035.00**

(iii) Privately Placed Subordinated Debts of ` 1,000,000/- each - Quoted

(` in lacs)

Redeemable at par (from the date of Balance Sheet)	Rate of interest	
	>= 10% < 12%	Total
Over 60 months	7,500.00	7,500.00
Total non-current portion	**7,500.00**	**7,500.00**

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-6A Other long-term liabilities

(` in lacs)

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Interest accrued but not due on borrowings	32,294.25	34,884.68	47,773.20	30,314.25	26,756.68
Unrealised gain on securitisation *	466.16	526.35	2,137.79	4,759.63	10,326.51
Retention and other liabilities	-	-	215.11	229.86	172.02
Application money on deposit	-	-	-	108.46	49.45
Application money on redeemable non- convertible debentures	-	-	-	-	10.40
Application money on redeemable subordinate debts	-	-	-	-	37.14
Total	**32,760.41**	**35,411.03**	**50,126.10**	**35,412.20**	**37,352.20**

* Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation / assignment.

Note-6B Other current liabilities

(` in lacs)

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Current maturities of long-term borrowings (Refer note no : 5)	433,322.45	367,776.95	419,575.09	349,693.91	273,522.57
Interest accrued but not due on borrowings	36,844.53	39,953.30	16,587.77	25,204.47	24,934.30
Interest received in advance	-	-	152.52	-	862.84
Investor Education and Protection Fund shall be credited by the following amounts (as and when due)*					
Unclaimed dividends	92.56	82.92	73.18	60.61	49.53
Unclaimed matured deposits and interest accrued thereon	13,776.77	9,092.22	3,175.79	1,721.40	13.37
Unclaimed matured debentures and interest accrued thereon	1,493.89	2,695.26	5,441.77	4,420.08	7,273.53
Unclaimed matured Subordinate debts and interest accrued thereon	2,046.55	775.00	1,817.70	718.97	2,511.29
Temporary credit balance in bank accounts	31,894.30	28,670.50	26,564.71	24,710.91	11,941.72
Tax deducted at source	970.89	591.64	496.93	232.24	481.23
Statutory due pertaining to employees	614.20	574.06	492.32	576.86	210.40
Unrealised gain on securitisation **	606.24	1,657.98	3,473.75	5,675.69	12,096.90
Retention and other liabilities	16,157.83	14,145.02	11,862.95	4,888.79	5,989.88
Service tax - contested #	-	0.51	8.67	1,553.93	1,553.28
Total	**537,820.21**	**466,015.36**	**489,723.15**	**419,457.86**	**341,440.84**

As regards the recovery of Service tax on lease and hire purchase transactions, the Hon'ble Supreme Court vide its order dated October 26, 2010 has directed the competent authority under the Finance act, 1994 to decide the matter in accordance with the law laid down.

*Accrued interest is up to the date of maturity. Amounts shall be credited to Investor Education & Protection Fund to the extend unclaimed as and when due.

** Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation / assignment.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-7A Long-term provisions **(` in lacs)**

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
For employee benefits					
Provision for gratuity	-	-	2,302.34	1,933.72	1,003.71
Provision for leave encashments	1,272.16	127.69	729.42	544.10	380.07
For others					
Provision for non-performing assets	154,722.67	113,975.50	13,568.85	5,179.05	3,325.41
Contingent provision on standard assets	5,062.55	3,853.64	2,354.14	1,613.72	1,162.10
Provision for lease rent	30.19	26.83	18.83	21.37	17.57
Provision for Diminution in the value of Investments	-	81.76	81.76	36.64	25.41
Total	**161,087.57**	**118,065.42**	**19,055.34**	**9,328.60**	**5,914.27**

Note-7B Short-term provisions

(` in lacs)

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
For employee benefits					
Provision for gratuity	807.51	427.87	71.11	59.56	33.76
Provision for leave encashments	420.90	1,083.54	31.91	26.29	21.60
For Others					
Provision for non-performing assets	180.65	95.56	55,718.52	33,575.20	23,134.90
Contingent provision on standard assets	5,683.99	4,510.01	3,656.31	2,518.03	2,063.03
Provision for lease rent	59.82	35.86	23.94	19.87	18.89
Provision for income tax (net of advance income tax)	-	-	-	-	2,382.31
Propsed dividend	-	-	6,592.72	6,920.09	3,557.07
Corporate dividend tax	-	-	1,378.07	1,408.79	604.52
Total	**7,152.87**	**6,152.84**	**67,472.58**	**44,527.83**	**31,816.08**

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-8 Short-term borrowings

(` in lacs)

Particulars	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Secured					
Term loan from banks	-	-	-	8,000.00	1,600.00
Term loan from Financial Institutions	25,000.00	35,000.00	5,000.00	-	-
Working capital Demand loan from Banks	80,900.00	33,900.00	3,000.00	2,500.00	-
Cash credit from Banks	130,065.18	112,585.51	88,315.62	106,745.08	36,755.37
Total	**235,965.18**	**181,485.51**	**96,315.62**	**117,245.08**	**38,355.37**
Unsecured					
Term loans from banks	19,000.00	-	1,000.00	-	-
Commercial papers	234,860.43	200,000.00	8,000.00	-	-
Inter Corporate Deposits	-	-	-	500.00	-
Total	**253,860.43**	**200,000.00**	**9,000.00**	**500.00**	**-**
Grand Total	**489,825.61**	**381,485.51**	**105,315.62**	**117,745.08**	**38,355.37**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

8.1 Term Loan from Institutions

(` in lacs)

Rate of Interest	Repayment Details	As at March 31, 2018
8.85%	Bullet Payment at the end of 1 year	15,000.00
8.75%	Bullet Payment at the end of 1 year	10,000.00
Total		**25,000.00**

Nature of Security

Term Loans from financial Institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

(` in lacs)

Rate of Interest	Repayment Details	As at March 31, 2017
8.90%	Bullet Payment at the end of 1 year	10,000.00
8.75%	Bullet Payment at the end of 1 year	10,000.00
8.30%	Bullet Payment at the end of 1 year	15,000.00
Total		**35,000.00**

Nature of Security

Term Loans from financial Institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

(` in lacs)

Rate of Interest	Repayment Details	As at March 31, 2016
9.25%	Bullet Payment at the end of 1 year	5,000.00
Total		**5,000.00**

Nature of Security

Term Loans from financial Institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

8.2 Cash Credit from bank **(` in lacs)**

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Rate of Interest	8.15% to 11.25%	8.20% to 11.25%	9.50% to 13.00%	10.00% to 13.25%	10.25% to 14.00%
Secured with exclusive charge by way of hypothecation of specific assets under financing.	130,065.18	112,585.51	88,315.62	106,745.08	36,755.37
Total	**130,065.18**	**112,585.51**	**88,315.62**	**106,745.08**	**36,755.37**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

8.3.Working capital Demand loan from Banks

(` in lacs)

Particulars	**Rate of Interest**	**As at March 31,2018**
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.90% to 8.50%	80,900.00
Total		**80,900.00**

(` in lacs)

Particulars	**Rate of Interest**	**As at March 31,2017**
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.85% to 8.95%	33,900.00
Total		**33,900.00**

(` in lacs)

Particulars	**Rate of Interest**	**As at March 31,2016**
Secured with exclusive charge by way of hypothecation of specific assets under financing.	9.25% to 9.95%	3,000.00
Total		3,000.00

(` in lacs)

Particulars	**Rate of Interest**	**As at March 31,2015**
Secured with exclusive charge by way of hypothecation of specific assets under financing.	10.00%	2,500.00
Total		2,500.00

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

8.4 Term Loan from Banks- Unsecured

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2018
7.76% to 7.85%	Bullet Payment at the end of 1 year	19,000.00
Total		**19,000.00**

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2016
9.30%	Bullet Payment at the end of 90 days	1,000.00
Total		**1,000.00**

Term Loan from Banks - Secured

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2015
10.00%	Bullet Payment at the end of 1 year	8,000.00
Total		**8,000.00**

Term Loan from Banks - Secured

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2014
9.95%	Bullet Payment at the end of 1 year	1,600.00
Total		**1,600.00**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

8.5.Commercial Papers

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2018
7.40% to 8.50%	Bullet Payment on maturity	234,860.43
Total		**234,860.43**

Commercial Papers

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2017
7.40% to 8.50%	Bullet Payment on maturity	200,000.00
Total		**200,000.00**

Commercial Papers

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2016
7.26% to 8.50%	Bullet Payment on maturity	8,000.00
Total		8,000.00

Commercial Papers as on March 31, 2015 and March 31, 2014 was NIL

8.6 Inter corporate Deposits

(` in lacs)

Rate of Interest	Repayment Details	As at March 31,2015
10%	Bullet Payment on maturity	500.00
Total		500.00

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-9 Tangible and Intangible Fixed Assets

(` in lacs)

Particulars	Gross Block															
	As at April 1, 2013	**Additions during the year**	**Deletions during the year**	**As at March 31, 2014**	**Additions during the year**	**Deletions during the year**	**As at March 31, 2015**	**Additions during the year**	**Deletions during the year**	**As at March 31, 2016**	**Additions during the year**	**Deletions during the year**	**As at March 31, 2017**	**Additions during the year**	**Deletions during the year**	**As at March 31, 2018**
Tangible Assets																
Assets for Own Use																
Land - Freehold	2.22	0.18	-	2.40	-	-	2.40	-	-	2.40	-	-	2.40	-		2.40
Buildings	12.94	-	-	12.94	-	-	12.94	-	-	12.94	-	-	12.94	-		12.94
Plant and Equipment																
Plant and Machinery	2.70			2.70	-	2.70	-	-	-	-	-	-	-	-	-	-
Computer	4,081.47	468.83	28.03	4,522.27	777.95	29.30	5,270.92	594.07	36.87	5,828.12	930.89	175.40	6,583.61	1,315.60	602.69	7,296.52
Electrical Installations and Equipment	1,203.01	464.03	16.25	1,650.79	322.99	16.43	1,957.35	311.76	8.70	2,260.41	319.57	17.61	2,562.39	509.38	34.20	3,037.57
Furniture and Fixtures																
Furniture and Fixtures	3,161.02	675.96	38.54	3,798.44	234.72	0.57	1,697.64	232.59	10.30	1,919.92	257.21	13.42	2,163.72	292.18	9.35	2,446.55
Office Equipment	-	-	-	-	355.22	107.71	2,583.18	322.61	40.32	2,865.47	152.33	37.55	2,980.25	114.65	18.07	3,076.83
Vehicles	23.05	0.52	2.30	21.27	1.68	0.45	22.50	14.43	3.90	33.03	-	0.32	32.71	24.76	0.20	57.27
Leasehold Improvement	5,366.96	1,547.47	-	6,914.43	1,062.03	83.11	7,893.35	1,135.01	64.83	8,963.53	1,381.96	32.18	10,313.31	1,535.85	11.54	11,837.62
Total Tangible Assets	**13,853.37**	**3,156.99**	**85.12**	**16,925.24**	**2,754.59**	**240.27**	**19,440.30**	**2,610.47**	**164.93**	**21,885.84**	**3,041.96**	**276.48**	**24,651.33**	**3,792.42**	**676.05**	**27,767.70**
Intangible Assets																
Computer Software	700.46	1,202.10	-	1,902.56	121.09	-	2,023.65	1,567.45	-	3,591.10	169.39	-	3,760.49	219.83	-	3,980.32
Total Intangible Assets	**700.46**	**1,202.10**	**-**	**1,902.56**	**121.09**	**-**	**2,023.65**	**1,567.45**	**-**	**3,591.10**	**169.39**	**-**	**3,760.49**	**219.83**	**-**	**3,980.32**
Grand Total	**14,553.83**	**4,359.09**	**85.12**	**18,827.80**	**2,875.68**	**240.27**	**21,463.94**	**4,177.92**	**164.93**	**25,476.94**	**3,211.35**	**276.48**	**28,411.82**	**4,012.25**	**676.05**	**31,748.01**

Note:
The assets which are shown under the intangible Assets are not internally self generated assets.

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**
Note-9 Tangible and Intangible Fixed Assets

(` in lacs)

Particulars	Depreciation/Amortisation																
	As at April 1, 2013	Depreciation for the year	Deletions during the year	As at March 31, 2014	Depreciation for the year	Adjustment to Opening Retained Earnings	Deletions during the year	As at March 31, 2015	Depreciation for the year	Deletions during the year	As at March 31, 2016	Depreciation for the year	Deletions during the year	As at March 31, 2017	Depreciation for the year	Deletions during the year	As at March 31, 2018
Tangible Assets																	
Assets for Own Use																	
Land - Freehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	2.77	0.21	-	2.98	0.17	-	-	3.15	0.17	-	3.32	0.18	-	3.50	0.18	-	3.68
Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	-	-	-	-	-	-	2.56	-	-	-	-	-	-	-	-	-	-
Computer	1,580.51	635.97	20.44	2,196.04	1,527.62	254.77	26.32	3,952.00	693.15	34.94	4,610.21	636.23	165.94	5,080.50	774.31	572.32	5,282.49
Electrical Installations and Equipment	194.65	106.13	1.75	299.03	183.88	-	5.71	474.64	212.91	3.22	684.34	230.05	6.16	908.23	263.89	16.63	1,155.49
Furniture and Fixtures																	
Furniture and Fixtures	833.02	318.48	10.53	1,140.97	112.65	-	0.34	819.42	135.75	8.17	947.01	158.11	8.26	1,096.83	185.49	7.14	1,275.18
Office Equipment	-	-	-	-	641.62	112.84	36.21	1,152.22	607.41	27.74	1,731.89	476.95	30.89	2,177.95	298.23	16.41	2,459.77
Vehicles	6.51	2.11	0.97	7.65	2.45	-	0.09	10.01	2.69	1.83	10.87	3.63	0.05	14.45	5.36	0.06	19.75
Leasehold Improvement	2,426.68	1,618.39	-	4,045.07	1,401.26	-	71.47	5,374.87	1,297.93	57.36	6,615.44	1,298.76	29.19	7,885.01	1,369.01	11.43	9,242.59
Total Tangible Assets	**5,044.14**	**2,681.29**	**33.69**	**7,691.74**	**3,869.65**	**367.61**	**142.69**	**11,786.31**	**2,950.01**	**133.26**	**14,603.08**	**2,803.90**	**240.49**	**17,166.47**	**2,896.47**	**623.99**	**19,438.96**
Intangible Assets																	
Computer Software	500.26	340.98	-	841.24	495.18	-	-	1,336.42	812.28	-	2,148.70	767.31	-	2,916.01	622.56	-	3,538.57
Total Intangible Assets	**500.26**	**340.98**	**-**	**841.24**	**495.18**	**-**	**-**	**1,336.42**	**812.28**	**-**	**2,148.70**	**767.31**	**-**	**2,916.01**	**622.56**	**-**	**3,538.57**
Grand Total	**5,544.40**	**3,022.27**	**33.69**	**8,532.98**	**4364.84**	**367.61**	**142.69**	**13122.73**	**3762.29**	**133.26**	**16,751.78**	**3571.21**	**240.49**	**20,082.48**	**3,519.03**	**623.99**	**22,977.53**

Note:
With effect from April 1, 2014 the Company has adopted the remaining useful life of assets as required under the Companies Act 2013, which required change in rates of depreciation. Accordingly, depreciation of ` 367.61 lacs on account of assets where useful life is already exhausted as on 31st March 2014 has been adjusted against retained earnings. Had there been no change in rates of depreciation on assets, depreciation for the financial year would have been lower by ` 1,448.24 lacs.

The assets which are shown under the intangible Assets are not internally self generated assets.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-9 Tangible and Intangible Fixed Assets

(` in lacs)

Particulars	Net Block					
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
Tangible Assets						
Assets for Own Use						
Land - Freehold	2.40	2.40	2.40	2.40	2.40	2.22
Buildings	9.26	9.44	9.62	9.79	9.96	10.17
Plant and Equipment						
Plant and Machinery	-	-	-	-	0.14	-
Computer	2,014.03	1,503.11	1,217.92	1,318.92	2,326.33	2,501.71
Electrical Installations and Equipment	1,882.08	1,654.16	1,576.08	1,482.71	1,354.32	1,011.05
Furniture and Fixtures						
Furniture and Fixtures	1,171.37	1,066.88	972.92	878.22	756.39	2,328.00
Office Equipment	617.05	802.30	1,133.58	1,430.97	1,901.71	-
Vehicles	37.52	18.26	22.16	12.49	13.62	16.54
Leasehold Improvement	2,595.03	2,428.30	2,348.10	2,518.48	2,869.36	2,940.28
Total Tangible Assets	**8,328.74**	**7,484.85**	**7,282.77**	**7,653.98**	**9,234.23**	**8,809.97**
Intangible Assets						
Computer Software	441.75	844.48	1,442.40	687.23	1,061.32	200.20
Total Intangible Assets	**441.75**	**844.48**	**1,442.40**	**687.23**	**1,061.32**	**200.20**
Grand Total	**8,770.49**	**8,329.33**	**8,725.17**	**8,341.21**	**10,295.55**	**9,010.17**

Note:

The assets which are shown under the intangible Assets are not internally self generated assets.

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-10 Non-Current Investments

(` in lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Long-Term Investments					
A. Other than Trade Investment					
1) Investment in Equity Instruments (valued at cost unless stated otherwise)					
Quoted Equity Instruments :					
Ceylinco Insurance PLC Equity shares at the FV of ` 776.50/- each fully paid-up (No of shares as on March 31,2018 - 1,264,470 ; March 31,2017 - 1,264,470 ;March 31,2016 - 1,264,470; March 31,2015 - NIL ; March 31,2014 - NIL)	9,877.38	9,877.38	9,877.38	-	-
Total	**9,877.38**	**9,877.38**	**9,877.38**	-	-
Unquoted Equity Instruments :					
(i) Highmark Credit Information Services Private Limited Equity shares of ` 10/- each fully paid-up (No of shares as on March 31,2018- 963,265 ; March 31,2017- 963,265 ; March 31,2016- 963,265 ; March 31,2015- 963,265; March 31,2014- 16,32,653)	118.00	118.00	118.00	118.00	200.00
(ii) Shriram Seva Sankalp Foundation Equity Shares of ` 10/- each fully paid-up (No of shares as on March 31,2018 -18,000 ; March 31,2017 -18,000; March 31,2016 -18,000 ; March 31,2015 -18,000 ; March 31,2014 -NIL)	1.80	1.80	1.80	1.80	-
(iii) Visage Holdings & Finance Private Limited Equity shares of ` 10/- each fully paid-up (No of shares as on March 31,2018 -NIL ; March 31,2017-598,726 ;March 31,2016 - 598,726 ;March 31,2015 -NIL ; March 31,2014 -NIL)	-	997.00	997.00	-	-
Total	**119.80**	**1,116.80**	**1,116.80**	**119.80**	**200.00**
2) Investment in Approved Government Securities (valued at cost unless stated otherwise)					
Quoted Investments :					
6.13% GOI 2028	100.00	101.45	101.45	101.45	101.45
9.22% Gujarat SDL 2023	3,000.00	3,175.64	3,175.64	3,175.64	-
9.55% Tamil Nadu SDL 2023	1,700.00	1,833.24	1,833.24	1,833.24	-
9.25% Maharashtra SDL 2023	3,400.00	3,605.33	3,605.33	3,605.33	-
8.27% GOI 2020	12,000.00	12,281.85	7,638.75	-	
Total	**20,200.00**	**20,997.51**	**16,354.41**	**8,715.66**	**101.45**
3) Investment in Pass Through Certificate (unquoted)	5,028.83	5,806.22	9393.50	1,329.06	934.43
4) Investment in security receipts	2,303.10				
Grand Total	**37,529.11**	**37,797.91**	**36,742.09**	**10,164.52**	**1,235.88**
Aggregate amount of Unquoted Investments (cost of acquisition)	7,451.73	6,923.02	10,510.30	1,448.86	1,134.43
Aggregate amount of Quoted Investments (cost of acquisition)	30,077.38	30,874.89	26,231.79	8,715.66	101.45
Aggregate amount of Quoted Investments (Market Value)	30,615.83	30,293.46	33,879.19	8,790.29	76.04
Aggregate amount of provision for diminution in value of Investments	-	81.76	81.76	36.64	25.41

In accordance with the Reserve Bank of India circular no. RBI/2006-07/225 DNBS (PD) C.C No.87/03.02.2004/2006-07 dated January 4, 2007, the Company has created a floating charge on the statutory liquid assets comprising of investment in approved government securities being statutory liquid assets to the extent of ` 20,200.00 lacs (March 31, 2017: ` 20,997.51 lacs March 31, 2016: ` 16,354.41 lacs March 31, 2015: ` 8,715.66 lacs March 31,2014: ` 101.45) lacs in favour of trustees representing the public deposit holders of the Company.

Shriram City Union Finance Limited
Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-11 Deferred Tax Assets -Net **(` in lacs)**

Particulars	**As at March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Deferred Tax Asset					
Timing difference on account of :					
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting period	1,951.31	1,574.27	1,330.97	992.20	205.03
Contingent provision against standard assets	3,719.16	2,894.50	2,080.10	1,404.38	1,096.22
Provision for substandard and doubtful assets	762.27	406.95	338.50	93.04	20.63
Provision for Gratuity	21.38	-	556.30	421.18	192.24
Provision for leave encashment	473.47	306.80	145.80	79.04	46.26
Provision for Lease rental	63.68	50.39	36.74	14.02	12.39
Provision for Bonus	1,375.48	65.19	80.65	2.48	355.32
Preliminary expenditure	-	-	-	0.18	0.37
Provision for Service Tax	-	-	-	527.89	527.89
Merger Expenses	-	0.24	0.48	0.71	0.95
Estimated Disallowances	-	-	-	271.92	203.94
interest Payable	-	-	-	-	24.55
Gross deferred tax assets (A)	**8,366.75**	**5,298.34**	**4,569.54**	**3,807.04**	**2,685.79**
Deferred Tax Liabilities					
Deferred expenses incurred for NCD mobilization	101.37	106.46	230.92	476.48	790.52
Bank Loan Processing Fees	15.00				
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	-	-	-	-	14.13
Rating Expenses			2.57	3.79	-
Special reserve	708.01	589.25	416.56	208.78	-
Unammortised Expenses and Fees	267.68	27.37	-	-	-
Gross deferred tax liabilities (B)	1,092.06	723.08	650.05	689.05	804.65
Deferred tax asset- Net (A-B)	**7,274.69**	**4,575.26**	**3,919.49**	**3,117.99**	**1,881.14**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-12A Long term Loans & Advances

(` in lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Unsecured, Considered Good					
Capital advances	47.24	-	44.26	1,452.29	53.72
Prepaid expenses	23.15	8.29	7.53	4.33	-
Security Deposits	2,397.30	1,683.01	1,899.75	1,731.77	1,926.78
Advances recoverable in cash or in kind or for value to be received	1,515.03	6.05	57.44	46.08	57.39
Investment through Pass through certificate - Own	2.33	92.35	886.62	1,252.15	3,087.97
Loans and Advances					
Assets under financing activities :					
- Secured, considered good	1,032,779.29	806,991.30	688,855.81	575,852.70	436,832.85
- Unsecured, considered good	212,373.82	192,826.74	27,000.65	17,114.83	11,743.09
- Doubtful	254,596.27	158,038.02	22,252.27	7,998.36	4,185.94
Total	**1,503,734.43**	**1,159,645.76**	**741,004.32**	**605,452.51**	**457,887.74**

Note-12B Short Term Loans & Advances

(` in Lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Unsecured, Considered Good					
Capital advances	-	55.14	-	-	-
Input Credit Receivable	1,488.69	89.22	42.28	41.40	94.63
Prepaid expenses	493.91	543.59	469.03	363.23	249.15
Interest paid in Advance	6,168.98	3,553.69	6.75	-	-
Security Deposits	511.46	790.28	360.29	468.00	101.50
Advances recoverable in cash or in kind or for value to be received	59.82	3,242.36	6,594.86	7,606.89	5,850.56
Investment through Pass through certificate - Own	70.15	1,782.96	1,766.20	1,800.49	3,395.42
Loans and Advances					
Assets under financing activities :					
- Secured, considered good	1,110,503.93	1,047,047.05	1,139,488.08	960,530.38	785,706.29
- Unsecured, considered good	304,046.70	257,141.16	72,991.83	44,187.74	36,304.02
- Doubtful	706.18	242.79	79,271.25	42,656.89	30,258.93
Total	**1,424,049.82**	**1,314,488.24**	**1,300,990.57**	**1,057,655.02**	**861,960.50**

Disclosure on loan against Gold as on March 31, 2018 Vide RBI notification DNBS.CC.PD.No.266/03.10.01/2011-12 dated March 26, 2012:

(` in Lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Total Assets under Management	2,915,006.19	2,462,287.06	2,029,859.88	1,648,340.90	1,305,031.12
Total Loan against gold	337,381.39	342,681.28	340,799.72	294,277.65	245,342.81
Percentage of Gold Loan on Total Assets (on book)	11.57%	13.92%	16.79%	17.85%	18.80%

Note-13A Other non-current assets (` in lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Other bank balances of non current portion (refer note no 15)	110.00	1,200.01	1,200.01	9,000.00	1,623.00
Interest accrued on fixed deposit and other loan and advances	-	81.84	486.36	198.26	0.40
Securitisation-receivable	296.89	250.54	1,533.36	3,816.21	7,776.25
Advance Tax (net of provisions for tax)	4,961.97	6,388.72	6,447.65	4,880.00	-
Premium paid on Govt Securities	342.75	-	-	-	-
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	-	-	300.97	708.27	1,494.97
Other Assets	651.39	3,008.15	-	-	-
Total	**6,363.00**	**10,929.26**	**9,968.34**	**18,602.74**	**10,894.62**

Note-13B Other Current assets (` in lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	-	300.75	366.26	693.55	830.77
Interest accrued on fixed deposit and other loan and advances	1,146.10	1,060.18	1,710.07	1,776.96	3,916.69
Securitisation-receivable	620.81	1,306.73	3,725.55	6,075.34	13,230.00
Premium paid on Govt Securities	123.60	-	-	-	-
Other Assets	5,868.15	993.36	2.39	1.13	-
Total	**7,758.66**	**3,661.02**	**5,804.28**	**8,546.98**	**17,977.46**

Note-14 Current Investment

(` in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Treasury Bills	25,857.40	22,249.68	18,348.53	12,215.99	3,910.00
Certificate of Deposits with Banks	-	-	15,000.00	41,772.70	32,500.00
Commercial Paper	-	-	-	-	2,500.00
Mutual Fund	200.00	2,000.00	200.00	18,800.00	7,200.75
Small Business Loan Trust - Series I	-	466.21	-	-	-
Investment pass through certificate	2,602.52	1,323.27	1,142.34	676.00	59.76
Total	**28,659.92**	**26,039.16**	**34,690.87**	**73,464.69**	**46,170.51**

Treasury Bills as at March 31, 2018

(` in lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
364D T-Bill	18-Jan-18	10-Jan-19	6.50%	14,103.52
364D T-Bill	8-Mar-18	21-Feb-19	6.62%	11,753.88
Total				**25,857.40**

Treasury Bills as at March 31, 2017

(` in lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
364D T-Bill	29-Jun-16	22-Jun-17	6.86%	3,279.34
364D T-Bill	20-Sep-16	8-Jun-17	6.57%	3,342.84
364D T-Bill	3-Jan-17	9-Nov-17	6.24%	2,374.18
364D T-Bill	14-Feb-17	18-Jan-18	6.24%	945.34
364D T-Bill	7-Mar-17	1-Feb-18	6.20%	12,307.98
Total				**22,249.68**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Treasury Bills as at March 31, 2016

(` in lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
364D T-Bill	25-Jun-15	28-Apr-16	7.67%	4,097.94
364D T-Bill	7-Jan-16	16-Sep-16	7.20%	8,558.85
364D T-Bill	7-Jan-16	16-Sep-16	7.22%	2,380.85
364D T-Bill	29-Mar-16	5-Jan-17	7.10%	2,370.06
364D T-Bill	29-Mar-16	16-Feb-17	7.09%	940.83
Total				**18,348.53**

Treasury Bills as at March 31, 2015

(` in lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
91D T-Bill	27-Mar-15	25-Jun-15	8.24%	1,470.13
364D T-Bill	27-Mar-15	23-Jul-15	8.20%	974.17
364D T-Bill	27-Mar-15	9-Jul-15	8.20%	9,771.69
Total				**12,215.99**

Treasury Bills as at March 31, 2014

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
182D T Bill	27-Dec-13	5-Jun-14	8.70%	110.00
364D T Bill	27-Dec-13	2-Oct-14	8.82%	1,500.00
188D T Bill	28-Mar-14	2-Oct-14	8.75%	2,300.00
Total				**3,910.00**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Certificate of Deposits with Banks as at March 31,2016

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
IDBI	31-Mar-16	4-Apr-16	7.95%	5,000.00
Coporation Bank	31-Mar-16	7-Jun-16	12.00%	10,000.00
Total				**15,000.00**

Certificate of Deposits with Banks as at March 31, 2015

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
Union Bank	30-Mar-15	10-Jun-15	8.60%	19,666.56
State Bank of Mysore	30-Mar-15	12-Jun-15	8.59%	2,457.18
Bank of India	31-Mar-15	15-Jun-15	8.59%	9,824.28
Corporation Bank	31-Mar-15	15-Jun-15	8.57%	9,824.68
Total				**41,772.70**

Certificate of Deposits with Banks as at March 31, 2014

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
Andhra Bank	27-Mar-14	2-Jun-14	9.13%	5,000.00
Andhra Bank	27-Mar-14	2-Jun-14	9.12%	10,000.00
Indian Bank	27-Mar-14	30-May-14	9.04%	10,000.00
IDBI Bank	27-Mar-14	13-Jun-14	9.33%	7,500.00
Total				**32,500.00**

Commercial Paper as at March 31, 2014

(` in Lacs)

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
IFMR Capital Finance Private Limited	27-Mar-14	31-Oct-14	13.25%	1,000.00
IFMR Capital Finance Private Limited	27-Mar-14	28-Nov-14	13.25%	1,500.00
Total				**2,500.00**

Mutual Fund as at March 31, 2018, March 31,2017 , March 31,2016 and March 31,2014

Since it is an equity and debt opportunities fund under the open ended scheme the maturity date will be considered as redemption date as and when required.

Mutual Fund as at March 31, 2015

(` in Lacs)

Particulars	**Date of Investment**	**Date of Maturity**	**Rate of Interest**	**Amount Invested**
i) FMP- Mutual Fund				
ICICI	11-Jun-14	15-Jun-15	8.80%	1,200.00
Reliance	17-Jun-14	22-Jun-15	8.85%	2,500.00
Reliance	17-Jun-14	22-Jun-15	8.85%	1,500.00
Reliance	17-Jun-14	19-Jun-15	8.85%	1,000.00
ICICI	19-Jun-14	23-Jun-15	8.85%	1,000.00
ICICI	25-Jun-14	29-Jun-15	8.95%	900.00
HDFC	25-Jun-14	29-Jun-15	8.85%	3,200.00
HDFC	2-Jul-14	7-Jul-15	8.83%	1,500.00
Reliance	2-Jul-14	6-Jul-15	8.85%	3,300.00
ICICI	2-Jul-14	6-Jul-15	8.85%	2,000.00
ICICI	8-Jul-14	9-Jul-15	8.90%	500.00
Total (i)				**18,600.00**
ii) Shriram MF Equity and Debt Opportunity Fund -(Growth)*	22-Nov-13	NA	NA	200.00
Total (ii)				**200.00**
Total-Mutual Fund(i+ii)				**18,800.00**

* Since it is an equity and debt opportunities fund under the open ended scheme the maturity date will be considered as redemption date as and when required.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Assets and Liabilities **Annexure IV**

Note-15 Cash and Bank Balances - Non-Current

(` in lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Other bank Balances :					
Deposits with original maturity for more than 3 months but less than 12 months	110.00	-	-	-	-
Deposits with original maturity for more than 12 months	-	-	-	9,000.00	-
Margin money deposit *		1,200.01	1,200.01	-	1,623.00
Total	**110.00**	**1,200.01**	**1,200.01**	**9,000.00**	**1,623.00**
Amount disclosed under the head "Other Non-Current Assets" (Annexure IV-Refer note 13A)	**(110.00)**	**(1,200.01)**	**(1,200.01)**	**(9,000.00)**	**(1,623.00)**

Note-15 Cash and Bank Balances - Current

(` in lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Cash and cash equivalents :					
Balances with banks in :					
- Current accounts	27,583.16	36,963.52	35,367.01	26,802.58	22,739.31
- Unclaimed dividend	92.56	82.92	73.18	60.61	49.53
- Deposits with original maturity of less than 3 months	150.00	950.00	2,265.00	6,500.00	88,433.35
Cash on hand	6,137.67	5,752.94	4,577.87	5,744.12	6,234.82
Total	**33,963.39**	**43,749.38**	**42,283.06**	**39,107.31**	**117,457.01**
Other bank Balances :					
Deposits with original maturity for more than 3 months but less than 12 months	16,625.00	17,450.00	-	19,600.00	90,000.00
Deposits with original maturity for more than 12 months	-	-	14,000.00	-	-
Margin money deposit *	3,183.11	3,005.18	9,185.59	21,572.40	41,059.53
Total of Other Bank Balances	**19,808.11**	**20,455.18**	**23,185.59**	**41,172.40**	**131,059.53**
Grand Total	**53,771.50**	**64,204.56**	**65,468.65**	**80,279.71**	**248,516.54**

* Margin money deposit of ` 3,183.11 lacs as at March 31, 2018 ; ` 4,205.19 lacs as at March 31, 2017; ` 10,385.60 lacs as at March 31, 2016; ` 21,572.40 lacs as at March 31, 2015 and ` 42,682.53 lacs as at March 31, 2014 are pledged with banks as margin for securitisation.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Profit and Loss **Annexure V**

Note-16 Revenue from operations

(` in lacs)

Particulars	For the year ended March 31, 2018	2017	2016	2015	2014
Income from finance and other charges	522,425.38	455,013.13	381,477.78	328,590.70	290,669.88
Income on Long Term Securitisation / assignment *	2,443.49	4,388.97	6,311.56	11,169.77	20,125.24
Interest on Long Term Investment through PTC-Securitisation **	700.20	1,011.61	545.28	1,341.15	1,947.47
Interest on Margin money on securitisation / assignment	258.13	690.52	1,358.45	3,112.52	4,376.11
Bad debts recovery	4,536.96	4,733.75	5,867.13	4,504.07	3,796.12
Interest on deposit with bank	1,187.44	1,466.64	2,111.29	6,571.56	1,597.80
Interest on government securities	3,296.40	3,054.66	2,147.55	880.19	42.90
Other financial services- Commission & Profit on sale of repossessed assets	434.73	-	-	-	-
Total	**535,282.73**	**470,359.28**	**399,819.04**	**356,169.96**	**322,555.52**

*Includes exempt income (subject to EIS tax u/s 115 TA of the Income Tax Act) for the year ended March 31, 2018 is NIL, March 31, 2017 : ` 33.90 lacs, March 31, 2016 : ` 323.08 lacs, March 31, 2015 : ` 1020.06 lacs, and March 31, 2014 : ` 1700.42 lacs and interest on Pass Through Certfcate of ` 236.31 lacs for the year ending March 31, 2015.

