

Ref: D: STEC

July 30, 2016

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

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

Sir,

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

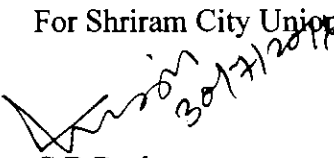
Please find enclosed copy of the Annual Report 2015 – 16 as approved and adopted in the Annual General Meeting held on July 28, 2016.

This is an intimation made under Regulation 34(1) and other applicable regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015. We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,

For Shriram City Union Finance Limited,


C R Dash
Company Secretary

Encl: a/a.

Shriram City Union Finance Limited

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

E-mail : shriramcity@shriramcity.in Website : www.shriramcity.in

Corporate Identification Number (CIN) L65191TN1986PLC012840

FOR ENTERPRISING INDIA

ANNUAL REPORT
2015-16

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10-YEAR CAGR

32.09%

ASSETS UNDER
MANAGEMENT (AUM)

32.54%

PROFIT AFTER TAX

34.12%

TOTAL INCOME

22.10%

EARNINGS PER SHARE

FORWARD-LOOKING STATEMENTS

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

India's stellar economic performance in a slow growth world is now well recognised

But what very few people know is that this performance to a very large extent is fuelled by the often uncelebrated and unacknowledged small businesses. The micro small and medium enterprises generate large-scale employment and contribute significantly to the manufacturing output, exports and GDP. Yet, they often do not get any support from the highly restrictive and formalised channels of finance.

At Shriram City Union Finance (Shriram City), we are proud to partner the growth of small businesses with a dynamic vision and a credible track record of two to three years.

FY 2015-16 saw us taking multiple initiatives to serve the underserved entrepreneurship.

We strengthened our customer-centricity and tailored products to the real and relevant needs of our target segments.

We reinforced our internal governance framework to enhance process efficiency and minimise the risk profile.

We adopted technologies that are contemporary and attuned to the needs of a dynamic business scenario.

We sharpened the capabilities of our teams to make them more productive and prepared for the future.

We also conducted various need-based programmes for the community.

We believe our niche focus on the small enterprises finance space will act as a force multiplier of value creation in an expanding economy.

At Shriram City, we are growing and providing the critical growth capital for an enterprising India.

Enabling enterprises

At Shriram City Union Finance (Shriram City), our journey commenced three decades ago as a part of the distinguished Chennai based Shriram Group. Over the years, we have emerged as India's premier financial services company, specialising in retail finance. As a deposit accepting non-banking financial company (NBFC), our aim is to serve enterprising Indians with a credible track record of providing growth capital small businesses.

GROUP STRENGTH

Shriram Group is one of the largest financial conglomerates having significant presence in small enterprises financing, commercial vehicle financing business, retail finance, life and general insurance, stock broking, chit funds and distribution of financial products, such as life and general insurance products and units of mutual funds. Besides, the Group is also present in businesses such as property development, engineering projects and information technology. Shriram Capital Limited (SCL) is the holding company for the Financial Services and Insurance entities of the Shriram Group, created with the primary objective of optimising the synergies across the Group's entities.

OUR VISION

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

OUR MISSION

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

OUR VALUES

- Being Trustworthy: Ensuring that the Shriram City brand continues to be among the most trusted in India.

- Being Responsive: Disseminating affordably priced financial services to customers and locations most in need of them, in a timely manner.
- Being Creative: Customising product offerings and solutions to meet customers' requirements.
- Building Relationships: Fostering long-term relationships with customers and the community at large.
- Encouraging Entrepreneurship: Supporting the efforts of small business owners to prosper and to think big.

EQUITY SHARE INFORMATION

Share Price (March 31, 2016):
 ₹1,502.25 per share at NSE and
 ₹1,500.15 per share at BSE
 BSE Ltd. 532498

National Stock Exchange (NSE):
 SHRIRAMCIT

Dividend:
 Includes interim dividend of ₹5 per share
 paid and proposed final dividend of ₹10
 per share (face value of ₹10 each)

Promoters Holding:
 33.78% as on March 31, 2016

₹20,854.42 Crores

Balance sheet size as on March 31, 2016

₹19,575.82 Crores

AUM as on March 31, 2016

23.36%

Tier - I Capital adequacy ratio in 2015-16

₹9,903.91 Crores

Market capitalisation as on March 31, 2016

10.32%

Average cost of borrowings in 2015-16

₹19,023.57 Crores

Loan book as on March 31, 2016

35.72 Lacs

Customer base

26.14%

Capital adequacy ratio in 2015-16

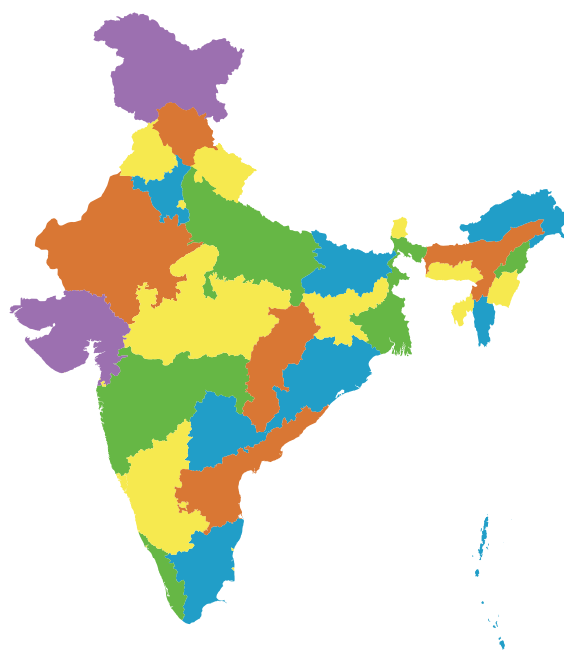
₹18,648.54 Crores

Disbursements in 2015-16

WIDE BASKET OF OFFERINGS



PAN-INDIA REACH



CREDIT RATING

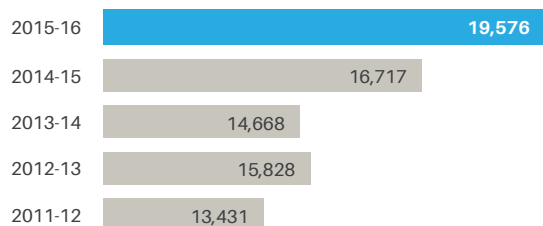
Rating Instrument		Long - Term	Short - Term	Bank Loan Ratings	Subordinate Debt	Fixed Deposit
Rating Agency	Year ending March 31					
INDIA RATINGS	2016	IND AA/ Stable	'IND A1+	IND AA'	---	'IND tAA'
CARE	2016	CARE AA+	CARE A1+	---	CARE AA+	CARE AA+
ICRA	2016	ICRA AA /Stable	ICRA A1+	---	---	MAA+/Stable
CRISIL	2016	CRISIL AA-/Stable	CRISIL A1+	---	CRISIL AA-/Stable	FAA/Stable

Key performance indicators

Standalone

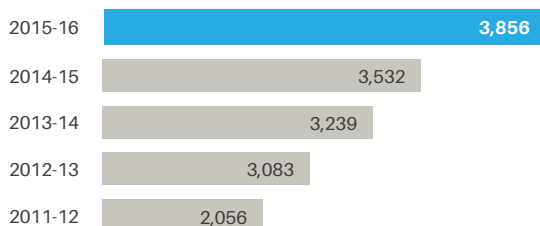
AUM

₹ In Crores



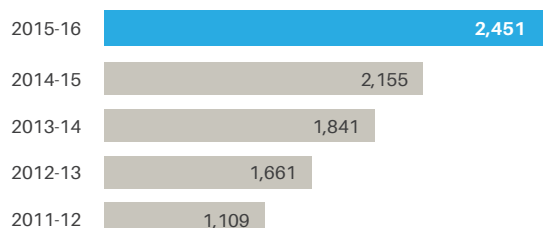
TOTAL INCOME

₹ In Crores



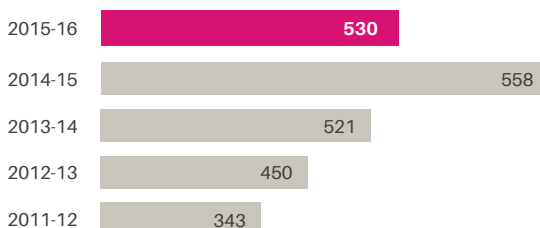
NET INTEREST INCOME

₹ In Crores



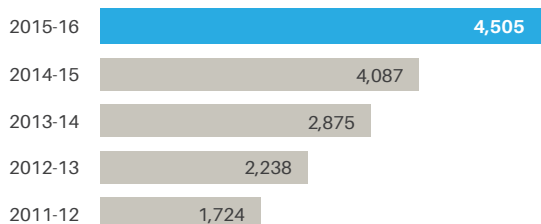
PROFIT AFTER TAX

₹ In Crores



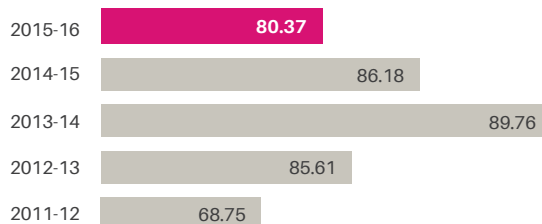
NET WORTH

₹ In Crores



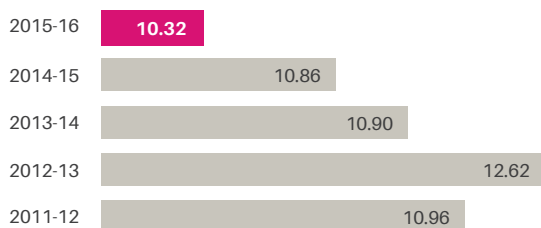
EARNINGS PER SHARE

₹



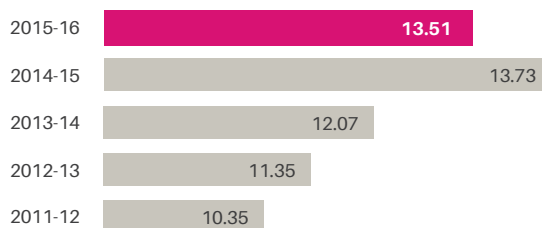
AVERAGE BORROWING COST

%



NET INTEREST MARGIN

%



KEY RATIOS

	2011-12	2012-13	2013-14	2014-15	2015-16
Debt Equity Ratio	5.58	5.69	4.19	3.03	3.20
Return on Average Total Assets (%)	3.12	3.12	3.20	3.24	2.72
Capital Adequacy Ratio (CAR) (%)	17.40	18.61	25.77	28.84	26.14
Tier-I Capital Adequacy Ratio (%)	13.76	14.58	19.87	24.64	23.36
Return on Average Network (%)	23.33	22.69	20.38	16.03	12.33

Value creation is a rewarding journey

1986	Shriram City Incorporated
2002	Begins small ticket retail financing foray
2003	Listed on the Bombay Stock Exchange
2005	Listed on the National Stock Exchange; expands loan products and geographies
2006	Launches Small Enterprise Finance. 1 st Preferential Allotment to Private Equity Investors at the rate of ₹160/- per share
2007	Introduces Loan against Gold
2008	2 nd Preferential Allotment to Private Equity Investors @ ₹400/- per share
2010	Net Worth reaches ₹1,000 Crores; launches Housing Finance subsidiary
2011	Completes 25 years in business; launches a maiden debt public issue. Shriram Housing Finance Ltd. attracts Private Equity Investment
2012	Successfully launches follow-on debt public issue. Shriram Housing commences lending operations. Shriram City is rated India's largest Small Enterprise Finance Company in the Small Loans segment by Frost and Sullivan
2013	Social Audit Report generated and released by the then Hon'ble Finance Minister of India. Report shows how the community of Shriram City's customers have benefited by the Company's manner of doing business
2015	CFO of the Company wins the 'Best Performing CFO in the NBFC Sector' award from the TV Channel CNBC TV18
2016	Shriram City becomes the largest financier of two wheelers in the country, based on volume

Enhancing capabilities

...to serve the underserved

GROUP STRENGTH

We are a part of the four decade old Shriram Group. The Group is a prominent enterprise in the financial services space in India. We leverage the ecosystem of the Group to strengthen our brand and customer base.

RICH INSIGHT

We have emerged as one of the leading players in the small enterprise loan segments, with a low level of competition. We analyse individual customer aspirations vis-à-vis their capabilities, rather than using a common matrix across clientele. Our appraisal is based on considering various parameters such as income level of the customer, repayment capacity, product segment, borrowing amount, location of the customer and geographic presence of the business, among others.

CONSISTENT GROWTH

Our Asset Under Management (AUM) is growing at 32% CAGR for the last 10 years, driven by our focus to cater to the under banked, semi-urban customers. We help them meet their diverse credit needs, based on their income groups and consumption patterns.

NICHE SPACE

Over 80% of our branch network is in the underpenetrated segment across semi-urban India with a huge growth potential.

STRONG CREDIT APPRAISAL

We have developed a local field force for strong customer engagements across the areas of our presence. Moreover, our deal originators are also responsible for ensuring portfolio quality. Our dedicated in-house teams for pre-lending field investigation and post lending appraisals ensure low delinquencies.

FUND SOURCES

We have maintained an optimum liability mix by diversifying our funding sources. We have a strong relationship with 40+ banks across nationalised banks, private Indian banks and foreign banks.

HUMAN RESOURCES

Our 25,472 member professional pool possesses rich industry experience, supported by a customer first mindset and strong ethical business practices.

EXPERIENCED MANAGEMENT

Our governance structure is driven by a highly focussed management team, guided by a distinguished Board profile.

93%

Of our customers were able to scale up their businesses with our loans

79%

Increased their assets and reduced their liabilities

80%

Received better social recognition

89%

Improved their lifestyles

87%

Felt more secure about the future

23%

Repeat business from existing customers

Note: Findings of a Social Audit conducted on the operations of Shriram City by the UK-based Social Audit Network in 2012.

Managing Director's message



DURUVASAN RAMACHANDRA

DEAR SHAREHOLDERS,

Micro, small and medium enterprises contribute significantly to India's inclusive socio-economic progress. The growth potential of this segment is immense, considering the size of the country; and its large proportion of young aspiring entrepreneurs. However, the absence of organised financiers with strong domain knowledge and restrictive standardised credit policy of banks (with overemphasis on statutory certified information) is hindering the growth of the MSME finance space.

Providing the growth capital to this segment is therefore an attractive opportunity for us at Shriram City Union Finance (Shriram City). We have the domain knowledge and our lending model is based on our long-standing relationships with customers. We are largely inspired by a sense of community; and we are

committed to handhold small entrepreneurs, who have a proven track record of performance. Our business is also aligned to the Government's 'Make in India' initiative, which aims to encourage more entrepreneurs to compete across India's vast markets as well as the global level.

At Shriram City, we are tapping into the vast potential of the small enterprises finance space; providing growth capital to entrepreneurs, who find it difficult to deal with unscrupulous money lenders on the one hand; and highly organised banks on the other. We are leveraging our existing customer base, as well as those of the Shriram Group as a whole.

Encouraging Performance

FY 2015-16 was another successful year at Shriram City. Niche focus on the small enterprises finance space and considerable presence in the two wheeler segment have stood us in good stead.

Our Assets Under Management (AUM) grew by 17% from ₹16,717 Crores in 2014-15 to ₹19,576 Crores in 2015-16, on account of proactive marketing initiatives and customer connect programmes. Our total income grew by 10% from ₹3,482 Crores in 2014-15 to ₹3,835 Crores in 2015-16.

Our profit before tax declined marginally by 4% from ₹841 crore in 2014-15 to ₹807 Crores in 2015-16. At the same time, our net profit decreased by 5% from ₹558 Crores in 2014-15 to ₹530 Crores in 2015-16.

Migrating to the RBI's more stringent non-performing asset (NPA) recognition norms has impacted our profitability. We had to make an additional provision (inclusive of income de-recognition) of ₹177 Crores in 2015-16, following the regulator's directive to shift from a 180 day to a 150 day norm for NPA recognition. The RBI in 2014 tightened the NPA recognition norms for NBFCs' to bring them on par with banks. We followed a 180 day norm (loans, where borrowers

have defaulted in their payments for 180 days or more, were classified as NPAs). Now we will have to comply with the 90 day norm by March 2018. This will impact our earnings in two ways. One will be the reversal in interest income on migrating to the 90 day norm and, two, the increase in provisioning on account of incremental NPAs.

In FY 2015-16, we moved to the 150 day norm, which has translated into escalating NPAs. From 3.01% in FY 2014-15, gross NPAs' have touched 5.15% in FY 2015-16 on a 150 day cut off (3.6% under 180 days). Earnings have declined by 5% in FY 2015-16 vis-à-vis the previous year.

Enterprise finance remains our key product; and it comprises 54% of our disbursements in FY 2015-16. We have built competencies to assess demand gaps in this domain; and are well positioned to cater to the demand with our focus on Tier II and Tier III towns.

Rising middle class aspirations, growing per capita income and easy financing options are driving our two wheeler, four wheeler and Gold loan products. We are also taking advantage of emerging opportunities to grow our retail finance presence.

Our housing finance subsidiary, with focus on the affordable home loan segment is growing at a steady pace. The Government's Real Estate (Regulation and Development) Act, 2016 is a major step to protect the interests of home buyers; and will bolster the confidence of home buyers and market players in the home loans segment. Our loan book grew by 73% in FY 2015-16, owing to growing scale and scope.

We are consolidating our leadership positions in enterprise finance and two wheeler finance. We are also strengthening our position and operations in the

western and southern parts of India. At the same time, we are foraying into new markets across the eastern and northern parts of India.

We are entering new markets after evaluation of local market dynamics, 'on ground' credit assessment and establishment of strong recovery mechanism. We have leveraged our technology capabilities to facilitate faster and convenient processes, create best-in-class technology platforms and reduce transaction costs. We have capitalised on the emerging transformational trends of mobility, digitisation and rapid growth of social media, to create value for our customers. In line with the constantly changing digital landscape, we are enhancing our robust technology platform to ensure customer satisfaction; and move in step with Digital India.

We have a diverse workforce comprising professionals from different geographies with varying educational and socio-economic profiles. We train our people for relevant skills and instil a culture of high performance, along with transparency and ethical business practices.

At Shriram City, social responsibility forms an important part of our business philosophy. During the year, we conducted various community development initiatives, in line with our credo of holistic growth.

We will continue to deliver on our stakeholder expectations, while working passionately to enable enterprising India.

Warm Regards,

Duruvasan Ramachandra

Building a customer-centric brand

...for enterprising India

At Shriram City, we cater to the financial requirements of small and aspiring business owners, across urban and semi-urban India. Our widening customer fraternity helps fuel India's economy by strengthening the local commercial ecosystem and they are our true brand ambassadors.



DIRECT CONNECT

At Shriram City, our access to potential customers happens largely through direct contact at dealer showrooms in the case of four wheelers and two wheelers. The field executives develop good relationships with showroom dealers; and also offer customers in-depth insight into our products. For other loans, the client base is built through face-to-face follow-ups with customers, through references; and also more importantly through various lead generation methodologies.

REPEAT AND REFERENCE

More than 80% of customers provide references; and over 20% of customers generate repeat businesses.

LOAN MELAS

We organised 'loan melas' in collaboration with dealers for four wheelers and two wheelers. This platform enabled us to connect with potential buyers and offer them bespoke loan options.

CUSTOMER RELATIONSHIP

Our sales team maintains a commendable customer base, and long-standing relationships with a diverse customer cross-section. Our customers often seek the advice of our sales team for buying products. Our team interacts with existing customers on the field about once in two months at least, either to update some information on the scheme or for providing additional services during the period.



Strengthening the governance framework

...for enterprising India



Robust systems and processes are a part of the corporate governance framework at Shriram City. The framework is regularly reviewed and corrective actions are taken. Our processes help us create sustainable value for those close to the bottom of the pyramid with a risk-focussed approach.

STRONG IN-HOUSE CAPABILITIES

Our experienced in-house team is responsible for loan origination, credit evaluation and collections. We have a highly localised field force with excellent domain knowledge and insight into customer preferences. Our loan originators are responsible for the portfolio quality; we have linked their compensation based on the performance of the portfolio they are managing.

FIELD INVESTIGATION AND POST LENDING VERIFICATION

Our dedicated team conducts a comprehensive pre-lending field investigation (FI) and post lending appraisal. We also leverage credit history data of customers from other group companies.

QUICK CREDIT APPROVALS

We have a robust policy framework which drives decentralised decision-making drawn from local knowledge enabling speedy dissemination of loans.

LOAN TO VALUE (LTV) AND EARLY WARNING SIGNALS

We keep sufficient asset as collaterals to mitigate our lending risks. In addition to the immovable property and personal guarantees as collateral in Enterprise

Finance; in Two Wheeler and Gold loan business the collateral is vehicle and jewellery, respectively. Our risk team is responsible for monitoring early warning signals. We take counter action for mitigation.

MITIGATING INTEREST RATE, LIQUIDITY AND ASSET LIABILITY MANAGEMENT (ALM) RISK

We have a cumulative ALM balance, with extended borrowing tenures (around 23 months) vis-à-vis brief asset tenures (around 18 months). We maintain adequate liquidity backup in the form of unutilised cash credit limits. Moreover, we have loan assets at fixed rates and borrowings at both fixed and floating interest rates.

BETTER CONTROLS

Our proprietary integrated ERP, links a business from its origination point to the final settlement, ensuring seamless.

STEADY COLLECTIONS

We have a strong customer connect framework driven by multiple visits and calls to increase collections efficiency. We have a bucket-specific focus to drive collections and minimise delinquencies.

Happy Customers

"I set up my business with Shriram's financial support. I pledged my land for the credit. I have closed three loans already; and have only ₹6 lacs loan outstanding. I have also bought a minidoor van with Shriram's loans. The Shriram team is always helpful; and even if there is a delay in payments they are polite and courteous. I am a loyal Shriram customer for over seven years.

- DAVID RAJA, BHEL CONTRACTOR

"The Shriram City loan has helped me a lot in setting up a metal finishing industry. I first received a loan amount of ₹25 lacs and then ₹6 lacs. The loan process was fast and hassle free. Besides, I did not face any problems with documentation."

- K.K. RAMESH

Sharpening technology capabilities

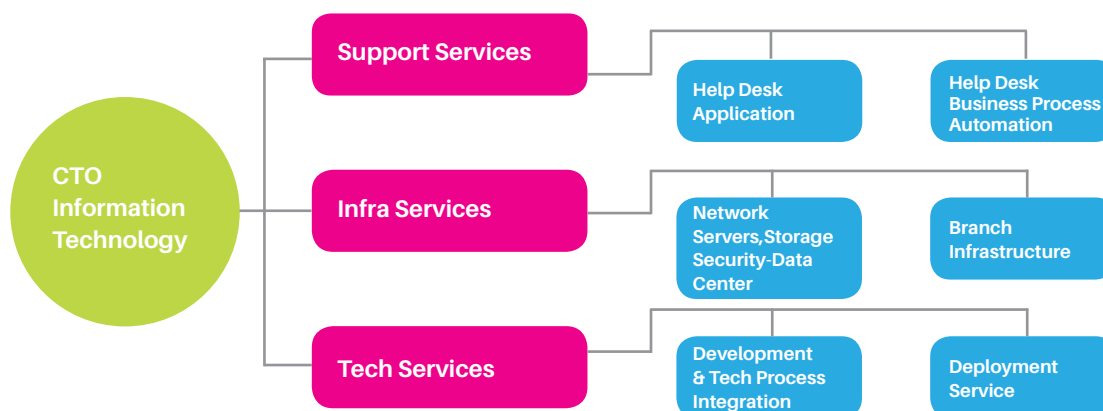
...for enterprising India

The adoption of advanced technology has helped us integrate diverse operations, reduce operational cost and enhance efficiency.

We have capitalised on the emerging trends of digital India and rapid growth of social media to reach more customers and showcase our products to a wider audience.

IT OBJECTIVES

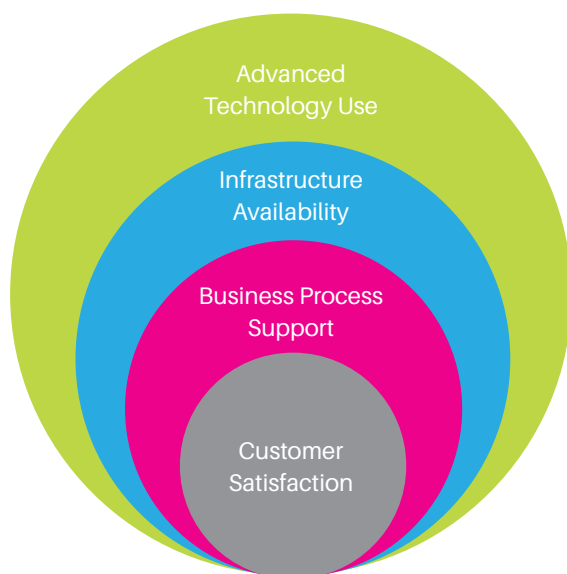
- Strengthening the IT architecture to meet business requirements and service needs.
- Planning, implementing, and maintaining the corporate desktop, IT service desk and related infrastructure.
- Supporting applications used at the branch, regional and HO levels.
- Developing and supporting IT programmes, projects, and service management.



CORE BUSINESS SOLUTION

The Core Business System (CBS) is an integrated retail loan business solution that addresses the Company's strategic and day-to-day needs. It provides flexibility to adapt to a dynamic environment.

- The CBS works on a web-enabled technology and ensures 24*7 operations.
- It is integrated with Human Resources (HR), document management system, biometric solutions and SMS systems.
- It has the feature of receipting, follow-up, lead generation and approvals. Our branches are computerised and are connected through MPLS VPN or broadband.
- Tightly integrated with maker-checker concept with a high level of user access control.
- Workflow-enabled application is controlled centrally.
- Executives are provided with mobile applications to serve customers at their doorsteps.
- Extensive MIS developed on our proprietary software platform for effective decision-making.



KEY INITIATIVES

- Tablet technology initiative has made the process of lead management easy and hassle free.
- Use of customised tablets has enabled customers to obtain loan from the convenience of their homes or offices.
- Tablets are used by officers to eliminate the hassle of paperwork.
- Mobile web apps with integrated quick response into the core application have helped improve customer service.
- User interface (Single Sign on) for our core application is being used across our branches to enhance the loan application process.
- Mobile app for customers to identify branches and follow up the lead, make EMI payment and take mini statements, among others.
- Statistical tools for data analytics to get a history of customer profile, repayment pattern, loan product availed and to understand new business opportunities.

DATA CENTRE

We have state-of-the-art data centres in Mumbai and Chennai, managed by professionals providing 24*7 support, with over 99.99% uptime. The centres are accredited with ISO/IEC 27001:2013 by TUV-SUV for Information Security Management System.

- We have implemented robust business applications, catering to various business verticals such as Treasury, Retail Loans and Deposits.
- We have adopted Green IT by leveraging cutting-edge technologies like virtualisation and power-efficient hardware components.

BRANCH INFRASTRUCTURE

We continue to invest in upgrading our technology infrastructure that runs the core business solution, besides reinforcing the end-point branch infrastructure.

- Replacing desktops at regional offices with low client base.
- Connecting the thin clients to a server-cum-storage using the virtualisation solution to avoid overhead cost involved in desktops.
- Deploying our latest technology-enabled centralised monitoring and surveillance systems across the branches.



LEVEL NEXT

The developments in Information & Technology provide a huge potential in new lines of businesses, products and channels; improve customer service and operational efficiencies; strengthen organisational capabilities of innovation, collaboration and decision-making; and maintain focus on controls and compliance. In line with this, we are consistently enhancing our robust technology platform to ensure customer satisfaction in digital India.

Winning with people



Our dynamic and dedicated workforce drive operations from loan origination, pre-lending field investigations to post lending credit appraisal. The knowledge and skill set of our people help us function efficiently in a rapidly changing business environment. We encourage transparency, innovation and a supportive work environment, where each and every person can realise his/her potential.

DIVERSE WORKFORCE

Our workforce comprises people from varied socio-economic backgrounds. More than half of our employees are first in their family to get a job, besides being sole bread-earners.

NEED-BASED TRAINING

We provide training to our huge talent pool to drive the Company's long-term growth and sustainability. We offer a supportive work environment to help the workforce attain rapid career progression.

RECOGNITION FOR STAR PERFORMERS

We are aware of the importance of recognising talent, which plays a huge role in motivating employees and inspire them to succeed in future. During the year, we honoured our star performers who were successful after joining the Company as trainees.

EMPLOYEE FAITH

A large number of our employees have been working with us since our inception. Our top leadership, including the Managing Director and CEO have been guiding the Company consistently for two-to-three decades. Even the middle and senior level operations personnel have spent more than a decade. This trend signifies continuing faith in our brand.

SUPPORTIVE WORK CULTURE

We provide a supportive work culture by following the below mentioned initiatives:

- Good relationship with colleagues, managers and subordinates.
- Branch proximity for customers and employees. Most employees are recruited from local communities and employee referrals are valued. This has enabled employees to easily establish and maintain a lasting personal relationship with customers.
- Promoting a people first culture that empowers teams to take decisions and drive organisational growth.
- Work profile at Shriram City is kept in sync with employee skills.
- Providing an environment of learning and support to employees, minimising attrition.
- Enthusiastic field staff who are passionate about providing financial services at the door steps of customers.
- Excellent employee bonding through engagement activities.

PROUD PARTNER OF GROWTH

"At Shriram City, performance is valued and appreciated. If you are a responsible person with a few bright ideas, then you will always be rewarded at Shriram. The incentives and benefits at Shriram City are much higher than any other company in the industry. I have had no complaints with regard to my financial compensations, as Shriram City is the most transparent organisation that I have ever seen."

Mr. Swaminathan joined the Shriram Group as an administrative officer in 1989. Today, he is the Vice President of Shriram City; and is responsible for the management and development of several branches across Chennai.

Canvas of offerings

We have a diversified product portfolio to drive sustainable growth.

ENTERPRISE FINANCE

We provide growth capital to small enterprises, empowering them to realise their potential in rapidly developing economy. Our customers in the space comprise replacement equipment manufacturers, traders, grain merchants, small hoteliers and caterers and similar such non-corporate businesses in semi-urban India. Loans are customized to suit the requirements of customers after having assessed and understood their business model.

TWO WHEELER LOANS

We offer a wide range of options for financing the purchase of two wheeler vehicles across manufacturers and brands. A widespread presence in dealer showrooms and with preferred finance tie-ups with two wheeler brands in India has given us a distinctive advantage in the segment. Our team members are posted at dealer showrooms to clear proposals, making it the quickest and most efficient financing option for a customer. We finance around 80,000 vehicles a month; and are connected to around 6,000 vehicle dealers across India.

AUM BY PRODUCT (%)

53.5%

Small Enterprises Finance

17.9%

Two Wheelers

17.4%

Loan against Gold

5.8%

Auto Loans

5.4%

Personal Loans



LOANS AGAINST GOLD

We offer loan against gold jewellery, primarily to individuals who possess 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. We target customers who otherwise continue to rely on the unorganised sector for timely funding requirements.

AUTO FINANCE

We offer a gamut of loans to finance the purchase of new and pre-owned passenger and commercial vehicles. This includes three wheelers, four wheelers, pre-owned and new cars.



PERSONAL FINANCE

We offer personal loans to customer segments that do not have easy access to banks and similar institutions for speedy short-tenure or medium-tenure finance.

HOME LOAN

We offer bespoke home loans through our Shriram Housing Finance Ltd. (SHFL) our subsidiary. SHFL is registered with the National Housing Bank and headquartered in Mumbai with pan India presence. With a firm belief in the philosophy of 'funding ways to finding homes', we cater to the largely under-served group of prospective homeowners from the lower and middle-income strata in Tier 2 and Tier 3 Indian cities. With a retail-focussed approach to business, we expect to play our part in the Government of India's vision of 'Housing for all by 2022'.



Caring for the community



We leverage our talent and teamwork to provide need-based training to eligible young people to enhance skills for employment. This is a part of our community development efforts. We also extend help to victims of natural disasters as a conscientious corporate citizen.

Vocational Training:

875 Students

Were trained in the first phase

550 Students

Have been employed

VOCATIONAL TRAINING PROGRAMME

During the year, we introduced an initiative to provide advanced vocational training to the unemployed youth across India. We emphasised on equipping them with relevant skills to get employed in hospitality and retail industries. Through this training programme, we provided subject-specific guidance to the youth, developed their personality and soft skills, and prepared them for interview sessions.

During the first phase (from September to December, 2015), we trained 875 students across Rajasthan, Himachal Pradesh, Uttar Pradesh and Maharashtra. Of these, 550 students got employed in recognised companies.



FLOOD RELIEF ACTIVITIES

In November and December, 2015, various parts of Tamil Nadu were hit by devastating floods and Chennai was among the worst-affected parts. We, along with Shriram Foundation carried out relief operations across the state. Our employees voluntarily participated in the relief programme and helped in the supply and distribution of relief materials. We extended financial assistance to victims and supported the rehabilitation and livelihood restoration. Also, we helped in the evacuation of affected people.

The volunteers spent over three months in flood affected areas to understand individual cases and accordingly provide the appropriate kind of assistance. Police, coast guard, collector's office, corporation offices and panchayats provided complete support to our volunteers.

A large section of the flood-affected people belonged to the marginalised sections. Their small shelters were severely damaged by the flood. Therefore, we provided basic building material for the restoration of roofs and walls. Distribution of potable water, bedding, linen, cooking utensils and books for school children assisted the process and helped people to return to normal life.



Our volunteers provided first aid wherever required and made efforts to shift the injured and severely sick people to hospitals. School buildings were cleaned of mud and other debris so that children could resume attending lessons.

Board of Directors



Sri Debendranath Sarangi

Non-Executive, Independent Chairman

He holds M.A. (Political Science) from the University of Delhi and M.Sc (Economics) from the University of Swansea UK. Sri Sarangi is an IAS (1977 Batch), Tamil Nadu cadre. He has been on our Board since January 29, 2015.



Sri Duruvasan Ramachandra

Managing Director

He is also on the Board of Directors of CES Limited and Shriram Housing Finance Ltd. He has been on our Board since June 6, 2012.



Sri Venkataraman Murali

Non-Executive, Independent Director

He holds a Bachelor's degree in Commerce from the Vivekananda College, Chennai. He is a fellow of the Institute of Chartered Accountants of India and an Associate of the Institute of Cost and Works Accountants of India. He has been on our Board since December 1, 2011.



Sri Pranab Prakash Pattanayak

Non-Executive, Independent Director

He holds a Bachelor's degree and a Master's degree in Arts from the Utkal University. He has previously held the posts of Deputy Managing Director and Chief Credit Officer at State Bank of India. He has been on our Board since October 31, 2012.



Sri Vipin Kapur

Non-Executive, Independent Director

He holds a Bachelor's degree in Commerce from the University of Madras. He is an Associate of the Institute of Bankers. He has previously been associated with Grindlays Bank and Bank of America, New Delhi. He has been on our Board since November 1, 2012.



Sri Subramaniam Krishnamurthy

Non-Executive, Independent Director

He holds a Bachelor's degree in Arts from the University of Madras, a Commercial Education diploma in specialised banking from the Indian Merchants' Chamber, a diploma in Industrial Relations and Personnel Management from the Bharatiya Vidya Bhavan, a Bachelor's degree in General 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. He has previously held the post of Banking Ombudsman, Chennai (approximately 15 months). He has been on our Board since April 28, 2005.


Smt Maya S Sinha
Non-Executive, Independent Director

She is a BA (Honours) in Economics and Mathematics from Lady Shri Ram College, Delhi University and obtained her Master's degree from the Delhi School of Economics, Delhi University with specialisation in Econometrics, Monetary Finance and Public Economics. She has been on our Board since May 28, 2015.


Sri Khushru Burjor Jijina
Non-Executive, Non Independent Director

He is a Chartered Accountant by profession with an illustrious career spanning over two decades in the field of real estate, corporate finance and treasury management. He has been with the Piramal Group for more than 15 years and is the Managing Director of Piramal Fund Management Private Limited (PFM). He has been on our Board since October 28, 2015.


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

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, South Africa. He is a fellow of the Faculty of Actuaries in Scotland and a fellow of the Actuarial Society of South Africa. He has been on our Board since August 1, 2014.


Sri Shashank Singh
Non-Executive, Non Independent Director

He is an MBA from Harvard Business School, an MA in Economics from Cambridge University and a BA (Honours) from St. Stephen's College (Delhi University). He has extensive expertise in the areas of Corporate Finance and Strategy, with over 12 years of experience in Private Equity as the Head of the India office of M/s Apax Partners LLP ('Apax'), the global Private Equity fund, and through his prior experience as a strategy consultant with Monitor Company. He has led or participated in a number of key deals at Apax including Zensar Technologies, Shriram City Union Finance, Cholamandalam Investment and Finance, GlobalLogic, IGATE, Apollo Hospitals, Weather Investments, TIM Hellas, TDC, Bezeq and Synetrix. He has been on our Board since October 28, 2015.


Sri Ranvir Dewan
Non-Executive, Non Independent Director

He holds a Bachelor's degree in Commerce (Honours) from Delhi University. He is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants of Ontario. He has been on our Board since December 1, 2010.


Sri Gopalamudram Srinivasaraghavan Sundararajan
Non-Executive, Non Independent Director

He holds a Bachelor's degree in Engineering (Agriculture) from the Tamil Nadu Agricultural University, Coimbatore and a post graduate diploma in Management (Agriculture) from the Indian Institute of Management, Ahmedabad. He has been on our Board as a Director since December 31, 2009 and was Managing Director with effect from November 1, 2012. He decided to step down as the Managing Director and was therefore redesignated as a Director w.e.f November 1, 2014.

REPORT OF THE BOARD OF DIRECTORS

To,
The Members of Shriram City Union Finance Limited

Dear Members,

The Directors are pleased to present this 30th Annual Report with the audited standalone and consolidated financial statements of the Company for the Year ended March 31, 2016 ("Year"). The consolidated financial statements are presented as one part of this Annual Report. The report on corporate governance, management discussion and analysis and other annexures mentioned in the report form a part of this Annual Report.

1. FINANCIAL RESULTS

The summary of standalone and consolidated financial performance of the Company for the Year is as under.

Particulars			₹ in crores	
	Standalone		Consolidated	
	Year ended March 31,		Year ended March 31,	
	2016	2015	2016	2015
Profit before depreciation and taxation	843.76	883.74	886.99	910.44
Less: Depreciation	36.92	42.66	37.62	43.65
Profit before tax	806.84	841.08	849.37	866.79
Less: Provision for taxation	277.06	283.02	290.75	291.44
Profit after tax	529.78	558.06	558.62	575.35
Less: Minority Interest	-	-	6.56	3.93
Profit after tax and minority interest	529.78	558.06	552.06	571.42
Add: Profit brought forward from previous Year	1,134.93	955.44	1,150.25	960.65
Less: Additional Depreciation (as per Companies Act, 2013)	-	3.66	-	3.67
Profit available for appropriation	1,664.71	1,509.84	1,702.31	1,528.40
Appropriations:				
Add: Adjustment in minority interest	-	-	-	-
Transfer to general reserve	52.99	55.81	52.99	55.81
Transfer to statutory reserve	105.97	111.61	110.61	114.84
Transfer to debenture redemption reserve	51.22	83.98	51.22	83.99
Dividend paid on equity shares of ₹ 10/- each fully paid-up				
Year 2014 – 15 : Interim ₹ 4.50, Final ₹ 10.50	-	102.82	-	102.82
Year 2015 – 16 : Interim ₹ 5.00	32.96	-	32.96	-
Dividend proposed on equity shares of ₹ 10/- each fully paid-up				
Year 2015 – 16 : Final ₹ 10/-	65.93	-	65.93	-
Corporate dividend tax	20.49	20.69	20.49	20.69
Balance carried to balance sheet	1,335.14	1,134.93	1,368.12	1,150.25
Earning per share				
Basic (₹ not annualised)	80.37	86.18	83.75	88.24
Diluted (₹ not annualised)	80.27	86.03	83.64	88.09

2. APPROPRIATIONS AND TRANSFER TO RESERVE

The Board of Directors ("Board") propose to transfer amounts mentioned in the above table stating financial results to different reserve in compliance with the requirements of Reserve Bank of India ("RBI") regulations and the Companies Act, 2013 (Act).

3. DIVIDEND

Based on the financials of the Company, aspirations of the shareholders and to maintain a sustainable dividend linked to long term growth of the Company, the Board is pleased to recommend final dividend as mentioned below for the Year to be paid to those members, whose name appear on the register of members as on the record date for payment of dividend for the Year. The dividend paid for the Year ended March 31, 2015 and interim dividend paid for the Year are stated below for reference.

Dividend on equity shares of ₹ 10 each	No of Shares	Per share (₹)	Amount (₹ in crores)	Tax (₹ in crores)	Total outflow (₹ in crores)	Date of payment
Interim (FY 15-16)	6,59,20,272	5.00	32.96	6.71	39.67	November 18, 2015
Proposed Final (FY 15-16)	6,59,27,152	10.00	65.93	13.78	79.71	
Total		15.00	98.89	20.49	119.38	
Interim (FY 14-15)	6,59,05,172	4.50	29.66	5.93	35.59	November 21, 2014
Final (FY 14-15)	6,59,05,612	10.50	69.20	14.09	83.29	August 19, 2015
Total		15.00	98.86	20.02	118.88	

The Register of Members and Share Transfer Books will remain closed from July 22, 2016 to July 28, 2016 (both days inclusive) for the purpose of final dividend for the Year and for the Annual General Meeting ("AGM") scheduled to be held on July 28, 2016.

Section 125 of the Act, requires the companies to transfer dividend that has remained unclaimed for a period of seven Years from the date of its transfer to unpaid dividend account to Investor Education and Protection Fund ("IEPF"). Accordingly, during the Year an amount of ₹ 0.049 crores (2014-15: ₹ 0.007 crores) were transferred to IEPF. An amount of ₹ 0.73 crores (2014-15: ₹ 0.61 crores) is lying in unpaid equity dividend account of the Company. Shareholders are informed that there will be no claim lie on the Company on account of dividend after the dividend is transferred to IEPF.

4. ANNUAL RETURN, PARTICULARS OF LOANS AND CONTRACTS WITH RELATED PARTY

The extract of the Annual Return in the form MGT - 9 as required under Section 92 (3) and 134 (3) of the Act is attached to this Report as Annexure - 6. The particulars of loans, guarantees and investments covered under Section 186 of the Act are given under note no. 26 of the notes to accounts of the Financial Statements. All transactions or arrangements with related parties referred to in

Section 188 (1) of the Act, entered into during the Year were on arm's length basis or were in ordinary course of business or with omnibus approval of the Audit and Risk Management Committee. There were no material related party transactions during the Year. The Company has formulated a policy on related party transactions approved by the Audit and Risk Management Committee and the Board, which is displayed on the web site of the Company at <http://www.shriramcity.in/files/RELATED-PARTY-TRANSACTION-RPT-POLICY-NEW/index.html>. The particulars of contracts or arrangements with related parties as referred in section 188(1) of the Act is attached to this Report in prescribed form AOC - 2 as Annexure -5. The details of related parties and transactions with the related parties as required under Regulation 34(3) and 53(f) read with Para A of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["LODR"] appear in note no. 26 of the Notes to Accounts.

5. STATE OF AFFAIRS OF THE COMPANY

Non Banking Finance Companies ("NBFC") are an integral part of the Indian financial system, enhancing competition and diversification in the financial sector and complementing the banking system. NBFCs play a vital role in furthering the objective of financial inclusion by serving the

credit demand of the small and medium scale and retail sectors. The Company specializes in financing small businesses and in financing retail asset predominantly in under-served areas.

During the Year, the total disbursements of loans under different products were ₹ 18,648.54 crores (2014-15: ₹ 17,202.45 crores). Income from operations for the Year grew by 10.13 percent to ₹ 3,834.87 crores and the same resulted in a profit before tax of ₹ 806.84 crores for the Year (2014 -15: ₹ 841.09 crores). As at March 31, 2016 the total assets under management stood at ₹ 19,575.82 crores (March 31, 2015: ₹ 16,717 crores).

During the Year, the total consolidated disbursements of loans under different products

were ₹ 19,441.00 crores (2014-15 : ₹ 17,705.45 crores). Consolidated Income from operations for the Year grew by 12.26 percent to ₹ 3998.19 crores (2014 -15: ₹ 3,561.69 crores) and the same resulted in a profit before tax of ₹ 849.37 crores for the Year (2014 -15 : ₹ 866.79 crores). As at March 31, 2016 the consolidated assets under management stood at ₹ 20,850.85 crores (March 31, 2015: ₹ 17,454.20 crores).

The funding source for the Company was through private placement of non convertible debentures ("NCDs") with banks / institutions, Fixed deposits, commercial papers and borrowings from banks/ financial institutions by way of term loans as summarized below.

During the Year ended March 31,						₹ in crores	
	Deposits	Privately placed NCDs	Public issue of NCDs	Term loans	Others	Total	
2016	1,358.37	583.70	-	4,170.00	-	6,112.07	
2015	1,746.99	100.00	200.00	1,020.00	228.00	3,294.99	

In addition, resources were mobilized through cash credit / working capital demand loans from banks. The profit before tax came down during the Year majorly due to enhanced provision for non performing assets due to change in regulations of RBI and due to additional impact of provision / payment of bonus due to change in Bonus Act.

Balance outstanding on cash credit as on March 31, 2016 was ₹ 845.28 crores (March 31, 2015: ₹ 1,067.45 crores) & Working capital demand loans as on March 31, 2016 was ₹ 25 crores (March 31, 2015: ₹ 25 crores)

There were 3506 no. of deposits amounting to ₹ 31.76 crores which had matured for payment and were due to be claimed or renewed. Subsequent follow-up for repayments/renewals resulted in the number reducing to 2362 number of deposits amounting to ₹ 19.86 crores as on April 27, 2016. There were no deposits which had matured and claimed, but were not paid by the Company. Steps are continuously taken to arrange for repayment/renewal of these unclaimed deposits. The Company stopped retail private placement of debentures and subordinated debts.

The Company has obtained credit ratings from India Ratings and Research Private Limited ("IRRL"), CARE, ICRA and CRISIL for its long term borrowings, short term borrowings and fixed deposits. The prevailing ratings are as under:

Rating Instrument		Long - Term	Short - Term	Bank Loan Ratings	Subordinate Debt	Fixed Deposit	Date of last review
Rating Agency	Year ending March 31						
IRRL	2016	IND AA'/ Stable	'IND A1+	IND AA'	-	'IND tAA'	April 11, 2014
	2015	IND AA'/ Stable	'IND A1+	IND AA'	-	'IND tAA'	
CARE	2016	CARE AA+	CARE A1+	-	CARE AA+	CARE AA+	July 14, 2015
	2015	CARE AA+	CARE A1+	-	CARE AA+	CARE AA+	
ICRA	2016	ICRA AA/Stable	ICRA A1+	-	-	MAA+/Stable	January 29, 2015 and March 13, 2015
	2015	ICRA AA/Stable	ICRA A1+	-	-	MAA+/Stable	
CRISIL	2016	CRISIL AA-/Stable	CRISIL A1+	-	CRISIL AA-/Stable	FAA/Stable	June 18, 2015
	2015	CRISIL AA-/Stable	CRISIL A1+	-	CRISIL AA-/Stable	FAA/Stable	

The frauds detected during the Year are reported in note no. 29 of the Notes to Accounts. The fraud committed and detected were in normal course of business of the Company.

6. CAPITAL AND LISTING

During the Year 21,540 no (2014 - 15 : 41,340) of equity shares were allotted to the eligible employees of the Company on exercise of their option under Employees Stock Options Scheme 2006 ("Scheme") approved by the members at the Extra-Ordinary General Meeting ("EGM") held on October 30, 2006 in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines") and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"). The ESOP Scheme, 2008 of the Company was not implemented as approved for non implementation by the members in the

Annual General Meeting ("AGM") held on July 28, 2015. The ESOP Scheme titled SCUF ESOP Scheme 2013 as approved by the members in the EGM held on May 31, 2013 has not been implemented.

The required disclosures under Regulation 13 under SEBI Regulations as on March 31, 2016 are set out in Annexure - 7 to this report.

The Company has received the certificate as attached in Annexure - 8 from the auditors of the Company certifying that the Scheme is implemented in accordance with the SEBI Guidelines, SEBI Regulations and in accordance with the resolution of the members passed at the general meeting.

The details with respect to the unclaimed equity shares as required under Regulation 34 (3) read with schedule V of SEBI (LODR) are as under.

S. No	Particulars	No of equity shareholders	No of unclaimed equity shares
1	Unclaimed equity shares as on April 1, 2015	32	3,500
2	Shares claimed by shareholders during the Year	-	-
3	Transfer of unclaimed equity shares during the Year	-	-
4	Unclaimed equity shares as on March 31, 2016	32	3,500

The voting rights for the above said unclaimed equity shares shall remain frozen till the concerned shareholders claim the shares. Such unclaimed equity shares are maintained by the Company in the dematerialized form.

The listing fees to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") for the Year were paid on time.