**Includes exempt income for the period ending March 31, 2018 is NIL(March 31, 2017 ` 3.08 lacs , March 31, 2016-` 195.85 lacs March 31,2015- NIL,March 31,2014- NIL)

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Profit and Loss **Annexure V**

Note-17 Other Income

(` in lacs)

Particulars	**For the year ended March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Dividend Income	144.50	128.43	-	290.60	542.06
Gain on sale of investments-Short Term	117.34	228.31	425.61	4,049.64	4,156.70
Gain on sale of investments- Long Term	1,491.06	-	-	125.51	-
Profit on sale of assets	9.73	12.82	16.19	23.87	5.86
Miscellaneous income	307.81	172.69	107.81	308.55	583.77
Provision no longer required	-	-	1,553.08	-	-
Gain on Interest rate swap	-	-	38.50	319.99	27.73
Total	**2,070.44**	**542.25**	**2,141.19**	**5,118.16**	**5,316.12**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Profit and Loss

Annexure V

Note-18 Employee Benefit Expenses

(` in lacs)

Particulars	For the year ended March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Salaries and allowances	68,712.36	54,383.35	49,318.72	38,028.01	25,386.93
Contributions to Provident Fund and ESI	4,369.30	3,760.93	3,422.23	3,005.59	1,827.61
Gratuity	414.66	652.47	436.67	719.25	89.37
Staff welfare expenses	1,101.44	933.04	905.02	880.34	729.02
Total	**74,597.76**	**59,729.79**	**54,082.64**	**42,633.19**	**28,032.93**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Profit and Loss

Annexure V

Note-19 Finance Costs

(` in lacs)

Particulars	For the year ended March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Interest expense on					
Debentures	21,663.34	22,269.64	27,625.40	37,398.87	46,551.76
Subordinate debts	13,943.98	14,092.77	14,421.66	14,938.19	15,231.08
Fixed deposits	29,445.70	32,683.12	26,667.59	14,585.61	2,048.31
Loans from banks	91,121.42	82,082.24	62,939.36	56,545.98	57,117.29
Loans from institutions and others	5,766.05	3,741.56	3,527.34	4,399.86	4,892.15
Commercial Papers	13,121.60	7,923.80	5,362.91	992.03	121.59
Other Borrowing Cost					
Bank Charges	1,138.85	956.96	824.27	954.84	1,017.36
Processing and other charges	702.27	316.17	757.79	612.78	885.61
Brokerage	1,204.96	1,165.43	1,912.11	5,164.22	5,668.42
Total	**178,108.17**	**165,231.69**	**144,038.43**	**135,592.38**	**133,533.57**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Profit and Loss

Annexure V

Note-20 Other Expenses

(` in lacs)

Particulars	For the year ended March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Rent	5,787.15	5,399.43	5,034.67	4,356.63	3,711.71
Power and Fuel expenses	995.55	933.56	1,001.00	880.57	850.64
Repairs & Maintenance to Buildings	1,201.84	1,287.50	1,024.51	889.78	860.56
Repairs & Maintenance to Office Equipment	45.19	57.54	45.51	48.27	31.02
Office upkeep expenses	1,294.72	1,301.18	1,312.69	1,186.87	827.28
Rates & taxes	1,745.41	1,318.81	1,384.86	1,018.86	805.54
Printing & stationery	2,435.05	2,031.99	1,975.01	1,928.73	1,814.02
Travelling & conveyance	5,524.10	6,150.28	5,356.21	5,303.97	5,483.45
Advertisement	1,259.52	987.92	1,072.31	1,278.01	1,284.47
Business promotion expenses	5,260.35	4,759.49	4,526.53	4,249.22	1,987.67
Commission	13,390.82	11,415.99	8,920.67	4,684.79	5,868.14
Sourcing fees and other charges	-	-	-	-	2,542.20
Royalty	5,761.42	5,209.27	4,500.67	2,576.21	935.37
Directors' sitting fees	48.19	29.66	32.24	27.75	6.95
Insurance	401.03	373.29	439.31	430.76	572.10
Communication expenses	3,165.42	3,206.03	3,149.40	3,147.29	3,000.44
Payments to the auditor					
(a) Audit fees	49.19	49.05	44.72	30.30	26.61
(b) Tax audit fees	-	6.89	6.22	5.56	6.05
(c) Certification	5.45	8.15	7.36	6.69	4.93
(d) Out of pocket	17.66	10.35	13.92	14.34	12.68
Professional charges	13,407.22	10,499.65	9,002.34	8,675.34	11,124.27
Legal & Professional fees	1,084.91	788.42	798.84	1,296.82	1,408.00
Donations	10.00	-	8.05	0.20	10.95
Public issue expenses for non-convertible debentures	300.75	366.48	734.59	977.45	575.41
Loss on sale of assets	37.72	21.64	13.56	10.20	33.75
Loss on sale of investment	-	-	-	76.05	-
Loan processing expenditure	419.38	501.06	421.18	267.65	172.04
CSR expenses	1,403.60	692.75	651.27	9.33	-
Miscellaneous expenses	2,584.71	1,447.39	978.48	2,822.09	1,207.27
Total	**67,636.35**	**58,853.77**	**52,456.12**	**46,199.73**	**45,163.52**

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Profit and Loss

Annexure V

Note-21 Provisions & write-offs

(` in lacs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Provision for Non performing assets	40,832.24	44,783.70	30,533.12	12,293.94	7,793.35
Provision for standard assets	2,382.88	2,353.21	1,878.70	906.61	(107.96)
Bad debts written off	63,831.73	45,172.92	30,226.47	32,607.23	30,870.53
Provision for Diminution in value of Investments	-	-	45.12	11.23	5.71
Loss on sale of loan and repossessed assets	134.62	1,518.45	-	-	-
Total	**107,181.47**	**93,828.28**	**62,683.41**	**45,819.01**	**38,561.63**

1. Basis of preparation

The consolidated financial statements relates to Shriram City Union Finance Limited ('the Company') and its subsidiary company. The Company and its subsidiary company constitute the group. The financial statements have been prepared in conformity with generally accepted accounting principles (Indian GAAP) including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, and the guidelines issued by the Reserve Bank of India (‘RBI’) as applicable to a Non Banking Finance Company (‘NBFC’) and the guidelines issued by National Housing Bank (NHB) as applicable to a housing finance company. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, except for the change in accounting policy explained below.

2. Basis of consolidation

(i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2018 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating the intra-group balances and intra-group transactions in accordance with Accounting Standard (AS)- 21 ‘Consolidated Financial Statements”.

(iii) The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognised as ‘Goodwill’ being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company 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.

(iv) Minority interest, if any, in the net assets of consolidated subsidiaries 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 company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(v) The following subsidiary company is considered in the consolidated financial statements:

Name of the company	**Country of incorporation**	**Share of ownership interest as at**	
		March 31 2018	March 31 2017
Shriram Housing Finance Limited	India	77.25%	77.25%

2.1 Summary of significant accounting policies

a. Change in accounting policy

Pursuant to Reserve Bank of India (RBI) notification no. DNBR 011/CGM(CDS) dated March 27,2015, the Company has revised its recognition norms of Non-Performing Assets (NPA) from 120 days to 90 days and increased provision on standard assets from 0.35% to 0.40%. Had the Company continued to use the earlier policy of classification of NPA and provision for standard asset, provisions and write offs for the year ended March 31, 2018 would have been lower by ` 14,099.36 lacs, income from operations for the same period would have been higher by ` 2,934.73lacs and profit before tax for the same period would have been higher by ` 17,034.09 lacs

b. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates prospectively.The said difference is recognised in the books of accounts in the year in which the results materialise.

d. Fixed Assets, Depreciation/Amortisation & Impairment

(i) Tangible Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

(ii) Depreciation on tangible fixed assets

Depreciation on tangible fixed asset is provided on Straight Line basis ('SLM') using the rates arrived at based on the useful lives estimated by the management. The company has used the following useful life to provide depreciation on its fixed assets.

Particulars	Useful life as prescribed by Schedule II of the Companies Act 2013	Useful life estimated by the 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 Fixtures	10 years	10 years
Air Conditioner	10 years	10 years
Office Equipment	5 years	5 years
Motor Car	8 years	8 years
Vehicles	10 years	10 years
Server and Networking	6 years	6 years
Computer	3 years	3 years

Leasehold improvement is amortised on SLM over the lease term subject to a maximum period of 60 months.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of acquisition/sale.

(iii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of useful life of the intangible asset.

Particulars	Rates (SLM)
Computer software	33.33%

Amoritisation on assets acquired /sold during the year is recognised on pro rata basis to the statement of profit & Loss till the date of acquisition/sale.

(iv) Impairment of fixed 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 asset's net selling price and value in use. In assessing the 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 assets

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. The reversal of impairment is recognised in Statement of Profit and Loss ,unless the same is carried at revalued amount and treated as revaluation reserve.

e. Borrowing costs

Borrowing costs includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and are charged to the statement of profit and loss. Ancillary and other borrowing costs are also charged to statement of profit and loss in the year in which they are incurred.

f. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

g. Provision / Write-off of assets

Provision for standard assets and Non-performing assets are made as per estimates of the management, subject to the minimum provision required as per RBI Directions as modified from time to time.

h. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

i. Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

j. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The revenue recognition are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Gain arising on securitization/direct assignment of assets is recognised over the tenure of agreements. Pre securitisation Expenditure or Loss, is recognised upfront.

(iv) Income from services is recognised as per the terms of the contract on accrual basis.

(v) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vi) Dividend is recognised as income in the year in which right to such dividend is established.

(vii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

k. Foreign currency transcation and balances

(i)Initial recognition : Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

(ii)Conversion : Foreign currency monetary items at Balance Sheet date are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

(iii)Exchange differences : All exchange differences are dealt in the Statement of Profit and Loss.

l. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying value of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

n. Employee stock compensation cost

In accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India, the Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

o. Retirement and other employee benefits

(i)Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

(ii)Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering all eligible 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 year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with AS-15 'Employee Benefits'. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred. The company has funded gratuity scheme managed through "SCUF Employees' Group Gratuity Trust".

(iii)Leave Encashment

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting 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.

q. Debentures issue expenses

Expenses for private placement of debentures are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

r. Provisions

A provision is recognised when the Company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

t. 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 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 Company does not recognise a contingent liability but discloses its existence in the financial statements.

1. Basis of preparation

The consolidated financial statements relates to Shriram City Union Finance Limited ('the Company') and its subsidiary company. The Company and its subsidiary company constitute the group. The financial statements have been prepared in conformity with generally accepted accounting principles (Indian GAAP) including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC') and the guidelines issued by National Housing Bank (NHB) as applicable to a housing finance company. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, except for the change in accounting policy explained below.

2. Basis of consolidation

(i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2017 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating the intra-group balances and intra-group transactions in accordance with Accounting Standard (AS)- 21 'Consolidated Financial Statements".

(iii) The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company 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.

(iv) Minority interest, if any, in the net assets of consolidated subsidiaries 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 company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(v) The following subsidiary company is considered in the consolidated financial statements:

Name of the company	Country of incorporation	Share of ownership interest as at	
		March 31 2017	March 31 2016
Shriram Housing Finance Limited	India	77.25%	77.25%

2.1 Summary of significant accounting policies

a. Change in accounting policy

(i) Pursuant to Reserve Bank of India (RBI) notification no. DNBR 011/CGM(CDS) dated March 27,2015, the Company has revised its recognition norms of Non-Performing Assets (NPA) from 150 days to 120 days and increased provision on standard assets from 0.30% to 0.35%. Had the Company continued to use the earlier policy of classification of NPA and provision for standard asset, provisions and write offs for year ended March 31, 2017 would have been lower by Rs. 15599.03 lacs, income from operations for the same period would have been higher by Rs. 959.77 lacs and profit before tax for the same period would have been higher by Rs. 16558.79 lacs.

(ii) As per the requirements of pre-revised AS 4, the Company used to create a liability for dividend proposed/ declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the company cannot create provision for dividend proposed/ declared after the balance sheet date unless a statute requires otherwise. Rather, company will need to disclose the same in notes to the financial statements. Accordingly, the company has disclosed dividend proposed by board of directors after the balance sheet date in the notes.

Had the company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss would have been lower by Rs. 7936.79 lacs and current provision would have been higher by Rs.7936.79 lacs (including dividend distribution tax of Rs.1342.45 lacs).

b. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates prospectively.The said difference is recognised in the books of accounts in the year in which the results materialise.

d. Fixed Assets, Depreciation/Amortisation & Impairment
Fixed assets - Tangible

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

Depreciation on tangible fixed assets
Depreciation on tangible fixed asset is provided on Straight Line basis ('SLM') using the rates arrived at based on the useful lives estimated by the management. The company has used the following useful life to provide depreciation on it's fixed assets.

Particulars	Useful life as prescribed by Schedule II of the Companies Act 2013	Useful life estimated by the 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 Fixtures	10 years	10 years
Air Conditioner	10 years	10 years
Office Equipment	5 years	5 years
Motor Car	8 years	8 years
Vehicles	10 years	10 years
Server and Networking	6 years	6 years
Computer	3 years	3 years

Leasehold improvement is amortised on SLM over the lease term subject to a maximum of 60 months.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of acquisition/sale.

Fixed Assets - Intangible
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation is provided on Straight Line Method ('SLM'), which reflect the mangement's estimate of useful life of the intangible asset.

Particulars	Rates (SLM)
Computer software	33.33%

Amoritisation on assets acquired /sold during the year is recognised on pro rata basis to the statement of profit & Loss till the date of acquisition/sale.

Impairment of fixed 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 greater of the assets ,net selling price and value in use.In assessing the value in use, the estimated future cashflows 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 assets

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. The reversal of impairment is recognised in Statement of Profit and Loss ,unless the same is carried at revalued amount and treated as revaluation reserve

e. Borrowing costs
Borrowing costs includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to statement of profit and loss in the year in which they are incurred.

f. Investments
Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

g. Provision / write-off of assets
Provision for standard assets and Non-performing assets are made as per estimates of the management, subject to the minimum provision required as per RBI Directions as modified from time to time.

h. Loans
Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

i. Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

j. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The revenue recognisation are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Gain arising on securitization/direct assignment of assets is recognised over the tenure of agreements. Pre securitisation Expenditure or Loss, is recognised upfront.

(iv) Income from services is recognised as per the terms of the contract on accrual basis.

(v) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vi) Dividend is recognised as income in the year in which right to such dividend is established.

(vii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

k. Foreign currency translation and balances

Initial recognition : Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion : Foreign currency monetary items at Balance Sheet date are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

Exchange differences : All exchange differences are dealt in the Statement of Profit and Loss.

l. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying value of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

n. Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India (ICAI).The Company measures cost relating to employees stock option by intrinsic value method. Compensation expenses is amortised on straight line method over the period of vesting of options.

o. Retirement and other employee benefits

(i)Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

(ii)Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering all eligible 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 year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with AS-15 'Employee Benefits'. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred. The company has funded gratuity scheme managed through "SCUF Employees' Group Gratuity Trust".

(iii)Leave Encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting 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 period are adjusted for the effects of all dilutive potential equity shares.

q. Debentures issue expenses

Expenses for private placement of debentures are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

r. Provisions

A provision is recognised when the Company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

t. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

u. 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 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 Company does not recognise a contingent liability but discloses its existence in the financial statements.

1. Basis of preparation

The consolidated financial statements related to Shriram City Union Finance Limited ('the Company') and its subsidiary company. The financial statements have been prepared in conformity with generally accepted accounting principles (Indian GAAP) including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC') and the guidelines issued by National Housing Bank (NHB).The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, except for the change in accounting policy explained below.

2. Basis of consolidation

(i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. period ended March 31, 2016 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating the intra-group balances and intra-group transactions in accordance with Accounting Standard (AS)- 21 'Consolidated Financial Statements".

(iii) The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company 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.

(iv) Minority interest, if any, in the net assets of consolidated subsidiaries 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 company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(v) The following subsidiary company is considered in the consolidated financial statements:

Name of the Company	Country of incorporation	Share of ownership interest as at	
		March 31,	March, 31
		2016	2015
Shriram Housing Finance Limited	India	77.25%	77.25%

2.1 Summary of significant accounting policies

a. Change in accounting policy

Pursuant to Reserve Bank of India (RBI) notification no. DNBR 011/CGM(CDS) dated March 27,2015, the Company has revised its recognition norms of Non-performing Assets (NPA) from 180 days to 150 days and increased provision on standard assets from 0.25% to 0.30%. As a result of the above change, total amount of provision inclusive of income de-recognition in this respect increased by `17,700 lacs with a consequent impact on profit before tax for the year ended on 31st March 2016.

b. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as noncurrent.

c. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised in current and future years.

d. Fixed Assets, Depreciation & Impairment

(i) Tangible assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirment of, and gains or losses arising from disposal of tangible assets which are carried at cost are recgnised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method at the rates prescribed under Schedule II to the Companies Act, 2013.

(ii) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses,if any. Intangible assets are amortised on a straight line basis as per rates mentioned below

Particulars	Rates (SLM)
Computer software	33.33%

Amortisation on assets acquired/sold during the year is recognised on pro-rata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

(iii) Impairment of fixed assets

The Company assesses at each balance sheet date if there is an indication of impairment of any asset. If any indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is greater of net selling price and value in use of the asset. Where the carrying amount of an asset is more than its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The value in use is the estimated future cash-flows discounted to their present value at pre-tax discount rate which reflects current market assessment of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each Balance Sheet date about existence or decrease of previously recognised impairment losses. If such indication exists, the Company estimates the asset’s recoverable amount. A previously recognised impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

e. Capital advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realise them in cash and over a period of time these advances get converted into fixed assets which are non-current by nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under "long-term loans and advances".

f. Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to statement of profit and loss in the year in which they are incurred.

g. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

h. Provision/write off of assets

Provision for standard assets and Non-performing assets are made as per estimates of the management, subject to the minimum provision required as per RBI and NHB Directions as modified from time to time.

i. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

j. Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

k. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The revenue recognisation are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Gain arising on securitisation/direct assignment of assets is recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI. Loss or expenditure in respect of securitisation / assignment, if any, is recognised upfront.

(iv) Income from services is recognised as per the terms of the contract on accrual basis.

(v) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vi) Dividend is recognised as income when right to receive payment is established by the date of balance sheet.

(vii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

l. Foreign currency transactions and balances

Initial recognition: Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

Exchange differences: All exchange differences are dealt within the Statement of Profit and Loss.

m. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

n. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

o. Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India (ICAI).The Company measures cost relating to employees stock option by intrinsic value method. Compensation expenses is amortised on straight line method over the period of vesting of options.

p. Retirement and other employee benefits

(i) Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

(ii) Gratuity

The Company provides for 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 year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred.

(iii) Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

q. Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting 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 period are adjusted for the effects of all dilutive potential equity shares.

r. Debentures issue expenses

Expenses for private placement of debentures/subordinated debts/deposits are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

s. Provisions

A provision is recognised when the Company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

t. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

u. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

v. 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, which are beyond the control of the Company. A contingent liability also includes 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 where; a liability cannot be measured reliably. The Company does not recognise a contingent liability in the accounts but discloses its existence in the financial statements.

1. Basis of preparation

The consolidated financial statements related to Shriram City Union Finance Limited ('the Company') and its subsidiary company. The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the Accounting Standards (‘AS’) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, and the guidelines issued by the Reserve Bank of India (‘RBI’) as applicable to a Non Banking Finance Company (‘NBFC’) and the guidelines issued by National Housing Bank (NHB).The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, except for the change in accounting policy explained below.

2. Basis of consolidation

(i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. period ended March 31, 2015 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 Accounting Standard 21- ‘Consolidated Financial Statements’ and Accounting Standard 23 – ‘Accounting for investments in Associates in Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2006, as amended and other generally accepted accounting principles in India.

(iii)The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognised as ‘Goodwill’ being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company 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.

(iv) Minority interest, if any, in the net assets of consolidated subsidiaries 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 company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(v) The following subsidiary company is considered in the consolidated financial statements:

Name of the company	Country of incorporation	Share of ownership interest as at	
		March 31, 2015	March, 31 2014
Shriram Housing Finance Limited	India	77.25%	77.25%

2.1 Summary of significant accounting policies

a. Change in accounting policy

Presentation and disclosure of financial statements

During the year 2014-15, the revised Schedule III notified under the Companies Act 2013, became applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, there is a change in method of calculation of depreciation under schedule II of the Companies Act 2013. Accordingly depreciation has been calculated based on said schedule II, impact of such change has been disclosed in Note 9 to the financial statements.

b. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as noncurrent.

c. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised in current and future years.

d. Fixed Assets, Depreciation & impairment

i. Tangible fixed assets

Fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and directly attributable cost for bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenditure is incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

ii. Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

iii. Depreciation on tangible fixed assets

Depreciation on fixed assets is provided based on the useful lives prescribed under the Schedule II to the Companies Act, 2013 with effect from April 1,2014.

Leasehold improvements are amortised on SLM over the primary period of lease subject to a maximum of 60 months. Depreciation on assets acquired /sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

iv. Depreciation on intangible assets

Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the intangible asset. The company has used the following rate to, provide depreciation on the intangible assets.

Particulars	**Rates (SLM)**
Computer software	33.33%

Amortisation on assets acquired/sold during the year is recognised on pro-rata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

v. Impairment of assets

The company assesses at each balance sheet date if there is an indication of impairment of any asset. If any indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is greater of net selling price and value in use of the asset. Where the carrying amount of an asset is more than its recoverable amount, the asset is considered impaired and is written down to it's recoverable amount.. The value in use is the estimated future cash flows discounted to their present value at pre-tax discount rate which reflects current market assessment of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each Balance Sheet date about existence or decrease of previously recognised impairment losses. If such indication exists, the company estimates the asset's recoverable amount. A previously recognised impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

e. Capital advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realise them in cash and over a period of time these advances get converted into fixed assets which are non-current by nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under "long-term loans and advances".

f. Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to till the date of sale or from the date of acquisition in the year in which they are incurred.

g. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

h. Provision/write off of assets

Nonperforming loans are written off / provided for, as per estimates of management, subject to the minimum provision required as per Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Provision on standard assets is made as required under Reserve Bank of India (RBI) notification No. DNBS.222/CGM (US-2011) dated January 17, 2011. and NHB notification No. NHB.HFC.DIR.3/CMD/2011.

i. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

j. Leases

Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

k. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The revenue recognisation are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Gain arising on securitization/direct assignment of assets is recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by RBI. Loss or expenditure in respect of securitisation / assignment, if any, is recognised upfront.

(iv) The prudential norms for income recognition prescribed under Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and National Housing finance Companies (NHB) Directions, 2010 are followed.

(v) Income from services is recognised as per the terms of the contract on accrual basis.

(vi) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vii) Dividend is recognised as income when right to receive payment is established by the date of balance sheet.

(viii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

l. Foreign currency translation

Foreign currency transactions and balances

Initial recognition: Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

Exchange differences : All exchange differences are dealt with in the Statement of Profit and Loss.

m. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

n. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

o. Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India (ICAI).The company measures cost relating to employees stock option by intrinsic value method. Compensation expenses is amortised on straight line method over the period of vesting of options.

p. Retirement and other employee benefits

(i)Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

(ii)Gratuity

The Company provides for 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 year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred.

(iii)Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

q. Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting 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 period are adjusted for the effects of all dilutive potential equity shares.

r. Expenses on deposits / debentures

Expenses for private placement of debentures/subordinated debts/deposits are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

s. Provisions

A provision is recognised when the company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

t. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

u. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

v. 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, which are beyond the control of the company. A contingent liability also includes 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 where; a liability cannot be measured reliably. The company does not recognise a contingent liability in the accounts but discloses its existence in the financial statements.

1. Basis of preparation

The consolidated financial statements related to Shriram City Union Finance Limited ('the Company') and its subsidiary company. The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under Companies Accounting Standard Rules, 2006, as amended, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC') and the guidelines issued by National Housing Bank (NHB).The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, except for the change in accounting policy explained below.

2. Basis of consolidation

(i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. period ended March 31, 2014 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 Accounting Standard 21- 'Consolidated Financial Statements' and Accounting Standard 23 – 'Accounting for investments in Associates in Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2006, as amended and other generally accepted accounting principles in India.

(iii) The consolidated financial statements have been prepared on the following basis :

a.The financial statements of the company and its subsidiary company 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.

b.The consolidated financial statements include the share of profit / loss of the associate company which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

c.The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company 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.

d.Minority interest, if any, in the net assets of consolidated subsidiaries 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 company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(iv) The following subsidiary company is considered in the consolidated financial statements:

Name of the company	Country of incorporation	Share of ownership interest as at March,31	
		2014	2013
Shriram Housing Finance Limited	India	77.25%	76.50%

2.1 Summary of significant accounting policies

a. Change in accounting policy

Presentation and disclosure of financial statements

During 2011-12, the revised Schedule VI notified under the Companies Act 1956, became applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements

b. Current / Non-current classification of assets / liabilities

Pursuant to applicability of Revised Schedule VI on presentation of financial statements for 2011-12; the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

c. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised in current and future years.

d. Tangible fixed assets

Fixed assets, are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and directly attributable cost for bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenditure is incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

e. Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

f. Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on Straight Line Method (SLM) by using the rates arrived at based on the useful lives estimated by the management, which are greater than or equal to the rates prescribed under the Schedule XIV to the Companies Act, 1956.

Leasehold improvements are amortised on SLM over the primary period of lease subject to a maximum of 60 months. All fixed assets individually costing Rs 5,000 or less are fully depreciated in the year of installation. Depreciation on assets acquired /sold during the year is recognised on a prorata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

g. Depreciation on intangible assets

Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the intangible asset. The company has used the following rate to, provide depreciation on the intangible assets.

Particulars	Rates (SLM)
Computer software	33.33%

Amortisation on assets acquired/sold during the year is recognised on prorata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

h. Impairment of assets

The company assesses at each balance sheet date if there is an indication of impairment of any asset. If any indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is greater of net selling price and value in use of the asset. Where the carrying amount of an asset is more than its recoverable amount, the asset is considered impaired and is written down to it's recoverable amount.. The value in use is the estimated future cash flows discounted to their present value at pre-tax discount rate which reflects current market assessment of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each Balance Sheet date about existence or decrease of previously recognised impairment losses. If such indication exists, the company estimates the asset's recoverable amount. A previously recognised impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

i. Capital advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realise them in cash and over a period of time these advances get converted into fixed assets which are non-current by nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under "long-term loans and advances".

j. Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to till the date of sale or from the date of acquisition in the year in which they are incurred.

k. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

l. Provision/write off of assets

Non performing loans are written off / provided for, as per estimates of management, subject to the minimum provision required as per Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Provision on standard assets is made as required under Reserve Bank of India (RBI) notification No. DNBS.222/CGM (US-2011) dated January 17, 2011.and NHB Notification No.NHB.HFC.DIR.3/CMD/2011

m. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

n. Leases

Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

o. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The revenue recognisation are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.
(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Income apportioned on securitisation/direct assignment of loan receivables arising under premium structure is recognised over the tenure of securities issued by SPV/agreements. Interest spread under par structure of securitisation/direct assignment of loan receivables is recognised on realization over the tenure of the 'securities issued by SPV' / agreements. Loss/expenditure, if any, in respect of securitisation /direct assignment is recognised upfront.

(iv) The prudential norms for income recognition prescribed under Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 are followed.

(v) Income from services is recognised as per the terms of the contract on accrual basis.

(vi) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vii) Dividend is recognised as income when right to receive payment is established by the date of balance sheet.

(viii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.
(ix) Loan Processing fees are taken as income upfront.

p. Foreign currency translation

Foreign currency transactions and balances

Initial recognition : Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion : Foreign currency monetary items are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

Exchange differences : All exchange differences are dealt with in the Statement of Profit and Loss.

q. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

r. Segment reporting

The Company has only one reportable segment of operation and therefore disclosure as required by Accounting Standard AS 17 issued by ICAI is not applicable for the company.

s. Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India (ICAI).The company measures cost relating to employees stock option by intrinsic value method. Compensation expenses is amortised on straight line method over the period of vesting of options.

t. Retirement and other employee benefits

Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

Gratuity

The Company provides for 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 year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred.

Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

u. Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting 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 period are adjusted for the effects of all dilutive potential equity shares.

v. Expenses on deposits / debentures

Expenses for private placement of debentures/subordinated debts/deposits are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

w. Provisions

A provision is recognised when the company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

x. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

y. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

z. 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, which are beyond the control of the company. A contingent liability also includes 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 where, a liability cannot be measured reliably. The company does not recognise a contingent liability in the accounts but discloses its existence in the financial statements.

Shriram City Union Finance Limited

Notes forming part of Reformatted Statement of Profit and Loss **Annexure V**

Note-22 Earnings per share (EPS)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Net Profit after tax as per statement of profit and loss (Rs. in lacs) **(A)**	68,710.86	57,808.84	55,206.45	57,142.08	53,216.60
Weighted average number of equity shares for calculating Basic EPS (in lacs) **(B)**	659.52	659.34	659.16	647.57	580.60
Weighted average number of equity shares for calculating Diluted EPS (in lacs) **(C)**	660.01	660.05	660.03	648.65	582.06
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) **(A) / (B)**	104.18	87.68	83.75	88.24	91.66
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) **(A) / (C)**	104.11	87.58	83.64	88.09	91.43

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Weighted average number of equity shares for calculating Basic EPS (No.in lacs)	659.52	659.34	659.16	647.57	580.60
Add : Equity shares for no consideration arising on grant of stock options under ESOP (in lacs)	0.49	0.71	0.87	1.08	1.46
Weighted average number of equity shares in calculating Diluted EPS (in lacs)	660.01	660.05	660.03	648.65	582.06

Note-23 Gratuity and other post-employment benefit plans:
23.1 Shriram City Union Finance Limited

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

The company had an unfunded defined benefit gratutiy plan till FY 2015-16 which was funded through SCUF Employee's Group Gratuity Trust from FY 2016-17.

Consequent to the adoption of Accounting Standard 15 'Employee Benefits' (Revised), the following disclosures are made as required by the standard:

Statement of Profit and Loss
Net employee benefit expense (recognised in the Employee cost)

(` in lacs)

Particulars	**Gratuity**				
	For the year ended March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Current service cost	493.94	474.66	466.95	235.81	209.18
Interest cost on benefit obligation	30.80	180.49	158.00	93.63	84.99
Net actuarial (gain)/loss recognised in the year	(277.19)	(33.08)	253.59	383.73	(216.10)
Past service cost	121.06	-	-	-	-
Net benefit expense	**368.61**	**622.07**	**878.54**	**713.17**	**78.07**
Actual return on plan assets	175.76	-	-	-	-

Balance sheet
Benefit assets/(liability)

(` in lacs)

Particulars	**Gratuity**				
	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Present value of defined benefit obligation	3,045.11	2,732.94	2,270.36	1,955.49	1,005.76
Fair value of plan assets	(2,248.63)	(2,305.07)	-	-	-
Total	796.48	427.87	2,270.36	1,955.49	1,005.76
Less: Unrecognised past service cost	-	-	-	-	-
Plan asset / (liability)	(796.48)	**(427.87)**	**(2,270.36)**	**(1,955.49)**	**(1,005.76)**

Changes in the present value of the defined benefit obligation are as follows:

(` in lacs)

Particulars	**Gratuity**				
	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Opening defined benefit obligation	2,732.94	2,270.36	1,955.49	1,005.76	1,062.37
Interest cost	196.76	180.49	158.00	93.64	84.99
Current service cost	493.94	474.66	466.95	235.81	209.18
Past Service Cost	121.06	-	-	-	-
Transferred in liability	-	-	11.84	282.28	(86.04)
Transferred out liability	-	(20.02)			
Benefits paid	(232.20)	(174.19)	(68.34)	(45.73)	(48.64)
Actuarial (gains) / losses on obligation	(267.39)	1.64	(253.58)	383.73	(216.10)
Closing defined benefit obligation	**3,045.11**	**2,732.94**	**2,270.36**	**1,955.49**	**1,005.76**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(` in lacs)

Particulars	Gratuity				
	As at March 31,				
	2018	2017	2016	2015	2014
Investments with insurer	2,248.63	2,305.07	-	-	-

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	Gratuity				
	As at March 31,				
	2018	2017	2016	2015	2014
Discount Rate	7.56%	7.20%	7.95%	8.08%	9.31%
Expected rate of return on assets	-	-	-	-	-
Increase in compensation cost	5.00%	5.00%	5.00%	5.00%	5.00%
Employee Turnover	3% & 31%	2% & 13%	2.00%	2.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation, are on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four years are as follows:

(` in lacs)

	As at March 31,				
Particulars	2018	2017	2016	2015	2014
Present value of defined benefit obligation	3,045.11	2,732.94	2,270.36	1,955.49	1,005.76
Plan assets	2,248.63	2,305.07	-	-	-
Surplus / (deficit)	(796.48)	(427.87)	(2,270.36)	(1,955.49)	(1,005.76)
Experience adjustments on plan liabilities	(56.96)	(143.41)	(294.08)	(84.58)	(89.71)
Experience adjustments on plan assets	9.79	34.72	-	-	-

The Company has a leave encashment policy. The leave encashment liability is computed based on actuarial valuation and stands at ` 1,644.65 lacs as on March 31, 2018 (March 31, 2017 : ` 1,184.07 lacs, March 31, 2016 : ` 752.51 lacs, March 31, 2015 : ` 562.32 lacs , March 31, 2014 : ` 395.16 lacs)

Note-23 Gratuity and other post-employment benefit plans:

23.2 Shriram Housing Finance Limited

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 ` 35.02 lacs to the Trust during the financial year 2017-18.

As per Accounting Standard 15 "Employee Benefits", the required disclosures are given below:

Statement of Profit and Loss

Net employee benefit expense (recognised in the Employee cost)

(` in lacs)

Particulars	Gratuity				
	For the year ended March 31,				
	2018	2017	2016	2015	2014
Current service cost	36.13	14.60	4.69	4.69	3.65
Interest cost on benefit obligation	13.15	9.02	2.77	2.77	1.79
Expected return on plan assets	-	(0.42)	-	-	-
Net actuarial (gain)/loss recognised in the year	(8.32)	28.24	(1.38)	(1.38)	5.86
Past service cost	-	-	6.08	-	-
Net benefit expense *	**40.96**	**51.44**	**12.16**	**6.08**	**11.30**
Actual return on plan assets	-	0.42	-	-	-

* Gratuity expenses as per note 18 of the statement of Profit and Loss for the year ended March 31, 2018 is after providing for shortfall in Gratuity Fund account of ` 10.29 lacs.
* Gratuity expenses as per note 18 of the statement of Profit and Loss for the year ended March 31, 2017 is after netting of `. 21.04 Lacs on account of gratuity transferred from group companies.

Balance sheet

Benefit assets/(liability)

(` in lacs)

Particulars	Gratuity				
	As at March 31,				
	2018	2017	2016	2015	2014
Present value of defined benefit obligation	(191.06)	(150.42)	-	-	-
Fair value of plan assets	180.03	150.42	-	-	-
Surplus/(deficit)	(11.03)	-	-	-	-
Less: Unrecognised past service cost	-	-	-	-	-
Plan asset / (liability)*	(11.03)	-	-	-	-

*Gratuity liability for the year end March 31, 2018 disclosed under Note 7 - Provision is after netting off amount paid to trust.

Changes in the present value of the defined benefit obligation are as follows:

Shriram City Union Finance Limited
Notes forming part of Reformatted Financial Statement **Annexure VI**

(` in lacs)

Particulars	**Gratuity**				
	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Opening defined benefit obligation	150.42	103.10	37.79	31.71	20.41
Interest cost	13.15	9.02	3.02	2.77	1.79
Current service cost	36.13	14.60	8.95	4.69	3.65
Past Service Cost	-	-	-	-	-
Liability transferred in/on account of tranfer of employees	-	21.04	-	-	-
Liability transferred out	-	-	-	-	-
Benefits paid	(0.32)	(4.53)	-	-	-
Actuarial (gains) / losses on obligation	(8.32)	7.19	53.33	(1.38)	5.86
Closing defined benefit obligation	**191.06**	**150.42**	**103.09**	**37.79**	**31.71**

Changes in the fair value of the assets are as follows:

(` in lacs)

Particulars	**Gratuity**				
	As at March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Opening fair value of plan assets	150.42	-	-	-	-
Contribution by employer	35.02	150.00	-	-	-
Expected return	10.19	0.42	-	-	-
Benefits paid	(15.60)	-	-	-	-
Actuarial (gains) / losses	-	-	-	-	-
Closing fair value of plan assets	**180.03**	**150.42**	-	-	-

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 the fair value of total plan assets are as follows:

	Gratuity				
Particulars	**As at March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Investments with insurer	100%	100%	-	-	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity				
	As at March 31,				
	2018	2017	2016	2015	2014
Discount Rate	8.00%	8.75%	8.75%	8.75%	8.75%
Expected rate of return on assets	8.00%	8.75%	0.00%	0.00%	0.00%
Increase in compensation cost	5.00%	5.00%	5.00%	5.00%	5.00%
Employee Turnover	5.00%	4.60%	3.00%	3.00%	3.00%
Average balance Service	-	24.54 Years	24.92 Years	24.48 Years	25.16 Years

The estimates of future salary increases, considered in actuarial valuation, are on account of inflation, seniority, promotion and other relevant factors, 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.