7. HUMAN RESOURCE

The Company considers employees as most vital and valuable assets and major strength. The employees are trained for necessary soft and hard skills on a regular basis. Exciting growth opportunities combined with the ESOP Schemes help performance and retention of employees. The total employee strength of the Company as on March 31, 2016 stood at 25,472 with 9,856 number of employees added during the Year. The information required pursuant to Section 197(12) of the Act read with Rule - 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 and the details required under Rule - 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 on remuneration are attached as Annexure - 9 to this Report.

8. SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENTS

M/s Shriram Housing Finance Ltd ("SHFL") is the subsidiary company of the Company. SHFL is registered with National Housing Bank ("NHB") with registration number 08.0094.11 and is engaged in providing home loans, loans against property and loans for housing projects. With a firm belief in the philosophy of "Funding Ways to Finding Homes", SHFL has been catering to the largely under-served group of prospective homeowners from the lower- and middle-income strata in Tier 2 and Tier 3 locations in the country.

SHFL has seen a rapid growth in its portfolio since it started business in FY 2012. From a loan book of ₹ 4.90 crores in FY 2013, SHFL closed FY 2016 with assets under management of ₹ 1275.03 crores. Loans worth ₹ 792.45 crores were disbursed during FY 16, and the number of borrowers stood at 10,009. SHFL added seven branches during the Year making total number of branches 79. Employee strength grew to 590 during the Year (2014 - 15 : 501). Liabilities as on March 31, 2016 stood at ₹ 853.21 crores, of which 37% comprised of Secured Non-convertible Debentures and the balance were credit lines from commercial banks

and refinance from NHB. With a retail-focused approach to business, SHFL expects to play its part in the Government of India's vision of "Housing for all by 2022".

The annual financial statements of SHFL together with auditors report thereon are attached to this Report as Annexure - 16.

Consolidated financial statements of the Company prepared as per Section 129(3) of the Act and in compliance with applicable accounting standards and LODR are audited by the statutory auditors of the Company. The consolidated financial statements along with the report of the auditors of the Company thereon are attached to this Report (Annexure - 17).

The annual accounts, annual reports and the related detailed information of SHFL shall be made available to the share holders of the Company and the share holders of SHFL seeking such information at any point of time. In accordance with Section 136 of the Act, the audited annual financial statements including consolidated financial statements and related information of the Company and audited accounts of SHFL are displayed on the web site of the Company at http://www.shriramcity.in/PDF/Inv_AnnualReport/SHFL-AR-FY2015-16.pdf and shall be kept at the Registered Office of SHFL for inspection by any shareholder during business hours. Shriram Capital Limited and SHFL continued as promoter and subsidiary of the Company respectively.

9. RESERVE BANK OF INDIA ("RBI") GUIDELINES

The Company continues to comply with all applicable regulations of RBI. The Company was classified as Loan Company from Asset Finance Company effective July 27, 2015 and the change was endorsed on the certificate of registration by RBI.

The net worth of the Company increased by ₹ 399 crores and the Capital Adequacy and Reserve Ratio (CRAR) stood at 26.14 percent as on March 31, 2016 which is above 15 percent as prescribed by RBI vide its Notification dated March 27, 2015. The Risk weighted assets stood at ₹ 18,927.70 crores. The Company complied with RBI regulations during the Year.

10. CORPORATE GOVERNANCE

The Company adheres to high standard of corporate governance. Report on corporate governance forming part of this Report as required under Regulation 34(3) of LODR together with the certificate from the auditors of the Company as required under Para E of Schedule V of LODR, confirming the compliance with the corporate governance are attached to this Report (Annexure - 1). As required under Regulation 34 (2) (e) and 34 (3) LODR, the Management and Discussion Analysis on the business of the Company forming part of this report is attached as Annexure - 3.

Further, as required under Regulation 17 (8) of the LODR, a compliance certificate, duly signed by the Managing Director and Chief Executive Officer and Chief Financial Officer on the financial statements of the Company for the Year, was submitted to the Board of Directors at their meeting held on April 27, 2016. The same certificate is attached as Annexure - 4. The relevant provisions of the voluntary guidelines are adopted in the areas deemed appropriate.

11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Section 135 of the Act on CSR applies to the Company. Accordingly, the Company has constituted a CSR Committee consisting of three Directors including two Independent Directors. The details of the CSR Committee appear on the report on corporate governance and Annual Report on CSR activities as required under Rule 9 of the Companies CSR Policy Rules, 2014 of the Act is attached to this report as Annexure - 10.

The CSR policy of the Company as recommended by the CSR Committee, was reviewed and approved by the Board and is displayed on the website of the Company.

The Company undertook CSR Projects on health, education, skill development and environment directly and through Implementing Agent. The spend on CSR during the Year was approved by the Board of Directors of the Company as recommended by the CSR Committee.

During the Year, the Company had spent ₹ 6.50 crores on the above said CSR activities of the

Company (2014 - 15 : ₹ 0.09 crores). Though, the CSR spend during the Year increased substantially over last Year, there was a short fall of ₹ 8.75 crores as the Company was in the process of evaluating CSR projects. The Board affirms that the CSR activities are implemented in accordance with CSR Policy.

12. DIRECTORS AND MEETING OF THE BOARD

The number of meetings of the Board held during the Year along with details of such meetings is mentioned in the report of Corporate Governance attached as Annexure - 1 to this Report. In compliance with Section 178 of the Act, the Board has constituted Nomination and Remuneration Committee ("NRC"). As required under Section 149 (7) of the Act, the Company received necessary declaration from each independent director about his/her meeting the criteria of independence as laid down under the Act and LODR. A statement by the Managing Director confirming receipt of this declaration from each independent director of the Company is attached as Annexure - 11. The Board on the recommendation of the NRC has formulated a policy for selection, appointment and remuneration of directors, senior management personnel as required under Section 178 (3) of the Act, the details of which appear in the Annexure - 13. The Board carried out annual performance evaluation of its own Committees and individual directors based on the criteria and frame work adopted by the Board. The results of such evaluation were placed before the Board. The induction, training, appointment, resignation and retirement of directors are dealt with in the report on corporate governance attached as Annexure - 1. The brief profile of each director appear in the Annual Report. Each Director has given his/her declaration to the Company for not holding any shares in the Company and having no relation *inter se* with any Director. Sri Khushru Burjor Jijina (DIN - 00209953) and Sri Shashank Singh (DIN - 02826978) who were appointed as additional directors during the Year, retire at the ensuing AGM. Sri Khushru Burjor Jijina and Sri Shashank Singh have expressed their intention and confirmed eligibility to be appointed as Directors of the Company. The details on their appointment as directors form a part of the agenda of the ensuing AGM. As per provisions of the Act and Articles of

Association of the Company, Sri Gopalasamudram Srinivasaraghavan Sundararajan (DIN – 00361030) and Sri Ranvir Dewan (DIN – 01254350) retire by rotation at the ensuing AGM. Sri Ranvir Dewan being eligible offers himself for re-appointment. Sri Gopalasamudram Srinivasaraghavan Sundararajan has expressed that he would not be available for directorship in the Company. Hence he has not sought for re-appointment at the ensuing AGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sections 134 (3) (c) and 134 (5) of the Act with respect to Directors' responsibility statement, the Directors of the Company hereby confirm, in the preparation of annual accounts for the Year that :

- (i) the applicable accounting standards have been followed and proper explanations have been made in notes to accounts for material departures, if any;
- (ii) the accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and statement of the profit and loss of the Company for the Year ended on that date;
- (iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.
- (v) internal financial controls to be followed were laid down, which were adequate and were operating effectively during the Year.
- (vi) proper systems had been devised to ensure compliance with provisions of applicable laws, which were adequate and were operating effectively during the Year.

Risk Management Policy was implemented during the year as reviewed and approved by the Board on the recommendation of the Audit and Risk Management Committee.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURT

There are no material order passed by Regulators/ Courts, which would impact the going concern status of the Company and it's future operations.

15. AUDIT AND AUDITORS

The auditors of the Company have submitted report (standalone and consolidated) to the members of the Company for the Year, which is unqualified, without any reservation or adverse remark or disclaimer. The same report of the auditors is attached to the financial statements forming a part of this Report. Therefore, Board does not have any explanation or comment. Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s P. Sriram & Associates, Company Secretaries in practice were appointed by the Company as the Secretarial Auditor of the Company for the Year. The same Secretarial Auditor conducted audit and submitted report as attached in Annexure - 14 to the Members, which is unqualified, without any reservation or adverse remark or disclaimer. Therefore, Board does not have any explanation or comment on such Secretarial Audit Report. The Board has appointed M/s P.Sriram & Associates, Company Secretary in practice as secretarial auditor of the Company for the financial Year 2016-17.

The Auditors M/s Pijush Gupta & Co., Firm Registration No – 309015E Chartered Accountants, Kolkata retire at the conclusion of the ensuing AGM and have confirmed their eligibility under Section 141 of the Act and willingness to accept the office, if re-appointed. Necessary resolution for their re-appointment till conclusion of the 31st AGM is proposed at the ensuing AGM.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO DURING THE YEAR

The information on conservation of energy, technology absorption, foreign exchange earnings and out go as stipulated under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014 are furnished below.

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required have been taken.

The Company has not absorbed any technology. There were no foreign exchange earnings. There was an outgo of foreign exchange of ₹ 98.77 crores during the Year (2014 - 15 : NIL).

17. ACKNOWLEDGEMENT

The Board expresses its deepest appreciation and gratitude for the guidance and cooperation extended to the Company by RBI, statutory authorities and regulators. The Board also thanks the banks and financial institutions for their timely financial assistance to the Company and helping the Company to reach out to customers across the country. The Board thanks the auditors to the Company for their guidance. Special thanks

are due to the employees of the Company who contributed their skills, enthusiasm, commitment and dedication which have over the years helped the Company to earn prominence. The Board is grateful to the shareholders, depositors, debenture holders and debt holders of the Company for their patronage.

18. STATEMENT OF CAUTION

Any of the numbers or statements expressed in this Report may mean forward looking within the provisions of LODR and other regulations, which are not intended as such. Actual results, which are dependent on many factors, may be different.

For and on behalf of the Board of Directors

Place : Chennai
Date : April 27, 2016

Debendranath Sarangi
Chairman

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

2.1 Composition and appointment

The Board of Directors of the Company ("Board") consists of optimum combination of Executive, Non Executive and Independent Directors to ensure independent functioning of the Board. Half of the Board members are Independent Directors. The Independent Directors meet the criteria of independence specified in the Act, Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by the Board (Annexure - 13). NRC has formulated a policy on Appointment Remuneration and Diversity of Board. This ensures diversity of qualification, experience, expertise, gender and age of the Board. The appointment of Directors is made through a transparent process. Directors appointed are issued appointment

letters. The formats of such appointment letter is displayed on the web site of the Company at <http://www.shriramcity.in/PDF/Terms-and-conditions-of-appointment-of-Independent-Directors.pdf>. On appointment, each Independent Director is familiarized with the Company, business, industry, roles and responsibilities, the details of which are displayed on the website of the Company at <http://www.shriramcity.in/PDF/Familiarisation-Programme-for-Independent-Directors.pdf>.

Independent Directors were appointed for a fixed period of five years from the date of respective appointments and their appointments were approved by the members in respective meetings. Non Independent Directors were appointed as per provisions of law. In each meeting of the Board and the Committees, wherever required, presentations on the operations, financial results, strategy, risk management, human resource are made by the management team.

The present strength of the Board is 12, consisting of one Non Executive and Independent Chairman, Managing Director and 10 Non Executive Directors. The Board consists of professionals from varied disciplines. The Board Members possess the qualification, skill, experience and expertise with diversity of thoughts required to guide the Company.

The Composition of Board is as under :-

S No	Name of the Director	DIN	Category of Directorships		Position
1	Sri Debendranath Sarangi	01408349	NE	I	Chairman
2	Sri Duruvasan Ramachandra	00223052	E	NI	Managing Director and CEO
3	Sri Gerrit Lodewyk Van Heerde	06870337	NE	NI	Director
4	Sri Gopalsamudram Srinivasaraghavan Sundararajan	00361030	NE	NI	Director
5	Sri Khushru Burjor Jijina	00209953	NE	NI	Additional Director
6	Smt Maya S Sinha	03056226	NE	I	Director
7	Sri Pranab Prakash Pattanayak	00506007	NE	I	Director
8	Sri Puneet Bhatia	00143973	NE	NI	Director
9	Sri Ranvir Dewan	01254350	NE	NI	Director
10	Sri Shashank Singh	02826978	NE	NI	Additional Director
11	Sri Subramaniam Krishnamurthy	00140414	NE	I	Director
12	Sri Sunil Varma	01020611	NE	I	Director
13	Sri Venkataraman Murali	00730218	NE	I	Director
14	Sri Vipin Kapur	01623192	NE	I	Director

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

Sri Khushru Burjor Jijina was appointed as an additional director w.e.f. October 28, 2015.

Sri Puneet Bhatia resigned from the Board w.e.f. October 28, 2015.

Sri Shashank Singh was appointed as an additional director w.e.f. October 28, 2015.

Sri Sunil Varma resigned from the Board and Committees w.e.f. April 28, 2015

None of the Directors hold any equity shares or convertible instruments in the Company. All directors have disclosed their own share holding or held on beneficial basis by them in the Company as required under Para C (2) (f) of Schedule V of LODR. All Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations were placed before the Board at the meeting held on April 27, 2016. None of the Directors are related *inter se* in terms of 'relative' defined under the Act.

Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions are done by the Board on quarterly basis.

2.2 Board process

The Board meets at least once in each quarter to review in addition to other matters the performance and financial results. In addition to these meetings, additional Board meetings are held by giving appropriate notice to address the specific needs of the Company. The maximum time gap between two meetings does not exceed 120 days. The Board meetings are generally scheduled in advance. The notice and agenda of each Board Meeting is given in writing to each Director in advance of the meeting. In special and exceptional circumstances, additional or supplementary item(s) is/are permitted. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting. In cases of business exigencies or urgent matters, resolutions are passed by circulation. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in regulation 17 (7) read

with Part A of Schedule II of LODR. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairman. The Board has unrestricted access to all the information and employees of the Company.

All the deliberations and decisions occurring in every meeting of the Board are entered in the minute book. The draft minutes are circulated within specified time to the members of the Board and suggestion for changes are suitably incorporated in the minutes and circulated and the minutes are signed by the Chairman of the same meeting or by the Chairman of the succeeding meeting within the specified time line.

The process specified above for Board meetings are followed for the meetings of all the Committees constituted by the Board as far as practicable. The minutes of the meetings of the Committees are placed before the Board meeting for perusal and noting. The minutes of the subsidiary company of the Company are placed before the Board on quarterly basis. The performance evaluation of all independent directors is done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the NRC. The criteria of performance evaluation of independent directors as laid down by the NRC is attached as Annexure - 13.

2.3 Functioning of the Board

The Board is the apex body constituted by share holders for overseeing the overall functioning of the Company. The day to day management of the affairs of the Company is entrusted with the senior management personnel headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision and control of the Board. The Board reviews and guides strategies, plans, risk management, budgets, setting performance objectives and monitors implementation and corporate performance. The Board monitors the effectiveness of the Company's governance practices, disclosure practices, communication process and compliance with regulatory requirements. Some of the powers of the Board have been delegated to Committee(s) constituted by the Board for different purposes with defined terms of reference. The Board thus exercises

close control over the functioning of the Company with a view to enhance the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non compliance, if any. Independent Directors play an important role in the governance process of the Board.

2.4 Board meetings and attendance of Directors

Five meetings of the Board were held during the Year ended March 31, 2016 ("Year") - on April 28, 2015, July 28, 2015, October 28, 2015, January 29, 2016 and March 2, 2016 and the maximum gap between the two board meetings did not exceed one hundred twenty days during the Year.

The attendance of Directors at Board Meetings ("BM"), last Annual General Meeting ("AGM") / and the number of directorship, membership/chairmanship held by each Director on the board/committees of the board of other companies are as under :

S No	Name of the Director	Position	BMs attended	AGM held on dt July 28, 2015	*	**	***
1	Sri Debendranath Sarangi	Chairman	5	Present	4	2	-
2	Sri Duruvasan Ramachandra	Managing Director and CEO	5	Present	2	-	-
3	Sri Gerrit Lodewyk Van Heerde	Director	5#	Present	10	-	-
4	Sri Gopalasamudram Srinivasaraghavan Sundararajan	Director	4	Present	8	-	-
5	Sri Khushru Burjor Jijina	Additional Director	2#	-	19	2	-
6	Smt. Maya S Sinha	Director	4	Present	4	2	1
7	Sri Pranab Prakash Pattanayak	Director	5	Present	1	-	-
8	Sri Puneet Bhatia	Director	-	Not Present	-	-	-
9	Sri Ranvir Dewan	Director	2	Not Present	-	-	-
10	Sri Shashank Singh	Additional Director	2	-	5	2	-
11	Sri Subramaniam Krishnamurthy	Director	5	Present	3	3	1
12	Sri Sunil Varma	Director	1	-	-	-	-
13	Sri Venkataraman Murali	Director	5	Present	5	-	2
14	Sri Vipen Kapur	Director	5	Present	3	1	-

Note : For date of appointment & resignation and DIN of Directors, the table above at point no -2.1 may be referred.

includes the attendance through video conference.

*Number of directorships held in other companies

The number of directorships of Directors mentioned above include their directorships, alternate directorships in public limited companies, whether listed or not, private companies that are either holding or subsidiary companies of public limited companies.

**Membership of the Committees of the Board of Directors of other companies

***Chairmanship of the Committees of the Board of Directors of other companies

The memberships/ chairmanships in audit committee and shareholders'/investors' grievance committee mentioned above include their membership / chairmanship in all public limited companies whether listed or not and excludes membership / chairmanship in private limited companies, foreign companies, companies under section 8 of the Act and all other companies.

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees across all listed entities as required under regulation 26 (1) of LODR. All the Directors have made requisite disclosures to the Company regarding their directorship and Committee positions in other Companies.

2.5 Meeting of Independent Directors

During the Year a meeting of Independent Directors was held on October 27, 2015 as required under Regulation 25 (3) of the LODR and Schedule IV of the Act to discuss the matters specified therein. All Independent Directors were present in the meeting. The attendance of the Independent Directors in the meeting is as under.

Name of the Director	Position	Category	Number of Meetings attended
Sri Debendranath Sarangi	Member	NE, I	1
Smt Maya S Sinha	Member	NE, I	1
Sri Pranab Prakash Pattanayak	Member	NE, I	1
Sri Subramaniam Krishnamurthy	Member	NE, I	1
Sri Venkataraman Murali	Member	NE, I	1
Sri Vipen Kapur	Member	NE, I	1

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

Note : For date of appointment & resignation and DIN of Directors, the table above at point no - 2.1 may be referred.

2.6 Code of conduct for Directors and senior management

The Board has laid down "Code of Conduct for Board Members and Senior Management" ('Code') for the members of the Board and for designated senior management personnel as required under regulation 17 (5) of the LODR. The Code is displayed on the web site of the Company at <http://www.shriramcity.in/files/CODE-OF-CONDUCT-FOR-BOARD-MEMBERS-AND-SENIOR-MANAGEMENT-NEW/index.html>. All the Board members and the designated senior management personnel affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached as Annexure - 12.

2.7 Remuneration of Directors

The Board aligns the remuneration of Directors with the long term interest of the Company and its shareholders. Non Executive Independent Directors get sitting fees for each of the meeting of the Board of Directors (₹ 50,000 for each Board Meeting attended) / Committees (₹ 25,000/- for each Committee Meeting attended) attended. The Managing Director and CEO of the Company is paid remuneration as per terms of his appointment. No other remuneration is paid to the Directors. No member of the Board is granted with stock options. The criteria for payment of remuneration to non executive directors is displayed on the web site of the Company at <http://www.shriramcity.in/pdf/REMUNERATION-CRITERIA-FOR-NON-EXECUTIVE-DIRECTORS-new.pdf>

The sitting fees / remuneration paid to the directors during the Year are given below:

S No	Name of the Director	Category	Position	Sitting fees for attending meetings	₹ in crores	
					Salary, allowances & Perquisites	Total
1	Sri Debendranath Sarangi	NE, I	Chairman	0.045	-	0.045
2	Sri Duruvasan Ramachandra	E, NI	Managing Director and CEO	-	0.598	0.598
3	Sri Gerrit Lodewyk Van Heerde	NE, NI	Director	-	-	-
4	Sri Gopalasamudram Srinivasaraghavan Sundararajan	NE, NI	Director	-	-	-
5	Sri Khushru Burjor Jijina	NE, NI	Additional Director	-	-	-
6	Smt Maya S Sinha	NE, I	Director	0.029	-	0.029
7	Sri Pranab Prakash Pattanayak	NE, I	Director	0.041	-	0.041
8	Sri Puneet Bhatia	NE, NI	Director	-	-	-
9	Sri Ranvir Dewan	NE, NI	Director	-	-	-
10	Sri Shashank Singh	NE, NI	Additional Director	-	-	-
11	Sri Subramaniam Krishnamurthy	NE, I	Director	0.046	-	0.046

S No	Name of the Director	Category	Position	Sitting fees for attending meetings	₹ in crores	
					Salary, allowances & Perquisites	Total
12	Sri Sunil Varma	NE, I	Director	0.008	-	0.008
13	Sri Venkataraman Murali	NE, I	Director	0.050	-	0.050
14	Sri Vipen Kapur	NE, I	Director	0.043	-	0.043

Non Executive ("NE"), Executive ("E"), Non Independent ("NI") and Independent ("I"). Excludes arrears paid during the Year

Note : For date of appointment & resignation and DIN of Directors, the table above at point no - 2.1 may be referred.

3. COMMITTEES OF THE BOARD

The Board has formed different committees as required under different regulations and as required for business purposes. The terms of reference of each committee is defined by the Board. The committees are Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Asset Liability Management Committee, Banking & Finance Committee, Securities Management Committee and Corporate Social Responsibility Committee.

The constitution of the committees, appointment of members and chairperson of each committee, fixing the terms of reference of each committee and any change thereof are decided by the Board and are as per guidelines set out in regulation 18, 19, 20, 21 and other applicable regulations of LODR, RBI regulations, the Act and other requirements. Brief terms of reference, composition, number of meetings of the committees held during the Year and related attendance are provided below.

3.1 Audit and Risk Management Committee

The Audit and Risk Management Committee has been constituted as per Section 177 of the Act, regulation 18 and 21 of the LODR and regulation of the RBI.

3.1.1 Brief description of the terms of reference

- Recommend appointment, re-appointment, terms of appointment/re-appointment and remuneration of Auditor/Internal Auditor, removal of internal auditors and review and monitor auditor's independence and performance and effectiveness of audit process.
- Examine the financial statements, financial reporting process, auditor's report, evaluation of internal financial controls, risk management systems, internal audit function, internal audit report, follow up on findings, and approve appointment of Chief Financial Officer (CFO) of the Company.
- Monitor the end use of funds raised through public offers and related matters.
- Look into the defaults in the payment to the depositors, debenture holders, shareholders and creditors, scrutiny of inter-corporate loans and investments and approve any transaction with related parties.
- Review and monitor different policies including Risk Management Policy, recommend them to the Board

The Company Secretary of the Company acts as the Secretary for the Committee.

3.1.2 Composition & Attendance

The Committee met 4 times during the Year on April 28, 2015, July 28, 2015, October 28, 2015 and January 29, 2016.

Name of the Director	Position	Category	Number of meetings attended
Sri Sunil Varma	Chairman	NE, I	1
Sri Venkataraman Murali	Chairman	NE, I	4
Sri Debendranath Sarangi	Member	NE, I	3
Sri Ranvir Dewan	Member	NE, NI	2
Sri Subramaniam Krishnamurthy	Member	NE, I	4

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

Note : For date of appointment & resignation and DIN of Directors, the table above at point no - 2.1 may be referred.