Gratuity and Other Post-Employment Benefit Plans:
Amounts for the current and previous four years are as follows:

(` in lacs)

	As at March 31,				
Particulars	**2018**	**2017**	**2016**	**2015**	**2014**
Defined benefit obligation	191.06	150.42	-	-	-
Plan assets	180.03	150.42	-	-	-
Surplus / (deficit)	11.03	-	-	-	-
Experience adjustments on plan liabilities	-	-	-	-	-
(gains)/losses	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-
(losses)/gains					

Company has provided Leave encashment liability as required under Accounting Standard – 15(Revised) and balance in books as on March 31, 2018 ` 48.41 lacs March 31, 2017, ` 27.16 lacs March 31, 2016, ` 8.82 lacs March 31, 2015, `8.07 lacs, and March 31, 2014, ` 6.51 lacs.

Shriram City Union Finance Limited
Notes forming part of Reformatted Financial Statement **Annexure VI**

Note-24 EMPLOYEE STOCK OPTION PLAN
24.1 Shriram City Union Finance Limited
24.1.1 The Company provides share-based payment schemes to its Employees. 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

The details of Series 1 have been summarised below:

Particulars	As at March 31, 2018		As at March 31, 2017		As at Mar 31, 2016		As at Mar 31, 2015		As at March 31, 2014	
	Number of Shares	Weighted Average Exercise Price(in `)	Number of Shares	Weighted Average Exercise Price(in `)	Number of Shares	Weighted Average Exercise Price(in `)	Number of Shares	Weighted Average Exercise Price(in `)	Number of Shares	Weighted Average Exercise Price(in `)
Outstanding at the beginning of the year	72,480	35.00	88,730	35.00	110,270	35.00	151,610	35.00	188,660	35.00
Add: Granted during the year	-	-	-	-	-	-	-	-	-	-
Less: Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Less: Exercised during the year	22,360	35.00	16,250	35.00	21,540	35.00	41,340	35.00	37,050	35.00
Less: Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the period	50,120	35.00	72,480	35.00	88,730	35.00	110,270	35.00	151,610	35.00
Exercisable at the end of the period	-	-	-	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	2.55	-	3.55	-	4.55	-	5.55	-	6.55
Weighted average fair value of options granted	-	227.42	-	227.42	-	227.42	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

As at March 31,	Range of exercise prices (in `)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted Average Exercise Price(in `)
2018	35.00	50,120	2.55	35.00
2017	35.00	72,480	3.55	35.00
2016	35.00	88,730	4.55	35.00
2015	35.00	110,270	5.55	35.00
2014	35.00	151,610	6.55	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:

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.

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

(` in lacs)

Particulars	As at March 31, 2018	2017	2016	2015	2014
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-	-	-	-
Liability for employee stock options outstanding as at end of period	113.50	164.13	200.93	249.71	343.32
Deferred compensation cost	Nil	Nil	Nil	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	As at March 31, 2018	2017	2016	2015	2014
Profit as reported (` in lacs)	66,472.05	55,605.99	52,978.03	55,806.39	52,114.32
Add: Employee stock compensation under intrinsic value method (` in lacs)	-	-	-	-	-
Less: Employee stock compensation under fair value method (` in lacs)	-	-	-	-	-
Proforma profit (` in lacs)	66,472.05	55,605.99	52,978.03	55,806.39	52,114.32
Less: Preference Dividend	-	-	-	-	
Proforma Net Profit for Equity Shareholders (` in lacs)	66,472.05	55,605.99	52,978.03	55,806.39	52,114.32
Earnings per share					
Basic (`)					
- As reported	100.79	84.34	80.37	86.18	89.76
- Proforma	100.79	84.34	80.37	86.18	89.76
Diluted (`)					
- As reported	100.71	84.24	80.27	86.03	89.53
- Proforma	100.71	84.24	80.27	86.03	89.53

24.1.2 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-24 EMPLOYEE STOCK OPTION PLAN

24.2 Shriram Housing Finance Limited

24.2.1 The Company provides share-based payment schemes to its Employees. The relevant details of the scheme and the grant are as below:

Particulars	ESOP Scheme 2016	ESOP Scheme 2013
Date of Board Approval	October 21, 2016	January 25, 2013
Date of Shareholder's approval	December 13, 2016	March 28, 2013
Date of grant	December 22, 2016	28 August 2013 & 20 April, 2015
Number of options granted	335,000	250,000 & 100,000
Exercise Price (Rs)	35	10
Method of Settlement (Cash/Equity)	Equity	Equity
Graded vesting period :		
After 1 years of grant date	1/3 of the options granted	-
After 2 years of grant date	1/3 of the options granted	-
After 3 years of grant date	1/3 of the options granted	-
After 4 years of grant date	-	50% of option granted
After 5 years of grant date	-	50% of option granted
Exercisable period	Not later than 5 years from the date of vesting of options	Not later than 5 years from the date of vesting of options
Vesting Conditions	On achievement of pre-determined targets	On achievement of pre-determined targets

For the purpose of accounting ESOP granted, the Company has decided to value the options at intrinsic value. Intrinsic value is the amount by which the market price of equity share exceeds the exercise price of the option. Since the Company is unlisted, there is no market price available. As such it has been decided to calculate the fair value of equity share by appointing a SEBI registered Category I Merchant Banker. As per their Reports dated Sept 1, 2013, June 12, 2015, March 31, 2017 fair market value is less than exercise price. Based on the above information, the Intrinsic Value per option is Zero. Therefore, the Company has not recognised any expenditure on the ESOP granted in the current period.

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:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Profit as reported (` in lacs)	2,888.52	2,896.49	2,895.26	2,019.66	NA
Add: Employee stock compensation under intrinsic value method (` in lacs)	-	-	-	-	-
Less: Employee stock compensation under fair value method (` in lacs)	-	-	-	-	-
Proforma profit (` in lacs)	2,888.52	2,896.49	2,895.26	2,019.66	NA
Less: Preference Dividend	-	-	-	-	
Proforma Net Profit for Equity Shareholders (` in lacs)	2,888.52	2,896.49	2,895.26	2,019.66	NA
Earnings per share					
Basic (`)					
- As reported	1.35	1.35	1.35	0.94	NA
- Proforma	1.35	1.35	1.35	0.94	NA
Diluted (`)					
- As reported	1.35	1.35	1.35	0.94	NA
- Proforma	1.35	1.35	1.35	0.94	NA

25. SEGMENT INFORMATION

The company has got a single reportable segment. Therefore, the segmentwise reporting has not been given.

Note-26 Related Party Disclosure
For the year ended March 31,2018

I) Key Managerial Personnel
a.Mr. R Duruvasan, Managing Director & CEO
b.Mr. R Chandrasekar,Chief Financial Officer
c.Mr. C R Dash, Company Secretary - CRD
d. Mr. Sujan Sinha, Managing Director & CEO (SHFL)
e. Mr. Kankshit Munshi, CFO (SHFL) - (From July 10th, 2017)
f. Mr. Kunal Shah, CFO (SHFL) - (Up to April 23rd, 2017)
g. Ms Nikita Hule, CS (SHFL)

II) Enterprises having significant influence
a. Shriram Capital Limited-SCL
b. Shriram Ownership Trust-SOT
c. Dynasty Acquisition FPI Limited-DAFL
d. Piramal Enterprises Limited-PEL
e.Valiant Mauritius Partners FDI Limited -VMPL

For the year ended March 31,2017

I) Key Managerial Personnel
a. Mr. R Duruvasan, Managing Director & CEO
b. Mrs. Subhasri Sriram, Chief Financial Officer (up to January 30th 2017)
c. Mr. R Chandrasekar,Chief Financial Officer (From January 30th 2017)
d. Mr. C R Dash, Company Secretary
e. Mr. Sujan Sinha, Managing Director & CEO (SHFL)
f. Mr. Kunal Shah, CFO (SHFL)
g. Ms Nikita Hule, CS (SHFL - up to July 12th 2016)
h. Ms Magesweri Pasupathy, CS (SHFL - From July 21st 2016)

II) Enterprises having significant influence
a. Shriram Capital Limited- SCL
b. Shriram Ownership Trust-SOT
c. Dynasty Acquisition FPI Limited
d. Piramal Enterprises Limited
e. Valliant Mauritius Partners FDI Limited- VMPL

For the year ended March 31,2016

I) Key Managerial Personnel

a. Mr. R Duruvasan, Managing Director & CEO
b. Mrs. Subhasri Sriram, Chief Financial Officer
c. Mr. C R Dash, Company Secretary
d. Mr. Sujan Sinha, Managing Director & CEO (SHFL)
e. Mr. Kunal Shah, Chief Financial Officer (SHFL)
f. Mrs. Kavitha G Shah, Company Secretary (SHFL)

II) Relatives of Key Managerial Personnel

a. Ms. A. Komaleeswari (Spouse of Mr. R Duruvasan)
b. Mr. Aiyneni Ramachandra Naaidu (Father of Mr. R Duruvasan)
c. Ms. Aiyneni Ammayamma (Mother of Mr. R Duruvasan)
d. Mr. Aiyneni Vamsi Krishna (Son of Mr. R Duruvasan)
e. Mr. B. Perumal (Brother of Mr. R Duruvasan)
f. Ms. S.Usha Rani (Sister of Mr. R Duruvasan)
g. Mr. Sriram (Spouse of Mrs. Subhasri Sriram)
h. Mr. Sankaralingam (Father of Mrs. Subhasri Sriram)
i. Ms. Gomathy Lingam (Mother of Mrs. Subhasri Sriram)
j. Mr. Sailesh Sriram (Son of Mrs. Subhasri Sriram)
k. Ms. Shewta Sriram (Daughter of Mrs. Subhasri Sriram)
l. Ms. Sasmita Dash (Spouse of Mr. C R Dash)
m. Mr. Durga Charan Dash (Father of Mr. C R Dash)
n. Ms. Radhamani Dash (Mother of Mr. C R Dash)
o. Mr. Abhijit Dash (Son of Mr. C R Dash)
p. Mrs. Sriparna Sujan Sinha (Spouse of Mr. Sujan Sinha)
q. Mr. Subrata Sinha (Father of Mr. Sujan Sinha)
r. Mrs. Suchitra Subrata Sinha (Mother of Mr. Sujan Sinha)
s. Mr. Sushmit Sujan Sinha (Son of Mr. Sujan Sinha)
t. Ms. Pamela Sinha Mathur (Daughter of Mr. Sujan Sinha)
u. Mr. Parvitosh Mathur (Daughter's husband of Mr. Sujan Sinha)
v. Mr. Sukanto Sinha (Brother of Mr. Sujan Sinha)
w. Mrs. Miti Shah (Spouse of Mr. Kunal Shah)
x. Mr. Kirit Shah (Father of Mr. Kunal Shah)
y. Mrs. Neela Shah (Mother of Mr. Kunal Shah)
z. Ms. Aarushi Shah (Daughter of Mr. Kunal Shah)
aa. Mr. Rushub A Shah (Spouse of Mrs. Kavitha G Shah)
ab. Late Mr Gulabchand S Shah (Father of Mrs. Kavitha G Shah)
ac. Mrs. Jayshree G Shah (Mother of Mrs. Kavitha G Shah)
ad. Mr. Jayesh G Shah (Brother of Mrs. Kavitha G Shah)
ae. Ms. Jasmine J Shah (Sister of Mrs. Kavitha G Shah)
af. Ms. Deepthi D Vora (Sister of Mrs. Kavitha G Shah)

III) Enterprises having significant influence

a. Shriram Capital Limited -SCL
b. Shriram Ownership Trust-SOT
c. Dynasty Acquisition FPI Limited
d. M/s Piramal Enterprises Limited
e. Valliant Mauritius Partners FDI Limited- VMPL
e. TPG India Investments I INC

For the year ended March 31,2015

I) Key Managerial Personnel

a. Mr. R Duruvasan, Managing Director & CEO
b. Mrs. Subhasri Sriram, Chief Financial Officer
c. Mr. C R Dash, Company Secretary
d. Mr. Sujan Sinha, Managing Director & CEO (SHFL)
e. Mr. Kunal Shah, Chief Financial Officer (SHFL)
f. Mrs. Kavitha G Shah, Company Secretary (SHFL)

II) Relatives of Key Managerial Personnel

a. Ms. A. Komaleeswari (Spouse of Mr. R Duruvasan)
b. Mr. Aiyneni Ramachandra Naaidu (Father of Mr. R Duruvasan)
c. Ms. Aiyneni Ammayamma (Mother of Mr. R Duruvasan)
d. Mr. Aiyneni Vamsi Krishna (Son of Mr. R Duruvasan)
e. Mr. B. Perumal (Brother of Mr. R Duruvasan)
f. Ms. S.Usha Rani (Sister of Mr. R Duruvasan)
g. Mr. Sriram (Spouse of Mrs. Subhasri Sriram)
h. Mr. Sankaralingam (Father of Mrs. Subhasri Sriram)
i. Ms. Gomathy Lingam (Mother of Mrs. Subhasri Sriram)
j. Mr. Sailesh Sriram (Son of Mrs. Subhasri Sriram)
k. Ms. Shewta Sriram (Daughter of Mrs. Subhasri Sriram)
l. Ms. Sasmita Dash (Spouse of Mr. C R Dash)
m. Mr. Durga Charan Dash (Father of Mr. C R Dash)
n. Ms. Radhamani Dash (Mother of Mr. C R Dash)
o. Mr. Abhijit Dash (Son of Mr. C R Dash)
p. Mrs. Sriparna Sujan Sinha (Spouse of Mr. Sujan Sinha)
q. Mr. Subrata Sinha (Father of Mr. Sujan Sinha)
r. Mrs. Suchitra Subrata Sinha (Mother of Mr. Sujan Sinha)
s. Mr. Sushmit Sujan Sinha (Son of Mr. Sujan Sinha)
t. Ms. Pamela Sinha Mathur (Daughter of Mr. Sujan Sinha)
u. Mr. Parvitosh Mathur (Daughter's husband of Mr. Sujan Sinha)
v. Mr. Sukanto Sinha (Brother of Mr. Sujan Sinha)
w. Mrs. Miti Shah (Spouse of Mr. Kunal Shah)
x. Mr. Kirit Shah (Father of Mr. Kunal Shah)
y. Mrs. Neela Shah (Mother of Mr. Kunal Shah)
z. Ms. Aarushi Shah (Daughter of Mr. Kunal Shah)
aa. Mr. Rushub A Shah (Spouse of Mrs. Kavitha G Shah)
ab. Late Mr Gulabchand S Shah (Father of Mrs. Kavitha G Shah)
ac. Mrs. Jayshree G Shah (Mother of Mrs. Kavitha G Shah)
ad. Mr. Jayesh G Shah (Brother of Mrs. Kavitha G Shah)
ae. Ms. Jasmine J Shah (Sister of Mrs. Kavitha G Shah)
af. Ms. Deepthi D Vora (Sister of Mrs. Kavitha G Shah)

III) Enterprises having significant influence

a. Shriram Capital Limited -SCL
b. TPG India Investments I INC
c. Valliant Mauritius Partners FDI Limited- VMPL

For the year ended March 31,2014

I) Key Managerial Personnel

a. Mr. R Duruvasan, Managing Director & CEO
b. Mr Sundararajan, Managing Director
c. Mr. Sujan Sinha, Managing Director & CEO (SHFL)

II) Relatives of Key Managerial Personnel

a. Ms. A. Komaleeswari (Spouse of Mr. R Duruvasan)
b. Mrs. Nithya Sundararajan (Spouse of Mr G.S.Sundararajan)
c. Mrs. Sriparna Sujan Sinha (Spouse of Mr. Sujan Sinha)

Shriram City Union Finance Limited

Notes forming part of Reformatted Financial Statement **Annexure VI**

IV) Details of Transactions

(` in lacs)

Particulars	Enterprises having significant influence over the company				
	As at March 31,				
	2018	2017	2016	2015	2014
Payments/Expenses					
Royalty to SOT	5,781.04	5,229.51	4512.39	2581.91	938.46
Data sourcing Fess to SOT	-	-	-	-	363.17
Service charges to SOT	-	-	-	-	2179.03
Reimbursement of rent and other expenses	592.43	725.13	580.41	429.19	-
Intercorporate Loan to SHFL by SCL	-	-	-	5000.00	-
License Fees to SCL	1,693.97	2,203.75	2137.36	1916.89	1666.86
Rent and other expenses to SHFL	-	-	-	-	-
Equity dividend to SRHPL*	-	-	-	-	1596.63
Equity dividend to TPGI	-	-	-	-	536.88
Equity dividend to SCL	3,563.02	3,340.34	3451.68	-	1382.75
Equity dividend to DAFL	2,147.50	2,013.28	2080.39	-	-
Equity dividend to PEL	1,052.77	986.98	1019.88	-	-
Security Deposits with SCL	9.53	-	-	-	-
Purchase of Assets SCL	53.75	-	-	-	-
Receipts/Income	-	-	-	-	-
Reimbursement of expenses - SCL				0.07	0.00
Share Capital in SHFL by VMPL	-	-	-	-	2722.00
Securities Premium in SHFL by VMPL	-	-	-	-	6805.00
Loan from SCL by SHFL	-	-	-	5,000.00	-
Coversion warrants into equity/securities	-	-	-	-	17385.00
Balance outstanding as at					
Share Capital held by SCL	2,226.89	2,226.89	2226.89	2226.89	2226.89
Share Capital held by DAFL	1,342.19	1,342.19	1342.19	-	-
Share Capital held by TPGI	-	-	-	1342.19	1342.19
Share Capital held by PEL	657.98	657.98	657.98		
Investment of SCL	282.08	329.62	-		
Share Capital by VMPL in SHFL	4,872.00	4,872.00	4,872.00	4872.00	4872.00
Outstanding Expenses to SCL	170.86	221.34	19.82	22.98	
Outstanding Expenses to SOT	1,420.23	1,107.13	608.53	32.84	659.72

* SRHPL/SEHPL stands merged with Shriram City Union Finance Limted as on March 31,2014 (Refer Annexure IV note no 3.1)

(` in lacs)

Particulars	Director/ Key Managerial Personnel				
	As at March 31,				
	2018	2017	2016	2015	2014
Payments/Expenses					
Equity dividend to CRD	1.32	1.24	1.36	1.36	-
Payments to Key Managerial Personnel	291.59	319.84	258.34	299.94	204.63
Balance outstanding as at					
Share Capital held by CRD	0.83	0.83	0.91	0.91	0.45

A Shriram City Union Finance Limited
Note-27 Contingent Liabilities And Commitments To The Extent Not Provided For

I) Contingent Liabilities

(` in lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
a. Income Tax	2,990.65	2,990.65	2,956.88	4,831.24	7,570.87
b. Value Added Tax	137.52	-	-	-	-
c. Kerala Value Added Tax	-	5.37	4.65	4.65	4.65
d.Tamilnadu Value Added Tax	-	125.65	75.50	-	-
e. Service Tax	3,802.12	-	-	-	-
f. Guarantees issued by the company	2,500.00	2,500.00	2,500.00	-	100.00

As at March 31, 2018

The Income tax assessment of the Company has been completed by Assessing officer upto the Assessment Year 2015-16
Disputed Income tax demand are on account of Disallowance of Interest on Income Tax refund u/s 234D (A.Y.2010-11 to A.Y.2013-14) - `116.45 lakhs and Disallowance u/s 40 a (ia) of the Income Tax Act (A.Y.2012-13 to A.Y.2014-15) - ` 2,874.20 lakhs. The above demands are determinable only on receipt of judgements / decisions pending with various forums/authorties. The company is of the opinion that above demands are not sustainable and expects to succeed in its appeals.

Disputed tax demand under Kerala Value Added Tax is on account of sale of seized vehicles for the assessment year 2007-08 is ` 4.65 lakhs. The Company filed appeal before Dy.Commissioner ( Appeals ) Ernakulam, Kerala. For the assessment year 2011-12, the disputed tax under Kerala Value Added Tax is on account of goods in transit u/s 47 (6) is ` 0.72 lakhs after adjusting the Security deposit of ` 0.72 lakhs paid by the supplier.The Company has filed appeal before the Assistant commissioner (Appeals) Ernakulam, Kerala.

Disputed tax demand under Tamilnadu Value Added Tax is on account of sale of seized vehicles/ Sale of Gold Jewellery / Sale of Fixed Asset for the assessment year 2007-08 to 2014-15 is ` 125.65 lakhs. The Company has paid the demand amount and filed appeal upto AY 2013-14 before Sales Tax Appellate Tribunal , Chennai. For the Assessment Year 2014-15. the Company would contest against the Order issued by Appellate Deputy Commissioner.

Disputed tax demand under Karnataka Value Added Tax is on account of sale of seized vehicles for the assessment year 2011-12 to assessment year 2012-13 is ` 6.50 lakhs. The Company would contest against the Order.

Disputed tax demand under Service Tax is on service rendered towards provision of collection of receivables in respect of Securitisation / Direct Assignment for the period Apr'08 - Sep'14 is ` 3802.12 lakhs . The Company has filed an appeal with CESTAT.

The company has issued a guarantee for ` 2,500.00 lacs against refinance obtained by Shriram Housing Finance Limited for NHB

II) Commitments

As at March 31, 2018, ` 305.32 lacs is the estimated amount of contracts remaining to be executed on capital account.

As at March 31, 2017
The Income tax assessment of the company has been completed by Assessing officer upto the Assessment Year 2014-15

Disputed Income Tax demand are on account of Disallowance of Interest expenses u/s 234D - ` 116.45 lacs and Disallowance u/s 40 a (ia) - ` 2,784.20 Lakhs.

The above demands 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 disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is ` 4.65 lacs. The company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

The disputed Kerala Value Added Tax demand on account of goods in transit u/s 47 (6) for the assessment year 2011-12 is ` 0.72 lacs after adjusting the

Security deposit of ` 0.72 lacs paid by the supplier.The company has filed appeal before the Assistant commissioner (Appeals) Ernakulam, Kerala.

The disputed Tamilnadu Value Added Tax demand on account of sale of seized vehicles/ Sale of Gold Jewellery / Sale of Fixed Asset for the assessment year 2007-08 to 2014-15 is ` 125.65 lacs. The company has paid the demand amount and filed appeal before STAT , Chennai / Dy.Commissioner (A), Chennai.

The company has issued a guarantee for ` 2,500 lacs against refinance obtained by Shriram Housing Finance Limited for NHB

II) Commitments :

As at March 31, 2017, ` 119.35 lacs is the estimated amount of contracts remaining to be executed on capital account.

As at March 31, 2016
The Income tax assessment of the company has been completed by Assessing officer upto the Assessment Year 2013-14

Disputed Income Tax demand are on account of Disallowance of Interest expenses u/s 234D - ` 116.45 lakhs and Disallowance u/s 40 a (ia) - ` 2840.43 lacs.

The above demands 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 disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is ` 4.65 lacs. The company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

The disputed Tamilnadu Value Added Tax demand on account of sale of seized vehicles/ Sale of Gold Jewellery / Sale of Fixed Asset for the assessment year 2007-08 to 2013-14 is ` 75.50 lacs. The company has paid the demand and filed appeal before STAT , Chennai.

(II) Commitments

(i) As at March 31, 2016, ` 87.76 lacs (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

As at March 31, 2015

The Income tax assessment of the company has been completed upto the Assessment Year 2012-13.

The disputed demand outstanding for the assessment Year 2012-13 is ` 2337.47 lacs.For assessment year 2011-12, disputed demand outstanding is ` 1530.54 lacs. For assessment year 2010-11, disputed demand outstanding is ` 963.23 lacs.The company has filed appeal for all these disputed cases.The appeal is pending before the Commissioner of Income Tax Appeals, Chennai & ITAT, Chennai.

The disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is ` 4.65 lacs. The company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

(II) COMMITMENTS

(i) As at March 31, 2015, ` 5.88 lacs (March 31, 2014 ` 36.89 lacs) (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

(ii) Estimated amount of contract remining to be executed on capital account for interior work net of advance to be paid ` 2.87 lacs (Previous Year Nil).

As at March 31, 2014

The Income tax assessment of the company has been completed upto the Assessment Year 2011-12.

The disputed demand outstanding for the assessment Year 2011-12 is `2,605.75 lacs.For assessment year 2010-11, disputed demand outstanding is `.672.55 lacs. For assessment year 2008-09, disputed amount on account of penalty proceedings is `1,106.48 lacs. The assessment has been re-opened for assessment year 2007-08 and the disputed amount outstanding is `3,186.09 lacs. The company has filed appeal for all these disputed cases and the same is pending before the Commissioner of Income Tax Appeals, Chennai.

The company has provided NSE with bank guarantee of `100 lacs for ING Vysya Bank, Mount Road branch, Chennai and a deposit of `100 lacs as security deposit both together 1% of total public issue of secured non convertible debenture of ` 20,000 lacs (refer note 28)

The disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is `4.65 lacs. The company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

(II) COMMITMENTS

(i) As at March 31, 2014, ` 36.89 lacs (March 31, 2013 ` 121.38 lacs) (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

B Shriram Housing Finance Limited
Note-27 Contingent Liabilities And Commitments To the Extent Not Provided For

I) Contingent Liabilities

(` in lacs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
a. Income Tax	16.83	16.83	14.64	-	-

As at March 31, 2018
The income tax assessment of the company has been completed by assessing officer upto the A.Y 2014-15. Disputed income tax demand is on account of disallowance of expenses u/s 14A and royalty. The above demands are determinable only on receipt of judgements/decisions pending with various forums/authorities. The company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

II) Commitments :
As at March 31, 2018, ` 4.78 lacs is the estimated amount of contracts remaining to be executed on capital account.

As at March 31, 2017
The income tax assessment of the company has been completed by assessing officer upto the A.Y 2014-15. Disputed income tax demand is on account of disallowance of expenses u/s 14A. The above demands are determinable only on receipt of judgements/decisions pending with various forums/authorties. The company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

II) Commitments :
As at March 31, 2017, `. 46.79 lacs is the estimated amount of contract remaining to be executed on capital account

As at March 31, 2016
Total assessed income for the A.Y 2013-14 being loss, department has reduced the carry forward amount of loss and has not raised any demand for deposit. This may impact the future tax liability by ` 14.64 Lacs. The appeal is pending before the Commissioner of Income Tax (Appeals), Chennai.

As at March 31, 2016, Estimated amount of contract remaining to be executed on capital account - Nil (Previous Year-` 2.87 lacs).

As at March 31, 2015
NIL

As at March 31, 2014
NIL

Note-27A UTILIZATION OF MONEY THROUGH PUBLIC ISSUE OF DEBENTURE AND PREFERENTIAL ISSUE OF EQUITY SHARES AND WARRANTS

(i) through public issue of debentures [Annexure IV Note 5(A)(iii)]

During the year ended March 31, 2014, the company has raised ` 15361.06 lacs through public issue of secured redeemable non-convertible debenture of face value of ` 1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	**` in lacs**
Investments in Certificate of deposits	497.04
Investments in Mutual Deposits	14,864.02
Total	**15,361.06**

During the year ended March 31, 2013, the company has raised ` 43,360.00 lacs through public issue of secured redeemable non- convertible debenture of face value of ` 1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	**` in lacs**
Repayment of Loans from Banks (Funding of Cash Credit Account)	39,110.00
Repayment of Commercial Paper	4,250.00
Total	**43,360.00**

During the year ended March 31, 2012, the company has raised ` 75,000.00 lacs through public issue of secured redeemable non- convertible debenture of face value of ` 1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	**` in lacs**
Disbursement of loans	11,409.00
Repayment of Loans from Banks	39,030.00
Repayment of Loans from Banks (Term loans, Securitisation loans)	24,561.00
Total	**75,000.00**

During the year ended March 31, 2012, the company has raised ` 21,547.00 lacs through preferential issue of equity shares and warrants.

Particulars	**` in lacs**
Fixed Deposit placed with bank	21,500.00
Disbursement of loans	47.00
Total	21,547.00

Note-28 DISCLOSURE RELATING TO SECURITISATION / ASSIGNMENT
A. SECURITISATION

(i) The information on securitisation of the Company as an originator in respect of securitisation transaction done during the period is given below

(` in lacs)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
Total number of transactions under par structure	1	-	1	2	6
Total book value of assets	13,702.03	-	10,000.00	29,968.29	120,117.00
Sale consideration received	10,794.09	-	10,000.00	29,968.29	120,117.00

(ii) The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below

(` in lacs)

S.no	**Particulars**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
1	No of SPVs sponsored by the company for securitisation transactions	3	3	8	12	14
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	9,348.73	11,034.10	35,719.00	93,426.78	171,752.07
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet					
	a) Off-balance sheet exposures					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-
	b) On-balance sheet exposures					
	First loss	3,183.11	4,205.19	10,051.01	20,302.28	20,190.00
	Others	43.22	140.72	708.69	2,599.64	5,726.37
4	Amount of exposures to securitisation transactions other than MRR					
	a) Off-balance sheet exposures					
	i) Exposure to own securitisations					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-
	ii) Exposure to third party securitisations					
	First loss	-	-	-	-	
	Others	-	-	-	-	
	b) On-balance sheet exposures					
	i) Exposure to own securitisations					
	First loss	-	-	-	1,093.60	2,240.39
	Others	-	-	334.59	191.93	5,454.67
	ii) Exposure to third party securitisations					
	First loss	-	-	-	-	-
	Others	-	-	-	-	-

Note-28 DISCLOSURE RELATING TO SECURITISATION / ASSIGNMENT
A. SECURITISATION

(iii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(` in lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
(i)No. of accounts	-	-	-	12	14
(ii) Aggregate value (net of provisions) of accounts sold	-	-	-	295,468.71	386,057.68
(iii) Aggregate consideration	-	-	-	237,228.55	306,081.17
(iv) Additional consideration realised in respect of	-	-	-	-	-
(v) Aggregate gain / loss over net book value	-	-	-	29,355.68	43,786.09

B. Direct Assignment

The information on direct assignment of the company as on originator in respect of par transactions done during the period is given below

(` in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Total number of transactions under par structure	2	-	-
Total book value of assets	20,127.08	-	-
Sale consideration received	18,114.37	-	-

The information on direct assignment of the Company as on originator in respect of outstanding amount of assets assigned under par structure is given below

(` in lacs)

S.no	Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
1	No. of transactions assigned by the Company	-	-	3	1	7
2	Total amount of outstanding	-	-	19,506.34	2,610.68	21,801.65
3	Total amount of exposures retained by the NBFC to comply with MRR as on					
	the date of balance sheet	-	-	-	-	-
	a) Off-balance sheet exposures	-	-	-	-	-
	* First loss	-	-	-	-	-
	* Others	-	-	-	-	-
	b) On-balance sheet exposures	-	-	-	-	-
	* First loss	-	-	-	-	-
	* Others	-	-	1,944.13	261.07	-
4	Amount of exposures to assigned transaction other than MRR					
	a) Off-balance sheet exposures	-	-	-	-	-
	i) Exposure to own securitisations	-	-	-	-	-
	* First loss	-	-	-	-	-
	* loss	-	-	-	-	-
	ii) Exposure to third party securitis	-	-	-	-	-
	* First loss	-	-	-	-	-
	* Others	-	-	-	-	-
	b) On-balance sheet exposures					
	i) Exposure to own securitisations					
	* First loss	-	-	-	-	8,458.48
	* Others	-	-	-	-	501.01
	ii) Exposure to third party securitisations					
	* First loss	-	-	-	-	-
	* Others	-	-	-	-	-

The information on direct assignment of the Company as on originator in respect of premium transactions done for the FY 2013-14 and FY 2014-15 is NIL

The information ondirect assignment of the Company as on originator in respect of outstanding amount of assets assigned under premium structure is given below

(` in lacs)

S.no	Particulars						Year ended March 31, 2015	Year ended March 31, 2014
1	No. of transactions assigned by the Company						-	1
2	Total amount of outstanding						-	24.42
3	Total amount of exposures retained by the NBFC to comply with MRR as on the balance sheet							
	a)	Off-balance sheet exposures					-	-
			*	First loss			-	-
			*	Others			-	-
	b)	On-balance sheet exposures					-	-
			*	First loss			-	-
			*	Others			-	-
4	Amount of exposures to assigned transaction other than MRR							
	a)	Off-balance sheet exposures					-	-
		i) Exposure to own securitisations					-	-
			*	First loss			-	-
			*	loss			-	-
		ii) Exposure to third party securitisations					-	-
			*	First loss			-	-
			*	Others			-	-
	b)	On-balance sheet exposures						
		i)	Exposure to own securitisations					
			*	First loss			-	1,709.00
			*	Others			-	-
		ii)	Exposure to third party securitisations					
			*	First loss			-	-
			*	Others			-	-

Details of Assignments transactions undertaken by NBFCs

(` in lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
(i)No. of accounts	-	70,569	59,652	1	8
(ii) Aggregate value (net of provisions) of accounts sold	-	23,963.46	25,107.53	9,987.91	141,975.95
(iii) Aggregate consideration	-	20,022.18	20,127.08	7,405.96	100,407.99
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	394.13	499.54	-	-
(v) Aggregate gain / loss over net book value	-	1,060.43	1,623.65	1,178.57	24,210.89

Note-29 Disclosure of frauds reported during the year ended March 31, 2018
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

(` in lacs)

	Particulars	Less than 1 lac		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	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B)	**Type of Fraud**								
	Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
	Fraudulent encashment/manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

"- "represents Nil

29. Disclosure of frauds reported during the year ended March 31, 2017
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

(` in Lacs)

	Particulars	Less than 1 lac		1 to 25 lacs		Greater than 25 lacs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	**Person involved**								
	Staff	-	-	-	-	-	-	-	-
	Customer	-	-	-	-	2	210.80	2	210.80
	Customer & Outsider	-	-	-	-	-	-	-	-
	Staff, Customer & Outsider	-	-	2	12.18	-	-	2	12.18
	Total	**-**	**-**	**2**	**12.18**	**2**	**210.80**	**4**	**222.98**
B)	**Type of Fraud**								
	Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
	Fraudulent encashment/manipulation of books of accounts	-	-	2	12.18	-	-	2	12.18
	Unauthorised credit facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	-	-	2	210.80	2	210.80
	Total	-	-	**2**	**12.18**	**2**	**210.80**	**4**	**222.98**

"- "represents Nil

29. Disclosure of frauds reported during the year ended March 31, 2016
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

(` in Lacs)

	Particulars	Less than 1 lac		1 to 25 lacs		Greater than 25 lacs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	**Person involved**								
	Staff	-	-	2	26.91	-	-	2	26.91
	Customer	1	1.00	4	65.35	1	200.00	6	266.35
	Customer & Outsider	-	-	1	15.00	-	-	1	15.00
	Staff, Customer & Outsider	-	-	-	-	-	-	-	-
	Total	**1**	**1.00**	**7**	**107.26**	**1**	**200.00**	**9**	**308.26**
B)	**Type of Fraud**								
	Misappropriation and Criminal breach of trust	-	-	1	8.81	1	200.00	2	208.81
	Fraudulent encashment/manipulation of books of accounts	-	-	1	18.10	-	-	1	18.10
	Unauthorised credit facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	1	1.00	5	80.35	-	-	6	81.35
	Total	**1**	**1.00**	**7**	**107.26**	**1**	**200.00**	**9**	**308.26**

"- "represents Nil

29. Disclosure of frauds reported during the year ended Mar 31, 2015
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

(` in Lacs)

	Particulars	Less than 1 lac		1 to 25 lacs		Greater than 25 lacs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	**Person involved**								
	Staff	-	-	1	18.70	-	-	1	18.70
	Customer	-	-	1	3.56	1	681.80	2	685.36
	Customer & Outsider	-	-	3	50.10	-	-	3.00	50.10
	Staff, Customer & Outsider	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**5**	**72.36**	**1**	**681.80**	**6**	**754.16**
B)	**Type of Fraud**	**-**	**-**						
	Misappropriation and Criminal breach of trust	-	-	1	18.70	-	-	1	18.70
	Fraudulent encashment/manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit	-	-	-	-	-	-	-	-
	facility extended	-	-	-	-	-	-	-	-
	Fake documentation and multiple funding of Housing Finance			3	50.10	-	-	3	50.10
	Cheating and Forgery	-	-	1	3.56	1	681.80	2	685.36
	Total	Nil	Nil	**5**	**72.36**	**1**	**681.80**	**6**	**754.16**

"- "represents Nil

29. Disclosure of frauds reported during the year ended Mar 31, 2014
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

(` in Lacs)

	Particulars	Less than 1 lac		1 to 25 lacs		Greater than 25 lacs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	**Person involved**								
	Staff	-	-	-	-	-	-	-	-
	Customer	-	-	-	-	2	96.73	2	96.73
	Customer & Outsider	1	0.86	-	-	-	-	1	0.86
	Staff, Customer & Outsider	-		1	2.55	-	-	1	2.55
	Total	**1**	**0.86**	**1**	**2.55**	**2**	**96.73**	**4**	**100.14**
B)	**Type of Fraud**								
	Misappropriation and Criminal breach of trust	1	0.86	1	2.55	1	96.73	3	100.14
	Fraudulent encashment/manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit	-	-	-	-	-	-	-	-
	facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	-	-	-	-	-	-
	Total	**1**	**0.86**	**1**	**2.55**	**1**	**96.73**	**3**	**100.14**

"- "represents Nil

Note-30 Derivatives

(` in lacs)

S. no	Particulars	As at March 31,				
		2018	2017	2016	2015	2014
i)	The notional principal of swap agreements	-	-	27,500.00	27,500.00	27,500.00
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 swaps	-	-	-	-	-
iv)	Concentration of credit risk arising from the swaps	-	-	-	-	-
v)	The fair value of the swap book	-	-	-	-	-

As at March31 2018

Nil

As at March31 2017

Interest Rate Swap
The Company has entered into an interest rate swap to convert the floating rate into a fixed rate liability @ 10.49% till maturity date of March 30, 2017 (underlying long term debt of ` 27,500 lacs)

As at March 31 2016

Interest Rate Swap
The Company has entered into an interest rate swap to convert the floating rate into a fixed rate liability @ 10.49% till maturity date of March 30, 2017 (underlying long term debt of ` 27,500 lacs)

As at March 31 2015

Interest Rate Swap
The amount of derivative transactions outstanding as on March 31, 2015 is NIL (March 31, 2014 -Nil). The company entered into a interest rate swap to convert the floating rate into a fixed rate liability @ 10.49% till maturity date of March 30, 2017 (underlying long term debt of ` 27,500 lacs)

Disclosures on Risk Exposure in Derivatives

a) Qualitative Disclosures
Currently there are no transactions involving derivatives trading and that the existing transaction is in nature of interest rate swap (where in we have converted a floating rate liability to a fixed rate).

b) Quantitative Disclosures-Nil

As at March 31 2014

The amount of derivative transactions outstanding as on March 31, 2014 is NIL (March 31, 2013 ` 486.75 lacs). The company entered into a interest rate swap to convert the floating rate into a fixed rate liability @ 10.49% till maturity date of March 30, 2017 (underlying long term debt of ` 25000 lacs)

Shriram City Union Finance Limited
Notes forming part of Reformatted Financial Statement **Annexure VI**

Note-31.1 Exposure to Capital Market

(` in lacs)

S.no	Particulars	As at March 31,				
		2018	2017	2016	2015	2014
(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;	10,197.18	11,877.38	10,077.38	200.00	200.00
(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;	43,171.29	48,468.26	49,101.71	38,774.95	28,719.44
(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;	-	556.91	3,955.44	11,687.16	-
(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	**53,368.47**	**60,902.55**	**63134.52**	**50662.11**	**28919.44**

31.2. EXPOSURE TO REAL ESTATE SECTOR (` in lacs)

S.no	Particulars	As at March 31,				
		2018	2017	2016	2015	2014
i)	**Residential Mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	188,372.72	169,342.81	128,873.67	69,554.34	31,829.70
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	89,338.80	68,253.62	34,725.19	4,154.13	203.30
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**	249.04	-	-	-	-
	Residential	-	652.69	1,243.10	2,005.06	994.19
	Commercial Real Estate	-	-	-	-	-
	Total Exposure to Real Estate Sector	**277,960.56**	**238,249.12**	**164,841.96**	**75,713.53**	**33,027.19**

Note-32

Expenditure in Foreign Currency (Cash Basis) for the year ended March 31, 2018, March 31, 2017 & March 31, 2015- Nil

Expenditure in Foreign Currency (Cash Basis) for the year ended March 31,.2016- ` 0.84 lacs and March 31, 2014- ` 13.81 lacs for Legal Fees and ` 1.11 lacs for conference expenses

Note -33

The company had no discontinuing operations during the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014

Note-34

As at March 31, 2018

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ` 5,303.11 lacs (March 31, 2017 - `4,923.62 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements. The future minimum lease payments in respect of non-cancellable operating leases as at the Balance sheet days are summarised below:

As at March 31, 2017

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are `4,923.62 lacs (March 31, 2016 - `4,596.52 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

As at March 31, 2016

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ` 4,596.52 lacs (March 31, 2015 - `4,015.35 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

As at March 31, 2015

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ` 4,015.35 lacs (March 31, 2014 - `3,491.95 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

As at March 31, 2014

The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ` 3,491.95 lacs (March 31, 2013 - `2,806.63 lacs). Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. There are no restrictions imposed by lease arrangements.