The Audit and Risk Management Committee was reconstituted with Sri Venkataraman Murali as the Chairman, Sri Debendranath Sarangi, Sri Ranvir Dewan and Sri Subramaniam Krishnamurthy as the Members of the Committee w.e.f. August 1, 2015

3.2 Nomination and Remuneration Committee

This Committee has been formed as per Section 178 of the Act, regulation 19 of the LODR and regulations of RBI

3.2.1 Brief description of terms of reference :

- Identify persons who qualify to become Directors and recommend their appointment to the Board, members of senior management as and when vacancies arise and recommend removal of a Director from the Board should the need arise

- Carry out evaluation of performance of every Director, Board and Committee on an annual basis.
- Formulate policies for appointment and remuneration of independent directors key managerial personnel and employees keeping in view to attract, motivate and retain talent required for the progress of the Company.
- Guide policies and practices in the talent management of the Company, formulation and administration of Employees Stock Option Plans (ESOP) and other incentive plans for employees and directors, review employee welfare schemes.
- Approve employment agreements, severance arrangements, change in control agreements

3.2.2 Composition and attendance:

The Committee met 4 times during the Year on April 28, 2015, July 28, 2015, October 28, 2015 and January 29, 2016. The composition of the Committee and their attendance are as under

Name of the Director	Position	Category	Number of meetings attended
Sri Vipen Kapur	Chairman	NE, I	4
Sri Debendranath Sarangi	Member	NE, I	2
Sri Duruvasan Ramachandra	Member	E, NI	1
Sri Gopalamudram Srinivasaraghavan Sundararajan	Member	NE, NI	2
Sri Subramaniam Krishnamurthy	Member	NE, I	1
Sri Venkataraman Murali	Member	NE, I	2

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

Note : For date of appointment & resignation and DIN of Directors, the table above at point no - 2.1 may be referred.

The Nomination and Remuneration Committee was reconstituted with Sri Vipen Kapur as Chairman, Sri Debendranath Sarangi and Sri Gopalamudram Srinivasaraghavan Sundararajan as the Members of the Committee w.e.f. August 1, 2015.

3.3 Stakeholders Relationship Committee

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

3.3.1 Brief description of terms of reference :

- Review the Security holding pattern, listing of securities on Indian Stock Exchanges and overseas
- Facilitate better investor/customer services and relations, resolve grievances of security holders, approve matters relating to Depositories, Registrar and Transfer Agents, transfer to Investor Education and Protection Fund and monitor the Code for Fair Disclosure and Conduct.

The Company Secretary of the Company acts as the Secretary for the Committee.

3.3.2 Composition & Attendance :

The Committee had met 4 times during the Year on April 28, 2015, July 28, 2015, October 27, 2015 and January 29, 2016. The composition of the committee and the attendance are as under.

Name of the Director	Position	Category	Number of meetings attended
Sri Subramaniam Krishnamurthy	Chairman	NE, I	4
Sri Duruvasan Ramachandra	Member	E, NI	1
Sri Gopalamudram Srinivasaraghavan Sundararajan	Member	NE, NI	1
Smt Maya S Sinha	Member	NE, I	2
Sri Pranab Prakash Pattanayak	Chairman	NE, I	1
Sri Venkataraman Murali	Member	NE, I	3
Sri Vipen Kapur	Member	NE, I	3

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

Note : For date of appointment & resignation and DIN of Directors, the table above at point no - 2.1 may be referred.

The Stakeholders Relationship Committee was reconstituted with Sri Subramaniam Krishnamurthy as the Chairman, Sri Vipen Kapur, Smt Maya S Sinha and Sri Venkataraman Murali as the Members of the Committee w.e.f. August 1, 2015.

Sri C R Dash, Company Secretary of the Company is the Compliance Officer. The Company has not received any complaint from the shareholder during the Year and no complaints are pending as on March 31, 2016.

3.4 Banking & Finance Committee

3.4.1 Brief description of terms of reference

- All types of banking operations including open, close, change, modify, transfer of Bank Accounts, to accept and confirm bank balances

- Borrow Money from Bank/ Institution within the limit specified by the Board, execution of loan documents and all activities required for any type of Banking/ Borrowing
- Invest, deposit or otherwise the funds of the Company in Short Term Deposits/ Long Term Deposits with Banks/ Mutual Funds/ any other Funds any other institutions and sell down the assets of the Company.
- Assign or sell down the assets of the Company within permissible limits by way of assignment or securitization to any bank or institution

An executive of Secretarial Department acts as the secretary to the Committee.

3.4.2 Composition and attendance:

The Committee met 28 times during the Year. The composition of the committee and their attendance are as under.

Name of the Director	Position	Category	Number of meetings attended
Sri Gopalamudram Srinivasaraghavan Sundararajan	Chairman	NE, NI	23
Sri Duruvasan Ramachandra	Member	E, NI	28
Smt Subhasri Sriram*	Member	CFO	28
Sri Ramasubramanian Chandrasekar*	Member	ED	28

*Not members of the Board

Non Executive ("NE"), Executive ("E") Non Independent ("NI"), Executive Director and Chief Financial Officer ("CFO") and Executive Director ("ED")

Note : For date of appointment & resignation and DIN of Directors, the table above at point no - 2.1 may be referred.

3.5 Asset Liability Management Committee

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

3.5.1 Brief description of terms of reference

- Balance Sheet planning from risk-return perspective, assessment and management of interest risk, liquidity risk, business risk in a structured manner and adoption of Asset-Liability management practices

- Providing a comprehensive and dynamic framework for measuring, monitoring and managing liquidity and interest rate risks of major operators in the financial system.
- altering the asset-liability portfolio in a dynamic way in order to manage risks.

An executive of Secretarial Department acts as the Secretary to the Committee.

During the Year, the Committee met 4 times on April 28, 2015, July 28, 2015, October 27, 2015 and January 29, 2016.

3.5.2 Composition & attendance

Name of the Director	Position	Category	Number of meetings attended
Sri Pranab Prakash Pattanayak	Chairman	NE, I	4
Sri Duruvasan Ramachandra	Member	E, NI	4
Smt Subhasri Sriram*	Member	CFO	4
Sri Ramasubramanian Chandrasekar*	Member	ED	4

* Not members of the Board

Non Executive ("NE"), Executive ("E"), Non Independent ("NI"), Independent ("I"), Executive Director and Chief Financial Officer ("CFO") and Executive Director ("ED").

Note : For date of appointment & resignation and DIN of Directors, the table above at point no - 2.1 may be referred.

3.6 Securities Management Committee

This Committee was constituted for issue, allotment, transfer, transmission & related activities with respect to securities of the Company.

3.6.1 Brief description of terms of reference

- Issue, allot and reject equity shares, preference shares, Debentures, Bonds, Debt instruments, equity instruments, Hybrid Instruments and Warrants.
- Approve or reject the transfer/ transmission/

dematerialization/ rematerialisation/ Splitting/ Consolidation/ issue of duplicate certificate for any Securities.

- Appoint, remove and fix the remuneration of Registrar and Share Transfer Agent.
- Monitor and decide on all the activities with respect to public issue/private placement of securities.
- Any matter relating to listing/delisting of securities with Stock Exchanges and any matter relating to Depositories, Depository Participant.

3.6.2 Composition and attendance:

The Committee met 47 times during the Year. The composition of the committee and their attendance are as under.

Name of the Director	Position	Category	Number of meetings attended
Sri Gopalamudram Srinivasaraghavan Sundararajan	Chairman	NE, NI	47
Smt Subhasri Sriram*	Member	CFO	47
Sri Ramasubramanian Chandrasekar*	Member	ED	46

*Not members of the Board

Non Executive ("NE") and Non Independent ("NI"), Executive Director and Chief Financial Officer ("CFO") and Executive Director ("ED")

Note : For date of appointment & resignation and DIN of Directors, the table above at point no - 2.1 may be referred.

3.7 Corporate Social Responsibility Committee

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

3.7.1 Brief description of the terms of reference

- Formulate, amend, change and recommend to the Board the CSR Policy of the Company
- Recommend the amount of and report a statement of utilization of money
- Plan, identify, decide, execute, monitor and approve the activities mentioned under CSR Policy

3.7.2 Composition & Attendance

The Committee met twice during the Year on April 27, 2015 and September 18, 2015

Name of the Director	Position	Category	Number of meetings attended
Smt Maya S Sinha	Chairperson	NE, I	1
Sri Subramaniam Krishnamurthy	Chairman	NE, I	-
Sri Debendranath Sarangi	Member	NE, I	1
Sri Gopalamudram Srinivasaraghavan Sundararajan	Member	NE, NI	2
Sri Venkataraman Murali	Member	NE, I	1

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

Note : For date of appointment & resignation and DIN of Directors, the table above at point no - 2.1 may be referred.

The Corporate Social Responsibility Committee was reconstituted with Smt Maya S Sinha as the Chairperson, Sri Debendranath Sarangi and Sri Gopalamudram Srinivasaraghavan Sundararajan as the Members of the Committee w.e.f. August 1, 2015

4. SUBSIDIARY COMPANY

The Company has got one unlisted non material subsidiary company named Shriram Housing Finance Limited, CIN: U65929TN2010PLC078004 ("SHFL"). SHFL is managed by its Board of Directors. Since, SHFL is a unlisted non material subsidiary, the Company is not required to nominate one of its independent directors on the Board of the subsidiary. However, the Board has nominated Sri Venkataraman Murali, an independent director of the Company as a director on the Board of SHFL. The Company monitors the subsidiary by the following means :

- i) The financial statements, in particular the investments made by SHFL are reviewed by the audit and risk management committee of the Company.
- ii) All the minutes of the Board and Audit and Risk Management Committee meetings of SHFL are placed before the Board and Audit and Risk Management Committee respectively of the Company regularly.

- iii) A statement containing all the significant transactions and arrangements entered into by SHFL is placed before Board.

5. RELATED PARTY TRANSACTIONS

The determination of related party is done based on Section 188 of the Act, regulation 23, Part A of Schedule V and other applicable regulations of the LODR and applicable accounting standard. The Audit and Risk Management Committee of the Company has formulated a policy on Related Party Transactions, which is displayed on the web site of the Company at <http://www.shriramcity.in/files/RELATED-PARTY-TRANSACTION-RPT-POLICY-NEW/index.html> The transactions with related parties are reported to the Audit and Risk Management Committee and the Board on quarterly basis and approval of the Committee and the Board are taken in required cases. There were no material related party transactions during the Year. Related party transactions are reported in Note No.26 of the Notes to Accounts.

6. SHAREHOLDER INFORMATION AND DISCLOSURES

6.1 Corporate

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation

consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840. The Company is registered as a Non Banking Finance Company ("NBFC") with RBI with registration number - 07-00458. The equity shares of the Company are listed in M/s BSE Ltd ("BSE") and M/s National Stock Exchange of India Limited ("NSE").

6.2 Appointment / reappointment of Directors

One third of the Directors liable to retire by rotation, retire by rotation and if eligible seek reappointment at AGM of the Company. At the ensuing AGM, Sri Ranvir Dewan holding DIN - 01254350 and Sri Gopalamudram Srinivasaraghavan Sundararajan holding DIN - 00361030 will retire by rotation. Being eligible, Sri Ranvir Dewan has sought for reappointment. Sri Gopalamudram Srinivasaraghavan Sundararajan expressed that

he would not be available for directorship in the Company. Hence he has not sought for re-appointment at the ensuing AGM. The Board has recommended reappointment of Sri Ranvir Dewan. Sri Khushru Burjor Jijina (DIN - 00209953) and Sri Shashank Singh (DIN - 02826978), who were appointed as Additional Directors of the Company with effect from October 28, 2015 by the Board pursuant to Section 161 (1) of the Act, hold office upto the date of the ensuing AGM. The Directors are not related to any of the Director and do not hold any shares in the Company. Notice in writing along with requisite deposit of ₹ 1,00,000 each has been received separately from members of the Company proposing each one of them to be appointed as Directors of the Company in the ensuing AGM. The Board recommends the appointment of each one of them. The notice of ensuing AGM states details about the appointment/ reappointment of above named Directors. Brief profile of each of the Director appear in this Annual Report.

6.3 General body meetings

The date, time and venue of last three AGMs and Extraordinary General Meetings ("EGMs") held and special resolutions passed thereat are as follows.

Year ended March 31	AGM	Location	Date	Time	Special Resolutions passed
2013	27th AGM	#	July 25, 2013	10.00 am	-
2014	28th AGM	#	July 28, 2014	10.00 am	*
2015	29th AGM	#	July 28, 2015	10.00 am	**

Narada Gana Sabha (Mini Hall) No 314 (Old No 254) T T K Road, Alwarpet Chennai - 600 018

* Increase in borrowing powers under section 180 (1) (c) of the Act for an amount not exceeding ₹ 25,000 crores, division of share capital under section 61 (1) (b) of the Act and alteration of Articles of Association of the Company.

** Increase in borrowing powers under section 180 (1) (c) of the Act for an amount not exceeding ₹ 30,000 crores, private placement of securities, adoption of new set of Articles of Association replacing existing Articles of Association, non-implementation and discarding of SCUF Employee Stock Option Scheme 2008.

The Company had conducted Court Convened Meeting of the Equity Shareholders and Secured Creditors on March 25, 2013 at Sri Krishna Gana Sabha (Mini Hall), No. 20, Maharajapuram Santham Salai, T. Nagar, Chennai - 600 017 at 11.00 a.m. for approval of composite Scheme of arrangement among Shriram Retail Holdings Private Limited, Shriram Enterprise Holdings Private Limited and the Company under Sections 391 to 394 and

Sections 100 to 103 of the Companies Act, 1956 pursuant to an order dated January 28, 2013, passed by the Hon'ble High Court of Judicature at Madras.

The Company held an EGM on May 31, 2013 at Narada Gana Sabha (Mini Hall) No 314 T T K Road, Alwarpet Chennai - 600 018 at 10.00 a.m. for alteration of Articles of Association, issue of

securities for an aggregate amount not exceeding ₹ 1,000 crores or equivalent thereof, increase in limits of investment by FIIs, approval of Employees Stock Option Scheme 2013, approval of grant of Employees Stock Option Scheme 2013 to eligible employees of the subsidiary company(ies).

The Company held an EGM on May 30, 2014 at Narada Gana Sabha (Mini Hall) No 314 T T K Road, Alwarpet Chennai - 600 018 at 10.00 a.m.

Type of voting	Votes casted in favour		
	No of shareholders	No of votes	Percentage of votes
E	46	3,62,62,459	100
PBF	111	26,90,284	99.95
E	58	4,17,43,594	97.01
PBF	166	12,81,551	99.94

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

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

A special resolution for creation of security in respect of borrowings is proposed to be passed by way of postal ballot/e-voting. All the resolutions proposed to be passed at the ensuing AGM shall be passed through e-voting as mandated and the same is mentioned in the Notice of the ensuing AGM. As required under Sections 108, 110 and other applicable Sections of the Act, relevant rules and regulation 44 (3) of LODR, the Company provides the facility to Members to vote through electronic mode. The notice of postal ballot and the notice of the ensuing AGM states the process of respective voting. The voting rights are based on the number shares of the Company held by the member on the cut off date. The scrutinizer appointed by the Board shall submit his report on results of the respective voting to the Chairman after completion of his scrutiny within permissible time.

6.4 Materially significant related party transactions

During the Year, there were no materially significant related party transactions entered into, which were in potential conflict with the interest of the Company at large. The details of related party transactions are presented in note no 26 of

for issue and allotment of 65,79,840 equity shares on preferential basis to M/s Piramal Enterprises Limited.

During the Year, the Company passed the following special resolution through postal ballot for creation of security on the assets/ receivables of the Company and securitization under Section 180 (1) (a) of the Act.

No of shareholders	Votes casted against		Date of declaration of results
	No of votes	Percentage of votes	
0	0	0	July 25, 2014
4	732	0.027	
14	12,86,011	2.99	July 28, 2015
9	553	0.04	

the Notes to Accounts forming part of the financial statements attached hereto.

6.5 Accounting treatment

The Company follows the accounting treatment as prescribed in accounting standard and the details of same appear in financial statements and notes to accounts of this annual report.

6.6 Risk management

This annual report has got a detailed chapter on management discussion and analysis on risk management (Annexure No. - 3) stating about risk management by the Company. The Company has got a Risk Management Policy and the risk management is reviewed by the Audit and Risk Management Committee.

6.7 Details of non compliance and penalties, strictures imposed

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

6.8 Whistle Blower, Vigil Mechanism and Prohibition of Insider Trading Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting unethical behavior

by adopting whistle blower policy and vigil mechanism in line with regulation 22 of LODR and RBI regulations for employees to report concerns about unethical behavior providing for adequate safeguard against victimization of directors/employees, who avail of the mechanism. No person has been denied access to the Audit and Risk Management committee. This policy is disclosed in the web site of the Company at <http://www.shriramcity.in/files/WHISTLE-BLOWER-AND-VIGIL-MECHANISM-POLICY-NEW/index.html> The Company has formulated Code for Fair Disclosure and Conduct which is displayed on the web site of the Company at <http://www.shriramcity.in/files/CODE-FOR-FAIR-DISCLOSURE-AND-CONDUCT-NEW/index.html>

6.9 Reconciliation of share capital audit

SEBI has mandated reconciliation of share capital audit under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996. Accordingly audit for reconciliation of share capital admitted with National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Ltd ("CDSL") with the total issued and listed capital were carried out on a quarterly basis during the Year by a Practicing Company Secretary appointed by the Board. The audit confirmed that the total issued/ paid up capital were in agreement with the aggregate total number of shares in physical form and total number of dematerialised shares with NSDL and CDSL.

6.10 Means of communication

The Company communicated with share holders and investors through multiple channels of communications such as publication in news papers, disclosure to BSE and NSE, display on web site etc. The audited financial results, the quarterly results and yearly results of the Company were published

in newspaper in english in "Business Standard" and "Business Line" respectively and in Tamil in "Makkal Kural" within 48 hours of conclusion of the Board Meetings at which the respective financial results were approved. The results are displayed at Company's website at <http://www.shriramcity.in/SE-Filings.aspx>. The Company's website www.shriramcity.in contains a separate section "INVESTOR", where shareholder information are displayed. The annual report of the Company is also displayed in the same section of the web site of the Company. The Annual Report of the Company containing director's report along with annexures thereto, stand alone financial statements, consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto. The investor complaints are processed in centralized web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system ("SCORES"). The Company has designated email ids sect@shriramcity.in, scufncd8@shriramcity.in and scufncd10@shriramcity.in exclusively for respective investor servicing, which appear in the investor section of the web site of the Company. The Company has been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and quarterly financial results in the website of NEAPS (National Electronic Application Processing System) viz www.connect2nse.com and on BSE Listing Centre <http://listing.bseindia.com>. The presentations made by the Company to analysts and earning call transcripts are displayed on the web site of the Company at http://www.shriramcity.in/PDF/Inv_Presentation/.pdf

6.11 Details of thirteenth AGM

a. Date and Time	Thursday July 28, 2016 at 10 a m
b. Venue	Narada Gana Sabha (Mini Hall), No.314, T T K Road, Alwarpet, Chennai 600 018.
c. Book Closure	July 22, 2016 – July 28, 2016 (both days inclusive)
d. Dividend	Interim dividend of ₹ 5.00 per equity share was declared by the Board at its meeting held on October 28, 2015 and the payment thereof was effected on November 18, 2015. The payment of final dividend upon declaration by the shareholders at the AGM, will be made on or after August 1, 2016 to those members, whose name appear on the Register of members as on the record date.

6.12 Financial Year

The financial Year under review was from April 1, 2015 to March 31, 2016. The next financial Year is from April 1, 2016 to March 31, 2017.

6.13 Details of listing on stock exchanges

The listing details of the equity shares of the Company (ISIN- INE722A01011) are as under

Name of the Stock Exchange	Stock Code
BSE	532498
NSE	SHRIRAMCIT

The Company has paid annual listing fees for the Year to BSE and NSE and annual custodian fees to NSDL and CDSL on time.

6.14 Details of debentures listed on stock exchanges

The secured redeemable non convertible debentures (NCDs) of the Company of face value of ₹ 1,000 each offered for subscription to public under Prospectus dated, August 31, 2012 and November 18, 2013 are listed on both NSE and BSE. The NCDs offered to Public in terms of Prospectus dated March 24, 2014 are listed on BSE. The details of the listed public and privately placed NCDs are as under :

BSE / NSE Scrip code	Interest per annum (%)	Allotment date	Due date of redemption	Face Value ₹	ISIN	Allotted (₹ in crores)	Category	Series/ Option/	Product type	Redemption value in ₹
947088/*	10.75	04-02-11	04-02-21	1000000	INE722A07182	5	PP	N.A.	NC	1000000
947180/*	9	30-03-11	30-03-17	1000000	INE722A07190	275	PP	N.A.	NC	1000000
946954/*	10.5	23-11-10	23-11-17	1000000	INE722A07166	20	PP	N.A.	NC	1000000
946991/*	10.6	13-12-10	13-12-17	1000000	INE722A07174	25	PP	N.A.	NC	1000000
948214/*	10.75	12-07-12	12-07-17	1000000	INE722A07372	21.5	PP	N.A.	NC	1000000
948219/*	10.75	26-07-12	26-07-17	1000000	INE722A07406	10	PP	N.A.	NC	1000000
947934/*	11.85	16-01-12	16-01-19	100000	INE722A08024	20	PP	N.A.	NC	100000
947935/*	11.6	27-02-12	27-08-17	100000	INE722A08032	15	PP	N.A.	NC	100000
947936/*	11.85	27-02-12	27-02-19	100000	INE722A08040	35	PP	N.A.	NC	100000
947937/*	11.60	26-03-12	26-09-17	100000	INE722A08065	10.15	PP	N.A.	NC	100000
947938/*	11.85	26-03-12	26-03-19	100000	INE722A08073	50.2	PP	N.A.	NC	100000
947891/*	11.85	15-03-12	15-03-19	100000	INE722A08057	100	PP	N.A.	NC	100000
948722/*	11.15	31-12-12	31-12-19	1000000	INE722A08081	60	PP	N.A.	NC	1000000
948932/*	11.15	07-01-13	07-01-20	1000000	INE722A08099	15	PP	N.A.	NC	1000000
951983/*	9.1	27-03-15	27-03-18	1000000	INE722A07588	100	pp	N.A.	NC	1000000
952292/*	Zero	09-06-15	21-10-16	1000000	INE722A07604	5	pp	N.A.	NC	1000000
952293/*	zero	09-06-15	01-06-17	1000000	INE722A07596	16	pp	N.A.	NC	1000000
952321/*	9.30	17-06-15	17-06-20	1000000	INE722A07612	50	PP	N.A.	NC	1000000
952335/*	9.30	22-06-15	22-06-20	1000000	INE722A07620	50	pp	N.A.	NC	1000000
952470/*	9.13	15-07-15	23-09-16	1000000	INE722A07638	100	PP	N.A.	NC	1000000
952468/*	9.11	15-07-15	26-12-16	1000000	INE722A07646	50	PP	N.A.	NC	1000000
952466/*	9.12	15-07-15	14-02-17	1000000	INE722A07653	50	PP	N.A.	NC	1000000
952507/*	9.17	17-07-15	10-07-17	1000000	INE722A07661	2.7	PP	N.A.	NC	1000000
952635/*	9.07	12-08-15	10-08-18	1000000	INE722A07679	35	PP	N.A.	NC	1000000
952937/*	8.95	30-10-15	31-10-18	1000000	INE722A07687	75	pp	N.A.	NC	1000000
952938/*	8.82	30-10-15	28-02-17	1000000	INE722A07695	150	PP	N.A.	NC	1000000
934858/N8	10.75	06-10-12	06-10-17	1000	INE722A07422	76.5	PI	II	NC	1000
934858/N8	11.75	06-10-12	06-10-17	1000	INE722A07422		PI	II	NC	1000
934860/NA	10.75	06-10-12	06-10-17	1000	INE722A07448	34.7	PI	IV	C	1666.65
934860/NA	11.75	06-10-12	06-10-17	1000	INE722A07448		PI	IV	C	1743.30
934933/NB	10.75	04-01-14	04-01-17	1000	INE722A07455		PI	I	NC	1000
934933/NB	10.75	04-01-14	04-01-17	1000	INE722A07455	43.9	PI	I	NC	1000
934933/NB	11	04-01-14	04-01-17	1000	INE722A07455		PI	I	NC	1000
934934/NC	10.75	04-01-14	04-01-18	1000	INE722A07463		PI	II	NC	1000
934934/NC	10.75	04-01-14	04-01-18	1000	INE722A07463	3.17	PI	II	NC	1000
934934/NC	11.25	04-01-14	04-01-18	1000	INE722A07463		PI	II	NC	1000
934934/NC	11.25	04-01-14	04-01-18	1000	INE722A07463		PI	II	NC	1000