The future minimum lease payments in respect of non-cancellable operating leases as at the Balance sheet days are summarised below:

` in lacs

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
a. Not later than 1 year	428.43	403.83	347.75	209.35	-
b. More than 1 year and less than 5 years	1,061.59	1,081.11	977.60	335.08	43.48
c. Later than 5 years	261.75	349.03	467.23	1.71	165.78

Shriram City Union Finance Limited
Notes forming part of Reformatted Financial Statement **Annexure VI**

Note-35 Capital
Shriram City Union Finance Limited

S.no	Particulars	As at March 31,				
		2018	2017	2016	2015	2014
i)	CRAR (%)	21.37%	23.88%	26.14%	29.03%	25.77%
ii)	CRAR - Tier I Capital (%)	20.57%	22.22%	23.36%	24.80%	19.87%
iii)	CRAR - Tier II Capital (%)	0.79%	1.66%	2.78%	4.23%	5.89%
iv)	Amount of subordinated debt raised as Tier-II capital (` in lacs)	10,853.74	29,485.91	47,137.31	64,115.03	77,390.76

Shriram Housing Finance Limited

S.no	Particulars	As at March 31,				
		2018	2017	2016	2015	2014
i)	CRAR (%)	32.53%	29.95%	42.85%	67.33%	159.33%
ii)	CRAR - Tier I Capital (%)	31.96%	29.31%	42.20%	66.74%	158.74%
iii)	CRAR - Tier II Capital (%)	0.57%	0.64%	0.65%	0.59%	0.59%

Shriram City Union Finance Limited

Notes forming part of Reformatted Financial Statement **Annexure VI**

Note-36 Investments

(` in lacs)

Particulars	**As at March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
(1) Value of investments					
(i) Gross value of investments					
(a) In India	72,855.65	70,501.69	61,555.58	83,629.75	47,412.10
(b) Outside India,	9,877.38	9,877.38	9,877.38	-	
(ii) Provisions for diminution					
(a) In India	-	81.76	81.76	36.64	25.41
(b) Outside India,	-	-	-	-	-
(iii) Value of Net Investments					
(a) In India	72,855.65	70,419.93	61,473.72	83,593.11	47,386.69
(b) Outside India,	9,877.38	9,877.38	9,877.38	-	
(2) Movement of provisions held towards diminution on investments					
(i) Opening balance	81.76	81.76	36.64	25.41	19.70
(ii) Add : Provisions made during the year	-	-	45.12	11.23	5.71
(iii) Less : Write-off/write- back of excess provisions during the year	81.76	-			-
(iv) Closing balance	-	81.76	81.76	36.64	25.41

Shriram City Union Finance Limited
Notes forming part of Reformatted Financial Statement **Annexure VI**

Note-37 Details of non-performing financial assets purchased / sold

a. Shriram City Union Finance Limited - Nil
b. Shriram Housing Finance Limited

(` in lacs)

S.no	Particulars	Year ended Mar 31,				
		2018	2017	2016	2015	2014
1	No. of accounts sold	-	349.00	-	-	-
2	Aggregate outstanding	-	5,056.41	-	-	-
3	Aggregate consideration received	-	3,539.00	-	-	-

Note-38 Details of financing of parent company products was Nil as at March 31,2018, March 31,2017,March 31,2016,March 31,2015,March 31,2014

Note-39

Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the company for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014- Nil

Note-40

Registration obtained from other financial sector regulators for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 & March 31, 2014- Nil

Note-41 Details of Penalties imposed by RBI and other regulators

Details of Penalties imposed by RBI and other regulators as on March 31, 2018, March 31, 2016, March 31, 2015 & March 31, 2014 - Nil

For the FY 2016-2017
` 14.21 lacs levied and paid during the year as Penal Interest to RBI for shortfall in SLR in an earlier year,` 57.10 lacs levied and paid during the year as compounding fee to RBI for issuance of convertible warrants to foreign investors without prior permission of RBI in earlier years and ` 20 lacs levied and paid after the balance sheet date as penal interest to RBI for delay in complying with requirements of Fair Practices Code.

Shriram City Union Finance Limited

Notes forming part of Reformatted Financial Statement **Annexure VI**

Note-42 Provisions and contingencies

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,				
	2018	2017	2016	2015	2014
Provision for Dimunition on Investments	-	-	45.12	11.23	5.71
Provision towards NPA	39,881.48	44,783.70	30,533.12	12,293.94	7,793.35
Provision made towards income tax	38,129.64	31,884.99	29,710.17	30,447.02	26,096.62
Other Provision and contingencies - Bad debts written off	-	-	-	32,571.95	30,870.53
Contingent provision of standard Assets	2,501.85	2,353.21	1,878.70	906.61	(107.96)
Provision for Gratuity	368.61	652.47	436.67	955.81	(45.31)
Provision for Leave encashment	479.01	535.98	307.51	168.72	278.89

Shriram City Union Finance Limited

Notes forming part of Reformatted Financial Statement **Annexure VI**

Note-42 Provisions and contingencies

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,				
	2018	2017	2016	2015	2014
Provision towards NPA	950.76	402.81	-	-	-
Provision made towards income tax	1510.00	1,425.08	-	-	-
Contingent provision of standard Assets	(118.96)	307.70	-	-	-
Provision for Gratuity	46.05	30.40	-	-	-
Provision for Leave encashment	49.12	27.64	-	-	-

Note-43 Drawn Down Reserve
The draw down from reserves was Nil as on March 31,2018, March 31,2017 , March 31,2016 , March 31,2015, March 31,2014

Note-44 Concentration of deposits, advances, exposures and NPAs
Shriram City Union Finance Limited

a Concentration of Deposits **(` in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total deposits of twenty largest depositors	7,382.11	4,479.82	3,193.48	2,446.42
Percentage of deposits of twenty largest depositors to total deposits of the Company	2.58%	1.38%	1.31%	1.16%

b Concentration of advances **(` in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total advances to twenty largest borrowers	72,216.09	76,170.71	73,763.67	70,935.68
Percentage of Advances to twenty largest borrowers to Total Advances of the company	2.64%	3.33%	3.88%	4.50%

c. Concentration of exposures **(` in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total exposure to twenty largest borrowers/customers	72,216.09	76,170.71	73,763.67	70,935.68
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the company on borrowers / customers	2.64%	3.33%	3.88%	4.50%

d. Concentration of NPAs **(` in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total exposure to top four NPA accounts	5,099.82	7,022.89	6,275.18	6,736.44

e. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Agriculture & allied activities	-	-	-	-
MSME / Corporate borrowers	9.68%	7.12%	5.40%	2.49%
Services	-	-	-	-
Unsecured personal loans	10.82%	9.00%	5.96%	4.23%
Auto loans				
i) Auto Loans	10.85%	8.99%	6.44%	4.64%
ii) Two wheeler	10.03%	7.37%	5.05%	4.70%
Other personal loans				
i) Consumer Durable	-	-	-	9.26%
ii) Pledged Jewel	2.55%	2.68%	3.82%	2.28%
Others	1.12%	0.18%	-	-

Note-44 Concentration of deposits, advances, exposures and NPAs
Shriram Housing Finance Limited

a Concentration of Deposits **(` in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total deposits of twenty largest depositors	NA	NA	NA	NA
Percentage of deposits of twenty largest depositors to total deposits of the Company	NA	NA	NA	NA

b Concentration of advances **(` in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total advances to twenty largest borrowers	22,273.92	29,644.98	NA	NA
Percentage of advances of twenty largest borrowers to total advances of the Company	12.48%	16.70%	NA	NA

c. Concentration of exposures **(` in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total exposure to twenty largest borrowers/customers	25,429.02	39,190.09	NA	NA
Percentage of exposures to twenty largest borrowers / to total exposure of the Company on borrowers / customers	13.59%	20.18%	NA	NA

d. Concentration of NPAs **(` in lacs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total exposure to top four NPA accounts	2,206.87	NA	NA	NA

e. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Housing Loans:				
Individuals	3.92%	2.92%	3.18%	2.88%
Builders/Project Loan	0.05%	-	-	-
Corporates	-	-	-	-
Others (specify)	-	-	-	-
Non-Housing Loans:				
Individuals	5.76%	1.88%	1.89%	1.36%
Builders/Project Loan	-	-		-
Corporates	0.86%	-	-	-
Others (specify)	-	-	-	-

Shriram City Union Finance Limited
Notes forming part of Reformatted Financial Statement **Annexure VI**

Note-45 Movement of NPAs
Shriram City Union Finance Limited

(` in lacs)

S.no	Particulars	Year ended March 31,				
		2018	**2017**	**2016**	**2015**	**2014**
i)	Net NPAs to Net Advances (%)	3.43%	1.79%	1.56%	0.68%	0.60%
ii)	Movement of NPAs (Gross)					
	a) Opening balance	153,677.77	98,008.30	49,142.87	34,040.24	29,423.53
	b) Additions during the year	173,605.79	112,915.95	82,975.23	41,831.79	30,011.73
	c) Reductions during the year	80,917.98	57,246.68	34,109.80	26,729.16	25,395.03
	d) Closing balance	246,365.58	153,677.77	98,008.30	49,142.87	34,040.24
iii)	Movement of Net NPAs					
	a) Opening balance	40,987.61	29,699.03	10,662.34	7,640.62	10,756.58
	b) Additions during the year	85,701.70	38,407.17	29,119.81	10,195.10	7,391.64
	c) Reductions during the year	32,895.38	27,118.58	10,083.12	7,173.38	10,507.59
	d) Closing balance	93,793.94	40,987.61	29,699.03	10,662.34	7,640.62
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)					
	a) Opening balance	112,690.16	68,309.27	38,480.54	26,399.62	18,666.96
	b) Provisions made during the year	87,904.08	74,508.79	53,855.42	31,636.70	22,620.10
	c) Write-off / write-back of excess provisions	48,022.60	30,127.90	24,026.68	19,555.78	14,887.43
	d)Closing balance	152,571.64	112,690.16	68,309.27	38,480.54	26,399.62

Note-45 Movement of NPAs
Shriram Housing Finance limited

(` in lacs)

S.no	Particulars	Year ended March 31,				
		2018	**2017**	**2016**	**2015**	**2014**
i)	Net NPAs to Net Advances (%)	3.75%	1.83%	2.01%	1.69%	1.08%
ii)	Movement of NPAs (Gross)					
	a) Opening balance	4,603.04	3,515.22	1,512.36	404.63	-
	b) Additions during the year	7,063.36	3,738.50	2,218.57	1,107.73	404.63
	c) Reductions during the year	2,729.54	2,650.68	215.71	-	-
	d) Closing balance	8,936.86	4,603.04	3,515.22	1,512.36	404.63
iii)	Movement of Net NPAs					
	a) Opening balance	3,222.14	2,537.12	1,238.62	343.91	-
	b) Additions during the year	5,288.94	2,606.97	1,479.29	894.71	343.91
	c) Reductions during the year	1,905.88	1,921.95	180.79	-	-
	d) Closing balance	6,605.20	3,222.14	2,537.12	1,238.62	343.91
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)					
	a) Opening balance	1,380.90	978.10	273.71	60.69	-
	b) Provisions made during the year	1,774.42	1,131.53	739.31	213.02	60.69
	c) Write-off / write-back of excess provisions	823.66	728.73	34.92	-	-
	d)Closing balance	2,331.66	1,380.90	978.10	273.71	60.69

Note-46 Corporate Social Responsibility Expenses

A. Shriram City Union Finance Limited

For the Year Ended March 31, 2018

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the company. Accordingly the company is required to spend atleast 2% of the average net profits of the company made during the three immediately preceeding financial years, which amounts to ` 1,677.14 lacs for the year 2017-18.The company has spent ` 1,400.00 lacs during the year.

For the Year Ended March 31, 2017

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the company. Accordingly the company is required to spend atleast 2% of the average net profits of the company made during the three immediately preceeding financial years, which amounts to ` 1,623.50 lacs for the year 2016-17.The company has spent ` 688.55 lacs during the year.

For the Year Ended March 31, 2016

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the company. Accordingly the company is required to spend atleast 2% of the average net profits of the company made during the three immediately preceeding financial years, which amounts to ` 1,524.55 lacs for the year 2015-16.The company has spent ` 649.77 lacs during the year.

For the Year Ended March 31, 2015

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the company. Accordingly the company is required to spend atleast 2% of the average net profits of the company made during the three immediately preceeding financial years, which amounts to ` 1,313.39 lacs for the year 2014-15.The company has spent ` 9.33 lacs during the year.

B.Shriram Housing Finance Limited

For the Year Ended March 31, 2018

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the company. Accordingly the company is required to spend atleast 2% of the average net profits of the company made during the three immediately preceeding financial years, which amounts to `76.36 lacs for the year 2017-18 .The company has spent `3.60 lacs during the year.

For the Year Ended March 31, 2017

Section 135 of The Companies Act 2013, which mandate CSR for specific companies , applies to the Company . Accordingly the company is required to spend atleast 2% of the average net profit of the Company made during three immediate preceding financial years, which amounts to ` 59.05.lacs for the year 2016-17 . The company has spent `4.20 lacs during the year.

For the Year Ended March 31, 2016

Section 135 of The Companies Act 2013, which mandate CSR for specific companies , applies to the Company . Accordingly the company is required to spend atleast 2% of the average net profit of the Company made during three immediate preceding financial years, which amout to `30.61 lacs for the year 2015-16 . The company has spent `1.50 lacs during the year.

For the Year Ended March 31, 2015

Section 135 of the Companies Act, 2013, which mandates CSR for specified companies, applies to the Company. Accordingly the Company is required to spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years. which amounts to ` 7.98 lacs for the year 2014-15. The Company has spent nil amount during the year.

Note-47 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) was NIL as at March 31,2018,March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014.

Note-48

Shriram Housing Finance Limited - Others as at March 31, 2018

a) As certified by the Management, loans given by the company are secured by Equitable Mortgage/Registered Mortgage of the property & Assets Financed &/or assignment of Life Insurance policies &/or Personal Guarantees &/or undertaking to create a security and are considered secured & good.

b) Company has obtained guarantee on pool of Home Loan contracts with a Mortgage Guarantee extended by India Mortgage Guarantee Corporation Pvt. Ltd (IMGC). The guarantee from IMGC helps in mitigating credit losses.

c) No Funds raised through Preferential allotment of shares.

d) Value of Imports on CIF basis- NIL (Previous Year-NIL).

e**)** The balance outstanding as on 31.03.2018 of all PTC's is `7,631.35 lacs (Previous Year - `7,129.49 lacs).

(` in Lacs)

S.no	**Originator**	**Year ended March 31, 2018**
1	Shubham Housing Finance Limited	249.04
2	Equitas Finance Limited	4,132.80
3	Star Agri Finance Limited	3,249.51
	Total	**7,631.35**

f) The Company does not have licensed capacity as it is a Housing Finance Company.

g) The company is holding additional provision amounting to `758.67 lacs (Previous Year - `546.14 lacs) on loans over and above the provision required as per NHB Directions

IN TERMS OF REQUIREMENT OF NATIONAL HOUSING BANK NOTIFICATION NO. NHB.HFC.CG-DIR.1/MD&CEO/2016 DATED 9TH FEBRUARY, 2017 FOLLOWING INFORMATION IS PROVIDED

j) Transfer to reserve fund
As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of `578.00 lacs (Previous Year `579.30 lacs).

(` in lacs)

Particulars	As at March 31,2018	As at March 31,2017
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.	1,882.70	1,303.40
Total (A)	**1,882.70**	**1,303.40**
Addition / Appropriation / Withdrawal during the period		
Add:		
a) Amount transferred u/s 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.	578.00	579.30
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C 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	2,460.70	1,882.70
Total	**2,460.70**	**1,882.70**

48. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) was NIL for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015.

Shriram City Union Finance Limited

Notes forming part of Reformatted Financial Statement **Annexure VI**

Note-49 Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2018

(` in lacs)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 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
Deposits	25,909.97	10,179.75	11,588.43	31,424.35	62,161.76	127,347.94	30,914.43	-	299,526.63
Advances	160,132.90	111,984.17	108,020.86	347,542.81	687,576.07	847,125.46	255,846.93	244,194.31	2,762,423.51
Investments	382.52	200.18	205.16	636.79	27,235.28	15,102.11	1,398.26	37,572.73	82,733.03
Borrowings	21,779.52	90,584.93	96,443.71	74,736.83	547,548.70	875,405.49	221,631.47	8,268.30	1,936,398.95
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency Liabilities	-	-	-	-	-	-	-	-	-

Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2017

(` 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	21,451.53	12,832.51	14,290.11	41,639.54	78,893.49	144,612.52	20,963.36	-	334,683.06
Advances	148,463.36	99,902.11	101,386.88	305,835.56	648,827.89	682,494.03	160,049.95	161,550.88	2,308,510.66
Investments	2,192.47	196.02	6,821.14	524.71	16,303.64	5,261.66	12,735.70	36,344.55	80,379.89
Borrowings	195,485.50	81,909.89	66,382.91	72,854.55	200,676.45	682,903.97	208,715.05	36,538.24	1,545,466.56
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency Liabilities	-	-	-	-	-	-	-	-	-

Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2016

(` 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	7,073.63	3,586.80	3,904.00	20,288.05	50,031.45	199,510.59	17,366.84	-	301,761.37
Advances	49,094.27	100,150.95	99,825.99	297,359.07	587,366.30	562,190.99	132,106.43	103,757.58	1,931,851.58
Investments	36,993.90	160.86	11,102.72	12,875.84	1,088.94	5,921.67	10,844.81	8,984.92	87,973.66
Borrowings	32,260.20	14,415.05	17,589.36	41,737.68	361,345.70	452,822.35	317,403.27	14,166.97	1,251,740.58
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency Liabilities	-	-	-	-	-	-	-	-	-

Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2015

(` 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	3,882.67	2,487.50	2,829.61	10,273.40	20,887.00	160,791.15	12,233.25	-	213,384.58
Advances	57,199.32	83,961.18	81,806.36	260,617.84	530,227.13	440,851.14	79,834.58	75,362.83	1,609,860.38
Investments	53.44	58.16	54,599.84	18,221.64	528.58	751.22	147.35	25,807.04	100,167.27
Borrowings	18,150.41	9,377.92	51,082.13	115,712.92	260,183.93	434,336.81	130,360.25	15,652.81	1,034,857.18
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency Liabilities	-	-	-	-	-	-	-	-	-

Note-50 Rating assigned by credit rating agencies and migration of ratings during the year

A. Shriram City Union Finance Limited

Rating Agency	Rating Instrument	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015
India Ratings	Long-Term (NCDs)	IND AA / Stable	IND AA / Stable	IND AA' / Stable	IND AA' / Stable
	Short-Term (CP)	IND A1+	IND A1+	'IND A1+	'IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable	IND AA'	IND AA'
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable	IND tAA	'IND tAA'
CARE	Long-Term (NCDs)	CARE AA+ / Stable	CARE AA+	CARE AA+	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+	CARE A1+	CARE A1+
	Subordinate Debt	CARE AA+ / Stable	CARE AA+	CARE AA+	CARE AA+
	Fixed deposit	CARE AA+ (FD) /Stable	CARE AA+ (FD)	CARE AA+ (FD)	CARE AA+ (FD)
ICRA	Long-Term (NCDs)	ICRA AA / stable	ICRA AA / stable	ICRA AA / stable	ICRA AA / stable
	Short-Term (CP)	ICRA A1+	ICRA A1+	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+/ Stable	MAA+/ Stable	MAA+(Stable)	MAA+/ Stable
CRISIL	Long-Term (NCDs)	CRISIL AA-/Positive	CRISIL AA-/Positive	CRISIL AA-/Stable	CRISIL AA-/Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
	Subordinate Debt	CRISIL AA-/ Positive	CRISIL AA-/ Positive	CRISIL AA-/Stable	CRISIL AA-/Stable
	Fixed deposit	FAA /Positive	FAA /Positive	FAA (Stable)	FAA/Stable

B. Shriram Housing Finance Limited.

Rating Agency	Rating Instrument	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015
India Ratings	Long-Term (NCDs)	IND AA / Stable	IND AA / Stable	IND AA / Stable	IND AA / Stable
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable	IND AA / Stable	IND AA / Stable
CARE	Long-Term (NCDs)	CARE AA+	CARE AA+	CARE AA+	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+	CARE A1+	CARE A1+

Note- 51 Customer complaints

	Particulars	2018	2017	2016	2015
		Count	Count	Count	Count
(a)	Number of complaints pending at the beginning of the year	35	16	29	21
(b)	Number of complaints received during the year	3588	1666	1138	1203
(c)	Number of complaints redressed during the year	3400	1647	1151	1195
(d)	Number of complaints pending at the end of the year	223	35	16	29

Note-52 Details of Specified Bank Notes

The details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to

(Rs. in lacs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**4,863.22**	**211.71**	**5,074.93**
(+) Permitted receipts	-	63,234.15	63,234.15
(-) Permitted payments	-	48,923.04	48,923.04
(-) Amount deposited in Banks	4,863.22	12,249.20	17,112.42
Closing cash in hand as on 30.12.2016	-	**2,273.62**	**2,273.62**

In the ordinary course of business, loan borrowers of the Company have directly deposited cash as part of their loan repayments in the collection bank accounts of the Company with various banks, aggregating to ` 189.93 lacs during the period November 9, 2016 to December 30, 2016 the denomination wise details of which are currently not available with the Company and hence not included in the above table.

Explanation : For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.”.

Note -53

Based on the intimation received by the company, none of the suppliers have confirmed to be registered under "Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Therefore, the related information for this purpose stands to be Nil for the year ended March 31,2018 , March 31,2017 , March 31,2016 , March 31,2015 , March 31,2014.

2017-18

The Company Auctioned 9910 loan accounts (March 31,2017: 7013 accounts) during the financial year and the outstanding dues on these loan accounts were ` 3,297.26 Lacs (March 31,2017: `1,936.69 Lacs) till the respective dates of auction. The company realized ` 3,248.22 Lacs (March 31,2017: `1,784.77 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.

2016-17

The Company auctioned 7013 loan accounts (Previous Year : 21,946 accounts) during the financial year.The outstanding dues on these loan accounts were `1,936.69 lacs(Previous Year : ` 5,217.96 lacs) till the respective dates of auction. The Company realised ` 1,784.77 lacs (Previous Year : ` 5020.86 lacs)on auctioning of gold jewellery taken as collateral security on these loans. The Company confirms that none of its sister concerns participated in the above auctions.

2017-18

Note-54 Additional information as per Para 2 of General instructions for the preparation of consolidated financial statements of schedule III to the Companies Act 2013.

Name of the entity	Net Assets, *i.e.*, Total Assets minus Total Liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	` in lacs	As % of Consolidated Profit or Loss	` in lacs
Parent				
Shriram City Union Finance Limited	92.32%	540,077.54	95.82%	66,472.05
Subsidiaries	-	-	-	-
Indian	-	-	-	-
Shriram Housing Finance Limited	7.68%	44,918.24	4.18%	2,898.13
Minority Interests in all Subsidiaries	-	(10,218.80)	-	(659.32)
Associates	NA	NA	NA	NA
Joint Ventures	NA	NA	NA	NA
Total	**100.00%**	**584,995.78**	**100.00%**	**69,370.18**

2016-17

Note-54 Additional information as per Para 2 of General instructions for the preparation of consolidated financial statements of schedule III to the Companies Act 2013.

Name of the entity	Net Assets, *i.e.*, Total Assets minus Total Liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	` in lacs	As % of Consolidated Profit or Loss	` in lacs
Parent				
Shriram City Union Finance Limited	92.05%	486,296.85	95.12%	55,605.99
Subsidiaries	-	-	-	-
Indian	-	-	-	-
Shriram Housing Finance Limited	7.95%	42,020.30	4.88%	2,851.58
Minority Interests in all Subsidiaries		(9,559.48)		(648.73)
Associates	NA	NA	NA	NA
Joint Ventures	NA	NA	NA	NA
Total	**100.00%**	**528,317.15**	**100.00%**	**58,457.57**

2015-16

Note-54 Additional information as per Para 2 of General instructions for the preparation of consolidated financial statements of schedule III to the Companies Act 2013.

Name of the entity	Net Assets, *i.e.*, Total Assets minus Total Liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	` in lacs	As % of Consolidated Profit or Loss	` in lacs
Parent				
Shriram City Union Finance Limited	91.73%	434,617.76	94.84%	52,982.52
Subsidiaries	-	-	-	-
Indian	-	-	-	-
Shriram Housing Finance Limited	8.27%	39,168.72	5.16%	2,884.69
Minority Interests in all Subsidiaries	-	(8,910.74)	-	(656.27)
Associates	NA	NA	NA	NA
Joint Ventures	NA	NA	NA	NA
Total	**100.00%**	**473,786.48**	**100.00%**	**55,867.21**

Shriram City Union Finance Limited

Notes forming part of Reformatted Financial Statement **Annexure VI**

2014-15

Note-54 Additional information as per Para 2 of General instructions for the preparation of consolidated financial statements of schedule III to the Companies Act 2013.

Name of the entity	Net Assets, *i.e.*, Total Assets minus Total Liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	` in lacs	As % of Consolidated Profit or Loss	` in lacs
Parent				
Shriram City Union Finance Limited	98.08%	421,599.48	99.32%	57,142.07
Subsidiaries	-	-	-	-
Indian	-	-	-	-
Shriram Housing Finance Limited	-	-	-	-
Minority Interests in all Subsidiaries	1.92%	8,254.48	0.68%	393.41
Associates	NA	NA	NA	NA
Joint Ventures	NA	NA	NA	NA
Total	**100.00%**	**438,182.84**	**100.00%**	**57,535.48**

Note-55

For the Year ended 2013-14

In addition to payments made to auditors shown in Note-20, the Company has made a payment of ` 8.99 lacs to auditors for services rendered by them in connection with the public issue of non-convertible debentures amortised as "public issue expenses for non-convertible debentures" in accordance with the accounting policy stated under Note 2.1.(v)

Note-56

For the Year ended 2013-14

The ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

Note-57 Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with the reformatted financial statements for FY 2017-18

As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Subramaniam Krishnamurthy
Director
DIN: 00140414

Place : Chennai
Date:

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Accounting Ratios- Consolidation

Annexure No VIII

Sr No	Particular	For the year ended March 31,				
		2018	**2017**	**2016**	**2015**	**2014**
	Number of equity shares at the beginning of the year	65,943,402	65,927,152	65,905,612	59,284,432	55,416,340
	Number of equity Shares at the end of the year	65,965,762	65,943,402	65,927,152	65,905,612	59,284,432
	Weighted average number of shares Rs. 10/-each	65,951,962	65,933,775	65,915,849	64,757,370	58,059,607
	Dilutive effect on weighted average number of shares	66,001,259	66,005,180	66,002,512	64,865,676	58,206,396
	Net Profit after tax available for equity shares (Rs. in lacs)	68,710.86	57,808.84	55,206.45	57,142.08	53,216.60
	Shareholders Fund at the end of the year (Rs. in lacs)*	574,776.98	518,456.82	464,208.32	420,197.66	297,652.04
	Average Shareholders Fund during the year (Opening + Closing)/2 (Rs. in lacs)	546,616.90	491,332.57	442,202.99	358,924.85	262,573.41
A	Basic Earnings Per Share (EPS) Rs.	104.18	87.68	83.75	88.24	91.66
B	Dilutive Earnings Per Share (EPS) Rs.	104.11	87.58	83.64	88.09	91.43
	Return on Shareholders Fund (%)					
C	Considering Shareholders Fund at the end of the year	11.95%	11.15%	11.89%	13.60%	17.88%
D	Considering Average Shareholders Fund during the year	12.57%	11.77%	12.48%	15.92%	20.27%
E	Net Asset value Per Share Rs.	871.51	786.33	704.24	648.88	512.67
	Borrowings (Rs. in lacs)	2,287,748.90	1,946,504.09	1,617,085.09	1,356,642.89	1,268,545.92
F	Debt Equity Ratio	3.98	3.75	3.48	3.23	4.26

Notes :

A. Basic Earnings per share (EPS) Rs.	Net Profit Shareholder to Equity Shareholder / Weighted Average Number equity shares outstanding during the year
B. Dilutive Earning Per Share (EPS) Rs.	Net Profit available to Equity Shareholders / Weighted average number of diluted equity shares outstanding during the year
C .Return on Shareholders Fund considering shareholders Fund at the end of the year(%)	Net Profit After Tax / Shareholder's Fund at the end of the year
D. Return on Shareholders Fund considering average Shareholders Fund during the year (%)	Net Profit After Tax / Average Shareholder Fund during the year
E. Net Asset value of shares	Shareholder's Fund at the end of the year / Weighted Average Number of equity shares outstanding at the end of the year
F. Debt Equity	Long Term Borrowings+Short Term Borrowings+Current maturities of Long Term Borrowings+Temporary Credit Balance in bank accounts+Interest accrued but not due on borrowings / Shareholders Fund

*-Shareholders Fund=Share capital + Reserves & Surplus- Miscellaneous expenditure (to the extent not written off or adjusted)

Shriram City Union Finance Limited
Capitalisation statement **Annexure IX**

The debt equity ratio prior to this Issue is based on a total outstanding consolidated debt of Rs. 2,287,748.89 lakhs and shareholder funds (net of Miscellaneous expenditure to the extent not written off or adjusted) amounting to Rs.574,776.98 lakhs as on March 31, 2018. The debt equity ratio post the Issue (assuming subscription of Rs. 300,000.00 lacs) is 4.50 times, based on a total outstanding debt of Rs. 2,587,748.89 lacs and shareholders fund (net of Miscellaneous expenditure to the extent not written off or adjusted) of Rs.574,776.98 lacs as on March 31, 2018.

Particulars	**Prior to the Issue**	**Post the Issue***
Secured loans as on March 31, 2018 #	1,574,617.20	1,874,617.20
Unsecured loans as on March 31, 2018 #	713,131.69	713,131.69
Total Debt	2,287,748.89	2,587,748.89
Share capital as on March 31, 2018	6,596.58	6,596.58
Reserves as on March 31, 2018	568,179.44	568,179.44
Share application money pending allotment	0.96	0.96
Total Shareholders Fund	574,776.98	574,776.98
Debt Equity Ratio (Number of times) $	3.98	4.50

includes Long-term borrowings, Short-term borrowings and Current maturities of long term debts and interest accrued but not due

$ Debt Equity =

$$\frac{\text{Long Term Borrowings+Short Term Borrowings+Current maturities of Long Term Borrowings+ Interest accrued but not due}}{\text{Shareholders Fund- Miscellaneous expenditure (to the extent not written off or adjusted)}}$$

Limited Review Report

Review Report to
The Board of Directors
Shriram City Union Finance Limited

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Shriram City Union Finance Limited ("the Company") for the quarter and half year ended September 30, 2018 (the "financial results") being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has been initialled by us for identification purpose.

These financial results, which is the responsibility of the Company's Management and approved by the Board of Directors have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review of the financial results in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed or that it contains any material misstatement.

Pune Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038, Phone– 020 – 25280081, Fax – 020 – 25280275; Email – audit@gdaca.com
Mumbai Office: Office No. 83-87, 8th Floor, Mittal Tower, B-wing, Nariman Point, Mumbai – 400 021, Phone – 022 – 4922 0555, Fax – 022 – 4922 0504;

Other Matter:

The Indian Accounting Standard (Ind AS) compliant figures of the corresponding quarter and half year of the previous year prepared by the management of the company have not been subjected to Limited Review and accordingly we do not express any conclusion on the financial results for that quarter and half year.