BSE / NSE Scrip code	Interest per annum (%)	Allotment date	Due date of redemption	Face Value ₹	ISIN	Allotted (₹ in crores)	Category	Series/ Option/	Product type	Redemption value in ₹
934935 / ND	10.75	04-01-14	04-01-19	1000	INE722A07471	50.2	PI	III	NC	1000
934935 / ND	10.75	04-01-14	04-01-19	1000	INE722A07471		PI	III	NC	1000
934935 / ND	11.5	04-01-14	04-01-19	1000	INE722A07471		PI	III	NC	1000
934935 / ND	11.5	04-01-14	04-01-19	1000	INE722A07471		PI	III	NC	1000
934936 / NE	10.75	04-01-14	04-01-17	1000	INE722A07489	23.5	PI	IV	C	1358.41
934936 / NE	10.75	04-01-14	04-01-17	1000	INE722A07489		PI	IV	C	1358.41
934936 / NE	11	04-01-14	04-01-17	1000	INE722A07489		PI	IV	C	1367.63
934936 / NE	11	04-01-14	04-01-17	1000	INE722A07489		PI	IV	C	1367.63
934937 / NF	10.75	04-01-14	04-01-18	1000	INE722A07497	2.76	PI	V	C	1504.44
934937 / NF	10.75	04-01-14	04-01-18	1000	INE722A07497		PI	V	C	1504.44
934937 / NF	11.25	04-01-14	04-01-18	1000	INE722A07497		PI	V	C	1531.79
934937 / NF	11.25	04-01-14	04-01-18	1000	INE722A07497		PI	V	C	1531.79
934938 / NG	10.75	04-01-14	04-01-19	1000	INE722A07505	28.2	PI	VI	C	1667.17
934938 / NG	10.75	04-01-14	04-01-19	1000	INE722A07505		PI	VI	C	1667.17
934938 / NG	11.5	04-01-14	04-01-19	1000	INE722A07505		PI	VI	C	1723.35
934938 / NG	11.5	04-01-14	04-01-19	1000	INE722A07505		PI	VI	C	1723.35
934939 / NH	10.75	04-01-14	04-01-19	1000	INE722A07513	1.96	PI	VII	NC	#
934939 / NH	10.75	04-01-14	04-01-19	1000	INE722A07513		PI	VII	NC	
934939 / NH	11.25	04-01-14	04-01-19	1000	INE722A07513		PI	VII	NC	
934939 / NH	11.25	04-01-14	04-01-19	1000	INE722A07513		PI	VII	NC	
935042 / *	10.5	03-05-14	03-05-16	1000	INE722A07521	59.6	PI	I	NC	1000
935042 / *	11	03-05-14	03-05-16	1000	INE722A07521		PI	I	NC	1000
935042 / *	11	03-05-14	03-05-16	1000	INE722A07521		PI	I	NC	1000
935044 / *	10.75	03-05-14	03-05-17	1000	INE722A07539		PI	II	NC	1000
935044 / *	11.5	03-05-14	03-05-17	1000	INE722A07539	35.1	PI	II	NC	1000
935044 / *	11.5	03-05-14	03-05-17	1000	INE722A07539		PI	II	NC	1000
935046 / *	10.85	03-05-14	03-05-19	1000	INE722A07547		PI	III	NC	1000
935046 / *	11.75	03-05-14	03-05-19	1000	INE722A07547		PI	III	NC	1000
935048 / *	10.5	03-05-14	03-05-16	1000	INE722A07554	2.55	PI	IV	C	1221.03
935048 / *	11	03-05-14	03-05-16	1000	INE722A07554		PI	IV	C	1232.10
935048 / *	11	03-05-14	03-05-16	1000	INE722A07554		PI	IV	C	1232.10
935050 / *	10.75	03-05-14	03-05-17	1000	INE722A07562		PI	V	C	1358.41
935050 / *	11.5	03-05-14	03-05-17	1000	INE722A07562	7.65	PI	V	C	1386.20
935050 / *	11.5	03-05-14	03-05-17	1000	INE722A07562		PI	V	C	1386.20
935052 / *	10.85	03-05-14	03-05-19	1000	INE722A07570		PI	VI	C	1673.70
935052 / *	11.75	03-05-14	03-05-19	1000	INE722A07570		PI	VI	C	1742.76
935052 / *	11.75	03-05-14	03-05-19	1000	INE722A07570	14.5	PI	VI	C	1742.76

*Not listed in NSE

#Repayable in three equal tranches of 33.33% of the face value at the end of 36/48/ 60 months from the date of allotment

Privately Placed ("PP"), Public Issue ("PI"), Cumulative ("C"), Non-Cumulative ("NC"). Not Applicable ("NA"). The details of these NCDs may be related to respective offer documents and offer document shall be final.

The Company had paid redemption value to NCD holders for ISIN : INE722A07414 and INE722A07430 on it's due date on October 6, 2015 and applicable Interest to NCD holders for ISIN : INE722A07422 on March 31, 2016, the due date being April 1, 2016. Interest to NCD holders for ISIN : INE722A07455, INE722A07463, INE722A07471 and INE722A07513 were paid on due date on January 4, 2016. The NCDs redeemed are extinguished by the Company and no claim shall lie against the Company. All complaints relating to the above said public issue of NCDs received during the Year were suitably addressed.

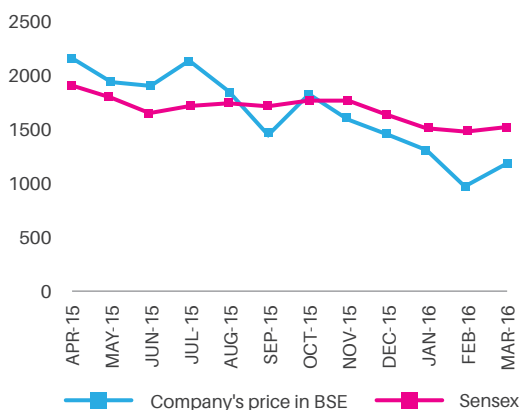
6.15 Stock market price data

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

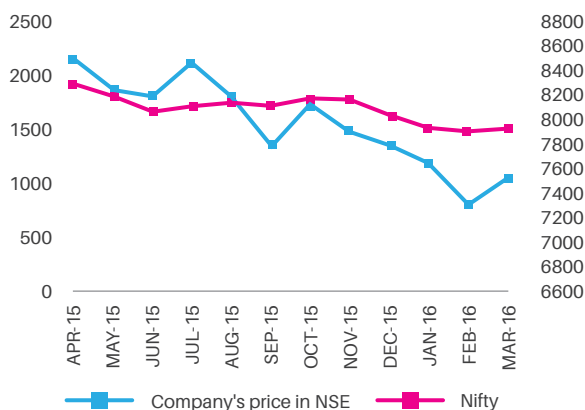
Month	NSE						BSE					
	Per share price (in ₹) of the Company		Volume of shares traded	NIFTY (in ₹)			Per share price (in ₹) of the Company		Volume of shares traded	SENSEX (in ₹)		
	High	Low		High	Low	Average	High	Low		High	Low	Average
Apr 2015	2010.65	1857.10	734304	8834.00	8181.50	8507.75	1997.45	1862.45	19845	29044.44	27011.31	28027.88
May 2015	1940.60	1677.50	440965	8458.95	8057.30	8258.13	1944.10	1672.50	44271	27957.50	26599.11	27278.31
Jun 2015	1752.20	1567.45	522219	8433.40	7965.35	8199.38	1740.00	1570.45	343988	27895.97	26370.98	27133.48
Jul 2015	1799.40	1620.90	224385	8633.50	8328.55	8481.03	1803.45	1612.15	87324	28504.93	27459.23	27982.08
Aug 2015	1858.35	1629.85	840232	8588.65	7791.85	8190.25	1867.00	1625.70	844229	28298.13	25714.66	27006.40
Sep 2015	1798.55	1625.05	191736	7981.85	7558.80	7770.35	1787.10	1634.00	7040	26218.91	24893.81	25556.36
Oct 2015	1863.25	1698.20	213454	8295.45	7950.90	8123.18	1865.20	1691.00	10369	27470.81	26220.95	26845.88
Nov 2015	1828.90	1726.70	311473	8060.70	7731.80	7896.25	1823.55	1730.90	3619	26590.59	25482.52	26036.56
Dec 2015	1729.65	1529.45	214837	7954.90	7610.45	7782.68	1730.65	1523.80	4822	26169.41	25036.05	25602.73
Jan 2016	1613.40	1387.40	150478	7963.20	7276.80	7620.00	1606.35	1394.65	9680	26160.90	23962.21	25061.56
Feb 2016	1540.70	1403.40	364130	7555.95	6970.60	7263.28	1518.70	1398.75	214352	24824.83	22951.83	23888.33
Mar 2016	1524.70	1461.70	281103	7735.20	7222.30	7478.75	1529.40	1472.75	4672	25341.86	23779.35	24560.61

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

Company's Share Price Vs Sensex



Company's Share Price Vs Nifty



6.17 Registrar and Transfer Agents (RTAs)

Particulars	Name	Address	Contact person name	Telephone number	Fax Number	E-mail id
Equity Shares & Dividend	Integrated Enterprises (India) Ltd	2nd Floor, Kences Towers, No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai - 600 017	Ms. Anusha N	+91 44 2814 0801 /02/03	+91 44 2814 2479	corpserv@integratedindia.in
Public issue of NCDs 2012			Mr K Balasubramanian			scuf@integratedindia.in
Public issue of NCDs 2013	Shriram Insight Share Brokers Ltd	CK - 5 & 15, Sector II, Salt Lake City, Kolkata - 700 091	Mr. Pratyush Pal	+91 33 3250 7069 +91 33 2358 7188	+91 33 2358 7189	scuf_nov13@shriraminsight.com
Public issue of NCDs 2014						scuf_mar14@shriraminsight.com

6.18 Trustees for NCDs

Particulars	Name	Address	Contact person name	Telephone number	Fax Number	E-mail id
Public issue of NCDs 2012	GDA Trusteeship Ltd	GDA House, First Floor, Plot No. 85, S No. 94 & 94, Bhusari Colony (Right), Kothrud, Pune - 411 038	Mr. R K Kulkarni	+91 20 2528 0081	+91 20 2528 0275	dt@gdatrustee.com
Public issue of NCDs 2013						
Public issue of NCDs 2014						

6.19 Share transfer system

Transfer of shares held in dematerialised form are done through the depositories with no involvement of the Company. Transfer of shares existing in physical form are processed and duly endorsed share certificates are issued within stipulated time subject to documents lodged being valid. The transfer documents can be lodged with respective RTAs as mentioned above for transfer of securities existing in physical form. The Board has delegated the authority to approve transfer, transmission etc of securities of the Company to its Securities Management Committee. As stipulated under clause 47 (c) of the erstwhile listing agreement with stock exchanges and Regulation 40(9) of the LODR, the Company obtained half yearly certificates of compliance with share transfer formalities and compliance with issuance of

certificates for securities respectively from Sri P. Sriram, Company Secretary in practice and filed copies of the said certificates with BSE & NSE during the Year within stipulated time. There were no deviations reported in the said certificates.

6.20 Updation of Nomination and PAN

Facilities for making nomination is available for securities held in physical form and the same can be registered with respective RTA by applying in the specified form available with RTA. Updation of nomination for securities held in dematerialized form can be done with respective Depository Participant ("DP"). SEBI has made it mandatory for making the PAN card of transferor, transferee, legal heir (in case of transmission) available to the RTA/Company at the time of transfer/transmission/issue of duplicate certificate. Accordingly, members are advised to update their PAN with respective RTA/DP.

6.21 Distribution of shareholding as at March 31, 2016

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
UPTO 500	6,399	90.91	5,08,217	0.77
501-1000	288	4.09	2,07,863	0.32
1001-2000	130	1.85	1,88,613	0.29
2001-3000	53	0.75	1,32,723	0.20
3001-4000	22	0.31	75,704	0.11
4001-5000	13	0.18	61,183	0.09
5001-10000	35	0.50	2,70,166	0.41
10001 AND ABOVE	97	1.41	6,44,82,683	97.81
Total	7,037	100	6,59,27,152	100

6.22 Shareholding pattern (in %) as at March 31, 2016

Promoters	Mutual Funds	Banks	FII	Bodies Corporate	Individuals	Trusts	Limited Liability Partnership	Foreign Company	Foreign Port Folio Investor	NRIs	FI - Others	Others - clearing Members	Total
33.78	1.68	0.15	11.40	11.24	2.35	0.00	0.19	20.36	18.76	0.08	0.00	0.01	100.00

6.23. Dematerialisation of shares and liquidity

The Company's equity shares are tradable compulsorily in dematerialised form in the stock exchanges. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2016, 6,56,57,865 nos of equity shares (99.59 % of the shares), exist in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

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

The Company has not issued any GDRs / ADRs. The Company has granted stock options to the eligible employees of the Company under Employees Stock Option Scheme, 2006. The disclosure of the scheme are set out under annexure - 7 to Report of Directors.

6.25 Location

The Company is in the business of Non Banking Finance and operates through various offices in India. The list of locations are mentioned in this Annual Report.

6.26 Address for correspondence

Registered Office : 123, Angappa Naicken Street,
Chennai 600 001,
Ph: +91 44 25341431

Secretarial Office: 144, Santhome High Road,
Mylapore, Chennai 600 004.
Ph : +91 44 4392 5300
Fax No: +91 44 4392 5430
Email : sect@shriramcity.in

6.27 Calendar for the financial Year 2016 - 2017 (tentative)

Annual General Meeting	September, 2017
Unaudited results for the quarter ending June 30, 2016	Last week of July, 2016

Unaudited results for the quarter / half - Year ending September 30, 2016

Last week of October, 2016

Unaudited results for the quarter ending December 31, 2016

Last week of January, 2017

Audited results for the Year ending March 31, 2017

Last week of May, 2017

6.28 Adoption of Mandatory and Non Mandatory requirements under LODR

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

7. COMPLIANCE CERTIFICATE FROM CEO AND CFO

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

8. COMPLIANCE CERTIFICATE FROM THE AUDITORS REGARDING CORPORATE GOVERNANCE BY THE COMPANY

Certificate from the auditors of the Company, M/s Pijush Gupta & Co, Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Part E of Schedule V of LODR is attached to this report (Annexure No - 2).

9. PROFILE OF DIRECTORS SEEKING APPOINTMENT AND REAPPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 (3) OF THE LODR

Sri Ranvir Dewan (DIN-01254350), Singapore Citizen, aged 62 years (Date of Birth - August 8, 1953), holds a Bachelor's of Commerce (honours course) from the University of Delhi. He was re-appointed as a Director on July 28, 2014. He is Fellow of the Institute of Chartered Accountants of England and Wales (FCA) and a member of the Institute of Chartered Accountants Ontario. Sri Ranvir Dewan has immense knowledge and extensive experience in the field of Corporate Finance, accounts and audit. He is working in TPG Capital as head of Financial Institutions Group operations since June 2006 and is based in Singapore. He was Executive Vice President and CFO of Standard Chartered First Bank in Seoul, Korea. He spent 13 years at Citibank and held various senior positions in its international businesses. In his previous assignment he was Vice President and Regional Financial Controller of Citibank's Global Consumer Bank with responsibilities covering 11 countries in the Asia Pacific Region. He held senior positions with KPMG in Canada and England where he specialized in the Audits of financial institutions. Sri Ranvir Dewan serves on the Board of Union Bank of Colombo and Union Bank Finance Company Limited, Sri Lanka. He is not related to any director, *inter-se* of the Company and does not hold any shares in the Company.

Sri Khushru Burjor Jijina (DIN - 00209953), Indian Citizen, aged 51 years (Date of Birth - April 23, 1965), is a Chartered Accountant with career spanning over 3 decades in the field of real estate, corporate finance and treasury management and has been with the M/s Piramal Group ("PG") for more than 15 years. Sri Khushru Jijina is the Managing Director of Piramal Fund Management Private Limited (PFM), the largest real estate fund and investment management platform in India, overseeing the entire spectrum of activities ranging from origination, investments, asset, exits and new fund raising performed by an 80+ member management team under his supervision. Apart from being a key person for PFM, Sri Jijina also

serves as Group Treasurer and leads the Family Office for all proprietary investments. Prior to PFM, Sri Jijina spearheaded PG's foray into real estate as the Managing Director of M/s Piramal Realty. He was an Executive Director in M/s Piramal Sunteck Realty, where he was responsible for a portfolio of projects spanning Mumbai, Navi Mumbai, Nagpur, Jaipur and Oman and oversaw all aspects of their execution. He started his career with M/s Rallis India Limited where he held several important positions in corporate finance over a span of 12 years. The PFM platform, under his leadership, is organized around an integrated approach to real estate funding and is capable of catering to the entire capital stack i.e. early state private equity, structured / mezzanine equity, structured debt, senior secured debt, construction finance as well as bulk buying of individual residential units. PFM currently manages / advises an AUM of \$1.8bn in addition to a proprietary debt book with gross disbursements north of \$1.6bn. In 2014, PFM also formalized a \$0.5bn strategic JV with Canadian Pension Plan Investment Board (CPPIB) for high yield residential debt funding, the largest FDI investment into India since 2005. PFM has been widely recognized for its many successes including being awarded the Firm of the Year - India as well as the Debt Fund Manager of the Year - Asia, by the PEI Global Private Equity Real Estate (PERE) awards and the 'Best Overall Investment Manager - India' by Euromoney in 2015. In addition PFM was also voted as the 'Best Domestic Fund House' by CNBC Awaaz in 2014.

He serves on the Boards of Alpex Holdings Private Limited, AASAN Info Solutions (India) Limited, Gerah Enterprises Private Limited, IndiaVenture Advisors Private Limited, Neelima Investment Private Limited, Neelima Investments Private Limited, Nicholas Piramal Pharma Private Limited, PHL Fininvest Private Limited, Piramal Assets Reconstruction Private Limited, PEL Asset Resurgence Advisory Private Limited, Piramal Corporate Services Limited, Piramal Finance Private Limited, Piramal Fund Management Private Limited, Piramal Sunteck Realty Private Limited, Piramal Texturising Private Limited, Propiedades Realties Private Limited, Shriram Housing Finance Limited, Tarapur Infrastructure Private Limited,

The Swastik Safe Deposit & Investments Limited and Vulcan Investments Private Limited. He is not related to any director, *inter-se* of the Company and does not hold any shares in the Company.

Sri Shashank Singh (DIN-02826978), Indian Citizen, aged 40 yrs (Date of Birth - June 3, 1976), is an MBA from Harvard Business School, an MA in Economics from Cambridge University and a BA (Honours) from St. Stephen's College (University of Delhi). Sri Shashank Singh is a Partner and Head of the India office of M/S Apax Partners LLP ("Apax"), the global Private Equity fund based out of Europe. Sri Shashank Singh joined Apax in 2004 in London and helped to start operations in India in 2007. He has led or participated in a number of investment deals of Apax in India in Information

Communication & Technology ("ICT") Companies and Non Banking Finance Companies ("NBFC") like Chola, Zensar, GlobalLogic, IGATE, Apollo Hospitals, TIM Hellas, Weather Investments, TDC, Bezeq, Synetrix and Shriram City Union Finance Limited. Prior to joining Apax Partners, Sri Shashank Singh was a strategy consultant with Monitor Company, where he advised clients in ICT.

He serves on the Boards of GlobalLogic, Inc, Zensar Technologies Limited and Greatship India Limited and was previously on the Boards of IGATE and Apollo Hospitals. He is on the Board of Dasra (an NGO) and is a Trustee of the Apax Foundation. He is not related to any director, *inter-se* of the Company and does not hold any shares in the Company.

Annexure 2

PIJUSH GUPTA & CO

CHARTERED ACCOUNTANTS

P-199, C.I.T.ROAD,SCHEME IV-M, KOLKATA -700 010

CORPORATE OVERVIEW

1-23

STATUTORY REPORTS

24-81

FINANCIAL STATEMENTS

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To
The Members of
Shriram City Union Finance Limited

We have examined the compliance of conditions of Corporate Governance by Shriram City Union Finance Ltd ("the Company") for the Year ended on March 31, 2016, as required under Part E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company .

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 24, 27, Schedule II, Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pijush Gupta & Co.
Firm Registration No. 309015E
Chartered Accountants

Pijush Kumar Gupta
Partner
Membership No. 015139

Place : Chennai
Date : April 27, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

Global economic activity remained subdued in 2015 and is expected to grow at 3.4% in 2016 and 3.6% in 2017. The year had contrary trends with advanced economies having a modest recovery, and declining growth in emerging market and developing economies. The US economy was supported by eased out monetary policies and the firming of housing and labour markets.

Chinese economy witnessed a gradual slowdown, as it moved away from investment and manufacturing toward consumption and services.

Countries currently in economic distress, Brazil, Russia, and some countries in the Middle East, are expected to show gradual improvements in the growth rate and in turn contribute to the growth of the Global economy in the years to come.

Global growth trend

	2015	2016 (P)	2017 (P)
World Output	3.1	3.2	3.5
Advanced Economies	1.9	1.9	2.0
United States	2.4	2.4	2.5
Euro Area	1.6	1.5	1.6
Japan	0.5	0.5	-0.1
United Kingdom	2.2	1.9	2.2
Other Advanced Economies *	2.0	2.1	2.4
Emerging and Developing Economies	4.0	4.1	4.6
China	6.9	6.5	6.2

P: Projections *(Excludes the G7 - Canada, France, Germany, Italy, Japan, United Kingdom, United States and euro area countries)
 (Source: International Monetary Fund, 2016)

Indian Economy

India's GDP grew by 7.6% in 2015-16, making it one of the fastest growing major economies in the world. The International Monetary Fund (IMF) predicts Indian GDP to grow at 7.5% for the years 2016 and 2017.

India remained on moderate growth radar owing to positive policy initiatives of the government, low interest rates, declining fiscal deficit, and moderating inflation. As inflation eased sharply, the Reserve Bank of India (RBI) was able to cut interest rates four times this year.

During 2015-16, continuing fiscal consolidation has reduced the central government's fiscal deficit to close to 4% of GDP (on a 12-month rolling basis), down from a

peak of 7.6% in 2009. Current account deficit narrowed to 1.3% of the gross domestic product in the fiscal third quarter from 1.5% in the year-earlier period, as the country's trade deficit contracted.

The government is aggressively implementing reforms in the agricultural, manufacturing and services sectors to take the economy on a higher and sustainable growth trajectory. The government's continuing efforts to ease doing business in India is attracting foreign direct investments into the country. FDI into the country has increased by 37% after the launch of 'Make in India' programme in the 17-month period from October 2014 to February 2016 (Source: Government of India Report).

Indian GDP growth

	2013-14	2014-15	20 15-16
Sectors			
Agriculture, forestry & fishing	3.7	1.1	1.1
Industry	4.5	5.9	6.1
Services	9.1	10.6	10.9
GDP at market prices	6.9	7.4	7.6

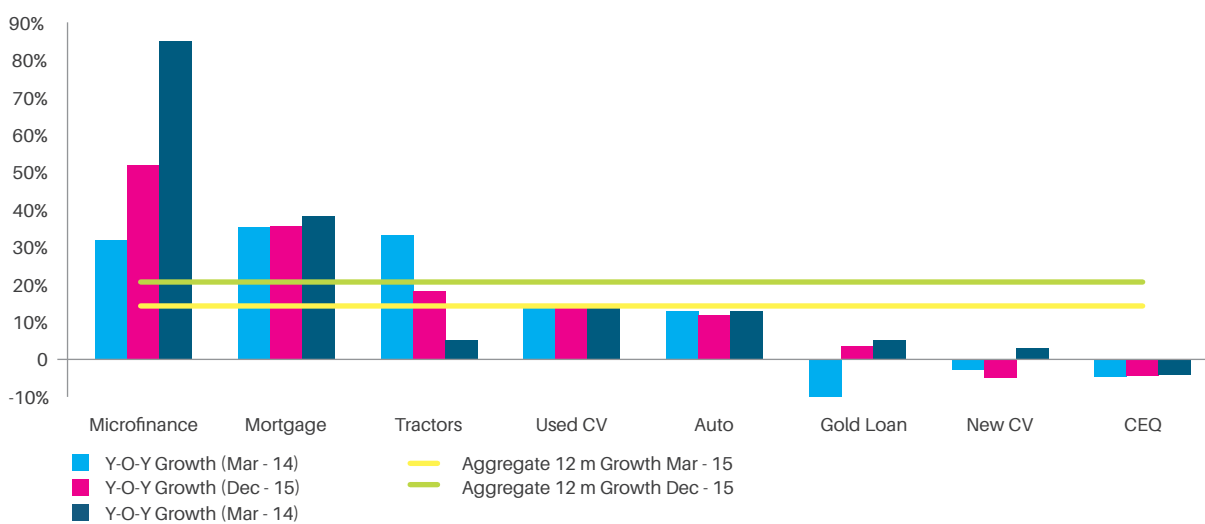
(Source: CSO)

Indian Non-Banking Financial Company (NBFC) Sector

Non-banking finance companies (NBFCs) form an integral part of the Indian financial system. They increase financial inclusions by reaching out to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), and play an important role in nation building.

The financial sector is currently characterised by evolution of payment banks, financial inclusion initiatives and improving access to Micro, Small and Medium Enterprises (MSME). Retail credit of NBFCs stood at ₹4.7 trillion as on December 31, 2015, reporting a yoy growth of 18.8% as against growth rates of 14.5% in FY 2015 and 9.5% in FY 2014. Retail credit growth has picked up since FY2015, particularly in the microfinance, gold loan and mortgage segments. (Source: ICRA)

FIGURE 2 : NBFC Credit Growth Across Segments



Growth Drivers

- Stress on public sector units
- Latent credit demand
- Digital disruption, especially for micro, small and medium enterprises (MSMEs)
- Increased consumption
- Distribution reach and sectors where traditional banks do not lend

Government Initiatives

The government acknowledging the importance of this sector in recent months have taken steps to liberalise, regulate, and enhance the sector.

- Greater financial inclusion is being encouraged with schemes such as the 'Jan Dhan' and issuing new licences to Small Finance Banks and Payment Banks
- Several key direct tax changes have been proposed in the Finance Bill 2016, which is expected to positively impact the financial services industry

- MSME are gaining ground, with the establishment of the MUDRA Bank as a funding agency to downstream MSME financiers. In addition to this, Banks, financial institutions and Non-Banking Financial Companies (NBFCs) are being encouraged to lend to the MSME segment through small loans classified under the Pradhan Mantri MUDRA Yojana

Indian economy is transiting into the digital phase, and technology changes are expected to set a steady pace of growth for the sector. The industry is trending towards the use of data management and analytics to understand customer behaviour patterns and needs. Peer-to-peer lending sites and crowd funding sites are increasing the access of people outside the formal banking circumference to banking facilities.

The gross national savings in India is expected to reach USD 1, 272 billion by the end of 2019. India's HNWIs (high net worth individual) wealth is also likely to expand at a CAGR of 19.7% and reach around USD 3 trillion by 2020. This will promote further saving and investment among the Indian households, leading to greater engagement. (Source: India Brand Equity Foundation)

Enterprise Finance

MSME sector has become an important growth driver for the overall economy in India, and can contribute significantly to employment generation and development of the Indian economy. It is one of the key drivers for India's transition from an agrarian to an industrialised economy.

Indian MSME Sector has approximately 45 million units that produce more than 6,000 products ranging from traditional to high-tech items. The sector employees around 101 million people, and contributes 8-9% to the country's GDP. (Source: Laghu Udyog Samachar, Special Issue on Make In India, February 2016)

Growth Drivers

- Rising government initiatives
- Product innovation
- Increase in number of entrepreneurs in the country
- Augmenting financial infrastructure support to MSME
- Rise in financial literacy

The Union Budget for 2016-17 has allocated a sum of ₹3,02,885 crore to the MSME sector. While the funding requirements of MSMEs continue to be less than adequately served by organised lenders, the government is making efforts through projects such the Pradhan Mantri MUDRA Yojana to make financing more easily available to micro enterprises.

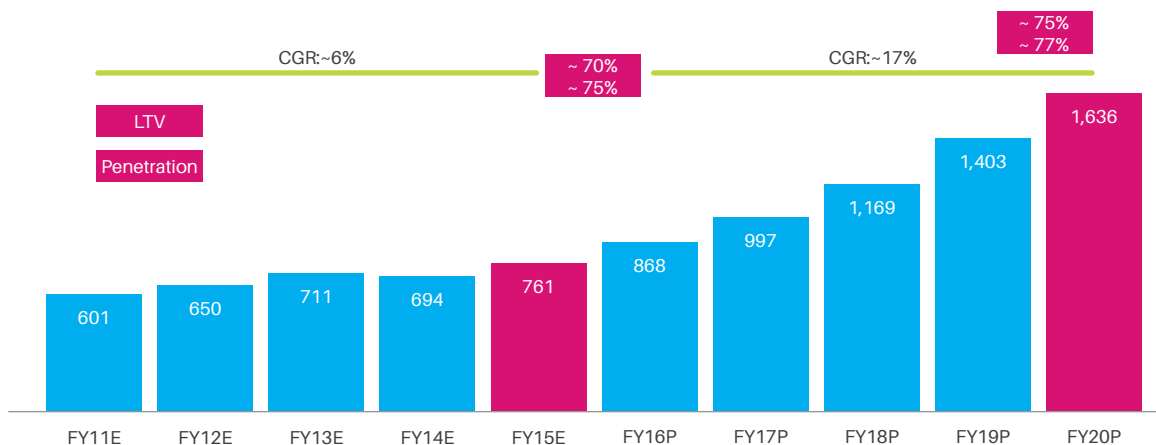
Public sector banks have provided the majority of finance to MSMEs, but now private banks are also eyeing the opportunity in financing small businesses within the MSME segment to drive their business growth.

Auto Loans

The car finance industry is witnessing growth and is steadily moving towards recovery. Intense competition in the recent times has led to reduced interest rates and product innovations. Financiers have been highly focussed on increasing penetration and volumes.

The Passenger Vehicle (PV) finance forms the largest segment of the auto financing industry by constituting almost 60% share. PV finance penetration is set to grow buoyed by underlying asset sales, entry of new customer segments like fleet operators, and entry of new players in the market. The new PV finance market is attractive for new entrants due to current substantial size, high finance penetration and strong underlying asset sales, which should continue to drive the market growth in the future. (Source: Ernst & Young)

... New PV finance disbursements have turned positive and will continue to grow



The used car market is witnessing a shift towards the formal channel, which is driving its demand. The used car market is currently 1.2X of the new car market, and is a significant contributor to the car finance industry.

Commercial vehicle loans constituted a major part of NBFCs share in the overall credit, which grew from 10% in 2004-05 to 13% in 2014-15. (Report by the Confederation of Indian Industry (CII) and the Boston Consulting Group.)

Growth Drivers

- Rising demand for cars fuelled by expansion in middle income population of the country
- Rising personal disposable income
- Reduction in average ownership period
- Boost in the used-car market demand

NBFCs and Captives are emerging as a key driver of growth and innovation in the Industry. Most foreign OEMs have set-up captive financing companies in India to improve finance penetration and encourage sales.

Rising awareness about financial operations and advancement in data utilisation and technology for reducing risk are further expected to increase financing for cars in India. Society of Indian Automobile Manufacturers (SIAM) expects vehicle sales to get a further 6-8% boost in the country, due to the cut in the bank lending rates.

Two Wheeler Loans

As per Society of Indian Automobile Manufacturers (SIAM), sales in the overall two-wheelers segment, which includes off-take for scooters, motorcycles and mopeds, grew by 3.01% to 16,455,911 units in 2015-16 from 15,975,561 units sold in 2014-15.

Growth drivers

- High growth rate in scooter segment
- Launch of new models
- Competitive pressure could keep prices low and retain the attractiveness of the segment

Acquisition of two wheelers however continues to be largely cash-financed, with almost 70% of two wheeler purchases being cash-based. However, NBFCs hold 80% of the market share of the finance component.

The slowdown in rural India has adversely impacted two-wheeler sale. However, as rural areas witness sound monsoon conditions and eventually see a growth in rural incomes in the future, two wheeler demand will also see a boost.

Gold Loans

India accounts for approximately 10% of the total world gold stock in 2010. (Source: United Nations, 2006) This makes the country, one of the largest gold markets and the demand for gold is rising continuously. The cumulative annual demand for gold in India is expected to increase to more than 1200 metric tons by 2020. (Source: Asian Development Bank, Manila Government of India, 2007, Eleventh Five Year Plan Document, Planning Commission)

Growth Drivers

- Prevalence of high level of rural indebtedness
- Easy availability of gold loans on extremely flexible terms
- Relative scarcity of personal and retail loans from the banks

After having been sluggish for much of the last two years, gold prices perked up in the last quarter of FY 2016, showing positive sign for the gold loan industry. The higher prices may further hamper the government's efforts to curb gold consumption as a tool to control the country's Current Account Deficit. Apart from imposing higher import duties, the government in recent times has put efforts to substitute the demand for household and temple gold with virtual gold products as entailed in the Sovereign Gold Bond and Gold Monetisation Schemes.

The entry of organised sector in recent years, especially the entry of new players like NBFCs into the field of gold loan, has made the business more profitable.

Outlook

The financial services industry is highly interrelated to overall economic growth and has been a large driver of this growth. The improving GDP growth path is therefore expected to further drive the financial services industry. Improved rural economy, higher job creation would also form the base for increased consumption demand and thus help the source of economic growth.

Going forward, firms with a diversified business model and a consistent strategy are most likely to gain from the improving prospects of the industry. There is a necessity for players to implement a holistic approach on going digital and integrating business strategy with all constituents of their operating model ecosystem to create a remarkable customer experience.

Shriram City Union Finance Ltd.

Shriram City Union Finance is a prominent financier of the Micro, Small and Medium Enterprise (MSME) sector, besides also enjoying pre-eminence in the field of Two Wheeler loans. Gold loans too constitute a significant portion of the Company's asset book, and Pre-owned Auto loans and Personal Loans round off its product offerings. The Company has a fast-growing housing finance business operated by a subsidiary.

Performance highlights 2015-16

- Income from Operations grew by 10.13 % year-on-year (YOY) to ₹ 3834.87 Crores
- Profit after Tax decreased to ₹ 529.78 Crores, de-grown by 5.07% YOY
- Assets under Management increased by 17.10% YOY to ₹ 19,575.82 Crores
- Loans worth ₹ 18,648.54 Crores were disbursed, a growth of 8.41% YOY
- Net Owned Funds increased by 10.22 % YOY to ₹ 4504.95 Crores
- Capital Adequacy was at the robust level of 26.14%

SCOT Analysis

Strengths

- **Building on relationship:** The Company possesses a specialised business model focused on serving Small Business Owners, especially of the un-served and underserved category. The Company also enjoys leadership status in the Two Wheeler financing segment. Relationship-based lending and decentralised decision-making provide a competitive edge.
- **Established leadership:** The Asset Under Management of the company has grown consistently at a CAGR of 28% from FY 2008-14. The growth has been driven by small enterprises and under banked semi-urban customers. The company has established leadership in the small enterprise segment, which has very low competition. 80% of our branch network is in underpenetrated segment across semi-urban

CUSTOMER
BASE

35.72 Lacs

BRANCHES ACROSS
THE COUNTRY

976

EMPLOYEES

25,472

India and possesses huge potential for growth due to rising income levels. Our efforts are focused on building and tapping 'long term customer relationships' across Shriram ecosystem

- **Diversified product offering:** We have successfully diversified our product offerings from traditional two-wheeler and auto financier to gold loans and personal loans. We further diversified our offerings to the high growth housing finance segment and small enterprise finance. We aim to continue rollout of full range of products at all business outlets
- **Group synergies:** The company banks upon the expanded reach of the Shriram Ecosystem by optimum utilisation of the existing branch and distribution network, sales force, customer base and brand goodwill
- **Robust in-house capabilities:** We have a tailored credit appraisal technique, stringent risk management framework and are guided by an experienced management

Challenges

The macro-economic situation has to further improve for growth to accelerate at the Company level. The Company also has to deal with asset quality issues.

Opportunities

- The Company is in a position to consider deepening product segments (e.g., entering the larger-ticket Enterprise Finance space) because of the resources available to it

- Inorganic growth opportunities could also be assessed
- Under banked areas and populations provide huge expansion opportunity

Threats

Any changes in the regulatory environment could affect the performance of the Company. The entry of Small Finance Banks, and to an extent that of Payment Banks could in the medium term call for a recalibration of strategy in certain product-and geographic segments.

Resources Management

Loans from banks and financial institutions continue to constitute about half of the Company's resources, and the Company procures these at rates comparable

with the best in the industry. The effort to attract finer pricing will be further aided next year by the new, marginal cost-based method recently adopted by Banks to calculate their Base Rates. During the third quarter of the year 2015-16, the Company capitalised extensively on the lower interest rates then prevailing in the money market, and used the Commercial Paper route to maximum effect.

Risk Management

The Company's business model has comprehensive and integrated risk management framework that comprises a clear understanding of strategy, policy initiatives, prudential norms, proactive mitigation and structured reporting.

The Company follows a systematic framework to manage its risks which is as follows:

Risk identification	<ul style="list-style-type: none"> ■ Understand the principal risks fundamental to achieving our strategy ■ Establish and communicate the risk management framework including responsibilities, authorities and key controls
Risk measurement	<ul style="list-style-type: none"> ■ Establish the process for analysing business-level risks ■ Agree and implement measurement and reporting standards and methodologies
Risk mitigation	<ul style="list-style-type: none"> ■ Establish key control processes and practices, including limit structures, provisioning requirements and reporting standards ■ Monitor controls and adherence to risk direction and limits ■ Ensure that risk management practices and conditions are appropriate for the business environment
Risk reporting	<ul style="list-style-type: none"> ■ Interpret and report on risk exposures, concentrations and risk-taking outcomes ■ Agree and operate early warning reporting processes that are used to highlight issues at a Company and business level ■ Ensure that processes are in place to operate appropriate reporting and controls to ensure that the risk profile is maintained within risk appetite/tolerance

Credit Risk Management: The Company possesses a robust risk management template to manage risks associated with underwriting and customer defaults. Customer selection is of paramount importance, and in this the Company's Business Development and Credit teams have the necessary expertise to ensure asset quality. Underwriting decisions are based on knowledge about the prospective customer's business as well as assessment of his cash flows and ensuring adequacy of collateral or guarantees.

Operational Risk Management: Despite decentralisation, credit underwriting at the Company adheres to a comprehensive Credit Policy. Deviations are referred to senior officials without affecting turn-around times. While branches are delegated authority represented by decentralisation, they are given the responsibility of collections as well.

In addition, the Company's Risk Committee reviews and discusses all assets with significant risks, including deliberating on the sector-specific and systemic risks in the business environment. Other key variables monitored for risk are interest rate and liquidity.

Human Resource Risk Management: The Company offers a challenging and yet rewarding work environment to its workforce. Employees are trained to think like entrepreneurs and are rewarded monetarily as well as with career advancements for achievements. The Company has among the lowest employee attrition levels beyond the two-year vintage.

Interest Rate Risk Management: The Company's resources are a blend of fixed and floating rate loans borrowings, while its asset offerings are fixed rate products. Any risk arising from this situation is however

mitigated by the Company choosing its lenders with care, negotiating hard, thereby ensuring the finest rates for itself, and keeping a positive Asset-Liability Mismatch.

Internal control systems and their adequacy

The Company possesses adequate internal controls to ensure that all assets are protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly. An efficient Internal Audit department monitors adherence to these controls. Statutory auditors also present their suggestions to the appropriate committees of directors for improvements in control and compliance.

Human Resources

The Company considers its workforce to be its greatest asset. It accordingly invests in training and long-term development programs for its employees. During the year under review, the Company conducted programs aimed at upgrading the work-specific skills of its workforce. Additional programs were undertaken towards motivational and behavioral training.

Cautionary Statement

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

Compliance Certificate By CEO / CFO

To
The Board of Directors
Shriram City Union Finance Limited
Chennai

We, R Duruvasan, Managing Director and Chief Executive Officer and Subhasri Sriram, Executive Director and Chief Financial Officer of M/s Shriram City Union Finance Limited ("Company") to the best of our knowledge and belief, certify that

- (i) we have reviewed Company's Balance Sheet as at March 31, 2016 and statement of Profit and Loss for the Year ending on same date, Cash Flow statement as on the same, notes there to (together known as financial statements).
- (ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.
- (iii) these financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (iv) there are no transactions entered into by the Company during the Year which are fraudulent, illegal or violative of the Company's code of conduct.
- (v) we accept responsibility for establishing and maintaining internal controls for financial reporting.
- (vi) we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
- (vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the Audit and Risk Management Committee.
- (viii) we have indicated to the auditors of the Company and the Audit and Risk Management Committee that there were
 - a) no significant changes in internal control over financial reporting during the Year covered by this report;
 - b) no significant changes in accounting policy has been made during the Year covered by this report;
 - c) no significant instances of fraud detected during the Year except the frauds reported in note no 29 of Notes to Accounts.

R Duruvasan
Managing Director and Chief Executive Officer

Subhasri Sriram
Executive Director and Chief Financial Officer

Place : Chennai
Date : April 27, 2016

Form No. AOC - 2

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

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

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

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

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

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

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN**

as on the financial Year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS :

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Holding/ Associate	% of shares held	Applicable section of the Companies Act, 2013
1	Shriram Housing Finance Limited, 123, Angappa naicken Street, Chennai - 600001	U65929TN2010PLC078004	Subsidiary	77.25	2 (87) (ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage to Total Equity)**i) Category-wise share holding**

S No.	Category of shareholders	No. of shares held at the beginning of the Year				No. of shares held at the end of the Year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters										
1. Indian										
a)	Individual/ HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt (s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	22268877	-	22268877	33.79	22268877	-	22268877	33.78	-
e)	Banks/FIs	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)		22268877	-	22268877	33.79	22268877	-	22268877	33.78	-
2. Foreign										
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-

S No.	Category of shareholders	No. of shares held at the beginning of the Year				No. of shares held at the end of the Year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks /FIs	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	22268877	-	22268877	33.79	22268877	-	22268877	33.78	-
B. Public Shareholding										
1. Institutions										
a)	Mutual Funds	1380787	275	1381062	2.10	1110388	275	1110663	1.68	(0.41)
b)	Banks / FI	53587	-	53587	0.08	99353	-	99353	0.15	0.07
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	9181943	-	9181943	13.93	7514095	-	7514095	11.40	(2.53)
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify) Qualified Foreign Portfolio Investor	9252046	-	9252046	14.04	12368455	-	12368455	18.76	4.73
	Sub-total (B) (1)	19868363	275	19868638	30.15	21092291	275	21092566	31.99	1.86
2. Non - Institutions										
a)	Bodies Corporate									
i)	Indian	7606934	2400	7609334	11.55	7408005	2400	7410405	11.24	(0.30)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal Share Capital upto ₹ 1 Lakh	806590	278987	1085577	1.64	830401	266612	1097013	1.66	0.02
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	484516	-	484516	0.74	453916	-	453916	0.69	(0.05)
c)	Others (specify)									
	Clearing Members	29010	-	29010	0.04	9630	-	9630	0.01	(0.03)
	Trusts	8644	-	8644	0.01	1155	-	1155	0.00	(0.01)
	NRI	57157	-	57157	0.09	49664	-	49664	0.08	(0.01)
	Limited Liability Partnership	127280	-	127280	0.19	122037	-	122037	0.19	(0.01)
	Corporate Bodies (Foreign Bodies)	14366579	-	14366579	21.80	13421889	-	13421889	20.36	(1.43)
	Sub-total (B) (2)	23486710	281387	23768097	36.06	22296697	269012	22565709	34.23	(1.82)
	Total Public Shareholding (B) = (B) (1) + (B) (2)	43355073	281662	43636735	66.21	43388988	269287	43658275	66.22	0.03
C. Shares held by Custodian for GDRs & ADRs										
	Grand Total (A+B+C)	65623950	281662	65905612	100	65657865	269287	65927152	100.00	0.03

ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the Year			No. of shares held at the end of the Year			% Change in shareholding during the Year
		No. of shares	% of total shares of the Company	% of shares Pledged/ Encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/ Encumbered to total shares	
1.	Shriram Capital Limited	22268877	33.79	-	22268877	33.78	-	0.00

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

S No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the Year	22268877	33.79	22268877	33.79
	Date wise Increase/ Decrease in Promoters Share holding during the Year specifying the reasons for increase/decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc)	-	-	-	-
	At the end of the Year	22268877	33.78	22268877	33.78

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

S No.	Name of the Shareholder	Shareholding at the beginning (April 1, 2015)/ End of the Year (March 31, 2016)		Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	TPG India Investments I Inc	13421889	20.37	Apr 1, 2015	-	-	13421889	20.37
		-	-	* May 15, 2015	-13421889	Transfer	-	-
		-	-	Mar 31, 2016	-	-	-	-
2	Piramal Enterprises Limited	6579840	9.98	Apr 1, 2015	-	-	6579840	9.98
		6579840	9.98	Mar 31, 2016	-	-	6579840	9.98
3	Matthews India Fund	2647154	4.02	Apr 1, 2015	-	-	2647154	4.02
				Apr 10, 2015	60000	Transfer	2707154	4.11
				Apr 17, 2015	63000	Transfer	2770154	4.20
				Apr 24, 2015	65000	Transfer	2835154	4.30
				May 15, 2015	35000	Transfer	2870154	4.35
				Jun 19, 2015	40000	Transfer	2910154	4.41
				Dec 31, 2015	-40000	Transfer	2870154	4.35
				Jan 8, 2016	-20000	Transfer	2850154	4.32
		2850154	4.32	Mar 31, 2016				
4	Norwest Venture Partners X FII - Mauritius	2173502	3.30	Apr 1, 2015	-	-	2173502	3.30
		2173502	3.30	Mar 31, 2016	-	-	2173502	3.30

S No.	Name of the Shareholder	Shareholding at the beginning (April 1, 2015)/ End of the Year (March 31, 2016)		Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
5	Morgan Stanley Asia (Singapore) Pte	1389399	2.11	Apr 1, 2015	-	-	1389399	2.11
				Jun 5, 2015	150000	Transfer	1539399	2.34
				Jun 12, 2015	12088	Transfer	1551487	2.35
				Jul 31, 2015	721	Transfer	1552208	2.35
				Aug 28, 2015	-36666	Transfer	1515542	2.30
				Mar 31, 2016				
6	Steadview Capital Mauritius Ltd	1112112	1.69	Apr 1, 2015	-	-	1112112	1.69
				Apr 10, 2015	-11000	Transfer	1101112	1.67
				Sep 11, 2015	-420	Transfer	1100692	1.67
				Sep 25, 2015	-3247	Transfer	1097445	1.67
				Oct 9, 2015	-3796	Transfer	1093649	1.66
				Nov 6, 2015	-5850	Transfer	1087799	1.65
7	SBI Mutual Fund (under various sub accounts)	1091622	1.66	Mar 31, 2016				
				Apr 1, 2015	-	-	1091622	1.66
				May 22, 2015	286	Transfer	1091908	1.66
				Jun 5, 2015	5600	Transfer	1097508	1.67
				Jun 19, 2015	155000	Transfer	1252508	1.90
				Jun 26, 2015	900	Transfer	1253408	1.90
				Jul 17, 2015	800	Transfer	1254208	1.90
				Aug 28, 2015	-312683	Transfer	941525	1.43
				Sep 4, 2015	-2317	Transfer	939208	1.43
				Sep 11, 2015	420	Transfer	939628	1.43
				Nov 6, 2015	12800	Transfer	952428	1.45
				Jan 29, 2016	1003	Transfer	953431	1.47
				Feb 5, 2016	-120333	Transfer	833098	1.26
				Feb 12, 2016	-42136	Transfer	790962	1.20
				Feb 19, 2016	-2000	Transfer	788962	1.19
				Mar 11, 2016	-60000	Transfer	728962	1.11
8	Bank Muscat S A O G A/c Bank Muscat India Fund	1050000	1.59	Mar 25, 2016	-6049	Transfer	722913	1.09
				Mar 31, 2016				
				Apr 1, 2015	-	-	1050000	1.59
9	Acacia Partners LP	1000000	1.52	Mar 31, 2016	-	-	1000000	1.52
				Apr 1, 2015	-	-	1000000	1.52
10	Bessemer Venture Partners Trust	944690	1.43	Apr 1, 2015	-	-	944690	1.43
				Apr 10, 2015	-58195	Transfer	886495	1.35
				Apr 17, 2015	-78200	Transfer	808295	1.23
				May 1, 2015	-100000	Transfer	708295	1.07
				Aug 14, 2015	-13070	Transfer	695225	1.05
				Aug 21, 2015	-55305	Transfer	639920	0.97
				Aug 28, 2015	-639920	Transfer	-	-
				Mar 31, 2016				
11	Dynasty Acquisition FPI Ltd	-	-	Apr 1, 2015	-	-	-	-
				* May 15, 2015	13421889	Acquisition of shares from TPG India Investments I INC in off market transaction	13421889	20.36
		13421889	20.36	Mar 31, 2016				