Our conclusion is not modified in respect of the above matter.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W

U. S. Abhyankar
Partner
Membership Number: 113053
Chennai, October 25, 2018

Pune Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038,
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SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended September 30, 2018

₹ in lacs

S. no.	Particulars	Quarter Ended			Half Year Ended	
		September 30, 2018 (Unaudited)	June 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
1	**Revenue from operations**					
	Interest income	147,209	138,927	127,899	286,136	250,127
	Dividend Income	-	167	-	167	145
	Fee and commission income	4	4	128	8	217
	Net gain/(loss) on fair value changes	1,632	(321)	-	1,311	-
	Net gain of derecognition of financial instruments under amortised cost category	626	-	-	626	-
	Bad debts recovery	2,000	1,199	999	3,199	1,824
	Gain on sale of Investment	26	-	-	26	-
	Total Revenue from operations	**151,497**	**139,976**	**129,026**	**291,473**	**252,313**
2	Other Income	84	44	4	128	46
3	**Total Income (1)+(2)**	**151,581**	**140,020**	**129,030**	**291,601**	**252,359**
4	**Expenses**					
	Finance cost	49,524	46,398	41,520	95,922	81,921
	Fee and commission expenses	4,864	4,843	2,984	9,707	6,194
	Net loss/(gain) on fair value changes	-	-	999	-	1,082
	Net loss of derecognition of financial instruments under amortised cost category	-	-	318	-	740
	Impairment of financial instruments	9,827	4,406	869	14,233	6,728
	Bad Debts Written Off	15,231	17,133	16,309	32,364	30,130
	Employee benefit expenses	21,162	20,467	16,879	41,629	32,757
	Depreciation, amortization and impairment	817	740	889	1,557	1,670
	Royalty	1,661	1,517	1,390	3,178	2,783
	Professional Charges	2,930	2,271	2,991	5,201	6,512
	Other expenses	8,194	6,930	7,879	15,124	15,110
	Total expenses	**114,210**	**104,705**	**93,027**	**218,915**	**185,627**
5	**Profit/(loss) before exceptional items**	**37,371**	**35,315**	**36,003**	**72,686**	**66,732**
6	Exceptional items	-	-	-	-	-
7	**Profit/(loss) before tax**	**37,371**	**35,315**	**36,003**	**72,686**	**66,732**
8	**Tax expenses**					
	- Current tax	12,637	12,288	11,281	24,925	22,225
	- Deferred tax	(193)	69	1,233	(124)	1,012
	Total tax expenses	**12,444**	**12,357**	**12,514**	**24,801**	**23,237**
9	**Profit/(Loss) for the period from continuing operations**	**24,927**	**22,958**	**23,489**	**47,885**	**43,495**
	Profit/(Loss) for the period from discontinued operations	-	-	-	-	-
	Tax expense of discontinued operations	-	-	-	-	-
10	**Profit/(Loss) for the period from discontinued operations (after tax)**	-	-	-	-	-
11	**Profit/(Loss) for the period**	**24,927**	**22,958**	**23,489**	**47,885**	**43,495**
12	**Other Comprehensive Income**					
	A (i) Items that will not be classified to profit or (loss)	**(267)**	**(205)**	**66**	**(472)**	**133**
	(ii) Income tax relating to items that will not be reclassified to profit or loss	**93**	**72**	**(23)**	**165**	**(46)**
	B (i) Items that will be classified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
13	**Total Comprehensive Income for the period (Comprising profit /(Loss) and Other comprehensive Income for the period)**	**24,753**	**22,825**	**23,532**	**47,578**	**43,582**
14	**Earning per equity share (FV of ₹ 10/-)(for continuing operation):**					
	(i) Basic (in Rs.)	**37.79**	**34.80**	**35.62**	**72.59**	**65.96**
	(ii) Diluted (in Rs.)	**37.76**	**34.78**	**35.60**	**72.54**	**65.91**
15	**Earning per equity share (FV of ₹ 10/-) (for discontinued operation):**					
	(i) Basic (in Rs.)	-	-	-	-	-
	(ii) Diluted (in Rs.)	-	-	-	-	-
16	**Earning per equity share(FV of ₹ 10/-) (for discontinued & continuing operation):**					
	(i) Basic (in Rs.)	**37.79**	**34.80**	**35.62**	**72.59**	**65.96**
	(ii) Diluted (in Rs.)	**37.76**	**34.78**	**35.60**	**72.54**	**65.91**

SHRIRAM CITY UNION FINANCE LIMITED
CIN: L65191TN1986PLC012840
Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001
Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Assets and Liabilities for the Half Year ended September 30, 2018 - Standalone

₹ in lacs

Particulars	Amount
I. ASSETS	
(1) Financial assets	
(a) Cash and cash equivalents	119,849
(b) Bank Balance other than (a) above	19,880
(c) Loans	2,733,545
(d) Investments	77,493
(e) Other Financial assets	2,694
(2) Non-financial Assets	
(a) Current tax assets (net)	1,866
(b)Deferred tax assets (net)	12,935
(c) Property, plant and equipment	7,813
(e) Other Intangible assets	261
(f) Other non financial assets	6,324
TOTAL	**2,982,660**
II.LIABILITIES AND EQUITY	
(1) Financial Liabilities	
(a) Other Payables	
-total outstanding dues of creditors other than micro enterprises and small enterprises	8,898
(b) Debt Securities	393,782
(c) Borrowings (other than debt security)	1,533,318
(d) Deposits	298,939
(d) Subordinated Liabilities	111,270
(e) Other Financial liabilities	39,835
(2) Non-financial Liabilities	
(a) Provisions	10,530
(b) Other non-financial liabilities	2,585
(3) Equity	
(a) Equity share capital	6,597
(b) Other equity	576,906
TOTAL	**2,982,660**

Notes

1 The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (Collectively referred to as "the Previous GAAP").

2 The above results have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on October 24, 2018 and October 25, 2018.

3 The Ind AS compliant financial results, pertaining to the quarter and half year ended September 30, 2017 have not been subjected to Limited Review by the Statutory Auditors. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

4 During the quarter ended September 30, 2018 the company allotted 3,620 equity shares of ₹ 10/- each to its employees under the Employees Stock Option Scheme 2006.

5 The Board of directors have declared an interim dividend of 60 % (₹ 6 /- per equity share of face value of ₹ 10/- each fully paid) to those shareholders whose name will appear on the register of members as on November 9, 2018 being the record date for payment of the interim dividend for the financial year 2018-19.

6 The principal business of the Company is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 (Ind AS) on 'Operating Segments'.

7 As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:

₹ in lacs

S.no	**Particulars**	**Quarter ended September 30, 2017**	**Half Year ended September 30, 2017**
		(Unaudited)	**(Unaudited)**
	Net Profit after tax as per previous GAAP	19,830	39,216
	Add/(less) Adjustments For:		
(a)	Application of Expected Credit Loss Model	7,619	9,639
(b)	Recognition of borrowing cost at effective interest rate	(274)	(489)
(c)	Recognition of investments at fair value through profit and loss	(999)	(1,082)
(d)	Amortization of processing fees on loans and advances	(513)	(768)
(e)	Recognition of income on assignment of assets and securitization	(327)	(792)
(f)	Others	89	35
(g)	Tax on above	(1,936)	(2,264)
(h)	Other Comprehensive Income (Net of tax)	43	87
	Total Comprehensive Income as per Ind AS	23,532	43,582

By order of the Board of Directors
For Shriram City Union Finance Limited

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Place: Chennai
Date: October 25, 2018

G.D. Apte & Co.
Chartered Accountants

Limited Review Report

The Board of Directors
Shriram City Union Finance Limited

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Shriram City Union Finance Limited ("the Company") for the quarter and nine months ended December 31, 2018 (the "statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has been initialled by us for identification purpose. This statement which is the responsibility of the Company's Management and approved by the Board of Directors have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed or that it contains any material misstatement.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W

G. D. APTE & CO. ★ Chartered Accountants ★

C. M. Dixit
Partner
Membership Number: 017532
Goa, January 25, 2019

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2018

Rs in lacs

S. no.	Particulars	Quarter Ended			Nine months Ended	
		December 31, 2018 (Unaudited)	September 30, 2018 (Unaudited)	December 31, 2017 (Unaudited)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
1	**Revenue from operations**					
	Interest income	141,314	147,209	133,837	427,450	383,964
	Dividend Income	-	-	-	167	145
	Fee and commission income	4	4	7	12	224
	Net gain on fair value changes	-	1,632	922	63	-
	Net gain of derecognition of financial instruments under amortised cost category	653	626	-	1,279	-
	Bad debts recovery	2,011	2,000	1,529	5,210	3,353
	Gain on sale of Investment	-	26	-	26	-
	Total Revenue from operations	**143,982**	**151,497**	**136,295**	**434,207**	**387,686**
2	Other Income	44	84	1,533	172	1,579
3	**Total Income (1)+(2)**	**144,026**	**151,581**	**137,828**	**434,379**	**389,265**
4	**Expenses**					
	- Finance costs	53,023	49,524	42,417	148,945	124,338
	- Fee and commission expenses	2,782	4,864	4,487	12,489	10,681
	- Net loss on fair value changes	1,248	-	-	-	160
	- Net loss of derecognition of financial instruments under amortised cost category	-	-	178	-	918
	- Impairment of financial instruments	(1,612)	9,827	2,526	12,621	9,254
	- Bad Debts Written Off	14,964	15,231	15,728	47,328	45,858
	- Employee benefit expenses	20,748	21,162	19,456	62,377	52,213
	- Depreciation, amortization and impairment	808	817	821	2,365	2,491
	- Royalty	1,557	1,661	1,458	4,735	4,241
	- Professional Charges	2,660	2,930	2,648	7,861	9,160
	- Other expenses	7,594	8,194	9,727	22,718	24,837
	Total expenses	**103,772**	**114,210**	**99,446**	**321,439**	**284,151**
5	**Profit/(loss) before exceptional items**	**40,254**	**37,371**	**38,382**	**112,940**	**105,114**
6	Exceptional items	-	-	-	-	-
7	**Profit/(loss) before tax**	**40,254**	**37,371**	**38,382**	**112,940**	**105,114**
8	**Tax expenses**					
	- Current tax	13,974	12,637	12,150	38,899	34,375
	- Deferred tax	405	(193)	835	281	1,847
	Total tax expenses	**14,379**	**12,444**	**12,985**	**39,180**	**36,222**
9	**Profit/(Loss) for the period from continuing operations**	**25,875**	**24,927**	**25,397**	**73,760**	**68,892**
	Profit/(Loss) for the period from discontinued operations	-	-	-	-	-
	Tax expense of discontinued operations	-	-	-	-	-
10	**Profit/(Loss) for the period from discontinued operations (after tax)**	-	-	-	-	-
11	**Profit/(Loss) for the period**	**25,875**	**24,927**	**25,397**	**73,760**	**68,892**
12	**Other Comprehensive Income**					
	A (i) Items that will not be reclassified to profit or loss	**(926)**	**(267)**	**67**	**(1,398)**	**200**
	(ii) Income tax relating to items that will not be reclassified to profit or loss	**324**	**93**	**(23)**	**489**	**(69)**
	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	-	-	-	-	-
13	**Total Comprehensive Income for the period (Comprising profit /(Loss) and Other comprehensive Income for the period)**	**25,273**	**24,753**	**25,441**	**72,851**	**69,023**
14	**Earning per equity share (for continuing operation) (Face Value of Rs.10 /- each):**					
	(i) Basic	**39.22**	**37.79**	**38.51**	**111.81**	**104.47**
	(ii) Diluted	**39.20**	**37.76**	**38.48**	**111.74**	**104.37**
15	**Earning per equity share (for discontinued operation) (Face Value of Rs.10 /- each):**					
	(i) Basic	-	-	-	-	-
	(ii) Diluted	-	-	-	-	-
16	**Earning per equity share (for discontinued & continuing operation) (Face Value of Rs.10 /- each) :**					
	(i) Basic	**39.22**	**37.79**	**38.51**	**111.81**	**104.47**
	(ii) Diluted	**39.20**	**37.76**	**38.48**	**111.74**	**104.37**

UNION
SANTHOME

Notes

1 The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (Collectively referred to as "the Previous GAAP").

2 The above results have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on January 24, 2019 and January 25, 2019.

3 During the quarter ended December 31, 2018 the company allotted 14,000 equity shares of Rs.10/- each, fully paid up to its employees under the Employees Stock Option Scheme 2006.

4 The principal business of the Company is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 (Ind AS) on 'Operating Segments'.

5 The Company's Secured Non-Convertible Debentures are secured by specific movable assets such as book debts and loans receivable and by way of a mortgage on the specified immovable properties with a cover of 100% and above as per the terms of issue.

6 As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:

Rs in lacs

S.no	Particulars	Quarter ended December 31, 2017	Nine months ended December 31, 2017
		(Unaudited)	(Unaudited)
	Net Profit after tax as per previous GAAP	22,554	61,770
	Add/(less) Adjustments For:		
(a)	Application of Expected Credit Loss Model	4,422	14,061
(b)	Recognition of borrowing cost at effective interest rate	(175)	(664)
(c)	Recognition of investments at fair value through profit and loss	922	(160)
(d)	Amortization of processing fees on loans and advances	(630)	(1,398)
(e)	Recognition of income on assignment of assets and securitization	(177)	(969)
(f)	Others	(14)	21
(g)	Tax on above	(1,505)	(3,769)
(h)	Other Comprehensive Income (net of tax)	44	131
	Total Comprehensive Income as per Ind AS	25,441	69,023

By order of the Board
For Shriram City Union Finance Limited

Place: Goa
Date: January 25, 2019

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

G. D. APTE & CO. ★ Chartered Accountants ★

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI-4

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's outstanding secured borrowings of ₹ 1,542,03.994 million and unsecured borrowings of ₹ 7,044,4.009 million, as on December 31, 2018, together with a brief description of certain significant terms of such financing arrangements.

I. ***Secured borrowings availed by our Company***

A. <u>*Term loans*</u>

Set forth below is a brief summary of our secured term loans as on December 31, 2018.

(₹ *in million)*

S. no.	Name of lender	Amount sanctioned	Date of sanction	Principal amount outstanding	Repayment date/ schedule	Security	Penalty	Prepayment
1.	Abu Dhabi Commercial Bank PJSC	350	November 21, 2016	233.33	12 equal quarterly installments after 12 months of moratorium.	Hypothecation of specified receivables	2% on overdue amount from due date till date of actual payment	Nil after expiry of 12 months from date of disbursement with a 45 day notice.
2.	Allahabad Bank	2,000	March 27, 2015	999.91	4 equal quarterly installments at the end of the 39^{th}, 42^{nd}, 45^{th} and 48^{th} month from date of first disbursement	Hypothecation of specified receivables	2%	Waived
3.	Allahabad Bank	1,000	September 21, 2015	749.94	4 equal quarterly installments at the end of the 39^{th}, 42^{nd}, 45^{th} and 48^{th} month from date of first disbursement	Hypothecation of specified receivables	Nil	Waived
4.	Andhra Bank	2,000	August 24, 2015	1,500	4 quarterly installments after moratorium of 36 months.	Hypothecation of specified receivables	Variable	2%
5.	Andhra Bank	1,500	December 27, 2016	1,500	4 equal quarterly installments at the end of the 39^{th}, 42^{nd}, 45^{th} and 48^{th} month from date of first disbursement	Hypothecation of specified receivables	Variable	Nil
6.	Andhra Bank	1,000	September 25, 2017	1,000	4 quarterly installments after moratorium of 36 months.	Hypothecation of specified receivables	Variable	Nil
7.	Axis Bank	2,000	April 18, 2016	2,000	4 equal quarterly installments at the end of the 39^{th}, 42^{nd}, 45^{th} and 48^{th} month from date of first disbursement	Hypothecation of specified receivables	2%	Variable
8.	Axis Bank	1,000	February 3, 2017	1,000	12 quarterly installments commencing	Hypothecation of specified receivables	2%	Waived

S. no.	Name of lender	Amount sanctioned	Date of sanction	Principal amount outstanding	Repayment date/ schedule	Security	Penalty	Prepayment
					27 months from date of first disbursement			
9.	Bank of Baroda	3,000	October 13, 2015	2,999.95	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	Variable	2%
10.	Bank of Baroda	5,000	June 26, 2018	4,736.84	19 quarterly installments after moratorium of 3 months	Hypothecation of specified receivables	2%	Nil
11.	Bank of India	4,000	November 18, 2016	4,000	8 quarterly installments commencing from ninth quarter of each drawdown	Hypothecation of specified receivables	Nil	Waived
12.	Bank of India	3,000	August 11, 2017	3,000	8 quarterly installments commencing from ninth quarter of each drawdown	Hypothecation of specified receivables	2%	Waived
13.	Bank of Maharashtra	1,000	March 14, 2015	250	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	2%	Nil
14.	Bank of Maharashtra	2,000	September 7, 2015	1,625	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	1%	Waived
15.	Canara Bank	1,000	February 22, 2016	416.20	12 quarterly installments after 1 year repayment holiday	Hypothecation of specified receivables	2%	Nil, with 7 days' notice
16.	Citi Bank	1,000	September 19, 2017	1,000	12 monthly instalments from date of first disbursement	Hypothecation of specified receivables	2%	Nil, if repaid on reset date, or else 2%.
17.	Dena Bank	3,500	September 25, 2017	3,499.97	8 equal quarterly installments starting after a moratorium period of 24 months from date of disbursement in each tranche	Hypothecation of specified receivables	Variable	Waived, with 30 days' notice
18.	Federal Bank	1,000	October 23, 2015	500	8 quarterly installments after the	Hypothecation of specified receivables	2%	Nil

S. no.	Name of lender	Amount sanctioned	Date of sanction	Principal amount outstanding	Repayment date/ schedule	Security	Penalty	Prepayment
					moratorium period of 24 months			
19.	Federal Bank	1,250	July 25, 2016	1,093.70	8 quarterly installments after the moratorium period of 24 months	Hypothecation of specified receivables	2%	Nil
20.	Federal Bank	750	September 19, 2017	656.25	8 quarterly installments after the moratorium period of 24 months	Hypothecation of specified receivables	2%	Nil
21.	HDFC Bank	500	August 24, 2015	250	8 half yearly installments commencing from 18th month of disbursement	Hypothecation of specified receivables	4%	Nil
22.	HDFC Bank	500	March 5, 2016	312.50	8 half yearly installments commencing from 18th month of disbursement	Hypothecation of specified receivables	4%	Nil
23.	HDFC Bank	1,000	September 7, 2016	600	10 half yearly installments commencing from 6th month of disbursement	Hypothecation of specified receivables	4%	Nil
24.	HDFC Bank	500	February 21, 2017	350	10 half yearly installments commencing from 6th month of disbursement	Hypothecation of specified receivables	4%	Nil
25.	HDFC Bank	1,000	June 23, 2017	1,000	3 half yearly installments commencing from 24th month of disbursement after 18 months moratorium	Hypothecation of specified receivables	4%	Nil
26.	HDFC Bank	1,000	March 15, 2018	812.50	16 quarterly installments commencing from 3rd month of disbursement	Hypothecation of specified receivables	4%	Nil
27.	HDFC Bank	500	May 11, 2018	437.50	16 quarterly installments commencing from 3rd month of disbursement	Hypothecation of specified receivables	4%	Nil
28.	HSBC Bank	2,100	March 3, 2018	2,100	Bullet repayment (18 months tenor)	Hypothecation of specified receivables	Variable	Variable
29.	ICICI Bank	1,500	March 2, 2017	1,500	3 equal semi annual installments after 30 months from date of each drawdown	Hypothecation of specified receivables	Nil with 60 days prior notice in certain cases such as change in	2%

S. no.	Name of lender	Amount sanctioned	Date of sanction	Principal amount outstanding	Repayment date/ schedule	Security	Penalty	Prepayment
							regulatory norms and change in risk. Otherwise, 1% (with 15 days prior written notice)	
30.	ICICI Bank	500	March 20, 2018	500	3 equal semi annual installments after 30 months from date of each drawdown	Hypothecation of specified receivables	Nil with 60 days prior notice in certain cases such as change in regulatory norms and change in risk. Otherwise, 1% (with 15 days prior written notice)	2%
31.	Indian Bank	3,000	November 15, 2016	3,000	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	2%	Nil
32.	Indian Bank	5,000	September 29, 2017	5,000	4 quarterly installments after 36 months moratorium from date of withdrawal in each tranche	Hypothecation of specified receivables	2%	Nil
33.	Indian Bank	3,000	March 28, 2015	2,250	4 equal quarterly installments after 36 months from date of disbursement	Hypothecation of specified receivables	2%	2.28%
34.	Indian Overseas Bank	5,000	March 17, 2017	4,994.70	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	2%	Waived
35.	Kotak Mahindra Bank	1,250	February 18, 2016	694.44	9 installments semi-annually with 1st installment starting from 13th month	Hypothecation of specified receivables	2%	1%
36.	Lakshmi Vilas Bank	1,000	June 26, 2018	1,000	10 quarterly installments starting from 21st month	Hypothecation of specified receivables	2%	2%

S. no.	Name of lender	Amount sanctioned	Date of sanction	Principal amount outstanding	Repayment date/ schedule	Security	Penalty	Prepayment
					after holiday period of 6 quarters			
37.	Oriental Bank of Commerce	1,000	September 21, 2015	1,000	4 quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement.	Hypothecation of specified receivables	2%	Nil
38.	State Bank of Mauritius	250	March 6, 2017	250	4 equal installments at the end of the 33rd, 34th, 35th and 36th month	Hypothecation of specified receivables	2%	Nil
39.	State Bank of India (Sanctioned by State Bank of Hyderabad prior to its merger with State Bank of India)	1,000	December 29, 2015	999.83	4 quarterly installments starting from March 2019 to December 2019.	Hypothecation of specified receivables	Variable	Nil
40.	State Bank of India	3,000	December 15, 2015	3,000	2 installments ay the end of the 4th year and 5th year from date of drawdown	Hypothecation of specified receivables	2%	2%
41.	State Bank of India (Sanctioned by State Bank of Travancore prior to its merger with State Bank of India)	2,500	August 5, 2015	2,000	4 quarterly installments after 36 months moratorium from date of first availment	Hypothecation of specified receivables	2%	Nil
42.	Syndicate Bank	1,500	September 4, 2017	1,500	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement of each tranche	Hypothecation of specified receivables	Variable	Waived with 30 days' notice
43.	Syndicate Bank	3,000	June 26, 2015	1,500	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	Variable	Nil
44.	Syndicate Bank	1,500	December 29, 2015	1,500	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	Variable	Waived with 1 month notice
45.	Syndicate Bank	3,000	November 5, 2016	3,000	4 equal quarterly installments at	Hypothecation of specified receivables	Variable	Waived with 1 month notice

S. no.	Name of lender	Amount sanctioned	Date of sanction	Principal amount outstanding	Repayment date/ schedule	Security	Penalty	Prepayment
					the end of the 39th, 42nd, 45th and 48th month from date of first disbursement			
46.	Catholic Syrian Bank	500	December 26, 2017	500	16 quarterly installments	Hypothecation of specified receivables	1%-2%	2%
47.	South Indian Bank	500	August 19, 2017	500	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	2%	2%
48.	South Indian Bank	1,000	September 9, 2016	1,000	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	2%	2%
49.	South Indian Bank	1,000	March 20, 2017	1,000	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	2%	2%
50.	Union Bank of India	3,000	February 8, 2016	3,000	4 quarterly installments after moratorium of 3 years	Hypothecation of specified receivables	Variable	Nil
51.	Union Bank of India	2,000	October 6, 2017	2,000	4 quarterly installments after moratorium of 3 years	Hypothecation of specified receivables	1%-2%	Waived
52.	Union Bank of India	3,000	February 19, 2018	3,000	4 quarterly installments after moratorium of 3 years	Hypothecation of specified receivables	Variable	Waived
53.	United Bank of India	2,000	September 1, 2015	1,499.93	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	3%	Waived with 15 days notice
54.	United Bank of India	2,000	February 1, 2016	1,999.34	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	3%	Waived with 15 days notice
55.	Vijaya Bank	2,000	February 18, 2015	499.10	4 equal quarterly	Hypothecation of specified	Variable	Waived

S. no.	Name of lender	Amount sanctioned	Date of sanction	Principal amount outstanding	Repayment date/ schedule	Security	Penalty	Prepayment
					installments at the end of moratorium of 36 months	receivables		
56.	Vijaya Bank	1,950	February 15, 2016	1,949.09	4 equal quarterly installments at the end of moratorium of 48 months	Hypothecation of specified receivables	2%	Waived
57.	Vijaya Bank	750	March 23, 2018	749.99	4 equal quarterly installments at the end of the 39th, 42nd, 45th and 48th month from date of first disbursement	Hypothecation of specified receivables	2%	Waived with 1 month notice
58.	SIDBI	2,500	December 23, 2016	2,080	20 installments commencing 6 months after date of disbursement	Hypothecation of specified receivables	2%	Waived with 120 days' notice
59.	Citicorp	1,000	March 6, 2018	1,000	Bullet repayment (tenor of 1 year)	Hypothecation of specified receivables	2%	2%
60.	Citicorp	1,500	March 23, 2018	1,500	Bullet repayment (tenor of 1 year)	Hypothecation of specified receivables	2%	2%
61.	Citicorp	1,000	April 18, 2018	1,000	Bullet repayment (tenor of 1 year)	Hypothecation of specified receivables	2%	2%
	Total	**111,150**		**95,590.01**				

B. *Cash credit facilities*

Set forth below is a brief summary of our secured cash credit facilities as on December 31, 2018. Our cash credit facilities are all repayable upon demand by the respective lenders.

(₹ in million)

S. no.	Name of lender	Amount sanctioned	Principal amount outstanding	Repayment Schedule	Security
1.	Andhra Bank	250	234.05	Repayable on demand, annual renewal.	Hypothecation of specified receivables
2.	Bank of India	3,000	2,798.69	Repayable on demand, annual renewal.	Hypothecation of specified receivables
3.	Bank of Maharashtra	400	326.74	Repayable on demand, annual renewal.	Hypothecation of specified receivables
4.	Canara Bank	250	218.15	Repayable on demand, annual renewal.	Hypothecation of specified receivables
5.	DCB Bank	200	0	Repayable on demand, annual renewal.	Hypothecation of specified receivables
6.	Dena Bank	1,500	1,250.96	Repayable on demand, annual renewal.	Hypothecation of specified receivables
7.	Federal Bank	250	220.12	Repayable on demand, annual renewal.	Hypothecation of specified receivables
8.	HSBC Bank	450	443.85	Repayable on demand, annual renewal.	Hypothecation of specified receivables
9.	ICICI Bank	500	163.51	Repayable on demand, annual renewal.	Hypothecation of specified receivables
10.	IDBI Bank	1,000	1.08	Repayable on demand, annual renewal.	Hypothecation of specified receivables
11.	Indian Bank	1,250	1,108.27	Repayable on demand, annual renewal.	Hypothecation of specified receivables
12.	Karur Vysya	300	Negligible	Repayable on demand, annual renewal.	Hypothecation of specified receivables
13.	Kotak Mahindra	400	267.03	Repayable on demand, annual	Hypothecation of specified

S. no.	Name of lender	Amount sanctioned	Principal amount outstanding	Repayment Schedule	Security
	Bank			renewal.	receivables
14.	Oriental Bank of commerce	47.50	0.11	Repayable on demand, annual renewal.	Hypothecation of specified receivables
15.	Punjab National Bank	1,000	963.05	Repayable on demand, annual renewal.	Hypothecation of specified receivables
16.	State Bank of India	4,000	3900.37	Repayable on demand, annual renewal.	Hypothecation of specified receivables
17.	Syndicate Bank	1,000	952.09	Repayable on demand, annual renewal.	Hypothecation of specified receivables
18.	Union Bank of India	50	46.52	Repayable on demand, annual renewal.	Hypothecation of specified receivables
19.	Lakshmi Vilas Bank	100	Negligible	Repayable on demand, annual renewal.	Hypothecation of specified receivables
20.	Axis Bank	2750	578.35	Repayable on demand, annual renewal	Hypothecation of specified receivables
	Total	**23,097.50**	**13,472.94**		

C. *Working Capital Demand Loans from Banks*

Set forth below is a brief summary of our working capital demand loans as on December 31, 2018.

(₹ in million)

S. no.	Name of lender	Date of disbursement	Amount sanctioned	Principal amount outstanding as on December 31, 2018	Maturity date	Repayment Schedule	Security
1.	Kotak Mahindra Bank	August 14, 2018	1,800	1,800	178 days	Bullet repayment.	Hypothecation of specified receivables
2.	IndusInd Bank	October 5, 2018	5,000	5,000	180 days	Repayable on demand, annual renewal.	Hypothecation of specified receivables
3.	HDFC Bank	October 5, 2018	350	350	90 days	Bullet repayment	Hypothecation of specified receivables
	Total		**7,150**	**7,150**			

D. *Secured non-convertible debentures*

Set forth below is a brief summary of our secured non-convertible debentures outstanding as on December 31, 2018.

(i) ***Non-convertible debentures issued through public offerings***

Set forth below is a brief summary of our secured non-convertible debentures issued through public offerings outstanding as on December 31, 2018.

(₹ in million)

Issue	Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount	Credit rating	Security
Public offering of non-convertible debentures ("**2013 NCDs**") of face value and issue price of ₹ 1,000 in Fiscal 2014	Series III	60 months	10.75% (for non individuals)	January 4, 2019	May 3, 2014	790.060	CARE AA by CARE	First and exclusive charge over identified immovable property and specified future receivables of our Company.
			11.50% (for individuals)					
	Series VI	60 months	Nil	January 4, 2019				
			Nil					
	Series VII	60 months	10.75% (for non individuals)	January 4, 2019				
			11.25% (for individuals)					
Public offering of non-convertible debentures ("**2014 NCDs**") of face value	Series III	60 months	10.85% (for non individuals)	May 3, 2019	May 3, 2014	951.40	CARE AA by CARE	First and exclusive charge over identified immovable property and
			11.75% (for individuals)					

Issue	Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount	Credit rating	Security
and issue price of ₹ 1,000 in Fiscal 2014	Series VI	60 months	Nil Nil	May 3, 2019				specified future receivables of our Company.

(ii) ***Non-convertible debentures issued through private placements***

Set forth below is a brief summary of our secured non-convertible debentures issued on a private placement basis outstanding as on December 31, 2018.

(*₹ in million)*

Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on December 31, 2018	Credit rating	Security
10.75% non-convertible debentures of face value and issue price of ₹1,000,000	Ten years	10.75%	February 4, 2021	February 2, 2011	30	'CARE AA-' from CARE and 'IND AA-' from IRRPL	First pari passu charge on receivables of our Company with a minimum asset cover of 1.25 times at all time during the tenure of these non-convertible debentures.
9.30% non-convertible debentures of face value and issue price of ₹1,000,000	Five years	9.30%	June 17, 2020	June 17, 2015	500	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
9.30% non-convertible debentures of face value and issue price of ₹1,000,000	Five years	9.30%	June 22, 2020	June 22, 2015	500	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
8.25% non-convertible debentures of face value and issue price of ₹1,000,000	Three years	8.25%	October 7, 2019	October 7, 2016	1,000	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
8.20% non-convertible debentures of face value and issue price of ₹1,000,000	3 years 38 days	8.20%	April 16, 2020	March 10, 2017	1,150	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible

Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on December 31, 2018	Credit rating	Security
							debentures.
XIRR 8.15% non-convertible debentures of face value and issue price of ₹1,000,000	1078 days	XIRR 8.15%	May 27, 2020	June 14, 2017	3,500	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
XIRR 8.15% non-convertible debentures of face value and issue price of ₹1,000,000	1112 days	XIRR 8.15%	June 30, 2020	June 14, 2017	50	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
7.97% non-convertible debentures of face value and issue price of ₹1,000,000	Three years	7.97%	October 27, 2020	October 27, 2017	3,000	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
XIRR 7.97% non-convertible debentures of face value and issue price of ₹1,000,000	1075 days	XIRR 7.97%	October 6, 2020	October 27, 2017	2,000	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
8.09% non-convertible debentures of face value and issue price of ₹1,000,000	1826 days	8.09%	December 5, 2022	December 5, 2017	800	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.

Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on December 31, 2018	Credit rating	Security
9.3056% non-convertible debentures of face value and issue price of ₹1,000,000	449 days	9.30%	September 27, 2019	July 5, 2018	1,000	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
SBI MCLR Linked non-convertible debentures of face value and issue price of ₹1,000,000	531 days	SBI MCLR Linked	December 18, 2019	July 5, 2018	2,500	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
SBI MCLR Linked non-convertible debentures of face value and issue price of ₹1,000,000	622 days	SBI MCLR Linked	March 18, 2020	July 5, 2018	2,500	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
9.40% non-convertible debentures of face value and issue price of ₹1,000,000	852 days	9.40%	December 30, 2020	August 31, 2018	2,250	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
Zero Coupon non-convertible debentures of face value and issue price of ₹1,000,000	1300 days	Zero coupon	April 4, 2022	September 12, 2018	800	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
Zero Coupon non-convertible debentures of face value and issue price of ₹1,000,000	1478 days	Zero coupon	September 29, 2022	September 12, 2018	850	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times

Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on December 31, 2018	Credit rating	Security
							at all time during the tenure of these non-convertible debentures.
SBI MCLR Linked non-convertible debentures of face value and issue price of ₹1,000,000	Three years	SBI MCLR Linked	September 21, 2021	September 21, 2018	6,000	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
INR-FBIL-MIBOR-OIS-COMPOUND+ SPREAD non-convertible debentures of face value and issue price of ₹1,000,000	487 days	INR-FBIL-MIBOR-OIS-COMPOUND+ SPREAD	July 23, 2019	March 23, 2018	4,000	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
8.90% non-convertible debentures of face value and issue price of ₹1,000,000	1827 days	8.90%	March 27, 2023	March 26, 2018	1,150	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
Total					**33,580**		

II. ***Unsecured borrowings availed by our Company***

A. Fixed deposits

As a deposit taking non banking financial company, our Company accepts both non cumulative and cumulative unsecured deposits from the public ("**SCUF Deposits**"), which are accepted in multiples of ₹ 1000 with a minimum deposit amount of ₹ 5000 per cumulative deposit account and ₹ 10000 per non cumulative deposit account at interest rates ranging from 8.25 % p.a. to 9.25 % p.a. with an additional interest rate of 0.25 % p.a. for senior citizens (who have completed 60 years of age on the date of making the deposit) and are redeemable from a period of 12 months to 60 months from the date of the deposit. Set forth below is a brief summary of the SCUF Deposits outstanding as on December 31, 2018**.**

(₹ in million)

Type of instrument	Amount issued	Principal amount outstanding	Repayment date/ schedule	Credit rating
Fixed deposits	182,112.00	28,305.31	12 months to 60 months from the date of deposits	MAA+(stable)

B. Subordinated debentures

Set forth below is a brief summary of our unsecured subordinated debentures outstanding as on December 31, 2018.