S No.	Name of the Shareholder	Shareholding at the beginning (April 1, 2015)/ End of the Year (March 31, 2016)		Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
12	Apax VIII GP Co. Limited A/c Cornalina Acquisition (FII) Limited	-	-	Apr 1, 2015	-	-	-	-
				Jun 26, 2015	34000	Transfer	34000	0.05
				Jul 31, 2015	48710	Transfer	82710	0.13
		1223810	1.86	Aug 28, 2015	1141100	Transfer	1223810	1.86
13	Buena Vista Asian Opportunities Master Fund Ltd	384020	0.58	Mar 31, 2016				
				Apr 1, 2015			384020	0.58
				Apr 10, 2015	20000	Transfer	404020	0.61
				Apr 24, 2015	8000	Transfer	412020	0.63
				May 1, 2015	100000	Transfer	512020	0.78
				May 8, 2015	10000	Transfer	522020	0.79
				Jun 5, 2015	21000	Transfer	543020	0.82
				Jul 3, 2015	10687	Transfer	553707	0.84
				Jul 10, 2015	11244	Transfer	564951	0.86
				Jul 17, 2015	1069	Transfer	566020	0.86
				Aug 7, 2015	9329	Transfer	575349	0.87
				Aug 21, 2015	772	Transfer	576121	0.87
				Aug 28, 2015	71558	Transfer	647679	0.98
				Oct 9, 2015	8943	Transfer	656622	0.99
				Oct 23, 2015	24187	Transfer	680809	1.03
				Oct 30, 2015	11870	Transfer	692679	1.05
				Feb 26, 2016	1664	Transfer	694343	1.05
				Mar 4, 2016	22422	Transfer	716765	1.09
				Mar 11, 2016	1686	Transfer	718451	1.09
				Mar 18, 2016	13868	Transfer	732319	1.11
				Mar 25, 2016	11292	Transfer	743611	1.28
				Mar 31, 2016	4167	Transfer	747778	1.13
		747778	1.13	Mar 31, 2016				

* Transaction was on May 11, 2015

Shareholding of Directors and Key Managerial Personnel:

S No.		Shareholding at the beginning (April 1, 2015)/ End of the Year (March 31, 2016)		Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Sri Duruvasan Ramachandra, MD & CEO	-	-	Apr 1, 2015	-	-	-	-
				Mar 31, 2016	-	-	-	-
2	Smt Subhasri Sriram, ED & CFO	100	0.00	Apr 1, 2015	-	-	100	0.00
		100	0.00	Mar 31, 2016	-	-	100	0.00
3	Sri C R Dash, CS	9079	0.01	Apr 1, 2015	-	-	9079	0.01
		9079	0.01	Mar 31, 2016	-	-	9079	0.01

Managing Director and Chief Executive Officer ("MD & CEO"), Chief Financial Officer ("CFO") and Company Secretary ("CS")

V. INDEBTEDNESS

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

	₹ in crores			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on April 1, 2015				
i) Principal Amount	9,193.35	1,142.85	2,134.53	12,470.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	237.44	224.49	85.46	547.39
Total (i+ii+iii)	9,430.79	1,367.34	2,219.99	13,018.12
Change in Indebtedness during the financial Year				
Addition	9,123.70	3,620.00	1,358.37	14,102.07
Reduction	7,750.94	3,632.87	489.84	11,873.65
Net Change	1,372.76	(12.87)	868.53	2,228.42
Indebtedness at the end of the financial Year				
Principal Amount	10,354.16	1,140.96	3,017.61	14,512.73
Interest due but not paid	-	-	-	-
Interest accrued but not due	194.78	237.93	202.94	635.65
Total (i+ii+iii)	10,548.94	1,378.89	3,220.55	15,148.38

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

		₹ in crores	
S No.	Particulars of Remuneration	Name of MD/WTD/Manager Sri Duruvasan Ramachandra*	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.59	0.59
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.08	0.08
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others, please specify	-	-
	Total (A)	0.67	0.67

B. Remuneration to other directors:

S No.	Particulars of Remuneration	Name of Directors							Total Amount
		Sri Debendranath Sarangi	Smt Maya S Sinha	Sri Pranab Prakash Pattanayak	Sri Subramaniam Krishnamurthy	Sri Sunil Varma	Sri Venkataraman Murali	Sri Vipin Kapur	
I	Independent Directors								
	• Fee for attending Board Committee Meetings	0.045	0.029	0.041	0.046	0.008	0.050	0.043	0.262
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (I)	0.045	0.029	0.041	0.046	0.008	0.050	0.043	0.262
II	Other Non-Executive Directors								
	• Fee for attending Board Committee meetings	-	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (II)	-	-	-	-	-	-	-	-
	Total (B) = (I+II)	0.045	0.029	0.041	0.046	0.008	0.050	0.043	0.262
	Total Managerial Remuneration (A + B)	-	-	-	-	-	-	-	-

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

S No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.32	0.11	0.43	
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	0.32	0.11	0.43	

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

Annexure 7

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2016.

Particulars	SCUF Employees Stock Option Scheme, 2006
Date of shareholder's approval	October 30, 2006
a) Options Granted	13,55,000 equity shares of ₹ 10/- each
Vesting requirements	Options granted shall be vested after the period of one Year
b) Exercise price or pricing formula	₹ 35/- per option
Maximum term of options granted	Options granted can be vested after the gap of one Year and the vested options can be exercised within a period 10 Years
Source of shares	Primary
c) Options vested	13,55,000
d) Options exercised	12,66,270
Number of options outstanding at the beginning of the period	110,270
Number of options granted during the Year	-
Number of options forfeited / lapsed during the Year	-
Number of options vested during the Year	-
Number of options exercised during the Year	21,540
e) Number of shares arising as a result of exercise of option	21,540
f) Options lapsed	-
g) Variation of terms of options	-
h) Money realized by exercise of options	₹ 4,43,19,450
Number of options outstanding at the end of the Year	88,730
Number of options exercisable at the end of the Year	-
i) Total number of options in force	-
j) Employee wise details of options granted to:	-
i) Senior Management Personnel	-
ii) Any other employee who receives a grant of option amounting to 5% or more of option granted	-
iii) identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-
k) Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	₹ 80.27
i) Method of calculation of employee compensation cost	Intrinsic value method
ii) Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Fair Value method (Using Black Scholes Model): ₹ 30.82 crores Intrinsic Value method: ₹ 30.69 crores Difference in cost : ₹ 0.13 crores
iii) The impact of this difference on profits and on EPS of the Company	Fair Value method - (Using Black Scholes Model) Intrinsic Value method - Impact on Profit - Impact on Diluted EPS -
l) Weighted average exercise price	₹ 35.00
Weighted average fair value	₹ 227.42
m) Fair value of options based on Black Scholes methodology	-
Assumption risk free rate	7.67%
Expected life of options (in Years)	5 Years
Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)	55.36%
Expected Dividends per share	₹ 3
Closing market price of share at NSE on date of option granted	₹ 261.45

Annexure 8

PIJUSH GUPTA & CO

CHARTERED ACCOUNTANTS

P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

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

This certificate is issued under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (formerly clause 14.1 of the aforesaid Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999).

Place : Chennai
Date : April 27, 2016

For **Pijush Gupta & Co.**
Firm Registration No. 309015E
Chartered Accountants

Pijush Kumar Gupta
Partner
Membership No. 015139

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Disclosure under Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name of the Director & KMPs	Designation	Category	Remuneration during FY 2016 (₹ in crores)	% of increase during the FY 2016	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Sri Debendranath Sarangi	Chairman	NE, I	0.045	800.00	4.17	
2	Sri Duruvasan Ramachandra	MD and CEO	E, NI	0.598	8.11	55.33	#
3	Sri Gopalamudram Srinivasaraghavan Sundararajan	Director	NE, NI	-	-	-	
4	Sri Gerrit Lodewyk Van Heerde	Director	NE, NI	-	-	-	
5	Sri Khushru Burjor Jijina	Additional Director	NE, NI	-	-	-	
6	Smt Maya S Sinha	Director	NE, I	0.029	100.00	2.69	
7	Sri Pranab Prakash Pattanayak	Director	NE, I	0.041	17.14	3.80	
8	Sri Puneet Bhatia	Director	NE, NI	-	-	-	
9	Sri Ranvir Dewan	Director	NE, NI	-	-	-	
10	Sri Shashank Singh	Additional Director	NE, NI	-	-	-	
11	Sri Subramaniam Krishnamurthy	Director	NE, I	0.046	-	4.26	
12	Sri Sunil Varma	Director	NE, I	0.008	-	0.74	
13	Sri Venkataraman Murali	Director	NE, I	0.050	-	4.63	
14	Sri Vipin Kapur	Director	NE, I	0.043	22.86	3.98	
15	Smt. Subhasri Sriram	CFO		0.111	-	-	#
16	Sri C R Dash	CS		0.324	-	-	#

Managing Director ("MD"), Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") Company Secretary ("CS"), Executive ("E"), Non Executive ("NE"), Non Independent ("NI") and Independent ("I")

Without considering the incremental NPA provision (₹ 17,747.81 lakhs) and incremental bonus (₹ 2,936.61 lakhs) for FY 16, the PBT for FY 16 increased by 20.52% over the PBT for the financial Year ("FY 15").

excludes arrears, if any, paid during the Year.

Sri Khushru Burjor Jijina was appointed as an additional director w.e.f. October 28, 2015. Sri Puneet Bhatia resigned from the Board w.e.f. October 28, 2015. Sri Shashank Singh was appointed as an additional director w.e.f. October 28, 2015. Sri Sunil Varma resigned from the Board and Committee w.e.f. April 28, 2015.

#During the financial Year 2015 - 16, there were changes in regulation of RBI for NPA provision and Bonus Act got amended. These changes had impacted Profit Before Tax ("PBT") for the financial Year 2015 - 16 ("FY 16").

The total number of employees on the rolls of the Company as on March 31, 2016 was 25,472 (March 31, 2015 : 25,085). The average remuneration of all the employees of the Company during the FY 16 increased by 16.16% compared to FY 15. The PBT of the Company increased by 20.52% for FY 16 over the PBT for FY 15. Since, the increase in average remuneration of all the employees of the Company was less than increase in PBT for FY 16, the explanation for increase in salary compared to the performance of the Company does not arise.

The increase in remuneration of KMP during FY 16 over FY 15 was 16.75%, which was less than increase in PBT of 20.52% of the corresponding period. The increase in median remuneration of employees on the rolls of the Company in FY 16 over FY 15 was 7.93%.

The market capitalisation of the Company as on March 31, 2016 was ₹ 9,903.91 crores (March 31, 2015 : ₹ 12,951.44 crores) showing a decline of 23.53%. Price earnings ratio of the equity shares of the Company as on March 31, 2016 was 18.69 (March 31, 2015 : 22.80). The Company came out with its last public issue of equity shares in the year 1994 at a price of ₹ 20 (including a premium of ₹ 10) per equity share. The lowest market quote of the equity shares of the Company on NSE as on March 31, 2016 was ₹ 1502.25. Considering the lowest market price as on March 31, 2016 and investment of ₹ 20 in the Year 1994, it indicates an average compounded growth of 7411% (excluding dividend).

The average increase in salaries of employees of the Company other than managerial personnel in the FY 16 was 16.17% and average increase in salaries of managerial remuneration was 8.11% and there were no exceptional circumstances for increasing the managerial remuneration.

The remuneration of Directors did not contain any variable component. The ratio of remuneration of the Managing Director, who is the highest paid Director to the remuneration of employee of the Company getting in excess of the remuneration of the Managing Director and who is not a Director is 3.44.

It is affirmed that the remuneration was paid as per the remuneration policy for Directors, key managerial personnel and employees of the Company.

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

	₹ in crores			
Name of the employee	Sri Duruvasan Ramachandra	Sri Gouse Mohiddin Jilani	Sri Subramaniam Jambunathan	Sri Ramachandran Nair
Designation	MD & CEO	Executive Director	Executive Director	President
Remuneration* (₹ in crores)	0.59	0.64	2.06	1.65
Nature of employment, whether contractual or otherwise	Contractual	Permanent	Permanent	Permanent
Qualifications	B.Com	B.Sc	BE, PGDBM	BA, PGDBM
Experience (in Years)	34	24	23	23
Date of commencement of employment	June 6, 2012	July 1, 2014	September 6, 2010	March 12, 2010
Age (in Years)	53	48	46	47
Last employment held before joining the Company	Shriram Life Insurance Company Ltd.	Shriram Chits (Maharashtra) Pvt Ltd	Hong Kong and Shanghai Banking Corporation	Fullerton India Credit Co. Ltd
Relationship with Director/ Manager of the Company	No	No	No	No

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

*includes value of perquisites on exercise of options under Employee Stock Option Scheme of the Company. excludes arrears, if any paid during the Year.

ANNUAL REPORT ON CSR ACTIVITIES

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

As an integral part of contribution to the society, Shriram City Union Finance Limited, believes in actively assisting in the improvement of the quality of life of communities around through its CSR endeavors. The Company undertakes CSR projects/activities as per its CSR Policy, which is aligned with Schedule VII under section 135 of the Companies Act, 2013. CSR Policy obligates the Company to undertake specific CSR projects/activities as approved from time to time by the

Company's CSR committee, in accordance with the CSR Policy. The Company undertook CSR Programmes of Health, Education, Skill Development and Environment. CSR projects are deployed by the Company directly and through Implementing Agency. The details of CSR policy are available on the website of the Company <http://www.shriramcity.in/files/CORPORATE-SOCIAL-RESPONSIBILITY-CSR-POLICY-NEW/index.html>. The Board based on the recommendation of CSR Committee approved to spend for providing education, health care and skill development to the economically weaker/underprivileged sections of the society during the Year ended on March 31, 2016.

2. The Composition of the CSR Committee

S No	Name of the Director	Type of Director	Position
i	Smt Maya S Sinha	NE, I	Chairperson
ii	Sri Subramaniam Krishnamurthy	NE, I	Chairman
iii	Sri Debendranath Sarangi	NE, I	Member
iv	Sri Gopalasamudram Srinivasaraghavan Sundararajan	NE, NI	Member
v	Sri Venkataraman Murali	NE, I	Member

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

Sri Venkataraman Murali and Sri Subramaniam Krishnamurthy ceased to be a members of the CSR Committee with effect from April 30, 2015 and July 31, 2015 respectively on reconstitution of the Committee.

3. Average net profit of the company for last three financial Years : ₹ 762.56 crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 15.25 crores
5. (a) Details of CSR spent during the financial Year 2015-16 : ₹ 6.50 crores
 (b) Total amount to be spent for the financial Year : ₹ 15.25 crores
 (c) Amount unspent if any : ₹ 8.75 crores

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

							₹ in crores
S No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs sub heads (1) Direct Expenditure (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing Agency
1	Chennai Mathematical Institute	Education	Tamilnadu	0.75	0.75	0.75	Directly
2	Madhuram Naryanan Centre for Exceptional Children	Education	Tamilnadu	0.03	0.03	0.03	Directly
3	Sri Sri Vidhya Mandir School	Education and Health Care	Tamilnadu	0.11	0.11	0.11	Directly
4	Shriram Foundation	Education, Health Care, Skill Development and Environment	All over India	5.61	5.61	5.61	Implementing Agency
Total				6.50	6.50	6.50	

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

The Company had spent ₹ 6.50 crores during the year ended March 31, 2016 (Previous year: ₹ 9.33 lacs). Though the CSR spend during the year under reporting increased substantially over last year, there was a short fall of ₹ 8.75 crores as the Company was in the process of evaluating CSR projects.

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

R Duruvasan

DIN - 00223052

Managing Director and Chief Executive Officer

Maya S Sinha

DIN - 03056226

Chairperson - CSR Committee

Place : Chennai

Date : April 27, 2016

Annexure 11**DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS**

I hereby confirm that the Company has received from all the independent directors namely Sri Debendranath Sarangi, Smt Maya S Sinha, Sri Pranab Prakash Pattanayak, Sri Subramaniam Krishnamurthy, Sri Venkataraman Murali and Sri Vipen Kapur a certificate stating their independence as required under section 149 (6) of the Companies Act, 2013.

Place : Chennai
Date : April 27, 2016

R. Duruvasan
DIN - 00223052
Managing Director and CEO

Annexure 12**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT WITH THE COMPANY'S CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company during the Year ended March 31, 2016.

Place : Chennai
Date : April 27, 2016

R. Duruvasan
DIN - 00223052
Managing Director and CEO

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

1. BACKGROUND:

As required under Companies Act 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulation") the Nomination and Remuneration Committee ("Committee") of Shriram City Union Finance Limited ("Company") has formulated Policy on Appointment, Remuneration and Diversity of Board ("Policy") and it is approved by the Board of Directors of the Company ("Board"). Section 178 of the Act mandates to have a policy on identification, laying down criteria for appointment, recommendation to the Board for appointment/removal of Directors/senior management of the Company and independence of directors. Regulation 25 requires the appraisal of non-independent directors and the board of directors as a whole. The Company is required to ensure accurate disclosure of material matters on time. One of the functions of the Board is to monitor and review the Board evaluation framework. Regulation 19 (4) of the Regulations requires formulation of a policy on diversity of board of directors.

2. APPLICABILITY:

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

3. DEFINITION:

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

4. OBJECTIVES:

The objective of this policy is to stipulate criteria for

- Appointment, re-appointment, removal of Directors, KMPs and Senior Executives.
- Remuneration payable to the Directors, KMP and Senior Management personnel.

- Retain, motivate and promote talent in the Company
- Ensure long term sustainability of talented managerial persons and create competitive advantage to run the operations of the Company successfully.
- Ensure the remuneration is directly proportional to the effort, performance, dedication and achievement relating to the Company's operations of the concerned individual.
- Strike the balance between fixed component and variable incentive package for meeting the Company's vision and mission.
- Increase diversity at Board level and to make maximum use of the skills and industry experience of the directors.

5. CRITERIA FOR APPOINTMENT:

The appointment shall be based on the following criteria.

- Qualification, expertise and relevant experience for the concerned position
- Age, number of Years of service, specialised expertise and period of employment or association with the Company.
- Special achievements and Operational Efficiency which contributed to growth in business in the relevant functional area.
- Remuneration in the market & Competition
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a bona fide manner in the interest of the Company.
- Sufficient devotion of time to the assigned tasks.
- Diversity of the Board keeping in view the skills, qualification, experience in varied fields of finance, banking, administrative etc. of directors in different industry and other related matters.
- The Company shall issue appointment letter to each of the independent director appointed by the Company.

Criteria for Remuneration:

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

Category	Remuneration	Remarks
Whole-time Director & Managing Director	Basic Pay, allowances, Perquisites, Retirement benefits, ESOP and reimbursement of expenses incurred in performance of office duties	Subject to the ceiling limits prescribed under the Act/ approval of Shareholders.
Director (other than Independent Director)	Sitting Fees and reimbursement of reasonable expenses for attending the meetings of Board and Committees, where such director is a member as decided by the Board from time to time.	
Independent Directors	Sitting Fees For meeting of the Board: ₹ 50,000/- per meeting attended. For meeting of the Committee, where he/ she is a member and general meetings : ₹ 25,000/- per meeting attended. Reimbursement of reasonable connected expenses for attending the meetings.	Sitting Fees are subject to the applicable ceiling limits prescribed under the Act.
Senior Management Personnel/ KMP	Basic Pay, allowances, Perquisites, retirement benefits, ESOP reimbursement of expenses incurred in performance of office duties.	To be decided by the Managing Director based on appointee

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

- Remuneration to any person in excess of Rupees One crore per annum
- Appointment / remuneration of Directors, KMPs, Senior management personnel.

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

Process of Evaluation:

The evaluation of the Board, Committee and flow of information shall be done by the independent directors. The evaluation of performance of each independent director shall be done by all

the directors except the independent director evaluated. The review of performance of non-independent directors, the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information shall be done by independent directors of the Company. These evaluations shall be carried out once in a Year. It shall be carried out through an evaluation sheet based on qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. The evaluation and the results thereof shall be confidential.

Performance Evaluation Of the Board/ Committee:

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

Performance Evaluation of the Directors:

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

directors. Based on the average score of each director, necessary discussion shall be made.

Effect and Revision:

This policy shall come into effect from April 1, 2016 and shall remain in force till amended by the Board with recommendation of the Committee. Any regulatory changes affecting this Policy shall prevail over this Policy.

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Form No. MR-3
SECRETARIAL AUDIT REPORT
FINANCIAL YEAR ENDED 31st MARCH, 2016

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram City Union Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1) The Companies Act, 2013 (the Act) and the rules made there under; 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; | <ol style="list-style-type: none"> 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- <ol style="list-style-type: none"> (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 6) Reserve Bank of India Act, 1934 7) Non - Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 8) Non - Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998 9) Non- Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 |
|---|---|

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
- (iii) The Debt Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

I further report that

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

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

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

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

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

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

P. Sriram

Place : Chennai

P. Sriram & Associates

Date : 27th April, 2016

FCS No. 4862 / C P No: 3310

Annexure A

To
THE MEMBERS,
SHRIRAM CITY UNION FINANCE LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance

of laws, rules and regulations and happening of events etc.,

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

P. Sriram

Place : Chennai

P. Sriram & Associates

Date : 27th April, 2016

FCS No. 4862 / C P No: 3310

PROMOTER

Shriram Capital Limited

"PROMOTER GROUP" (PG) AS DEFINED UNDER REGULATION 2 (1) (t) OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 (SAST REGULATIONS 2011)

The followings are the entities in Promoter Group as defined under Section 2(1)(t) of SAST Regulations, 2011: (1) Shriram Ownership Trust (2) Shriram Financial Ventures (Chennai) Pvt Ltd (3) Shriram Life Insurance Company Ltd (4) Shriram General Insurance Company Ltd (5) Shriram Credit Company Ltd (6) Shriram Asset Management Company Ltd (7) Bharat Reinsurance Brokers Private Ltd (8) Shriram Overseas Investments Private Ltd (9) Shriram Investments Holdings Limited (10) Bharat Investments Pte. Limited, Singapore (11) Shriram Transport Finance Company Ltd (12) Shriram Automall India Ltd (13) Shriram Equipment Finance Company Ltd (14) Shriram Fortune Solutions Ltd (15) Shriram Wealth Advisors Ltd (16) Shriram Insight Share Brokers Ltd (17) Shriram Financial Products Solutions (Chennai) Private Ltd (18) Insight Commodities and Futures Private Ltd (19) Shriram Seva Sankalp Foundation (20) Shrelekha Financial Services (21) SGI Philippines General Insurance Co Inc.

THE "PERSONS ACTING IN CONCERT" (PAC), AS DEFINED IN THE SAST REGULATIONS 2011 FOR THE PURPOSE OF REGULATION 10 OF SAST REGULATION 2011

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

- D. Except Shriram Capital Limited none of the entities mentioned above holds shares in the Company.
- E. All the entities mentioned in above said note are PG/PACs for not less than three years except the entities at Sl. No. (19), (20) and (21) at Note No.B (under Promoter Group) and Sl No. (7) and (9) in Note No C. (under PAC Category).

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS
 P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

INDEPENDENT AUDITOR'S REPORT

To the Members of SHRIRAM CITY UNION FINANCE LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Shriram City Union Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters

which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS
P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the said Order.
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations which would impact its financial position in its financial statements - refer Note 27 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Pijush Gupta & Co.**
Chartered Accountants
Firm Registration Number: 309015E

Pijush Kumar Gupta
Partner
Membership No. 015139
Place: Chennai
Date: April 27, 2016

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS
 P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

Annexure 'A'

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" in the independent auditors' report of even date on the standalone financial statements of Shriram City Union Finance Limited.