(i) ***Listed subordinated debentures***

Set forth below is a brief summary of our listed, unsecured, subordinated debentures outstanding as on December 31, 2018:

(*₹ in million)*

Debenture Series	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding	Credit rating
11.85% non-convertible debentures of face value and issue price of ₹1,00,000	Seven years	11.85%	March 15, 2019	March 15, 2012	1,000	'CARE AA' by CARE
11.85% non-convertible debentures of face value and issue price of ₹1,00,000	Seven years	11.85%	January 16, 2019	January 16, 2012	200	CARE AA' by CARE
11.85% non-convertible debentures of face value and issue price of ₹1,00,000	Seven years	11.85%	February 27, 2019	February 27, 2012	350	CARE AA' by CARE
11.85% non-convertible debentures of face value and issue price of ₹1,00,000	Seven years	11.85%	March 26, 2019	March 26, 2012	502	CARE AA' by CARE
11.15% non-convertible debentures of face value and issue price of ₹10,00,000	Seven years	11.15%	December 31, 2019	December 31, 2012	600	CARE AA' by CARE
11.15% non-convertible debentures of face value and issue price of ₹10,00,000	Seven years	11.15%	January 7, 2020	January 7, 2013	150	CARE AA' by CARE
Total					**2,802**	

III. ***Commercial papers***

Our Company has issued commercial papers of the face value ₹ 0.50 million each as on December 31, 2018. The total outstanding amount in respect of the commercial papers is ₹ 29,480 million. The details of the commercial papers are set forth below:

(*₹ in million)*

Sr. No.	Particular	Date of Disbursement	Amount Sanctioned	Amount outstanding as on December 31, 2018	Maturity Date
1.	Axis Bank	February 21, 2018	1,500	1,500	February 20, 2019
2.	Axis Bank	March 26, 2018	2,500	2,500	March 21, 2019
3.	UTI Mutual Fund	March 27, 2018	1,500	1,500	February 28, 2019
4.	SBI Mutual Fund	June 29, 2018	500	500	April 3, 2019
5.	SBI Mutual Fund	August 7, 2018	1,000	1,000	February 28, 2019
6.	SBI Mutual Fund	August 7, 2018	1,000	1,000	June 10, 2019
7.	JM Financial Mutual Fund	August 13, 2018	250	250	February 28, 2019
8.	Kotak Mahindra Mutual Fund	November 5, 2018	2,000	2,000	January 30, 2019
9.	Kotak Mahindra Mutual Fund	November 5, 2018	2,000	2,000	January 31, 2019
10.	Kotak Mahindra Mutual Fund	November 9, 2018	1,750	1,750	February 7, 2019
11.	HDFC Mutual Fund	November 15, 2018	1,450	1,450	February 13, 2019
12.	SBI Mutual Fund	November 28, 2018	500	500	January 28, 2019
13.	SBI Mutual Fund	November 29, 2018	280	280	February 25, 2019
14.	Tata Mutual Fund	December 5, 2018	1,500	1,500	January 30, 2019
15.	HDFC Mutual Fund	December 6, 2018	1,000	1,000	March 6, 2019
16.	Tata Mutual Fund	December 6, 2018	1,500	1,500	January 28, 2019
17.	UTI Mutual Fund	December 10, 2018	1,250	1,250	February 8, 2019
18.	UTI Mutual Fund	December 10, 2018	1,250	1,250	March 8, 2019
19.	SBI Mutual Fund	December 14, 2018	250	250	December 10, 2019
20.	JM Financial Mutual Fund	December 17, 2018	750	750	March 1, 2019
21.	LIC Mutual Fund	December 18, 2018	1,000	1,000	March 4, 2019
22.	LIC Mutual Fund	December 18, 2018	750	750	March 1, 2019

Sr. No.	Particular	Date of Disbursement	Amount Sanctioned	Amount outstanding as on December 31, 2018	Maturity Date
23.	DHFL Pramerica Mutual Fund	December 18, 2018	500	500	March 1, 2019
24.	Kotak Mahindra Mutual Fund	December 18, 2018	1,000	1,000	March 5, 2019
25.	Kotak Mahindra Mutual Fund	December 24, 2018	2,500	2,500	June 21, 2019
	Total		**29,480**	**29,480**	

IV. ***The amount of corporate guarantee issued by the Issuer along with the name of the counterparty on behalf of whom it has been issued***

Except for the below, no corporate guratee has been issued by the Company:

The Company executed a deed of guarantee dated May 22, 2015 in favour of National Housing Bank ("**NHB**"). Shriram Housing Finance Limited vide letter dated June 9, 2014, requested sanction of refinance assistance of ₹ 1000 million for the Fiscal Year 2014-2015. NHB, by its letter of intent dated December 18, 2014 agreed to sanction to the Subsidiary refinance assistance not exceeding ₹ 250 million on the terms and conditions contained in the Memorandum of Agreement and Loan Agreement dated April 27, 2015 entered into by the Subsidiary and NHB.

V. ***Details of rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debenture/ Preference Shares) as on December 31, 2018***

As of December 31, 2018, our Company has no outstanding amounts in relation to hybrid debt like FCCB, Optionally Convertible Debenture/ Preference Shares.

VI. ***Details of all defaults and/or delay in payment of interest and principal of any kind of term loan, debt securities and other financial indebtedness including corporate guarantee issued by the Company in the past five years***

Nil.

VII. ***Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.***

Nil.

VIII. ***Significant restrictive covenants in our debt facilities***

Some of the significant corporate actions for which our Company requires the prior written consent of lenders include the following:

1. To create or permit any charges or lien on any mortgaged or hypothecated properties.
2. Effect any change in the Company's capital structure.
3. Enter into borrowing arrangements with any bank/company.
4. Create any further charge, lien or encumbrance over the assets and properties of the Company, which are charged to the bank.

SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND-AS

The Reformatted Summary Financial Statements included in this Draft Shelf Prospectus have been prepared by the Company from the financial statements prepared in accordance with Indian GAAP, which differs from Indian Accounting Standards ("Ind AS") in certain respects.

The Ministry of Corporate Affairs("MCA") in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non- banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by RBI through its circular dated February 11,2016. The notification further explains that NBFCs having a net worth of ₹ 50,000 lakh or more as of March 31, 2016 shall comply with Ind AS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, the Company would be subject to this notification.

"Summary of Significant Differences among Indian GAAP and Ind AS", does not present all differences between Indian GAAP AND Ind AS which are relevant to the Company.

Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Draft Shelf Prospectus.

Furthermore, the Company has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and Ind AS which may result from prospective changes in accounting standards. The Company has not considered matters of Indian GAAP presentation and disclosures, which also differ from Ind AS. In making any investment decision, investors must rely upon their own examination of the Company's business, the terms of the offerings and the financial information.

POTENTIAL INVESTORS SHOULD CONSULT WITH THEIR OWN PROFESSIONAL ADVISORS FOR A MORE THOROUGH UNDERSTANDING OF THE DIFFERENCES BETWEEN INDIAN GAAP AND IND AS AND HOW THOSE DIFFERENCES MIGHT AFFECT THE FINANCIAL INFORMATION INCLUDED IN THIS DRAFT SHELF PROSPECTUS.

THE COMPANY CANNOT ASSURE THAT IT HAS COMPLETED A COMPREHENSIVE ANALYSIS OF THE EFFECT OF IND AS ON FUTURE FINANCIAL INFORMATION OR THAT THE APPLICATION OF IND AS WILL NOT RESULT IN A MATERIALLY ADVERSE EFFECT ON THE COMPANY'S FUTURE FINANCIAL INFORMATION.

TOPIC	Indian GAAP	Ind AS
Presentation of Financial Statements	**<u>Other Comprehensive Income</u>** There is no concept of 'Other Comprehensive Income' under Indian GAAP	**<u>Other Comprehensive Income</u>** Under Ind AS 1 there is a concept of Other Comprehensive Income ("OCI"). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS. Such recognition of income and expenses in OCI is primarily governed by the income recognition norms and classification of financial instruments and assets as "Fair Value through OCI
	<u>Extraordinary items:</u> Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	**<u>Extraordinary items:</u>** Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited

TOPIC	Indian GAAP	Ind AS
	Change in Accounting Policies Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed	**Change in Accounting Policies** Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognised in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per IndAS12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments.
Property, plant and equipment – reviewing depreciation and residual value	Under Indian GAAP, the Company currently provides depreciation over the useful lives of the assets estimated by the Management.	Ind AS 16 mandates reviewing the method of depreciation estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS.
Accounting for Employee benefits	Currently, under Indian GAAP the Company recognises all short term and long-term employee benefits in the profit and loss account as the services are received. For long term employee benefit, the Company uses actuarial valuation to determine the liability.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and remeasurements. Changes due to service cost and net interest cost/ income need to be recognised in the income statement and the changes arising out of re-measurements comprising of actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are to be recognised directly in OCI and not reclassified to profit and loss in the subsequent period.
Separate Financial Statements	Accounting for investments in subsidiaries is governed by Accounting Standard 13 depending on the classification of the investment as current or long term	Accounting for investments in subsidiaries is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109
Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under Ind AS, provisions are recognised for legal as well as constructive obligations. Ind AS requires discounting the provisions to present value, if the effect of time value of money is material.

TOPIC	Indian GAAP	Ind AS
Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a proforma disclosure for the fair valuation. The intrinsic value for the company was nil.	Under Ind AS, the share based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit and Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings.
Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any diminution other than temporary in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognised upfront in the Statement of Profit and Loss.	Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortised cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss, (FVTPL), or recognised in other comprehensive income (FVOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables etc. Assets classified at amortised cost and FVOCI and the related revenue (including processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method.
		Loan processing fees and/or fees of similar nature would be measured and recognised using the Effective Interest Rate (EIR) method over the period of loan. There are two measurement categories for financial liabilities – FVTPL and amortised cost. Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.
Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortised cost or FVOCI, financing receivables, lease receivables, trade receivables and certain written loan commitments and financial guarantee contracts.
Financial Instruments - Disclosure	Currently there are no detailed disclosure requirements for financial instruments. However, the ICAI has issued an Announcement in December 2005 requiring the following disclosures to be made in respect of derivative instruments in the financial statements: • Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date; • The purpose, viz. ,hedging or speculation, for which such derivative instruments have been acquired; and The foreign currency exposures that are not hedged by a derivative instrument or otherwise.	Requires disclosure of information about the nature and extent of risks arising from financial instruments: • qualitative disclosures about exposures to each type of risk and how those risks are managed; and • quantitative disclosures about exposures to each type of risk, separately for credit risk, liquidity risk and market risk(including sensitivity analysis).

TOPIC	Indian GAAP	Ind AS
Segment Reporting	Under Indian GAAP there is a requirement to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
Consolidated Financial Statements	Under Indian GAAP the consolidation is driven by the reporting entity's control over its investees namely subsidiaries, associates and joint ventures. Control is: (a) the ownership, directly or indirectly through subsidiary(ies),of more than one-half of the voting power of an entity; or (b) Control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other entity so as to obtain economic benefits from its activities.	Control is based on whether an investor has: (a) power over the investee; (b) exposure, or rights, to variable return from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amounts of the returns.
	Therefore, a mere ownership of more than 50% of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under Ind AS.	
Consolidation-Exclusion of subsidiaries, associates and joint ventures	Excluded from consolidation accounting or proportionate consolidation if the subsidiary/investments/interest was acquired with intent to dispose of in the near future (which, ordinarily means not more than 12 months, unless a longer period can be justified based on facts and circumstances of the case) or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent/investor/venture.	Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for 'temporary control', "different lines of business" or "subsidiary/associate/joint venture that operates under severe long-term funds transfer restrictions"
Consolidation-Joint Ventures	Under Indian GAAP, proportionate consolidation method is applied when the entity prepares consolidated financial statements.	The equity method, as described in Ind AS 28 is applied when the entity prepares consolidated financial statements.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no pending proceedings pertaining to:

i. Outstanding litigation against our Company, Subsidiary, Promoter, directors, group companies, or any other person, whose outcome could have a material adverse effect on our Company.

ii. any default and non-payment of statutory dues;

iii. litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last five years immediately preceding the date of the issue of this Draft Shelf Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;

iv. pending proceedings initiated against our Company for economic offences;

v. inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed) and fines imposed or compounding of offences by our Company in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company and our Subsidiaries fines imposed on or compounding of offences done by our Company and our Subsidiary in the last five years immediately preceding the year of this Draft Shelf Prospectus; and

vi. Material fraud committed against the Company in the last five years, and action taken in regard to the same.

For the purpose of disclosures in this Draft Shelf Prospectus, our Company has considered the following litigation as “material litigation”:

- all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value exceeding ₹ 69.37 million which is 1% of the profit after tax as disclosed in the reformatted consolidated financial statements for the year ending March 31, 2018;

- any other outstanding legal proceeding which is likely to have a material adverse effect on the financial position, profitability and cash flows of our Company.

A. *Proceedings involving our Company*

1. Our Company filed an application dated October 13, 2018 before the District Magistrate at Valsad under Section 14 of the SARFAESI Act against M/s Kishan Poly Plast and others (“**Borrowers**”). The Borrowers had availed of a loan of ₹ 80 million from our Company and had mortgaged certain parcels of land located at Valsad as security (“**Valsad Land**”). Upon failure of the Borrower to pay the dues, the Company issued a notice to the Borrowers under Section 13(2) of the SARFAESI Act calling upon them to pay an amount of ₹ 77.42 million. Upon failure of the Borrowers to respond to the notice, our Company approached the District Magistrate at Valsad praying that possession of the secured assets and documents be taken, the possession for the Valsad Land be handed over to our Company and a receiver be appointed for the same. The matter is currently pending

2. Our Company received a show-cause notice dated April 19, 2018 from the MCA (“**Show-cause Notice**”) seeking information regarding non-compliance of the Company with the requirement under Section 135 of the Companies Act, 2015 regarding shortfall in meeting minimum expenditure limit for CSR. The Company replied to the Show-cause Notice via letter dated detailing May 17, 2018 providing the requested information and the reasons for not meeting the expenditure limit. We have not received any further communication from the MCA.

3. Our Company has filed an appeal dated June 1, 2015 before the High Court of Madras against the order of the Income Tax Appellate Tribunal, upholding a demand notice levying a demand for the tax payable by our Company to the tune of ₹ 181.45 million for the assessment year 2008-09, as well as an order levying a penalty of ₹ 493.5 million against us for furnishing of inaccurate particulars with the

intention of reducing tax liability in this regard ("**Assessment Order"**). The Assessment Order claims that our Company had applied for deduction of amount transferred into the statutory reserve but that no such expenditure had been incurred. The matter is currently pending.

4. Our Company has received a demand notice ("**Notice"**) from the Additional Commissioner of Income Tax, Chennai ("**Assessing Officer"**) for tax payable for the assessment year 2009-10 to the tune of ₹ 429.83 million, through the ascertainment of eight grounds on the basis of which additional income was to be calculated for computation. On appeal, the Income Tax Appellate Tribunal ("**ITAT**") passed an order rejecting all but two of these grounds for ascertainment of income namely, the amount transferred to statutory reserve for the purposes of regular computation, and amount set aside as per the RBI guidelines for the purpose of computation under section 155JB of the Income Tax Act (collectively, the "**Remaining Grounds for addition"** and the aforementioned order, the "**ITAT Order")**. Our Company has filed an appeal before the High Court of Madras against the ITAT Order insofar as it retains the Remaining Grounds. The matter is currently pending.

5. Our Company has received a demand notice ("**Notice"**) from the Additional Commissioner of Income Tax, Chennai ("**Assessing Officer"**) for tax payable for the assessment year 2010-11 to the tune of ₹ 173.07 million, through the ascertainment of eight grounds on the basis of which additional income was to be calculated for computation ("**Grounds**"). The same was appealed before the Commissioner of Income Tax (Appeals) who revised the computation of tax payable to ₹ 123.15 million ("**CIT(A) Order**") by rejecting the admission of three of the Grounds .On appeal, the Income Tax Appellate Tribunal ("**ITAT**") passed an order rejecting all but two of the grounds for ascertainment of income namely, the amount transferred to statutory reserve for the purposes of regular computation and amount set aside as RBI guidelines for the purpose of computation under section 155JB of the Income Tax Act ("**Remaining Grounds for Addition"** and the aforementioned order, the "**ITAT Order")**. Our Company has filed an appeal before the High Court of Madras against the ITAT Order insofar as it retains the Remaining Grounds for Addition in the computation of income. The matter is currently pending.

6. Our Company has received a demand notice ("**Notice"**) from the Additional Commissioner of Income Tax, Chennai ("**Assessing Officer"**) for tax payable for the assessment year 2010-11 to the tune of ₹ 236.05 million, through the ascertainment of eight grounds on the basis of which additional income was to be calculated for computation. On appeal, the Income Tax Appellate Tribunal ("**ITAT**") passed an order rejecting all but two of these grounds for ascertainment of income namely, the amount transferred to statutory reserve for the purposes of regular computation, and amount set aside as per the RBI guidelines for the purpose of computation under section 155JB of the Income Tax Act (collectively, the "**Remaining Grounds for addition"** and the aforementioned order, the "**ITAT Order")**. Our Company has filed an appeal before the High Court of Madras against the ITAT Order insofar as it retains the Remaining Grounds. The matter is currently pending.

7. Our Company has received a demand notice ("**Notice"**) from the Additional Commissioner of Income Tax, Chennai ("**Assessing Officer"**) for tax payable for the assessment year 2012-13 to the tune of ₹ 733.75 million, through the ascertainment of grounds on the basis of which additional income was to be calculated for computation ("**Grounds**"). On appeal, the Income Tax Appellate Tribunal ("**ITAT**") passed an order, partially allowing the submissions of both our Company and the Assessing Officer for the deletion and retention of the Grounds respectively. Our Company has filed an appeal before the High Court of Madras against the ITAT Order insofar as it retains some of the Grounds and the Assessing Officer has filed a cross-appeal claiming that the ITAT Order had erred in the computation of income by rejecting some of the Grounds. The matter is currently pending.

8. Our Company has received a demand notice ("**Notice"**) from the Additional Commissioner of Income Tax, Chennai ("**Assessing Officer"**) for tax payable for the assessment year 2013-14 to the tune of ₹ 450.03 million, through the ascertainment of grounds on the basis of which additional income was to be calculated for computation ("**Grounds**"). On appeal, the Income Tax Appellate Tribunal ("**ITAT**") passed an order rejecting all but two of the grounds for ascertainment of income namely, the amount transferred to statutory reserve for the purposes of regular computation and amount set aside as RBI guidelines for the purpose of computation under section 155JB of the Income Tax Act ("**Remaining Grounds for Addition"** and the aforementioned order, the "**ITAT Order")** and remitted the question pertaining to another one of the Grounds back to the Assessing Officer for verification. Our Company has filed appeals before the High Court of Madras against the ITAT Order insofar as it retains the

Remaining Grounds for Addition in the computation of income and remits another one of the Grounds back to the Assessing Officer for verification. The matter is currently pending.

9. Our Company has received show-causes notices dated October 13, 2014 and February 26, 2015 (the **"**Notices") by the Directorate General of Central Excise Intelligence, Bangalore (the "**DGCEI"**) with respect to non-payment of service tax to the tune of ₹ 157.32 million for the period from April 2008 to September 2012, and ₹ 98.28 million for the period from October 2012 to September 2014 respectively. The Notices further imposed a penalty for our role in alleged tax evasion. After having received written replies filed in response to these Notices rejecting the claims stated therein and the submissions of our Company during the personal hearings held in this regard, the Commissioner of Service Tax passed an order (the **"CST Order"**) declaring that our Company has not discharged its service tax liability properly and has suppressed the value of taxable services by mis-declaring their value. The CST Order revised the amount payable under the Notices to ₹ 142.02 million and ₹ 87.47 million along-with interest thereon and also imposed a cumulative penalty of ₹ 150.72 million. Our Company has filed an appeal against the CST Order before the Customs, Excise and Service Tax Appellate Tribunal. The matter is currently pending.

10. Our Company has filed various complaints and notices under section 138 of the Negotiable Instrument Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. Our Company is contesting several disputed income tax, service tax and VAT matters before various authorities. The contingent liabilities as per accounting standard 29 as of March 31, 2018 date in respect of such matters were ₹ 694.71 million.

B. ***Proceedings involving our Directors***

For details of the criminal case involving Venkataraman Murali, refer to *"Legal and Other Information – Outstanding Litigation and Other Material Developments – Proceedings involving our Subsidiary*

Except as disclosed above, there are no proceedings involving our Directors whose outcome could have a material adverse effect on the Company**.**

C. ***Proceedings involving our Subsidiary***

Criminal proceedings involving our Subsidiary

1. Tarani Halder (the "**Complainant"**) filed a criminal complaint against our Subsidiary, Venkatraman Murali and its other directors (the "**Defendants"**) before the Chief Metropolitan Magistrate alleging criminal breach of trust and conspiracy to cheat the Complainant. The Defendants are alleged to have induced the Complainant to enter into a loan agreement to the tune of ₹ 2.16 million (the "**Agreement"**) through false representations and proceeded to obtain processing fees as well as dominion over title deeds, a deed of conveyance and other important personal documents, after which they refused to pass the consideration amount, as per the terms of the Agreement. The Defendants further stand accused of misusing their Electronic Clearance Scheme ("**ECS**"**)** mandate to realize an amount of ₹ 0.34 million from the bank account of the Complainant. Being aggrieved by the same, the Defendants filed a quashing petition before the Calcutta High Court (the "**High Court**") rejecting the claims of the Complainant. The High Court proceeded to stay all proceedings before the Chief Metropolitan Magistrate until further notice and vide order dated December 18, 2018 extended its period of interim stay by ten weeks. The matter is currently pending.

Material civil litigation involving our Subsidiary

2. Our Subsidiary has filed a petition before the District Magistrate, Jaipur under Section 14 of the SARFAESI Act against M/s Om Sakhal Builders & Construction Private Limited (the "**Borrowers**"). The Borrowers had availed of a loan of ₹ 157 million from our Company and had mortgaged certain parcels of land in Jaipur ("**Jaipur land**"). Upon failure of the Borrower to pay the dues, the Company issued a notice to the Borrowers under Section 13(2) of the SARFAESI Act calling upon them to pay an amount of ₹ 160.04 million. Upon failure of the Borrowers to respond to the notice, our Company approached the District Magistrate, Jaipur praying that possession of the secured assets and documents be taken, the possession for the Jaipur Land be handed over to our Company and a receiver be appointed for the same. The matter is currently pending.

D. ***Proceedings involving our Promoter***

1. SCL has filed a writ petition number W.P. No. 845 of 2012 before the High Court of Judicature at Madras ("**Court**") under Article 226 of the Constitution of India praying for, inter alia, quashing the order no. D.C. No.112(2)/264/2011-12 dated November 24, 2011 passed by the Director of Income Tax (International Taxation) alleging that the amount payable by SCL to MD IN Service Private Limited ("**Non-Resident Company**") for consultancy services rendered by the latter is chargeable to income tax in India under section 9 (1) vii (b) of the Income Tax Act, 1961. SCL has also prayed for directing the Income Tax Officer (International Taxation) to issue a "NIL" deduction certificate as required under section 195 of the Income Tax Act, 1961 and remission of fees to the Non-Resident Company without deduction of tax at source. The Court has ordered the remission of fees as mentioned herein above. The matter is pending hearing and final disposal.

2. SCL has filed a writ petition number W.P. No. 4965 of 2011 before the High Court of Judicature at Madras ("**Court**") aggrieved by the order dated September 29, 2010 passed by the Director of Income Tax (International Taxation) alleging that the fees payable by SCL to Oentoeng Suria & Partners ("Non-Resident Indonesian Firm") for legal consultancy services provided by the Non-Resident Indonesian Firm is chargeable to income tax in India under section 9 (1) vii (b) of the Income Tax Act, 1961. SCL has prayed for inter alia, approval for remission of fees payable by SCL to the Non-Resident Indonesian Firm without deduction of tax at source.

3. SCL is involved in various appeals in relation to income tax before the High Court of Judicature at Madras.

4. SCL is involved in two appeals before the Income Tax Appellate Tribunal in relation to certain disallowances made by the assessing officer in their remit back assessment orders for the assessment years 2012-13 and 2014-15 and the amounts involved are ₹ 67.58 million and ₹ 8.70 million respectively.

5. SCL is involved in proceedings before the Commissioner of Income Tax-Appeals in relation to certain disallowances made by the assessing officer in their remit back assessment orders for the assessment years 2013-14 and 2016-17 and the amounts involved are ₹ 89.61 million and ₹ 114.24 million respectively.

E. ***Proceedings involving our group companies***

There are no proceedings involving our group companies whose outcome could have a material adverse effect on the Company**.**

F. ***Material frauds committed against our Company in the last five years***

There have been instances of fraud, which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company in the last five Fiscals. The following are the material frauds committed against our Company in the last five years, and the actions taken by our Company:

	Period ended December 31, 2018	**Fiscal 2018**	**Fiscal 2017**	**Fiscal 2016**	**Fiscal 2015**	**Fiscal 2014**
Amount (in ₹ million)	Nil	Nil	Nil	Nil	Nil	Nil
Nature of Fraud	NA	NA	NA	NA	NA	NA
Corrective Actions	NA	NA	NA	NA	NA	NA

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue is being made pursuant to the resolution passed by the Board on July 25, 2018 and October 25, 2018 and the resolution passed by the Banking and Securities Management Committee approving this Draft Shelf Prospectus at its meeting held on February 19, 2019. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders of the Company at the Annual General Meeting of the Company on July 25, 2018.

Eligibility to make the Issue

Our Company, the persons in control of our Company, our Directors or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Neither our Company nor our Promoter nor Directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Consents

Consents in writing of the Directors, the Compliance Officer, the Statutory Auditors, Bankers to the Company, Lead Managers, Registrar to the Issue, Legal Counsel to the Company and Lead Managers as to Indian law, Credit Rating Agencies, Industry Expert and the Debenture Trustee, to act in their respective capacities, have been obtained and shall be filed along with a copy of this Draft Shelf Prospectus with the RoC.

Our Company has appointed Catalyst Trusteeship Limited as the Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to our Company for its appointment which is enclosed as Annexure B.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED AND IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUE IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED AND CONFIRM THAT COMMENTS RECEIVED ON THE DRAFT SHELF PROSPECTUS WILL BE SUITABLY ADDRESSED BEFORE FILING THE SHELF PROSPECTUS AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE COMPANY NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET**

UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT SHELF PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE DRAFT SHELF PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.

3. WE CONFIRM THAT THE DRAFT SHELF PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED.

4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER DATED [●], PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JULY 27, 2015 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45I-A OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RESERVE BANK OF INDIA DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO FINANCIAL SOUNDNESS OF THE COMPANY OR CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR

REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY THE COMPANY.

Disclaimer in Respect of Jurisdiction

The Issue is being made in India, to investors from Category I, Category II, Category III and Category IV. This Draft Shelf Prospectus will not, however constitute an offer to sell or an invitation to subscribe to the NCDs offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Shelf Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

CRISIL Disclaimer

CRISIL Limited (CRISIL) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Shriram City Union Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Change in auditors of our Company during the last three years

The following are the details of change in the auditors of our Company during the last three years:

S. No	Name of auditor	Address	Date of change	Reason
1	M/s Pijush Gupta & Co, Chartered Accountants	GF -17, Augusta Point , Golf Course Road, Sector – 53. Gurugram – 122002.	June 30, 2017	Retired at the AGM held on June 30, 2017
2	M/s G D Apte & Co Chartered Accountants	GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038	June 30, 2017	Appointed at the AGM held on June 30, 2017

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Reservation

No portion of this Issue has been reserved.

Reservations or Qualifications or Adverse Remarks of Auditors

There have been no reservations of qualifications or adverse remarks of auditors in the last five fiscals.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-lA of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The SCD Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The above-mentioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of that year.

Statement by the Board of Directors

(i) All monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account other than the bank account referred to in section 40(3) of the Companies Act, 2013;
(ii) Details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies were utilised; and
(iii) Details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
(iv) if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Issue Closing Date or such lesfser time as specified by SEBI, failing which interest will be due to be paid to the Applicants as per applicable laws;

Track Record of past issues handled by the Lead Managers

The track record of past issues handled by A.K Capital and Edelweiss are at available www.akgroup.co.in and www.edelweissfin.com respectively.

Listing

The NCDs will be listed on BSE. BSE is the Designated Stock Exchange. BSE has given in-principle listing approval through their letter dated [●].

If the permission to list and trade the NCDs has not been granted by the BSE, our Company shall repay all such moneys received from the Applicant in pursuance of the Shelf Prospectus in compliance with applicable law. Our Company shall use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE will be taken within 6 Working Days from the Issue Closing Date.

Details regarding lending out of issue proceeds and loans advanced by the Company

A. Lending Policy

Our lending policy is as detailed in the section titled "*Our Business*" on page 76.

B. Loans given by our Company to associates, entities or persons relating to the Board, senior management or Promoters

Company has not provided any loans or advances to associates, entities or persons relating to the Board, senior management or Promoters out of the proceeds of the previous public issues of debt securities.

C. Types of loans

Type of loans/advances given by the Company as on March 31, 2018:

S. No	Type of loan	Amount (in ₹ million)	Percentage (%)
1	Secured	2,17,529.12	79.49%
2	Unsecured	56,117.41	20.51%
	Total assets under management (AUM)	2,73,646.52	100.00%

Types of loans according to sectoral exposure as on March 31, 2018 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	**Retail**	
a	-Mortgages (home loans and loans against property)	-
b	-Gold loans	12.33%
c	- Vehicle finance	23.65%
d	-MFI	-
e	-M and SME	56.20%
f	-Capital market funding (loans against shares, margin funding)	-
h	-Others	7.82%
2	**Wholesale**	
a	-Infrastructure	-
b	-Real estate (including builder loans)	-
c	-Promoter funding	-
d	-Any other sector (as applicable)	-
e	-Others	-
	Total	**100%**

Denomination of loans outstanding by ticket size as on March 31, 2018:

S. No	Ticket size*	Percentage of AUM
1	Up to ₹ 0.2 million	39.73%
2	₹ 0.2-.5 million	11.40%
3	₹ 0.5-1 million	12.00%
4	₹ 1-2.5 million	18.00%
5	₹ 2.5-5 million	4.77%
6	₹ 0.5 million-10 million	3.37%
7	₹10-50 million	5.84%
8	₹ 50-250 million	3.19%
9	₹ 250-1000 million	1.07%
10	> ₹ 1000 million	0.64%
	Total	**100%**

Denomination of loans outstanding by LTV* as on March 31, 2018:

S. No	LTV	Percentage of AUM
1	Up to 40%	0.92%
2	40-50%	2.36%
3	50-60%	5.16%
4	60-70%	11.01%
5	70-80%	10.43%

6	80-90%	5.94%
7	>90%	64.18%
	Total	**100%**

**LTV at the time of origination*

Geographical classification of borrowers as on March 31, 2018:

S. No.	Top 5 states / Region	Percentage of AUM
1	Tamil Nadu	29.87%
2	Andhra Pradesh	19.90%
3	Maharashtra	15.04%
4	Telangana	14.88%
5	Gujarat	5.13%
	Total	**84.83%**

D. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2018

	Amount
Total Advances to twenty largest borrowers (in ₹ million)	7,221.61
Percentage of Advances to twenty largest borrowers to Total Advances **(**in %**)**	2.64%

E. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2018

	Amount
Total exposure to twenty largest borrowers / customers (in ₹ million)	7,221.61
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers **(**in %**)**	2.64%

F. Details of loans overdue and classified as non – performing in accordance with the RBI's guidelines

Movement of gross NPAs*	Amount (in ₹ million)
(a) Opening balance	15,367.78
(b) Additions during the year	17,360.58
(c) Reductions during the year	8,091.80
(d) Closing balance	24,636.56

Movement of provisions for NPAs	Amount (in ₹ million)
(a) Opening balance	11,269.02
(b) Provisions made during the year	8,790.41
(c) Write-off / write -back of excess provisions	4,802.26
(d) Closing balance	15,257.16

G. Segment –wise gross NPA as on March 31, 2018

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	**Retail**	
a	-Mortgages (home loans and loans against property)	-
b	-Gold loans	2.55%
c	- Vehicle finance	10.22%
d	-MFI	-
e	-MandSME	9.68%
f	-Capital market funding (loans against shares, margin funding)	-
h	-Others	10.62%
2	**Wholesale**	
a	-Infrastructure	-
b	-Real estate (including builder loans)	-
c	-Promoter funding	-
d	-Any other sector (as applicable)	-
e	-Others	-
	Total	**9.00%**

H. ***Classification of consolidated borrowings as on March 31, 2018***

S. No	Type of Borrowings	Amount (₹ in million)	Percentage
1	Secured	155,756.31	70.20%
2	Unsecured	66,104.70	29.80%
	Total	221,861.01	100%

I. ***Promoter Shareholding***

There has been no change in our Promoter's shareholding in our Company beyond the limit prescribed by RBI in the last financial year.

J. ***Maturity pattern of certain items of assets and liabilities on as standalone basis as on March 31, 2018***

(₹ in million)

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	2,591.00	1,017.98	1,158.84	3,142.44	6,216.18	12,734.79	3,091.44	-	29,952.66
Advances	15,749.25	11,121.70	10,699.83	34,507.41	68,257.36	82,483.71	23,006.87	12,563.23	258,389.36
Investments	20.00	-	-	-	2,585.74	1,200.00	-	3,474.12	7,279.86
Borrowings	2,015.44	9,014.74	8,118.80	7,352.93	52,593.94	81,386.93	18,692.90	-	179,175.69
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilites	-	-	-	-	-	-	-	-	-

K. Onward lending to borrowers forming part of the "group" as defined by RBI

There is no onward lending to borrowers forming part of the "group" as defined by RBI.

Utilisation of proceeds of previous issues by our Company and group companies:

Since the initial public offering of our Company on December 22, 1994, our Company has not made any public issues of any Equity Shares.

Details of utilization of proceeds of previous public issues of debentures by our Company are as follows:

S. No	Date of offer document	Total Issue Proceeds (₹ in million)	Amount utilized as on date of the DSP (₹ in million)
1	August 3, 2011	7,500.00	7,500.00
2	September 26, 2012	4,360.00	4,360.00
3	November 18, 2013	1,5361.06	1,5361.06
4	March 24, 2014	2,000.00	2,000.00

Our group companies have not made any public issuances of debentures in the past five years preceding the date of this draft shelf prospectus.

Mechanism for redressal of investor grievances

Integrated Registry Management Services Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

All grievances relating to the Issue should be addressed to the Registrar to the Issue and the Compliance Officer giving full details of the Applicant, number of NCDs applied for, amount paid on application series/option applied for and Member of the Syndicate/Trading Member/SCSB to which the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for, number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members may be addressed directly to BSE.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "*Terms of the Issue*" on page 147.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Debt Listing Agreement, and the Companies Act, 2013, the RBI Act, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Issuer	Shriram City Union Finance Limited.
Type of instrument/Security Name	Secured, redeemable, non-convertible debentures of our Company of face value of ₹ 1,000 each.
Nature of instrument	Secured.
Seniority	Senior.
Mode of issue	Public issue.
Eligible Investors	See the section titled "*Issue Procedure* " on page 156.
Listing	The NCDs shall be listed on the BSE within 6 Working Days from the Issue Closure Date.
Rating of the instrument	'CARE AA+ Stable' (Double A Plus; Outlook: Stable) by CARE and 'CRISIL AA/Stable' (pronounced as CRISIL double A rating with Stable outlook) by CRISIL Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale of this rating, see Annexure A.
Issue size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain oversubscription	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Objects of the Issue	See the section titled "*Objects of the Issue"* on page 56.
Details of utilization of proceeds	See the section titled "*Objects of the Issue*" on page 56.
Coupon rate	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Step up/ step down coupon rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment dates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon type	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
Day count basis	Actual/ Actual.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Dates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Premium/Discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Price (in ₹)	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Discount at which security is issed and the effective yield as a result of such discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Put Date/Put Price/Call Date/Call Price/ Put Notification Time/Call Notification Time	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹)	₹ 1,000

Minimum application size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Timing **1. Issue Opening Date** **2. Issue Closing Date** **3. Pay-in Date**	As specified in the relevant Tranche Prospectus for each Tranche Issue
Deemed date of Allotment	The date on which the Banking and Securities Management Committee the approves the Allotment of the NCDs for each Tranche Issue, or such other date as may be determined by the Banking and Securities Management Committee and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Issuance mode of the instrument	Dematerialised form only.
Trading	In dematerialised form only.
Depositories	NSDL and CDSL.
Business day convention/ Working Day	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai If the date of payment of interest specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "Effective Date"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last interest payment date) falls on a holiday, the interest/redemption payments shall be made only on the preceding Working Day, along with interest accrued on the NCDs until such date, however, excluding the date of such payment.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the relevant Tranche Prospectus for each Tranche Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Security	The principal amount of the NCDs to be issued in terms of this prospectus together with all interest due on the NCDs by way of a first and exclusive charge on specified future receivables of our Company in favor of the Debenture Trustee and first and exclusive charge on identified immovable property of our company, as decided mutually by or company and the debenture trustee. Our Company will create appropriate security in favor of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs.
Transaction documents	Transaction documents shall mean this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus for each Tranche Issue read with any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trust Deed, Debenture Trust Agreement, Public Issue Account Agreement and Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, "*Material Contracts and Documents for Inspection"* on page 132.
Conditions Precedent to Disbursement	Other than the conditions specified in the Debt Regulations, there are no conditions precedents to disbursement.
Conditions Subsequent to Disbursement	Other than the conditions specified in the Debt Regulations, there are no conditions subsequent to disbursement.
Events of default	Please see the section titled "*Issue Structure"* on page 144.
Cross default provisions	Please see the section titled "*Issue Structure"* on page 144.
Roles and responsibility of the Debenture Trustee	Please see the section titled "*Terms of the Issue*" on page 147.
Governing law and jurisdiction	The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the NCD Holders will be subject to the jurisdiction of competent courts in Chennai.
Security cover	At least 100% of the outstanding NCDs and the interest thereon at any point of time.

** In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form.*

***The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board. In the event of such an early closure of or extension of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or initial date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5:00 p.m. or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. or such extended time as may be permitted by BSE.*

The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus.

Please see "Issue Procedure" on page 156 for details of category wise eligibility and allotment in the Issue.

Participation by any of the investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see section titled "*Issue Procedure*" on page 156.

TERMS OF THE ISSUE

Specific Terms of the NCDs

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Interest and Payment of Interest

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Ranking of NCDs

The NCDs would constitute secured obligations of our Company and shall rank *pari passu* with the existing secured creditors on all loans and advances/ book debts/ receivables, both present and future of our Company and immovable property equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Prospectus, the Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. A register of NCD Holders holding NCDs in physical form ("**Register of NCD Holders**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose.
6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21

days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Transaction Document and the Debenture Trust Deed.

Nomination Facility to NCD Holders

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and the Companies Act, 2013, the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

(a) to register himself or herself as holder of NCDs; or
(b) to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form. Applicants holding NCDs in the physical form should provide required details in connection with their nominee to our Company and inform our Company in connection with NCDs held in the physical form.

Taxation

As per clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the SCRA and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Payment of Interest

As specified in the relevant Tranche Prospectus for each Tranche Issue, amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on Sundays or holidays of commercial banks in Mumbai, then interest as due and payable on such day, would be paid on the succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the NCDs as per the Depositories as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details please see the section titled "*Terms of the Issue*" on page 147.

Maturity and Redemption

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Deemed Date of Allotment

The date on which the Banking and Securities Management Committee the approves the Allotment of the NCDs for each Tranche Issue, or such other date as may be determined by the Banking and Securities Management Committee and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment

Application Size

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per NCD, as specified in the relevant Tranche Prospectus for each Tranche Issue, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of the Shelf Prospectus.

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the relevant Tranche Prospectus for each Tranche Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below*:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

   National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 2,00,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form, on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least 7 days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post or registered post.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of NCDs held under different options, as specified in the relevant Tranche Prospectus for each Tranche Issue, by an NCD Holder, separate certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each series.

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form. Further, no action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

NCDs held in physical form on account of rematerialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹1,838.*

Redemption Date

As specified under the relevant Tranche Prospectus for each Tranche Issue.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, as applicable on the date of this Draft Shelf Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Issue Structure*" on page 144 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, the relevant provisions of which shall come into effect from April 1, 2019, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and

- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus shall apply, *mutatis mutandis* (to the extent applicable) to the NCD(s) as well.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Common form of transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through email or other electronic media to the registered NCD Holders from time to time.

Issue of duplicate NCD Certificate(s)

If NCD certificate(s) is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The principal amount of the NCDs to be issued in terms of this prospectus together with all interest due on the NCDs by way of a first and exclusive charge on specified future receivables of our Company in favor of the Debenture Trustee and first and exclusive charge on identified immovable property of our company, as decided mutually by or company and the debenture trustee. Our Company will create appropriate security in favor of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs, The Secured NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Our Company intends to enter into an agreement with the Debenture Trustee, ('**Debenture Trust Deed'**), the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the Shelf Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the NCD holders

We have appointed Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) to act as the Debenture Trustees for the NCD Holders. The Debenture Trustee and we will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us *pro tanto* to the NCD Holders. The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and

(ii) default is committed in payment of any interest on the NCDs on the due date(s).

As per the RBI circular dated June 27, 2013, our Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues.

Lien on pledge of NCDs

Our Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be disclosed in the relevant Tranche Prospectus for each Tranche Issue.

Payment of Interest

If allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be refunded/unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please see, "*Issue Procedure - Rejection of Applications*" on page 170.

ISSUE PROCEDURE

This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018, which provides, inter-alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts

ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Shelf Prospectus.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("Debt Application Circular"). The procedure mentioned in this section is subject to the Stock Exchange putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by the Stock Exchange and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing

of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai

Who can apply?

The following categories of persons are eligible to apply in this Issue.

Category I

- Public financial institutions, scheduled commercial banks, co-operative banks and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons

Category III

- High Net-worth Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10,00,000 across all options of NCDs in this Issue

Category IV

- Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in this Issue.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

How to apply?

Availability of this Draft Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.

Please note that there is a single Application Form for who are persons resident in India.

Copies of the Abridged Prospectus containing the salient features of the Draft Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue together with Application Forms and copies of this Draft Shelf Prospectus may be obtained from our Registered and Corporate Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Managers at www.akgroup.co.in and www.edelweissfin.com.

(ii) at the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under this Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange have confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, *i.e.* to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the

Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

Application Size

As specified in the relevant Tranche Prospectus for each Tranche Issue.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016 ("**SEBI Circular 2016**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards single issuer limit is 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval).

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Non-banking financial companies

Applications made by non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) board Resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in this Issue.

Applications cannot be made by:

a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);

b) Foreign nationals;

c) Persons resident outside India;

d) Foreign Institutional Investors;

e) Foreign Portfolio Investors;

f) Non Resident Indians;

g) Qualified Foreign Investors;

h) Overseas Corporate Bodies**;

i) Foreign Venture Capital Funds; and

j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

* *Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the relevant Tranche Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Shelf Prospectus and Tranche Prospectus with ROC

A copy of the Shelf Prospectus and relevant Tranche Prospectus for each Tranche Issue shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the relevant Issue Opening Date of each relevant Tranche Issue. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue with the ROC and the date of release of thestatutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Shelf Prospectus, the Tranche Prospectus for each Tranche Issue and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in this Draft Shelf Prospectus.

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

(f) Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

(g) Applicants must ensure that their Application Forms are made in a single name.

(h) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(i) Applicant should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

(j) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(k) Applications for all the options of the NCDs may be made in a single Application Form only.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in the relevant Tranche Prospectus for each Tranche Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of

refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through speed post or registered post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Members of the Consortium and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Members of the Consortium and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of the Consortium and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Members of the Consortium or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus, the Shelf Prospectus or the relevant Tranche Prospectus for each Tranche Issue; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's

- **Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue and applicable law;**

- **Read all the instructions carefully and complete the Application Form;**

- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

- Applications are required to be in single or joint names (not more than three);

- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where

PQR is the name of the Karta;

- Ensure that Applications are submitted to the Designated Intermediaries, before the closure of application hours on the Issue Closing Date;

- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchange by the Designated Intermediaries, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;

- Ensure that the Applicant's names (given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

  Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;

- Ensure that you request for and receive a Acknowledgement Slip for all your Applications and an acknowledgement as a proof of having been accepted;

- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs;

- Before submitting the physical Application Form with the Designated Intermediaries, ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;

- For Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Banks or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

- For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Bank (assuming that such bank is not a SCSB), to our Company, the Registrar to the Issue or the Designated Intermediaries;

- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;

- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the, or to the Members of the Consortium at the Specified Locations, or to the Designated Intermediaries, as the case may be;

- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Consortium, or the Designated Intermediaries, as the case may be, for the submission of the Application Form;

- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- Ensure that your Application Form bears the stamp of the relevant Designated Intermediaries to whom the Application is submitted;

- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

- Tick the Option of NCDs in the Application Form that you wish to apply for.

Don’ts

- Do not apply for lower than the minimum Application size;

- Do not pay the Application amount in cash, by money order, postal order or by stockinvest;

- Do not send the Application Forms by post; instead submit the same to the Designated Intermediaries (as the case may be) only;

- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;

- Do not fill up the Application Form such that the NCDs applied for exceeds the size of this Issue and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;

- Do not submit more than five Application Forms per ASBA Account;

- Do not submit the Application Forms without the Application Amount; and

- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, please see the section titled "*Issue Procedure*" on page 156.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other options of NCDs, as specified in the relevant Tranche Prospectus for each Tranche Issue, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Tranche Issue for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

(i) Tripartite Agreements dated March 30, 2000 and April 30, 1999, between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(iv) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

(v) It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.

(vi) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(vii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under this Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure"* on page 156.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not made through the ASBA facility
- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount blocked being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- Investor Category in the Application Form not being ticked;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided by the Applicant;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Submission of more than 5 ASBA Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID and Client ID not mentioned in the Application Form;
- Applications by stockinvest or accompanied by cash/money order/postal order or any mode other than ASBA;
- If an authorization to the SCSB for blocking funds in the ASBA Account has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a Limited Liability Partnership firm can apply in its own name;
- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number mentioned in the Application Form instead of PAN;
- Application by OCBs;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the DP ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Application Forms from Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- Applications for an amount below the minimum Application size;
- Inadequate funds or no credit balance in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Applications not uploaded on the terminals of the Stock Exchange;
- Applications providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- Application Forms submitted to the Designated Intermediaries does not bear the stamp of the relevant Designated Intermediaries. Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Consortium, or other Designated Intermediaries, as the case may be;
- Applications by other persons who are not eligible to apply for NCDs under this Issue under applicable Indian regulatory requirements;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Shelf Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue;
- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the Application Form;
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application; and

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Mode of making refunds

The payment of refund, if any, may be done through various electronic modes mentioned below:

i. **Direct Credit** – Applicants having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

ii. **NACH** – Payment of refund would be done through NACH for Applicants having an account at any of the centres specified by RBI, where such facility has been made available. This mode of payment of refunds, if any, would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds, if any, through this mode will be done for Applicants having a bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).

iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

iv. **RTGS** – If the refund amount exceeds ₹ 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the Banker(s) to the Issue for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;

b) Credit to dematerialised accounts will be given within one Working Day from the Deemed Date of Allotment;

c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within 6 Working days from the Issue Closing Date, for the delay beyond 6 Working days in case of non-receipt of minimum subscription; and

d) Our Company will provide adequate funds to the Registrar to the Issue / relevant banks for this purpose.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *<u>Applications received from Category I Applicants:</u>* Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");

B. *<u>Applications received from Category II Applicants:</u>* Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").

C. *<u>Applications received from Category III Applicants:</u>* Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").

D. *<u>Applications received from Category IV Applicants:</u>* Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net-worth Individual Category Portion**" and "**Retail Individual Category Portion**" are individually referred to as "**Portion"** and collectively referred to as **"Portions"**.

Basis of Allotment

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Allocation Ratio

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Investor Withdrawals and Pre-closure

<u>Investor Withdrawal</u>: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

<u>Withdrawal of Applications after the Issue Period:</u> In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment.

<u>Pre-closure:</u> Our Company, in consultation with the Lead Managers reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the relevant Tranche Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.

In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this issue have been given.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day (till 1:00 PM) after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Utilisation of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of this Issue

- All monies received out of this Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.

- The allotment letter shall be issued or application money shall be refunded within 6 Working days from the closure of this the respective Tranche or such lesser time as may be specified by Securities and Exchange Board, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

- Details of all monies unutilised out of the previous issues made by way of public offer, as well as the monies to be raised through this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.

- Details of all unutilised monies out of this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of this Issue remains unutilized indicating the form in which such unutilised monies have been invested.

- We shall utilize proceeds of this Issue subsequent to (a) receipt of minimum subscription;

(b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining Listing and Trading approval as stated in the Shelf Prospectus/relevant Tranche Prospectus in "*Issue Structure*" on page 144.

- Proceeds of this Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

- Proceeds of this Issue shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Listing

The NCDs proposed to be offered in pursuance of the Shelf Prospectus and the relevant Tranche Prospectus will be listed on the BSE. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number [●] dated [●]. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days from the respective Tranche Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Series, such NCDs with Series shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Undertaking by our Company

We undertake that:

a) the complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. six Working Days from the Issue Closing Date.;

c) if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants as per applicable laws;

d) the funds required for dispatch of allotment advice/ certificates by registered post/ speed post shall be made available to the Registrar to the Issue by our Company;

e) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;

f) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

g) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

h) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in the Shelf Prospectus; and

i) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

*The main provisions of the Articles of Association ("**AOA**") relating to allotment of NCDs and matters incidental hereto have been set out below. Please note that each provision herein below is numbered as per the corresponding AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term "Article" hereunder means the corresponding article contended in the AOA.*

3. SHARE CAPITAL

3.1 The **Authorised Share Capital** of the Company is as stated in Clause V of the Memorandum of Association of the Company with the power to increase or reduce such capital from time to time and with the power to issue the new Shares upon such terms and conditions and to attach thereto such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Act and to vary, modify, amalgamate, abrogate any such rights privileges, conditions in such manner as may be provided by the Act.

3.2 Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Board, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par and at such time as they from time to time think fit.

3.7 In addition to and without derogating from the powers for that purpose conferred on the Board under Article 3.2 above, the Company in general meeting may determine any Shares (whether forming part of the original capital or any increased capital of the Company) to be offered to such persons (whether members or holders of Debentures of the Company or not) with the option to call for or be allotted Shares of any class of the Company either at a premium or at par or (subject to compliance with the provisions of Section 53 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.

3.8 Excepts as required by law no person shall be recognized by the Company as holding any Share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof), any equitable, contingent, future or partial interest in any share or any interest in any fractional part of the Share of (Interest only as by these regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

3.17 If any share certificates be worn out, defaced, mutilated, torn out, if there be no further space on the reverse of such certificate for endorsement of transfer, then upon production and surrender of the same certificate to the Company, a new certificate shall be issued in lieu thereof. If any share certificate is lost or destroyed, then upon production of proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be issued. Every certificate under this Article shall be issued without any fees or on payment of such fees as may be fixed by the Board, from time to time in accordance with the Act, for each certificate.

3.18 The Company may exercise the power of paying commissions provided under Section 40 of the Act to any person in connection with the subscription to its securities at the rate or amount not exceeding the rate or amount prescribed under Section 40 of the Act and the rate or the amount of consideration paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules made thereunder. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or partly in one way and partly in the other.

3.22 The provisions of this Article under "**Share Capital"** shall mutatis mutandis apply to securities of the Company.

4. LIEN

4.1. The Company shall have a first and paramount lien upon all the Shares (other than fully paid up Shares) registered in the name of each member held solely or jointly for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and on all Shares (other than fully paid up Shares) standing registered in the name of a single person no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares, unless otherwise agreed the registration of a transfer of Shares shall operate as a waiver of the Company's lien, if any on such Shares. The Directors may at any time declare any Shares wholly or in part to be exempt from the provisions of this clause.

4.2 The Company may sell any Shares on which the Company has a lien ("Lien Shares") in such manner as the Board thinks fit and no sale of such Lien Shares shall be made is payable presently or payable on the expiry of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

4.3 To give effect to any such sale of Lien Shares, the Board may authorize some person to transfer the Shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

4.4 The proceeds of the sale of Lien Shares shall be received by the Company and shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

4.5 The provisions of the Articles relating to lien shall mutatis mutandis apply to debentures of the Company.

5. CALLS ON SHARES

5.1 The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. No call shall exceed one-fourth of the nominal value of the Shares or be payable at less than one month from the date fixed for the payment of the last preceding call.

5.2 The Board at its discretion may revoke or postpone the call. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed at a meeting of the Board or any Committee authorized by the Board and may be required to be paid by installments.

5.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

5.4 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at the rate specified in the Act.

5.5 The Board shall be at liberty to waive payment of any such interest wholly or in part.

5.6 The notice of each call should be for a minimum of fourteen days containing the details specified in the Act.

5.7 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

5.8 The Board may if they think fit, receive from any member willing to advance the same, all or any part of the money uncalled and unpaid upon any Shares held by him and upon all or any part of the moneys so advanced may (until the same would but for such advance become presently payable) pay interest at such rate not exceeding unless ,the Company in General Meeting otherwise directs, specified in the Act, as may be agreed upon between the member paying the sum in advance and the Board. The amounts of advance calls so received shall not be entitled to rank for dividend or participate in the profits of the Company. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same becomes presently payable.

5.9 The provisions of these Articles relating to calls on Shares shall *mutatis mutandis* apply to the debentures of the Company.

7. NOMINATION

7.1 Every shareholder of the Company, may at any time, nominate a person to whom his Shares shall vest in the event of his death in such manner as may be prescribed under the Act.

7.2 Where the Shares of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the Shares shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.

7.3 Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid conferring the right to vest the Shares, the nominee shall, on the death of the shareholder or on the death of the joint holders (as the case may be) shall be entitled to all the rights in such Shares, all the joint holders, in relation to such Shares, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

7.4 Where the nominee is a minor, the holder of the Shares can appoint any person to become entitled to Shares of the Company in the manner prescribed under the Act, in the event of his death, during the minority of the nominee.

7.5 A nominee, upon production of such evidence as may be required by the Board and subject to hereinafter provided (i) register himself as holder of the share, or; (ii) make such transfer of the share, as the deceased shareholder could have made.

7.6 If the nominee elects to be registered as holder of the share himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the death certificate of the deceased shareholder, proof of his identification, proof of his address and any other documents as may be required.

7.7 A nominee shall be entitled to the share dividend and other advantages to which he would be entitled if he were the registered holder of the Shares.

7.8 The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within ninety days of issue, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Shares until the requirements of the notice have been complied with.

7.9 The provisions of these Articles relating to **"Nomination"** shall mutatis mutandis apply to the securities of the Company.

9. TRANSFER OF SHARES

9.1. The instrument for the registration of transfer of a share in the Company shall be executed by or on behalf of both the transferor and transferee in writing in the prescribed form. Such instrument of transfer duly executed may be lodged with the Company either by the transferor or by the transferee and shall in all respects comply within the provisions of the Act and other applicable regulations. The transferor shall be deemed to remain the holder of such Shares until the name of the transferee is entered in the register in respect thereof. No fees shall be charged for effecting transfer of Shares.

9.6 Notwithstanding anything contained in these articles, the Board may in their absolute discretion refuse splitting of any share certificate or debenture certificate into denominations less than marketable lots (the minimum number of Shares or Debentures as required for the purpose of trading on the Stock Exchange in which the Company's Shares and/or Debentures are/will be listed) except where subdivision is required to be made to comply with a statutory provision or order of a competent Authority of law.

9.7 All instruments of transfer which shall be registered shall be retained by Company but any instrument of transfer which the Directors may decline to register shall on demand, be returned to the person depositing the same.

9.8 On giving not less than seven days' previous notice in accordance with section 91 of the Act and rules made there under, the registration of transfer may be suspended at such times and for such periods as the Board may determine not exceeding thirty days at any one time or not exceeding in the aggregate forty-five days in any year.

9.9 No fees shall be charged for registration of transfer or transmission of securities of the Company.

9.10 The provisions of these articles relating to transfer of Shares shall mutatis mutandis apply to any securities of the Company.

10. TRANSMISSION OF SHARES

10.1 On the death of a member, the survivor or survivors where the members are joint holder and his nominees or legal representatives where he is the sole holder, shall be the only persons recognized by the Company as having any title to or interest in such Shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability on share held by him jointly with other persons.

10.2 Any person becoming entitled to share as a consequence of the death, lunacy, bankruptcy or insolvency of any member, may with the consent of Board (Board shall not be under any obligation to give), upon production of such evidence as may be required by the Board from time to time and subject herein after provided either be registered himself as the holder of the share or to make such transfer of Shares as the deceased or insolvent member could have made. The Board shall, in either case, have same right to decline or suspend registration as it would have had, if the deceased or the insolvent member had transferred the share before his death or insolvency.

10.3 If the person so becoming entitled shall elect to be registered as holder of Shares/member himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If such person elects to transfer the Shares, he shall testify the election by executing in favour of his nominee an instrument of transfer.

10.5 All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

10.6. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

10.7 The provisions of these Articles relating to transmission of share shall mutatis mutandis apply to securities of the Company.

11. FORFEITURE OF SHARES

12.1 If a member fails to pay any call, or installment of a call on Shares on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

12.2 The notice aforesaid (Article 12.1) shall specify a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and state that in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

12.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

12.4 The Board shall have the power to sell or otherwise dispose forfeited Shares on such terms and conditions as it thinks fit and before such sale or disposal as aforesaid, it may cancel the forfeiture on such terms and conditions as it thinks fit.

12.9 The provisions of the Articles relating to forfeiture of Shares shall mutatis mutandis apply to securities of the Company.

25. POWERS OF DIRECTORS

25.2 In furtherance of and without prejudice to the general powers conferred by or implied in Article 25.1 and the other powers conferred by these Articles and subject to the provision of Section 179 of the Act, the Directors shall carry out all or any of the objects set forth in the Memorandum of Association and do the following things.

b) At their discretion to pay for any property rights, or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in Shares, Bonds, Debentures or other securities of the Company and any such Shares may be issued either as fully paid-up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, or other securities may be either specifically charged upon all or any of the property of the Company and its uncalled Shares, or not so charged

o) To borrow on mortgage of the whole or any part of the properties/assets of the Company or on the bonds, Debentures/Securities either unsecured or secured by a charge or mortgage or other securities of the Company, or otherwise as they may deem expedient, such sums as they may think necessary for the purpose of the Company subject to provisions contained in section 179 and section 180 of the Act.

26. BORROWING POWERS

26.1 The Board of Directors may from time to time, but with such consent of the Company in general meetings as may be required under section 180 of the Act, raise any money or any moneys or sum of money for the purpose of the Company, provided that the moneys to be borrowed together with moneys already borrowed by the Company apart from temporary loans obtained from the Company's banker's in the ordinary course of business shall not without the sanction of the Company at a General Meeting exceed the aggregate of the paid-up capital of the Company and it's free reserves that is to say reserves not set part for any specific purpose and in particular but subject to the provision of section 179 of the Act, the Board may from time to time, at their discretion mortgage, pledge, hypothecate, lien, create charge, charge of any nature or otherwise of the Company's assets and properties in such form and manner and on such terms and conditions and at such time conditions and at such time, on the movable and/or immovable properties or assets of the Company wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including but not limited to financial/investment institutions, banks, insurance Company, corporate bodies, trust(s), trustee(s), mutual fund(s),any other fund security holder(s) or any other lenders to the Company to secure any loans securities, debentures, deposit(s) or any other borrowing(s) or otherwise for finance, loan, credit facilities and financial assistance. The Directors may, by a resolution at a meeting of the Board delegate the power to borrow money to a Committee subject to limits specified in the said resolution in respect of the total which can be so borrowed.

SECTION IX – MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at123, Angappa Naicken Street, Chennai 600 001, Tamil Nadu, India, from 10.00 a.m. and 12.00 noon on any Working Day during which Issue is open for public subscription.

MATERIAL CONTRACTS

1. Shareholders' Agreement dated March 30, 2012 as amended by an agreement dated July 5, 2013 between SHFL, Valiant Mauritius Partners FDI Limited and our Company;
2. Agreement dated May 29, 2015 between Dysnasty Acquistions Limited and our Company;
3. License Agreement dated April 1, 2010 between Shriram Ownership Trust and our Company and extension letter dated April 1, 2013;
4. Issue Agreement dated February 18, 2019 between our Company and the Lead Managers;
5. Registrar Agreement dated February 18, 2019 between our Company and the Registrar to the Issue
6. Debenture Trustee Agreement dated February 16, 2019 between our Company and the Debenture Trustee;
7. Public Issue Account Agreement dated [●] between our Company, the Registrar, the Bankers to the Issue and the Lead Managers
8. Consortium Agreement/Lead Broker Agreement dated [●] between our Company and [●].
9. Tripartite Agreements dated March 30, 2000 and April 30, 1999 with CDSL and NSDL respectively.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date;
2. Copy of shareholders resolution dated July 25, 2018 on borrowing limit;
3. Copy of the Board resolutions dated July 25, 2018 and October 25, 2018 approving the Issue;
4. Copy of the resolution passed by the Banking and Securities Management Committee at its meeting held on February 19, 2019 approving the Draft Shelf Prospectus;
5. Consents of each of the Directors, the Compliance Officer, Lead Managers, legal counsel to the Company and Lead Managers as to Indian Law, Registrar to the Issue, Bankers to our Company, the Debenture Trustee and the Credit Rating Agencies to include their names in this Draft Shelf Prospectus, in their respective capacities;
6. Credit rating letter dated December 11, 2018, revalidation letter dated February 14, 2019 and credit rating rationale dated December 11, 2018 by CARE Ratings assigning a rating of CARE AA+ Stable (Double A Plus; Outlook: Stable) in respect of the NCDs.
7. Credit rating letter dated December 6, 2018, revalidation letter dated February 19, 2019 and credit rating rationale dated December 4, 2018 by CRISIL assigning a rating of CRISIL AA/Stable' (pronounced as CRISIL double A rating with Stable outlook) in respect of the NCDs.
8. Consent of the Statutory Auditor dated February 19, 2019, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Draft Shelf Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013 in relation to their (i) examination reports, each dated February 16, 2019 on the Reformatted Consolidated Financial Information and the Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 24, 2018 on the Limited Review Financial Results for the quarter and half year ended September 30, 2018; (iii) Limited Review Report dated January 25, 2019 on the Limited Review Financial Results for the quarter and nine-months ended December 31, 2019; and (iv) their report dated February 18, 2019 on the statement of tax benefits, included in this Draft Shelf Prospectus.
9. Statutory Auditor's examination reports, each dated February 16, 2019 on the Reformatted Consolidated Financial Information and the Reformatted Standalone Financial Information.
10. Limited Review Report dated October 24, 2018 on the Limited Review Financial Results for the quarter and half year ended September 30, 2018.
11. Limited Review Report dated January 25, 2019 on the Limited Review Financial Results for the quarter and nine-months ended December 31, 2018.
12. Statement of tax benefits dated February 18, 2019 issued by our Statutory Auditor;
13. Annual Report of our Company for the last five Fiscals;

14. In-principle listing approval from the BSE by its letter dated [●]; and
15. Due Diligence Certificate dated [●] filed by the Lead Managers with SEBI.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the NCD Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Draft Shelf Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Debendranath Sarangi

Chairperson, Non-Executive and Independent Director

Duruvasan Ramachandra

Managing Director, Executive and Non-Independent Director

Gerrit Lodewyk Van Heerde

Non-Executive and Non-Independent Director

(acting through his power of attorney holder being Duruvasan Ramachandra, pursuant to power of attorney dated November 30, 2018)

Ranvir Dewan

Non-Executive and Non-independent Director

(acting through his power of attorney holder being Duruvasan Ramachandra, pursuant to power of attorney dated December 20, 2018)

Subramaniam Krishnamurthy

Non-Executive and Independent Director

Venkataraman Murali

Non-Executive and Independent Director

Place: Chennai

Date: February 19, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Draft Shelf Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Pranab Prakash Pattanayak

Non-Executive and Independent Director

Place: Bangalore

Date: February 19, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Draft Shelf Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Vipen Kapur

Non-Executive and Independent Director

Place: Gurgaon

Date: February 19, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Draft Shelf Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Maya Sinha

Non-Executive and Independent Director

Shashank Singh

Non-Executive and Non- Independent Director

Place: Mumbai

Date: February 19, 2019

ANNEXURE A: CREDIT RATING AND RATIONALE

CARE Ratings
Professional Risk Opinion

CARE/CRO/RL/2018-19/1460

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

December 11, 2018

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed long term non-convertible debenture (NCD) issue aggregating to Rs.3000.00 crore of your company. The proposed NCDs would have tenure of up to 7 years.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
Proposed Non-Convertible Debenture issue	3,000.00 (Rs. Three thousand crore only)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Assigned

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is December 10, 2018).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

Rs

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22-6754 3456 • Fax: +91-22-6754 3457
Email: care@careratings.com • www.careratings.com

Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76
Tel/ Fax: +91-44-2849 7812

CIN-L67190MH1993PLC071691

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure-I. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 12, 2018, we will proceed on the basis that you have no any comments to offer.

8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

11. CARE ratings are not recommendations to buy, sell or hold any securities.

Rj

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

V. Balachandran

Balachandran V
Deputy Manager
balachandran.v@careratings.com

R. Ravishankar

Ravi Shankar R
Manager
ravi.s@careratings.com

Encl.: As above

Disclaimer
CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure-I

Press Release

Ratings

Facilities	Amount (Rs.cr)	Ratings[1]	Rating Action
Non-Convertible Debenture (Proposed)	3000.00 **(Rupees three thousand crore only)**	**CARE AA+; Stable [Double A Plus; Outlook: Stable]**	**Assigned**

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the proposed Non-Convertible Debenture issue of Shriram City Union Finance Ltd. (SCUF) factors in benefits derived from being part of Shriram group, Highly experienced Management team, Long track record of operations, fairly diversified product profile, comfortable capital adequacy levels, diversified resource profile and comfortable liquidity profile. The ratings also factor in the established market position of SCUF in rural and semi-urban region and consistent business growth of the company over the last few years. The ratings are, however, constrained by the regional concentration of its asset portfolio and the risk associated with its customer base which is relatively less organized, weakening asset quality of the company and decline in the profitability on account of increased credit provisioning costs. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Benefits derived from being part of the Shriram group and highly experienced Management team

SCUF is a promoted by Chennai based Shriram group which was started in 1974 by entering into chit fund business. Over the years, the group has diversified into other segments in financial services industry including Commercial Vehicle Finance, Consumer & Enterprise Finance, Life & General Insurance and financial product distribution. As on September 30, 2018, the promoter group companies hold 33.75% stake. Being part of Shriram Group, SCUF has access to vast client base and branch network of the group companies like Shriram Chit funds, Shriram Transport Finance Company Ltd (STFC, rated CARE AA+; Stable/CARE

A1+) etc. SCUF's management is also largely from Shriram group and has significant experience in small ticket retail financing in the semi-urban and rural areas. Operations are looked after by an experienced team headed by key management people who are having vast experience in the NBFC industry. Also, the company's board of directors includes representatives from the group having significant experience in retail financing. Mr R.Duruvasan is the Managing Director who has been associated with Shriram group for more than three decades and Mr. R. Chandrasekar is the CFO having experience of more than 30 years.

Long track record and established market position in rural and semi-urban region and consistent business growth over the last few years

Incorporated in 1986, SCUF has established track record in retail financing and has presence in the rural and semi-urban market which consists of relatively under banked segment. With total AUM of Rs. 29,748 crore as on September 30, 2018, the company has achieved considerable market position in each product they are offering.

The company has witnessed AUM growth with CAGR of around 18% for the last three years ending March 2018. In FY18, the total AUM grew by 20% YoY aided by 54% growth in Personal Loans, 24% growth in 2W and 22% growth in SME loans. The ability of the company to maintain sustainable growth rate in the increased competitive environment remains key for its growth prospects.

Fairly diversified product profile and presence in the unorganized MSME and self-employed segment which is relatively riskier

SCUF has fairly diversified product portfolio in the retail finance segment with strong focus on SME loans constituting around 58% of the total AUM as on September 30, 2018 (56% as on March 31, 2018) increased from 55% as on March 31, 2017. The other products include 2 wheeler loans constituting 18% as on September 30, 2018, Loan against gold constituting 11%, PL with 8% and Auto Loan with 5%.

SCUF is primarily lending towards the business finance needs of the unorganized MSME segment and self-employed segment in the rural and semi-urban areas which is characterized by marginal credit profile of the borrowers and are not serviced by the

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banking sector. Since this segment is highly susceptible to the impact of economic downturn, maintaining asset quality is a key monitorable.

Comfortable capitalization

SCUF's capitalisation is comfortable which is supported by equity infusion in the past by both the promoter group and external investors and healthy internal accruals. Total CAR stood at 21.40% as on March 31, 2018 (23.91% as on March 31, 2017) and Tier I CAR stood at 20.60% as on March 31, 2018 (22.25% as on March 31, 2017). The CAR and Tier I CAR as on September 30, 2018 was 20.79% and 20.44% respectively. The current capital is sufficient for the company for the next 3-5 years by maintaining CAR more than 15% while growing their book by around 18-20%.

Liquidity position

SCUF has fairly diversified resource profile with access towards low cost funding from banks, fixed deposits and market instruments like NCDs, Sub debts and Commercial paper SCUF's brand image in South India enables to mobilise funds from institutions as well as from retail customers. As on March 31, 2018, the company's funding profile is comprised of bank loans occupying 60% of overall funding, followed by NCDs and Sub debts aggregating 15%, Commercial paper 11% respectively and fixed deposit programme 14%. With increasing interest rate trends prevailing in Market instruments in the recent past, the company increased its borrowings through bank during Q4FY18 and Q1FY19 and proportion of the same increased from 56% as on March 31, 2017 to 60% as on March 31, 2018. The proportion of bank borrowings as on September 30, 2018 was 55%.

The average cost of borrowings reduced to 8.9% during FY18 from 9.8% during FY17 due to run down of older borrowings which were raised 3-4 years back and major portion of funding profile as on March 31,2018 consists of funds raised with lower interest rate. However during Q2FY19, the cost of borrowings increased slightly to 9.0%. SCUF's ALM profile stood comfortable with no negative cumulative mismatches in any of the time buckets.

Key Rating Weaknesses

Regionally concentrated business

Though SCUF's branch network is spread across 21 states, the business is concentrated towards Southern and Western regions. With South occupying 61% of the overall AUM followed by West with 31%, North occupied remaining 8% of the overall AUM as on September 30, 2018. Top 4 states (Tamil Nadu, Andhra Pradesh, Maharashtra and Karnataka) occupied 79% of the total AUM as on March 31, 2018 as against 82% as on March 31, 2017.

Weakening asset quality

With migration on NPA recognition norms from 120 dpd to 90 dpd by end of March 31, 2018 gross NPA increased from 6.73% as on March 31, 2017 to 9.01% as on March 31, 2018. However, during FY18, the company witnessed further moderation in asset quality with 90+dpd increasing from 8.64% as on March 31, 2017 to 9.01% as on March 31, 2018. GNPA as on September 30, 2018 stood at 8.94%. Net NPA as on March 31, 2018 was 3.43% as against 1.79% as on March 31, 2017. The increase in NPA was witnessed across the segment with gross NPA in SME book was 9.68% as on March 31, 2018 (PY: 7.12%), gross NPA in 2W was 10.03% as on March 31, 2018 (PY: 7.37%), gross NPA in PL was 10.62% (PY: 8.78%), gross NPA in Auto loans was 10.85% (PY: 8.99%). The company's ability to improve asset quality on each segment remains key rating sensitivity going forward.

Decline in the profitability indicators on account of increased credit provisioning costs

SCUF maintained healthy margin with NIM of 12.5% in FY18 which improved from 12.3% during FY17 due to decline in the average cost of borrowings. However, the credit cost (loan loss & provisions/avg. assets) which increased to 4.02% in FY17 continued to remain high at 3.95% in FY18. This is primarily on account of change in NPA norms from 180+dpd to 90+dpd and relatively higher provisioning coverage than its peers. ROTA during FY18 increased slightly to 2.49% during FY18 from 2.46% during FY17 however it is lower than historical ROTA level of 2.7%-3.0% due to increased loan loss provisioning costs in the recent past. The company reported PAT of Rs. 665 crore on a total income of Rs. 5,102 crore during FY18 as against PAT of Rs. 556 crore on a total income of Rs. 4,434 crore during FY17. The company reported PAT of Rs. 479 crore on a total income of Rs.2,916 crore during

H1FY19. The company has adopted Ind-AS accounting policy from June 2018 onwards. Expected Credit Loss (ECL) method used for loan loss provisioning is based on historical values of reported NPAs. With use of past five year data for calculation of ECL provisioning, PD arrived for June 2018 quarter stood at 4.46%. In the long term, ability of the company to improve asset quality is critical to maintain PD at present level. In absence of same, ECL provisioning likely to increase. With increasing interest rate scenario and effects of provisioning under IndAS, the ability of the company to improve profitability indicators remain key rating sensitivity.

Industry outlook

Over the last few years, the NBFC sector has gained systemic importance with increase in share of NBFC's total assets when compared to bank total assets. The same has resulted in the Reserve Bank of India (RBI) taking various policy actions resulting in NBFCs attracting higher support and regulatory scrutiny. The RBI has revised the regulatory framework for NBFCs which broadly focuses on strengthening the structural profile of NBFC sector. Overall the revised regulations are positive for the NBFC sector making it structurally stronger, increase transparency and improve their ability to withstand asset quality shocks in the long run.

The last three years have been challenging period for the NBFCs due to change in NPA norms resulting in higher provisioning and rising delinquencies due to demonetization and GST implementation thereby impacting profitability. However, with support from the external equity investors and lenders and the experience of the management to control the liquidity position provides additional comfort to the credit profile of NBFCs in spite of impact on profitability. However with the increased competition prevailing in the financial sector, the ability to remain focused on target customers and improve the business without impacting their asset quality would be key rating sensitivity going forward.

Prospects

Supported by well-experienced management and the group's significant presence in the financial services industry, SCUF has grown its business significantly in the past few years. SME loans, key focus area of SCUF continues to witness healthy growth rates. With transition from 120+dpd to 90+dpd for NPA recognition coupled with moderation in asset quality, net NPA witnessed increase in FY18. In the past three years ended March 2018, despite increase in credit costs, increase in spreads supported by reduction in cost of funds, profitability continue to remain stable as reflected in ROTA. Going forward, with increase in interest rates and shift towards ECL based provisioning, the ability of the company to improve asset quality is critical to maintain profitability. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Analytical Approach- Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings
CARE's Policy on Default Recognition
Financial Ratios-Financial Sector
Rating Methodology for Non-Banking Financial Companies

About the Company

Shriram City Union Finance Limited (SCUF), commenced its operations in 1986, is a deposit accepting non-banking financial company (NBFC-D) registered with Reserve Bank of India (RBI) and part of Shriram Group which is having presence in retail financial services, chit funds, Retail stock broking, financial product distribution, General insurance, life Insurance, Wealth Advisory etc. The company started its operations with truck financing during initial stages however from 2002 onwards, SCUF started focusing towards SME financing and other retail business. The company has 3.95 million active customers base who are serviced through 969 branches across 21 states as on September 30, 2018. SCUF offers services under product categories such as SME loans (SBL), 2 wheeler loans (2W), Auto loans (AL), Loans against Gold (LAG) and Personal Loans (PL). As on September 30, 2018, SBL and 2W loan accounted for 58% and 18% of AUM respectively while LAG and PL accounted for 11% and 8% of AUM respectively.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total income	4,434	5,102
PAT	556	665
Interest coverage (times)	1.56	1.61
Total Assets	24,484	28,893
Net NPA (%)	1.79*	3.43$
ROTA (%)	2.46	2.49

A-Audited

Rs

**-NPA recognition policy has been changed from 150dpd to 120dpd as on March 31, 2017.*
$NPA recognition policy has been changed from 120dpd to 90dpd as on March 31, 2018.
Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

Analyst Contact
Name: Mr Sudhakar P
Tel: 044-2850 1003
Email: p.sudhakar@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures (proposed)	-	-	-	3000.00	CARE AA+; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fixed Deposit	LT	10.00	CARE AA+ (FD); Stable	1)CARE AA+ (FD); Stable (27-Aug-18)	1)CARE AA+ (FD); Stable (07-Jul-17)	1)CARE AA+ (FD); Stable (10-Mar-17) 2)CARE AA+ (FD) (12-Jul-16)	1)CARE AA+ (FD) (14-Jul-15)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Oct-16) 2)CARE AA+ (06-Apr-16)	-
3.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Oct-16) 2)CARE AA+ (06-Apr-16)	-
4.	Debentures-Non Convertible Debentures	LT	3.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
5.	Commercial Paper	ST	50.00	CARE A1+	1)CARE A1+ (27-Aug-18) 2)CARE A1+ (27-Jun-18)	1)CARE A1+ (20-Mar-18) 2)CARE A1+ (07-Jul-17)	1)CARE A1+ (10-Mar-17) 2)CARE A1+ (20-Jan-17) 3)CARE A1+ (27-Jul-16) 4)CARE A1+ (12-Jul-16)	1)CARE A1+ (14-Jul-15)
6.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (12-Jul-16)	1)CARE AA+ (14-Jul-15)
7.	Debentures-Non Convertible	LT	-	-	-	-	1)Withdrawn (06-Oct-16)	-

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	Debentures						2)CARE AA+ (06-Apr-16)	
8.	Debt-Subordinate Debt	LT	120.20	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
9.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
10.	Debt-Subordinate Debt	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
11.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
12.	Debt-Subordinate Debt	LT	60.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
13.	Debentures-Non Convertible Debentures	LT	79.06	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
14.	Debentures-Non Convertible Debentures	LT	95.15	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
15.	Commercial Paper	ST	2950.00	CARE A1+	1)CARE A1+ (27-Aug-18) 2)CARE A1+ (27-Jun-18)	1)CARE A1+ (20-Mar-18) 2)CARE A1+ (07-Jul-17)	1)CARE A1+ (10-Mar-17) 2)CARE A1+ (20-Jan-17) 3)CARE A1+ (27-Jul-16) 4)CARE A1+	1)CARE A1+ (14-Jul-15) 2)CARE A1+ (15-Apr-15)

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							(12-Jul-16)	
16.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
17.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15) 2)CARE AA+ (08-Jun-15)
18.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15) 2)CARE AA+ (17-Jun-15)
19.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (22-Jul-15)
20.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (22-Jul-15)
21	Debentures-Non Convertible Debentures	LT	35.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (18-Aug-15)
22.	Debentures-Non Convertible Debentures	LT	75.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (02-Nov-15)
23.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+	-

							(27-Jul-16)	
24.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (07-Oct-16)	-
25.	Debentures-Non Convertible Debentures	LT	115.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17)	-
26.	Debentures-Non Convertible Debentures	LT	355.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17) 2)CARE AA+; Stable (21-Jun-17)	-	-
27.	Debentures-Non Convertible Debentures	LT	135.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17) 2)CARE AA+; Stable (26-Jun-17)	-	-
28.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (24-Oct-17)	-	-
29.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (04-Dec-17)	-	-
30.	Debentures-Non Convertible Debentures	LT	400.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (20-Mar-18)	-	-
31	Debentures-Non Convertible Debentures	LT	650.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18) 2)CARE AA+; Stable (27-Jun-18)	-	-	-
32.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	-	-	-
33.	Debentures-Non Convertible Debentures	LT	600.00	CARE AA+; Stable	1)CARE AA+; Stable (12-Sep-18)	-	-	-

34	Debentures-Non Convertible Debentures	LT	3000.00	CARE AA+; Stable	-	-	-	-

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

February 14, 2019

Confidential

Dear Sir,

Validity of Credit rating for Non-Convertible Debenture issue of Rs.3,000 crore (Unutilised amount of Rs. 3,000 crore as on February 13, 2019)

In continuation with our rating letter no. CARE/CRO/RL/2018-19/1460 dated December 11, 2018 conveying the rating assigned to the Non-Convertible Debenture issue of Rs. 3,000 crore (Unutilised amount of Rs.3,000 crore as on February 13, 2019), it is re-emphasised that the proposed Non-Convertible Debenture issue needs to be raised within a period of 6 months of the said date of letter after which it needs to be revalidated.

Once the Non-Convertible Debenture is placed, the rating is valid for the tenure of such instrument till redemption. Nevertheless, CARE reserves the right to undertake a review of the rating from time to time, based on circumstances warranting such review.

Thanking you,

Yours faithfully,

R. Ravishankar

[Ravi Shankar R]
Manager

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE Ratings
Professional Risk Opinion

CARE/CRO/RR/2018-19/1144

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

December 11, 2018

Dear Sir,

Credit rating of proposed Non-Convertible Debenture issue

Please refer to our letter dated December 11, 2018 on the above subject.

2. The rationale for the rating is attached as an **Annexure - I.**

3. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 12, 2018, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

R. Ravishankar

Ravi Shankar R
Manager

Encl: As above

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

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CIN-L67190MH1993PLC071691

Annexure-I

Rating Rationale

Shriram City Union Finance Limited

Facilities	Amount (Rs.cr)	Ratings[1]	Rating Action
Non-Convertible Debenture (Proposed)	3,000.00 **(Rupees Three thousand crore only)**	**CARE AA+; Stable [Double A Plus; Outlook: Stable]**	**Assigned**

Rating Rationale

The rating assigned to the proposed Non-Convertible Debenture issue of Shriram City Union Finance Ltd. (SCUF) factors in benefits derived from being part of Shriram group, Highly experienced Management team, Long track record of operations, fairly diversified product profile, comfortable capital adequacy levels, diversified resource profile and comfortable liquidity profile. The ratings also factor in the established market position of SCUF in rural and semi-urban region and consistent business growth of the company over the last few years. The ratings are, however, constrained by the regional concentration of its asset portfolio and the risk associated with its customer base which is relatively less organized, weakening asset quality of the company and decline in the profitability on account of increased credit provisioning costs. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Background

Shriram City Union Finance Limited (SCUF), commenced its operations in 1986, is a deposit accepting non-banking financial company (NBFC-D) registered with Reserve Bank of India (RBI) and part of Shriram Group which is having presence in retail financial services, chit funds, Retail stock broking, financial product distribution, General insurance, life Insurance, Wealth Advisory etc. The company started its operations with truck financing during initial stages however from 2002 onwards, SCUF started focusing towards SME financing and other retail business. The company has 3.95 million active customers base who are serviced through 969 branches across 21 states as on September 30, 2018. SCUF offers services under product categories such as SME loans (SBL), 2 wheeler loans (2W), Auto loans (AL), Loans against Gold (LAG) and Personal Loans

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(PL). As on September 30, 2018, SBL and 2W loan accounted for 58% and 18% of AUM respectively while LAG and PL accounted for 11% and 8% of AUM respectively.

Credit Risk Assessment

Benefits derived from being part of the Shriram group and highly experienced Management team

SCUF is a promoted by Chennai based Shriram group which was started in 1974 by entering into chit fund business. Over the years, the group has diversified into other segments in financial services industry including Commercial Vehicle Finance, Consumer & Enterprise Finance, Life & General Insurance and financial product distribution. As on September 30, 2018, the promoter group companies hold 33.75% stake. Being part of Shriram Group, SCUF has access to vast client base and branch network of the group companies like Shriram Chit funds, Shriram Transport Finance Company Ltd (STFC, rated CARE AA+; Stable/CARE A1+) etc. SCUF's management is also largely from Shriram group and has significant experience in small ticket retail financing in the semi-urban and rural areas. Operations are looked after by an experienced team headed by key management people who are having vast experience in the NBFC industry. Also, the company's board of directors includes representatives from the group having significant experience in retail financing. Mr R.Duruvasan is the Managing Director who has been associated with Shriram group for more than three decades and Mr. R. Chandrasekar is the CFO having experience of more than 30 years.

Long track record and established market position in rural and semi-urban region and consistent business growth over the last few years

Incorporated in 1986, SCUF has established track record in retail financing and has presence in the rural and semi-urban market which consists of relatively under banked segment. With total AUM of Rs. 29,748 crore as on September 30, 2018, the company has achieved considerable market position in each product they are offering.

The company has witnessed AUM growth with CAGR of around 18% for the last three years ending March 2018. In FY18, the total AUM grew by 20% YoY aided by 54% growth in Personal Loans, 24% growth in 2W and 22% growth in SME loans. The ability of the company to maintain sustainable growth rate in the increased competitive environment remains key for its growth prospects.

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Regionally concentrated business

Though SCUF's branch network is spread across 21 states, the business is concentrated towards Southern and Western regions. With South occupying 61% of the overall AUM followed by West with 31%, North occupied remaining 8% of the overall AUM as on September 30, 2018. Top 4 states (Tamil Nadu, Andhra Pradesh, Maharashtra and Karnataka) occupied 79% of the total AUM as on March 31, 2018 as against 82% as on March 31, 2017.

Fairly diversified product profile and presence in the unorganized MSME and self-employed segment which is relatively riskier

SCUF has fairly diversified product portfolio in the retail finance segment with strong focus on SME loans constituting around 58% of the total AUM as on September 30, 2018 (56% as on March 31, 2018) increased from 55% as on March 31, 2017. The other products include 2 wheeler loans constituting 18% as on September 30, 2018, Loan against gold constituting 11%, PL with 8% and Auto Loan with 5%.

SCUF is primarily lending towards the business finance needs of the unorganized MSME segment and self-employed segment in the rural and semi-urban areas which is characterized by marginal credit profile of the borrowers and are not serviced by the banking sector. Since this segment is highly susceptible to the impact of economic downturn, maintaining asset quality is a key monitorable.

Weakening asset quality

With migration on NPA recognition norms from 120 dpd to 90 dpd by end of March 31, 2018 gross NPA increased from 6.73% as on March 31, 2017 to 9.01% as on March 31, 2018. However, during FY18, the company witnessed further moderation in asset quality with 90+dpd increasing from 8.64% as on March 31, 2017 to 9.01% as on March 31, 2018. GNPA as on September 30, 2018 stood at 8.94%. Net NPA as on March 31, 2018 was 3.43% as against 1.79% as on March 31, 2017. The increase in NPA was witnessed across the segment with gross NPA in SME book was 9.68% as on March 31, 2018 (PY: 7.12%), gross NPA in 2W was 10.03% as on March 31, 2018 (PY: 7.37%), gross NPA in PL was 10.62% (PY: 8.78%), gross NPA in Auto loans was 10.85% (PY: 8.99%). The company's ability to improve asset quality on each segment remains key rating sensitivity going forward.

Liquidity position

SCUF has fairly diversified resource profile with access towards low cost funding from banks, fixed deposits and market instruments like NCDs, Sub debts and Commercial paper SCUF's brand image in South India enables to mobilise funds from Institutions as well as from retail customers. As on March 31, 2018, the company's funding profile is comprised of bank loans occupying 60% of overall funding, followed by NCDs and Sub debts aggregating 15%, Commercial paper 11% respectively and fixed deposit programme 14%. With increasing interest rate trends prevailing in Market instruments in the recent past, the company increased its borrowings through bank during Q4FY18 and Q1FY19 and proportion of the same increased from 56% as on March 31, 2017 to 60% as on March 31, 2018. The proportion of bank borrowings as on September 30, 2018 was 55%.

The average cost of borrowings reduced to 8.9% during FY18 from 9.8% during FY17 due to run down of older borrowings which were raised 3-4 years back and major portion of funding profile as on March 31,2018 consists of funds raised with lower interest rate. However during Q2FY19, the cost of borrowings increased slightly to 9.0%. SCUF's ALM profile stood comfortable with no negative cumulative mismatches in any of the time buckets.

Comfortable capitalization

SCUF's capitalisation is comfortable which is supported by equity infusion in the past by both the promoter group and external investors and healthy internal accruals. Total CAR stood at 21.40% as on March 31, 2018 (23.91% as on March 31, 2017) and Tier I CAR stood at 20.60% as on March 31, 2018 (22.25% as on March 31, 2017). The CAR and Tier I CAR as on September 30, 2018 was 20.79% and 20.44% respectively. The current capital is sufficient for the company for the next 3-5 years by maintaining CAR more than 15% while growing their book by around 18-20%.

Decline in the profitability indicators on account of increased credit provisioning costs

SCUF maintained healthy margin with NIM of 12.5% in FY18 which improved from 12.3% during FY17 due to decline in the average cost of borrowings. However, the credit cost (loan loss & provisions/avg. assets) which increased to 4.02% in FY17 continued to remain high at 3.95% in FY18. This is primarily on account of change in NPA norms from 180+dpd to 90+dpd and relatively higher provisioning coverage than its peers. ROTA during FY18 increased slightly to 2.49% during FY18 from 2.46% during FY17 however it is lower than historical ROTA level of 2.7%-3.0% due to increased loan loss provisioning costs in the recent past. The company reported PAT of Rs. 665 crore on a total income of Rs. 5,102 crore during FY18 as against PAT of Rs. 556 crore on a total income of Rs. 4,434 crore during FY17. The company reported PAT of Rs. 479 crore on a total income of Rs.2,916 crore during H1FY19. The company has adopted Ind-AS accounting policy from June 2018 onwards. Expected Credit Loss (ECL) method used for loan loss provisioning is based on historical values of reported NPAs. Past five years GNPA is tabled below.

Period	FY14 (A)	FY15 (A)	FY16 (A)	FY17 (A)	FY18 (A)
NPA Norms	180 dpd	180 dpd	150 dpd	120 dpd	90 dpd
Gross NPA Ratio (%)	2.67	3.12	5.15	6.73	9.00

With use of past five year data for calculation of ECL provisioning, PD arrived for June 2018 quarter ECL stood at 4.46%. In the long term, ability of the company to improve asset quality is critical to maintain PD at present level. In absence of same, ECL provisioning likely to increase. With increasing interest rate scenario and effects of provisioning under IndAS, the ability of the company to improve profitability indicators remain key rating sensitivity.

Industry outlook

Over the last few years, the NBFC sector has gained systemic importance with increase in share of NBFC's total assets when compared to bank total assets. The same has resulted in the Reserve Bank of India (RBI) taking various policy actions resulting in NBFCs attracting higher support and regulatory scrutiny. The RBI has revised the regulatory framework for NBFCs which broadly focuses on strengthening the structural profile of NBFC sector. Overall the revised regulations are positive for the NBFC sector making it structurally stronger, increase transparency and improve their ability to withstand asset quality shocks in the long run.

The last three years have been challenging period for the NBFCs due to change in NPA norms resulting in higher provisioning and rising delinquencies due to demonetization and GST implementation thereby impacting profitability. However, with support from the external equity investors and lenders and the experience of the management to control the liquidity position provides additional comfort to the credit profile of NBFCs in spite of impact on profitability. However with the increased competition prevailing in the financial sector, the ability to remain focused on target customers and improve the business without impacting their asset quality would be key rating sensitivity going forward.

Prospects

Supported by well-experienced management and the group's significant presence in the financial services industry, SCUF has grown its business significantly in the past few years. SME loans, key focus area of SCUF continues to witness healthy growth rates. With transition from 120+dpd to 90+dpd for NPA recognition coupled with moderation in asset quality, net NPA witnessed increase in FY18. In the past three years ended March 2018, despite increase in credit costs, increase in spreads supported by reduction in cost of funds, profitability continue to remain stable as reflected in ROTA. Going forward, with increase in interest rates and shift towards ECL based provisioning, the ability of the company to improve asset quality is critical to maintain profitability. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Financial Performance

As on / Year ended March 31	2016	2017	2018
	(12m, A)	(12m, A)	(12m, A)
Working Results			
Interest Income	3,650	4,282	4,964
Securitization Income	66	45	25
Other operating income	56	52	47
Other Income	84	55	66
Total Income	**3,856**	**4,434**	**5,102**
Operating expenses	1,049	1,136	1,362
Total Provision / Write offs	616	911	1,054
Depreciation	37	35	33
Interest	1,383	1,534	1,668
PBT	807	854	1,018
PAT	530	556	665
Financial position			
Tangible Net worth	4,460	4,976	5,491
Total Borrowings	14,408	17,042	20,421
Total Loan portfolio	19,024	22,847	27,365
Total Assets (on balance sheet)	20,803	24,484	28,893
Assets Under management (AUM)	19,576	23,132	27,461

Rs

Key Ratios (%)			
Solvency			
Overall Gearing (times)	3.23	3.42	3.72
Capital Adequacy ratio (CAR) (%)	26.14	23.91	21.40
Tier I CAR (%)	23.36	22.25	20.60
Interest Coverage (times)	1.58	1.56	1.61
Profitability (%)			
Net Interest Margin	11.90	12.33	12.52
ROTA	2.73	2.46	2.49
Operating expenses / Avg. total assets	5.04	4.64	4.72
Asset Quality (%)			
Gross NPA Ratio	5.15#	6.73*	9.00$
Net NPA Ratio	1.56#	1.79*	3.43$
Net NPA to Net worth	6.54#	8.24*	17.08$

A-Audited

*# 150 dpd NPA recognition policy; * 120 dpd NPA recognition policy; $ 90 dpd NPA recognition policy;*

Note: Ratios have been computed based on average of annual opening and closing balances

NIM has been calculated as net interest income/ average annual total asset.

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SHCIUNFI/211520/NCD/121804247
December 06, 2018

Ms. Krithika Doraiswamy
Assistant Vice President
Shriram City Union Finance Limited
123, Angappa Naiackon Street,
Chennai - 600001

Dear Ms. Krithika Doraiswamy,

Re: CRISIL Rating on the Rs. 3000 Crore Non Convertible Debentures of Shriram City Union Finance Limited

We refer to your request for a rating for the captioned Non Convertible Debentures.

CRISIL has, after due consideration, assigned its "**CRISIL AA/Stable**" (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Details of the Rs.3000 Crore Non-Convertible Debenture Issue of Shriram City Union Finance Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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SHCIUNFI/211520/NCD/121804247/1
February 19, 2019

Ms. Krithika Doraiswamy
Assistant Vice President
Shriram City Union Finance Limited
123, Angappa Naiackon Street,
Chennai - 600001

Dear Ms. Krithika Doraiswamy,

Re: CRISIL Rating on the Rs. 3000 Crore Non Convertible Debentures of Shriram City Union Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letter dated December 06, 2018 bearing Ref. no.: SHCIUNFI/211520/NCD/121804247

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	3000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Rating Rationale

December 04, 2018 | Mumbai

Shriram City Union Finance Limited

'CRISIL AA/Stable' assigned to NCD

Rating Action

Rs.3000 Crore Non Convertible Debentures	**CRISIL AA/Stable (Assigned)**
Rs.100 Crore Subordinated Debt	**CRISIL AA/Stable (Reaffirmed)**

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its **'CRISIL AA/Stable'** rating on Rs 3000 crore non-convertible debentures of Shriram City Union Finance Limited (Shriram City) and has reaffirmed its rating on subordinated debt at 'CRISIL AA/Stable'.

On July 27, 2018, CRISIL upgraded the long-term rating on debt instruments of Shriram City to 'CRISIL AA/FAA+/Stable' from 'CRISIL AA-/FAA/Positive'. The rating on commercial paper was reaffirmed at 'CRISIL A1+'. Furthermore, the rating on the non-convertible debentures was withdrawn as they were fully redeemed. The rating on the fixed deposit programme was also withdrawn as the notice period (three years from June 18, 2015) had ended. The rating factors in healthy capitalisation and adequate profitability apart from benefits derived from linkages with the Shriram group. These rating strengths are partially offset by exposure to inherent asset quality-related challenges arising from lending to borrowers with modest credit risk profiles, and high geographic concentration in revenue.

Analytical Approach

For arriving at its ratings on Shriram City, CRISIL has combined the business and financial risk profiles of Shriram City and its subsidiary, Shriram Housing Finance Ltd (Shriram Housing). This is because of common management and the financial support that the latter receives from Shriram City and the overall Shriram group. The two companies are herein together referred to as Shriram City.

Key Rating Drivers & Detailed Description
Strengths
*** Established Competitive position in SME and two-wheeler segments**

Shriram City has well- established market position in SME loan and two-wheeler financing segments. In the SME loan segment, Shriram City is a leading financier among retail NBFCs. The company has grown significantly in the unique space created from its legacy chit fund ecosystem. The main characteristics of SME loan portfolio are that the borrowers have limited or no documentary income proof and the ticket size is small at less than Rs 10 lakh. Shriram City is also fast expanding in SME space beyond its chit fund ecosystem, thus leading to superior growth rate in the segment. This SME portfolio, at Rs 17,114 crore as on September 30, 2018 (Rs 15472 crore as on March 31, 2018), was one of the highest among retail NBFCs. In the two-wheeler financing segment, the company is among leading players in the sector with a portfolio of Rs.5429 crore as on September 30, 2018 (Rs 5023 crore as on March 31, 2018). It finances about 90,000 vehicles per month and competes with large players including private sector banks. These two segments account for around 70% of the consolidated loan portfolio.

*** Healthy capitalisation**

Shriram City has healthy capitalisation underpinned by sizable absolute net worth (standalone) of Rs 5,835 crore and a tier 1 and an overall capital adequacy ratio of 20.4% and 20.8% respectively as on September 30, 2018. In addition, Shriram City's gearing (consolidated) remains comfortable at 3.9 times as on September 30, 2018 as against 3.8 times previous year and is expected to remain below 5 times over the next few years given the strong accruals to net worth. Further, the net worth to net NPA (calculated per Indian Accounting Standard or Ind-AS) remains adequate at 4.2 times as on September 30, 2018 thereby providing adequate cushion against inherent asset quality challenges arising from borrower and product profiles. CRISIL's expectation of continued healthy capitalisation of Shriram City factors in the likely support from the Shriram group if required.

Shriram City's subsidiary Shriram Housing's capitalisation is also comfortable with a networth (per IndAS) of Rs 455.4 crore and gearing of 3.6 times as on September 30, 2018 (Rs 439 crore as per IGAAP and 3.3 times as on March 31, 2018). Shriram Housing's total capital adequacy ratio (CAR) stood at 30.9% end September 2018 (32.5% end fiscal 2018). Overall, the healthy capitalisation is expected to be maintained over the medium term, driven by substantial accruals and expected support from Shriram group, if required.

*** Healthy earnings profile**
The company's healthy earnings profile is driven by focus on high yielding product and customer segments. Consequently, profitability has remained above the industry average over the past few years. Shriram City's return on average assets stood at 2.4% in fiscal 208 and 3.1% end half year fiscal 2019.. Profitability has moderated over the years due competitive pressures as well due to change in the asset classification norms from 180 days to 90 days and resulting higher provisions. CRISIL expects the moderation to continue, though at a reduced pace, as the share of lower yielding segments such as housing and SME business outside the chit ecosystem, increases in the loan book. Also, cost of borrowing may increase in the near term, in view of the rising interest rate environment. However, given the lower credit profile of majority of borrower CRISIL believes, Shriram City will continue to enjoy the pricing power and hence maintain above average industry profitability over the medium term. Further, since the first quarter of fiscal 2019, Shriram City has adopted the Indian Accounting Standards (Ind-AS). The impact on profitability on account expected credit loss provision is not high given the 60% coverage for its gross NPAs that Shriram City had maintained under GAAP.

*** Benefits derived from linkages with Shriram group**
The company benefits from access to the Shriram group's established branch infrastructure, clientele, management, systems and processes, and investor base. The group has been in the financing business for over three decades, with a strong market position in commercial vehicle finance (through Shriram Transport Finance Company Ltd rated 'CRISIL AA+/FAAA/Stable/CRISIL A1+'), retail finance, and chit fund businesses. Shriram City has expanded its target customer segment beyond its traditional chit ecosystem. Nevertheless, a large portion of its clientele in the small enterprise loan segment comprises the group's existing customers or referrals by its existing customers. This facilitates acquisition of customers with established track records while reducing the cost of origination. Shriram City's management is largely drawn from the Shriram group's other businesses and is experienced in the small-ticket retail-finance segment in the semi-urban and rural areas. The group's brand image with retail investors enables Shriram City to source adequate retail funds to meet its growth requirements. CRISIL believes Shriram City is strategically important to the Shriram group and will continue to benefit from its linkages with the group, given its focus on providing financial services to under-banked segments.

Weakness
*** Exposure to inherent asset quality-related challenges arising from lending to borrowers with modest credit profile**
The company's retail financing business remains susceptible to inherent challenges related to asset quality arising from lending to borrowers with modest credit profile and relatively under-banked customers, despite having in place good credit appraisal and monitoring practices. Primarily the focus is on offering small enterprise financing to self-employed customers in semi-urban and rural areas. The non-regular income pattern and lack of financial flexibility of these borrowers cause higher delinquencies. However, owing to good origination, underwriting and monitoring practices coupled with strong understanding of the SME borrowers, the 90+ days past due (dpd) gross non-performing loans (GNPA) remained ranged bound over last few years. End fiscal 2018, the GNPA stood at 9% as against 8.9% last year. The GNPA and NNPA (per Ind-AS) stood at 10.01% and 4.68% as on September 30, 2018 (9.85% and 5.07% as on September 30, 2017). Since the collection and borrower repayment behavior is more attuned to the 150+ dpd cycle, it will take some time for the asset quality to moderate over the medium term as Shriram City educates its borrowers on the changed regulatory norms and tighter repayment deadlines.

*** High geographical concentration in lending portfolio**
The company is focusing on offering small enterprise financing to customers beyond the chit fund clientele and is expanding in hitherto untapped geographies; Although the segment of borrowers has some credit history, this is an untested market for Shriram City. In view of this, CRISIL believes that asset quality performance, mainly in the small enterprise financing segment, remains susceptible and will remain a key monitorable over the medium term. While the company remains concentrated in the three states of South India namely Andhra Pradesh, Telangana and Tamil Nadu, it is working on expanding into newer geographies with the share of Northern and Western parts of the country

together constituting 39% of standalone AUM as on September 30, 2018

Outlook: Stable

CRISIL believes that Shriram City will continue to maintain its competitive position in the key business segments of SME and two-wheeler financing, with sustained growth and deeper penetration of existing customer base, geography, and product offering, while expanding the newer customer base and geography cautiously. CRISIL also believes healthy capitalisation and strong earnings profile will be maintained, which will help mitigate inherent asset quality-related challenges. The outlook may be revised to 'Positive' if there is a sustained improvement in asset quality metrics along with increase in market position. Conversely, the outlook may be revised to 'Negative' in case of significant deterioration in asset quality and consequent decline in earnings profile.

Liquidity profile

CRISIL's analysis of Shriram City's asset liability maturity profile as of September 30, 2018 shows cumulative positive mismatches across all the buckets. The company continues to receive funding from banks through term loans and securitization/direct assignment. The aggregate of such sanctions since October 2018 is ~Rs.450 crore. Also the liquidity position is further supported by cash balances of ~Rs 560 crore and fixed deposits of Rs 1400 crore as on November 30, 2018. Additionally, the company had unutilized bank lines of about ~Rs 900 crore as on that date.

About the Company

Incorporated in 1986, Shriram City is a part of Shriram group of companies. It is registered with RBI as a systemically important, deposit taking, non-banking finance company (NBFC-SI-D). It predominantly operates in the retail financing segment with a focus on small enterprise loans (54% of consolidated AUM as on September 30, 2018), two wheeler financing (17%), gold loans (10%) and others (including housing, auto and personal loans) together forming 18% of AUM. Its assets under management (including housing portfolio) stood at Rs 31,688 crore,. The standalone AUM stood at Rs 29748 crore, up 18% Y-o-Y while the housing portfolio under Shriram Housing stood at Rs 1940 crore and grew by 20.04% Y-o-Y. The company has pan India presence with 969 branches as on September 30, 2018, of which 61% are situated in South India.

In fiscal 2018, on a standalone basis, Shriram City reported net profit of Rs 665 crore on total income (net of interest expenses) of Rs 3434 crore as against net profit of Rs 556 crore on total income (net of interest expenses) of Rs 2900 crore last year. For the half year ended September 30, 2018, the company ((on a standalone basis and as per Ind AS) reported net profit of Rs 479 crore on total income (net of interest expenses) of Rs 1957 crore as against net profit of Rs 435 crore on total income (net of interest expenses) of Rs 1704 crore for the corresponding period last year.

Key Financial Indicators -Shriram City (standalone and as per Ind-AS)

As on/for the half year ending Sept 30	Unit	2018	2017
Total AUM	Rs. Cr.	29748	25127
Total income (net of interest expenses)	Rs. Cr.	1957	1704
Profit after tax	Rs. Cr.	479	435
Gross NPA	%	10.01	9.85
Adjusted Gearing	Times	3.9	3.4*
Return on assets (annualized)	%	3.1	3.0*

**Per IGAAP*

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

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Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (Rs. Crore)	Rating assigned with Outlook
NA	Debentures*	NA	NA	NA	3000	CRISIL AA/Stable
INE722A08057	Subordinated debt	15-Mar-12	11.85%	15-Mar-19	100	CRISIL AA/Stable

**Yet to be issued*

Annexure - Rating History for last 3 Years

	Current			2018 (History)		2017		2016		2015		Start of 2015
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Fixed Deposits	FD		--	27-07-18	Withdrawal	02-11-17	FAA/Positive	28-10-16	FAA/Positive	18-06-15	FAA/Stable	FAA/Stable
						31-10-17	FAA/Positive					
						11-07-17	FAA/Positive					
Non Convertible Debentures	LT	0.00 04-12-18	CRISIL AA/Stable	27-07-18	Withdrawal	02-11-17	CRISIL AA-/Positive	28-10-16	CRISIL AA-/Positive	18-06-15	CRISIL AA-/Stable	CRISIL AA-/Stable
						31-10-17	CRISIL AA-/Positive					
						11-07-17	CRISIL AA-/Positive					
Short Term Debt	ST		--	27-07-18	Withdrawal	02-11-17	CRISIL A1+	28-10-16	CRISIL A1+	18-06-15	CRISIL A1+	CRISIL A1+
						31-10-17	CRISIL A1+					
						11-07-17	CRISIL A1+					
Subordinated Debt	LT	100.00 04-12-18	CRISIL AA/Stable	27-07-18	CRISIL AA/Stable	02-11-17	CRISIL AA-/Positive	28-10-16	CRISIL AA-/Positive	18-06-15	CRISIL AA-/Stable	CRISIL AA-/Stable
						31-10-17	CRISIL AA-/Positive					
						11-07-17	CRISIL AA-/Positive					

All amounts are in Rs.Cr.

Links to related criteria
[Rating Criteria for Finance Companies]
[CRISILs Criteria for rating short term debt]

For further information contact:

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Note for Media:
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About CRISIL Limited

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

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ANNEXURE B: CONSENT LETER FROM THE DEBENTURE TRUSTEE

Integrated

Corporate Solutions Simplified

Date: November 19, 2018

To,

The Board of Directors
Shriram City Union Finance Limited
123, Angappa Naicken Street,
Chennai, Tamil Nadu- 600 001

Dear Sir:

Sub: Proposed public issue of secured redeemable non-convertible debentures (the "NCDs") by Shriram City Union Finance Limited (the "Company" and such issue, the "Issue")

We, the undersigned, do hereby consent to act as the Registrar to the Issue. We also provide our consent for our name to be inserted as the Registrar to the Issue in the draft shelf prospectus ("Draft Shelf Prospectus") to be filed with the Securities and Exchange Board of India ("SEBI") and the stock exchanges where the NCDs of the Company are proposed to be listed (the "Stock Exchanges"), the shelf prospectus and the tranche prospectus to be filed with the Registrar of Companies, Chennai ("RoC"), SEBI and the Stock Exchanges or any other document to be issued or filed in relation to the Issue ("Issue Documents"). The following information in relation to us may be disclosed in the Issue Documents:

Logo	:	
Name	:	**Integrated Registry Management Services Private Limited**
Address	:	**2nd Floor, "Kences Towers", No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017**
Contact Person	:	**Mr. K Balasubramanian**
Telephone number	:	**044 - 28140801 to 28140803**
Fax number	:	**044 – 28142479**
E-mail ID	:	**scuf@integratedindia.in**
Website	:	**www.integratedindia.in**
SEBI Registration Number	:	**INR000000544**
Investor Grievance e-mail	:	**csdstd@integratedindia.in**
CIN	:	U74900TN2015PTC101466

We confirm that we are registered with SEBI as a Registrars to an Issue and Share Transfer Agent in Category I and as on date our registration is valid. We also confirm that as on date, we have not been prohibited by SEBI from acting as an intermediary in capital market issues. We further confirm that we have not been debarred or prohibited from functioning as an intermediary by SEBI, any other regulatory authority, court or tribunal. A copy of our registration certificate regarding our registration with the SEBI in the required format is enclosed as Annexure A.

We confirm that we will immediately inform the Company and the Lead Manager(s), appointed as such for the purpose of the Issue, of any changes to the information stated in this letter in writing till the date when the NCDs receive final listing and trading approval from the Stock Exchanges and commence trading on the Stock Exchanges. In the absence of any such communication, the information stated in this letter should be taken as updated information until the date of commencement of listing and trading of the NCDs issued pursuant to the Issue on the Stock Exchanges.

We further confirm that the above information in relation to us is true and correct.

CHENNAI 600017

Further, except as disclosed below, as on the date of the draft shelf prospectus, we confirm that we and our associates do not hold any Equity Shares of the Company.

This letter may be relied on by the Company, the Lead Manager(s) and the legal advisor in relation to the Issue. We also authorize you to deliver this letter of consent to SEBI, the Stock Exchanges, and the RoC pursuant to the provisions of the Companies Act, 2013 and the rules and regulations made thereunder, each as amended, or any other governmental or regulatory authority as may be required and/or for the records to be maintained by the Lead Manager(s).

All capitalized terms not defined herein would have the same meaning as attributed to it in the Draft Shelf Prospectus of the Company.

Yours faithfully,
for Integrated Registry Management Services Private Limited

Authorized Signatory
Name: Suresh Babu K
Designation: Director

INTEGRATED REGISTRY MANAGEMENT SERVICES PVT. LTD. CHENNAI 600017

Place: Chennai

Encl.: As above

Copy to :

A.K Capital Services Limited
30- 39, Free Press House, 3rd Floor,
Free Press Journal Marg,
215, Nariman Point, Mumbai 400 021

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai – 400 098

L&L Partners*
Indiabulls Finance Centre,
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20th Floor, Elphinstone Road,
Lower Parel
Mumbai - 400 013
(formerly, Luthra & Luthra Law Offices)