REPORT UNDER THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016

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

- | | |
|--|--|
| <p>i) (a) According to the information and explanations given to us and records produced before us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) According to the information and explanations given to us and records produced before us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.</p> <p>(c) According to the information and explanations given to us and records produced before us, the title deeds of all the immovable properties are held in the name of the company.</p> <p>ii) The Company is engaged in financing activities which does not involve maintenance of any inventory.</p> <p>iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act.</p> | <p>iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.</p> <p>v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, to the extent applicable, have been complied with. According to the information and explanation given to us, no order has been passed by the Company Law Board, the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in respect of the Company.</p> <p>vi) According to the information and explanations given to us the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act.</p> <p>vii) (a) According to the information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues. There are no undisputed amounts that were outstanding for a period of more than six months from the date they became payable.</p> |
|--|--|

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS
P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

CORPORATE OVERVIEW

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- (b) According to the information and explanations given to us and the relevant documents produced before us, the following dues outstanding in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax and Cess have not been deposited on account of dispute -

Statute	Nature of Dues	Amount ₹ lacs	Years to which the amount relates	Forum where dispute is pending
Income Tax 1961	Income Tax demands	3303.07	Assessment Year 2013-14	C.I.T. (Appeal), Chennai
Income Tax 1961	Income Tax demands	40.78	Assessment Year 2011-12	ITAT, Chennai
Kerala Value Added Tax, 2003	Value Added Tax	4.65	Assessment Year 2007-08	Dy. Commissioner (Appeals) Ernakulum, Kerala

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- viii) Based upon the audit procedures and according to the information and explanations provided to us, the company has not defaulted in repayment of loans or borrowings to financial institutions, banks, governments or dues to debenture holders.
- ix) In our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments). The Company has obtained term loans from the Banks and the same were applied for the purposes for which those were raised.
- x) We have been informed that during the period under audit certain borrowers/employees have defrauded the company by pledging stolen/spurious gold against gold loans and producing fake documents against other loans total amounting to Rs. 242.91 lakhs. The Company has taken necessary action against the said borrowers. Refer Note 29 of the financial statements.
- xi) Based on our audit procedures and as per information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- xii) In our opinion the Company is not a Nidhi Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review
- xv) According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him
- xvi) According to the information and explanations given to us and documents produced before us the company is registered under section 45 IA of the Reserve Bank of India Act, 1934

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

Pijush Kumar Gupta
Partner
Membership No. 015139
Place: Chennai
Date: April 27, 2016

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PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS
 P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

Annexure 'B'

Annexure referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" in the independent auditors' report of even date on the standalone financial statements of Shriram City Union Finance Limited.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS
P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

CORPORATE OVERVIEW

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A company's internal financial control over financial reporting includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Pijush Gupta & Co.**
Chartered Accountants
Firm Registration Number: 309015E

Pijush Kumar Gupta
Partner
Membership No. 015139
Place: Chennai
Date: April 27, 2016

Balance Sheet

as at March 31, 2016

₹ in lacs

Particulars	Note No	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	6,592.72	6,590.56
(b) Reserves and surplus	4	444,569.04	403,523.56
		451,161.76	410,114.12
2. Non-current liabilities			
(a) Long-term borrowings	5	926,754.33	773,287.63
(b) Other long-term liabilities	6	49,908.67	35,275.20
(c) Long-term provisions	7	17,508.50	8,710.45
		994,171.50	817,273.28
3. Current liabilities			
(a) Short-term borrowings	8	100,027.58	117,745.08
(b) Other current liabilities	6	472,792.29	414,202.11
(c) Short-term provisions	7	67,289.24	44,467.11
		640,109.11	576,414.30
Total		2,085,442.37	1,803,801.70
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		7,044.05	7,545.83
(ii) Intangible assets		1,441.11	679.84
(b) Non-current investments	10	45,685.33	25,379.46
(c) Deferred tax assets(net)	11	3,720.83	3,095.02
(d) Long-term loans and advances	12	622,714.45	534,415.81
(e) Other non-current assets	13	3,520.69	13,722.74
		684,126.46	584,838.70
2. Current assets			
(a) Current Investments	14	33,548.53	72,788.69
(b) Cash and bank balances	15	64,190.54	78,143.21
(c) Short-term loans and advances	12	1,291,345.74	1,054,612.94
(d) Other current assets	13	12,231.10	13,418.16
		1,401,315.91	1,218,963.00
Total		2,085,442.37	1,803,801.70

Significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

Pijush Kumar Gupta
 Partner
 Membership No. 015139

Place: Chennai
 Date: April 27, 2016

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

R Duruvasan
 Managing Director & CEO
 DIN: 00223052

C R Dash
 Company Secretary

S. Krishnamurthy
 Director
 DIN: 00140414

Subhasri Sriram
 Chief Financial Officer

Statement of Profit and Loss

for the year ended March 31, 2016

		₹ in lacs	
Particulars	Note No	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from operations	16	383,486.50	348,223.97
Other income	17	2,115.63	4,939.25
Total income		385,602.13	353,163.22
EXPENSES			
Employee benefits expense	18	51,323.19	41,156.22
Finance costs	19	138,344.88	132,729.70
Depreciation and amortization expense	9	3,691.62	4,265.54
Other expenses	20	49,923.86	45,522.67
Provisions & write offs	21	61,634.33	45,380.39
Total expenses		304,917.88	269,054.52
Profit before tax		80,684.25	84,108.70
Tax expense:			
- Current tax		28,332.03	29,593.66
- Deferred tax		(625.81)	(1,291.35)
Total tax expense		27,706.22	28,302.31
Profit after tax from continuing operations		52,978.03	55,806.39
Earnings per equity share	22		
Equity shares of par value ₹10/- each			
Basic (₹)		80.37	86.18
Diluted (₹)		80.27	86.03

Significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

Pijush Kumar Gupta
 Partner
 Membership No. 015139

Place: Chennai
 Date: April 27, 2016

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

R Duruvasan
 Managing Director & CEO
 DIN: 00223052

C R Dash
 Company Secretary

S. Krishnamurthy
 Director
 DIN: 00140414

Subhasri Sriram
 Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2016

₹ in lacs

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxes	80,684.25	84,108.70
Adjustments for :		
Depreciation and amortization	3,691.62	4,265.54
(Profit)/Loss on sale of fixed assets (net)	(4.06)	(13.94)
Public issue expenditure for non-convertible debentures	734.59	977.45
Provision for Non-performing assets and bad debts written off	59,989.85	44,652.87
Contingent provision on standard assets	1,599.36	716.29
Provision for diminution in the value of investments	45.12	11.23
Provision no longer required	(1,553.08)	(67.26)
Gain on sale of investments	(417.53)	(4,074.61)
Loss on sale of investments	-	76.05
Dividend Income	-	(284.45)
Operating profit before working capital changes	144,770.12	130,367.87
Movements in Working capital:		
(Increase) / decrease in assets under financing activities	(357,900.23)	(334,191.43)
(Increase) / decrease in Short-term loans and advances	1,082.51	(591.14)
(Increase) / decrease in Long-term loans and advances	224.24	2,024.34
(Increase) / decrease in other current assets	859.77	4,421.83
(Increase) / decrease in other non-current assets	1,994.76	3,762.18
(Increase) / decrease in Investments	46,426.96	67,431.44
Increase / (decrease) in other current liabilities	60,130.69	70,090.81
Increase / (decrease) in other non-current liabilities	15,138.53	(842.72)
Cash generated from operations	(87,272.65)	(57,526.82)
Direct taxes paid (net of refunds)	(28,332.03)	(31,975.97)
Net Cash from/(used in) operating activities (A)	(115,604.68)	(89,502.79)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(3,979.72)	(2,811.45)
Capital advance for assets	1,400.92	(1,391.46)
Proceeds from sale of fixed assets	32.68	110.28
Purchase of investments	(20,305.85)	(20,131.56)
Proceeds from sale of investments	18,600.00	218.67
Profit on sale of investments	417.53	3,937.94
Loss on sale of investments	-	(76.05)
Net Cash from/(used in) investing activities (B)	(3,834.44)	(20,143.63)

Cash Flow Statement

for the year ended March 31, 2016

Particulars	₹ in lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	7.55	78,972.56
Increase / (decrease) of long-term borrowings	153,466.70	(119,747.65)
Increase / (decrease) of short-term borrowings	(17,717.53)	79,389.71
Public issue expenses for non-convertible debentures paid	-	(53.53)
Dividend Paid	(10,203.64)	(6,908.03)
Tax on dividend	(2,079.82)	(1,264.84)
Net Cash from/(used in) financing activities (C)	123,473.26	30,388.22
Net increase / (decrease) in cash and cash equivalents (A+B+C)	4,034.13	(79,258.20)
Cash and cash equivalents at the beginning of the year	36,970.81	116,229.01
Cash and cash equivalents at the end of the year	41,004.95	36,970.81

Components of cash and cash equivalents	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Cash on hand	4,485.06	5,723.59
Balances with banks in :		
Current accounts	34,181.71	24,686.61
Unpaid dividend accounts	73.18	60.61
Deposits with maturity of less than 3 months	2,265.00	6,500.00
Total Cash and cash equivalents (Note 15)	41,004.95	36,970.81

Notes

- 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 Standards) Rules, 2006 (as amended)
- 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 Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

Pijush Kumar Gupta
 Partner
 Membership No. 015139

Place: Chennai
 Date: April 27, 2016

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

R Duruvasan
 Managing Director & CEO
 DIN: 00223052

C R Dash
 Company Secretary

S. Krishnamurthy
 Director
 DIN: 00140414

Subhasri Sriram
 Chief Financial Officer

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 retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised 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.

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.

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

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 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 securitisation/ 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.

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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 prepares its segment information in conformity with the Accounting Standard 17 issued by The Institute of Chartered Accountants of India (ICAI).

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

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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. 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

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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.

3. SHARE CAPITAL

Particulars	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Authorised		
11,85,00,000 (March 31, 2015: 11,85,00,000) equity shares of ₹10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2015: 40,00,000) cumulative redeemable preference shares of ₹100/- each	4,000.00	4,000.00
	15,850.00	15,850.00
Issued, Subscribed and Fully Paid-up		
Equity Shares		
6,59,27,152 (March 31, 2015: 6,59,05,612) shares of ₹10/- each	6,592.72	6,590.56
Total Issued, Subscribed and fully Paid-up share capital	6,592.72	6,590.56

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3.1. Reconciliation of the equity shares outstanding at the beginning and at end of the Reporting Period

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
At the beginning of the year	65,905,612	6,590.56	59,284,432	5,928.44
Issued during the year - ESOP [Refer note-24]	21,540	2.16	41,340	4.13
Preferential allotment to Piramal Enterprises Limited	-	-	6,579,840	657.99
Outstanding at the end of the year	65,927,152	6,592.72	65,905,612	6,590.56

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.

For the year ended March 31, 2016, the amount of per equity share dividend recognised as distributions to equity shareholders was ₹ 15 (March 31, 2015 : ₹ 15 including interim dividend) including interim dividend.

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 Shareholders	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity share of ₹10 each fully paid				
Shriram Capital Limited	22,268,877	33.78	22,268,877	33.79
Dynasty Acquisition FPI Limited	13,421,889	20.36	-	-
TPG India Investments I INC	-	-	13,421,889	20.37
Piramal Enterprises Limited	6,579,840	9.98	6,579,840	9.98

As per the records of the company, including its register of shareholders /members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3.4 Shares reserved for issue under option:

For details of share reserved for issue under the employees stock option scheme (ESOP) [Refer note 24]

3.5 The Company has issued 8,29,393 equity shares (March 31, 2015: 11,90,030) 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.

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

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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. On merger 2,73,91,613 equity shares of ₹10 each fully paid of the Company were allotted to the shareholders of Consolidated SRHPL on August 19, 2013, which resulted in increase in paid up share capital of the Company by 7,81,042 equity shares of ₹10 each.

4. RESERVES & SURPLUS

Particulars	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Capital reserve	7,871.88	7,871.88
Capital redemption reserve	2,328.98	2,328.98
Securities premium account		
Opening balance	175,274.22	98,644.52
Add : Securities premium received	54.17	78,404.05
Less: Amount utilised towards share issue expenses	-	(1,774.35)
Closing balance	175,328.39	175,274.22
Debenture redemption reserve		
Opening balance	16,494.61	15,995.20
Add: Transfer from surplus in the statement of profit and loss	5,122.26	8,398.63
Less: Amount transferred to General reserve on Redemption	(14,204.80)	(7,899.22)
Closing balance	7,412.07	16,494.61
Share options outstanding account		
Employee stock option outstanding	249.71	343.32
Less: Utilised during the year	(48.78)	(93.61)
Closing balance	200.93	249.71
Statutory reserve (in pursuant to section 45-IC of the RBI Act, 1934)		
Opening balance	53,416.00	42,255.00
Add: Transfer from surplus in the statement of profit and loss	10,597.30	11,161.00
Closing balance	64,013.30	53,416.00
General reserve		
Opening balance	34,395.62	20,915.40
Add: Transfer from surplus in the statement of profit and loss	5,299.00	5,581.00
Add: Transfer from Debenture redemption reserve	14,204.80	7,899.22
Closing balance	53,899.42	34,395.62
Surplus in the Statement of Profit and Loss		
Opening balance	113,492.54	95,544.41
Less: Additional depreciation (as per The Companies Act, 2013)	-	(366.39)
Add: Net profit for the year	52,978.03	55,806.39
Less: Appropriations		
- Interim dividends	(3,296.12)	(3,362.04)
- Tax on interim dividend	(671.03)	(660.32)
- Proposed final Equity dividend	(6,592.72)	(6,920.09)
- Tax on proposed Equity dividend	(1,378.07)	(1,408.79)
- Transfer to Statutory reserve (in pursuant to section 45-IC of the RBI Act, 1934)	(10,597.30)	(11,161.00)
- Transfer to General reserve	(5,299.00)	(5,581.00)
- Transfer to Debenture redemption reserve	(5,122.26)	(8,398.63)
Net surplus in the Statement of Profit and Loss	133,514.07	113,492.54
Total	444,569.04	403,523.56

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5. LONG-TERM BORROWINGS

₹ in lacs

Particulars	Non-current portion		Current Maturities	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Secured				
Privately placed redeemable non-convertible debentures (Retail)	2,995.61	30,496.55	27,286.78	67,029.45
Privately placed non-convertible debentures (Institutional)	39,586.67	45,650.00	63,766.66	1,000.00
Public issue of redeemable non-convertible debentures:				
Issued in 2011	-	30,860.80	-	-
Issued in 2012	11,116.35	11,116.35	-	32,243.79
Issued in 2013	8,624.82	15,361.06	6,736.24	-
Issued in 2014	13,788.52	20,000.00	6,211.48	-
Term loan from Banks	512,486.11	314,999.88	217,847.10	194,412.52
Term loan from Financial Institutions	19,500.00	27,500.00	8,000.00	7,000.00
Total Secured Long-term borrowing	608,098.08	495,984.64	329,848.26	301,685.76
Unsecured				
Fixed deposits	216,877.43	173,024.40	81,708.14	38,707.78
Subordinated debts	101,778.82	104,278.59	2,499.77	8,787.04
Total Unsecured Long-term borrowing	318,656.25	277,302.99	84,207.91	47,494.82
Amount disclosed under the head "Other current liabilities" [Refer note no-6]	-	-	(414,056.17)	(349,180.58)
Total	926,754.33	773,287.63	-	-

5.1 Secured Loans - Long Term Borrowings

A. Secured redeemable non convertible debenture

(I) privately placed secured redeemable non convertible debentures (NCDs) of ₹1000/- each - Unquoted (Retail)

Terms of repayment as at March 31, 2016

₹ in lacs

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
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

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Terms of repayment as at March 31, 2015

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
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 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.

(ii) Privately Placed Redeemable Non-Convertible Debenture (Institutional)

Privately placed redeemable non-convertible debenture (NCDs) of ₹10,00,000/- each - Quoted

					₹ in lacs
Rate of Interest	Non-current portion		Current Maturities		Redeemable/ Redeemed at par on
	As at March 31,		As at March 31,		
	2016	2015	2016	2015	
10.75%	400.00	500.00	100.00	-	04-Feb-21
9.30%	5,000.00	-	-	-	22-Jun-20
9.30%	5,000.00	-	-	-	17-Jun-20
8.95%	7,500.00	-	-	-	30-Oct-18
9.07%	3,500.00	-	-	-	10-Aug-18
9.10%	10,000.00	10,000.00	-	-	27-Mar-18
10.60%	2,500.00	2,500.00	-	-	13-Dec-17
10.50%	666.67	2,000.00	666.66	-	23-Nov-17
10.75%	1,000.00	1,000.00	-	-	26-Jul-17
10.75%	2,150.00	2,150.00	-	-	12-Jul-17
9.18%	270.00	-	-	-	10-Jul-17
9.00%	1,600.00	-	-	-	01-Jun-17
10.49%	-	27,500.00	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

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					₹ in lacs
Rate of Interest	Non-current portion		Current Maturities		Redeemable/ Redeemed at par on
	As at March 31,		As at March 31,		
	2016	2015	2016	2015	
8.98%	-	-	500.00	-	21-Oct-16
9.14%	-	-	10,000.00	-	23-Sep-16
10.65%	-	-	-	1,000.00	23-May-15
Total	39,586.67	45,650.00	63,766.66	1,000.00	

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on are secured by 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 secured redeemable Non Convertible Debentures (NCDs) of ₹1000/- each - Quoted

a. Issued in 2011

Non-current Portion

				₹ in lacs	
Option Detail	Rate of Interest	As at March 31,		Redeemable at par on	Put and call option
		2016	2015		
Option I	11.60%	-	5,429.05	25-Aug-16	25-Aug-15
	12.10%	-	21,556.45	25-Aug-16	25-Aug-15
	11.85%	-	3,875.30	25-Aug-16	25-Aug-15
Total		-	30,860.80		

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.

b. Issued in 2012

Non-current Portion

			₹ in lacs	
Option Detail	Rate of Interest	As at March 31,		Redeemable at par on
		2016	2015	
Option II	11.75%	7,551.36	7,550.82	06-Oct-17
	10.75%	94.83	95.37	06-Oct-17
Option IV	11.75%	3,467.11	3,462.26	06-Oct-17
	10.75%	3.05	7.90	06-Oct-17
Total		11,116.35	11,116.35	

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Current Portion

Option Detail	Rate of Interest	As at March 31,		₹ in lacs
		2016	2015	Redeemable at par on
Option I	10.60%	-	29,697.71	06-Oct-15
	10.60%	-	2,546.08	06-Oct-15
Total		-	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

Option Detail	Rate of Interest	As at March 31,		₹ in lacs
		2016	2015	Redeemable at par on
Series I	10.75%	-	177.75	04-Jan-17
	11.00%	-	4,207.31	04-Jan-17
Series II	10.75%	7.40	7.40	04-Jan-18
	11.25%	309.78	309.78	04-Jan-18
	10.75%	503.82	509.05	04-Jan-19
Series III	11.50%	4,515.52	4,510.29	04-Jan-19
	10.75%	-	125.59	04-Jan-17
Series IV	11.00%	-	2,225.59	04-Jan-17
	10.75%	14.75	14.75	04-Jan-18
Series V	11.25%	261.38	261.38	04-Jan-18
	10.75%	292.67	287.56	04-Jan-19
Series VI	11.50%	2,523.12	2,528.23	04-Jan-19
	10.75%	0.40	0.30	04-Jan-19
Series VII	11.25%	195.98	196.08	04-Jan-19
Total		8,624.82	15,361.06	

Current portion

Option Detail	Rate of Interest	As at March 31,		₹ in lacs
		2016	2015	Redeemable at par on
Series I	10.75%	180.00	-	04-Jan-17
	11.00%	4,205.06	-	04-Jan-17
Series IV	10.75%	118.00	-	04-Jan-17
	11.00%	2,233.18	-	04-Jan-17
Total		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.

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d. Issued in 2014

Non-current portion

Option Detail	Rate of Interest	As at March 31,		₹ in lacs Redeemable at par on
		2016	2015	
Series I	10.50%	-	5,114.71	03-May-16
	11.00%	-	841.06	03-May-16
Series II	10.75%	0.17	2.34	03-May-17
	11.50%	3,508.59	3,506.42	03-May-17
Series III	10.85%	3,031.26	3,050.26	03-May-19
	11.75%	5,032.29	5,013.29	03-May-19
Series IV	10.50%	-	2.53	03-May-16
	11.00%	-	253.18	03-May-16
Series V	10.75%	10.24	1.54	03-May-17
	11.50%	755.50	764.20	03-May-17
Series VI	10.85%	507.63	501.45	03-May-19
	11.75%	942.84	949.02	03-May-19
Total		13,788.52	20,000.00	

Current portion

Option Detail	Rate of Interest	As at March 31,		₹ in lacs Redeemable at par on
		2016	2015	
Series I	10.50%	5,112.10	-	03-May-16
	11.00%	843.67	-	03-May-16
Series IV	10.50%	2.53	-	03-May-16
	11.00%	253.18	-	03-May-16
Total		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.

B. Term Loan

(i) Term Loan from Bank

Terms of repayment as at March 31, 2016

Tenor	Rate of Interest	Repayment Details	₹ in lacs	
			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
Upto 12 months	9.65% to 10.40%	1 to 12 installments of bullet, Quarterly & half yearly frequency	-	213,333.21
			512,486.11	217,847.10

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Terms of repayment as at March 31, 2015

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
Upto 12 months	10.00% to 11.00%	1 to 12 installments of bullet, Quarterly & 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.

(ii) Term Loan from Institutions

Terms of repayment as at March 31, 2016

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

Terms of repayment as at March 31, 2015

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.

5.2 Unsecured Loan - Long Term Borrowings

A. Fixed Deposits of ₹ 1000/- each - Unquoted

Terms of repayment as at March 31, 2016

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

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

Terms of repayment as at March 31, 2015

₹ in lacs

Redeemable at par within	Rate of interest			Total
	>=6% <8%	>=8% <10%	>=10% <12%	
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

B. Privately Placed Subordinated Debts

The company has 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, 2016

(i) Privately Placed Subordinated Debts of ₹1,000/- each - Unquoted

₹ in lacs

Redeemable at par within	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 ₹1,00,000/- each - Quoted

₹ in lacs

Redeemable at par within	Rate of interest		
	< 10%	>= 10% < 12%	Total
24-36 Months	-	20,520.00	20,520.00
12-24Months	-	2,515.00	2,515.00
Total non-current portion	-	23,035.00	23,035.00

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

(iii) Privately Placed Subordinated Debts of ₹10,00,000/- each - Quoted

₹ in lacs

Redeemable at par within	Rate of interest		Total
	< 10%	>= 10% < 12%	
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 within	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Over 60 months	-	14,272.81	-	14,272.81
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 ₹1,00,000/- each - Quoted

₹ in lacs

Redeemable at par within	Rate of interest		Total
	< 10%	>= 10% < 12%	
36-48 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 ₹10,00,000/- each - Quoted

₹ in lacs

Redeemable at par within	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	-	7,500.00	7,500.00
Total non-current portion	-	7,500.00	7,500.00

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

6. OTHER LIABILITIES

Particulars	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Current maturities of long-term borrowings [Refer note: 5]	-	-	414,056.17	349,180.58
Interest accrued but not due on borrowings	47,673.17	30,294.64	15,512.49	24,444.03
Interest received in advance	-	-	152.52	-
Unclaimed dividends*	-	-	73.18	60.61
Unclaimed matured deposits and interest accrued thereon*	-	-	3,175.79	1,721.40
Unclaimed matured debentures and interest accrued thereon*	-	-	5,441.77	4,420.08
Unclaimed matured Subordinate debts and interest accrued thereon*	-	-	1,817.70	718.97
Temporary credit balance in bank accounts	-	-	16,907.37	20,637.06
Tax deducted at source	-	-	478.55	307.23
Statutory due pertaining to employees	-	-	475.00	480.36
Service tax - contested	-	-	-	1,553.08
Unrealised gain on securitisation **	2,137.79	4,759.63	3,473.75	5,675.69
Retention and other liabilities	97.72	220.93	11,227.99	5,003.02
Total	49,908.67	35,275.20	472,792.29	414,202.11

*Accrued interest is up to the date of maturity. Amounts shall be credited to Investor Education & Protection Fund to the extent unclaimed as and when due.

**Unrealised gain on Securitisation comprises of future interest receivable under par structure of securitisation/ assignment.

7. PROVISIONS

Particulars	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Provision for Employee benefits:				
Provision for gratuity	2,200.04	1,895.94	70.32	59.55
Provision for leave benefits	721.32	536.73	31.19	25.59
Other provisions:				
Provision for Non performing assets (NPA)	12,685.65	4,931.96	55,623.62	33,548.58
Contingent provision for standard assets	1,819.73	1,309.18	3,593.32	2,504.51
Provision for Diminution in the value of Investments	81.76	36.64	-	-
Proposed dividend	-	-	6,592.72	6,920.09
Corporate dividend tax	-	-	1,378.07	1,408.79
Total	17,508.50	8,710.45	67,289.24	44,467.11

As a result of revised provisioning norms of standard assets and Non-performing assets notified by RBI effective from current financial year, total amount of provision inclusive of income de-recognition in this respect increased by ₹17,700 lacs and profit before tax for the year has reduced by the same amount.

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

8. SHORT TERM BORROWINGS

Particulars	₹ in lacs	
	As at March 31	
	2016	2015
Secured		
Term loan from banks	-	8,000.00
Term loan from financial institutions	5,000.00	-
Cash Credit from banks	84,527.58	106,745.08
Working capital demand loan from banks	2,500.00	2,500.00
	92,027.58	117,245.08
Unsecured		
Commercial papers	8,000.00	-
Inter Corporate Deposits	-	500.00
	8,000.00	500.00
Total	100,027.58	117,745.08

8.1 Term loan from Banks

Rate of interest	Repayment Details	₹ in lacs	
		As at March 31	
		2016	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.

8.2 Term loan from Financial Institutions

Rate of interest	Repayment Details	₹ in lacs	
		As at March 31	
		2016	2015
9.25%	Bullet payment at the end of 1 year	5,000.00	-
Total		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.

8.3 Cash Credit and Working capital demand loans from Banks

Nature of Security

Cash credit and working capital demand loan from banks are secured by way of hypothecation of specific movable assets relating to the loans.

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Particulars	Gross Block		Depreciation / Amortisation		Net Block	
	As at April 1, 2015	As at April 1, 2015	For the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
			Adjustment to Opening Retained Earnings	Deletions		
Tangible Assets						
Assets for Own Use						
Land - Freehold	2.31	-	-	-	2.31	2.31
Buildings	12.94	3.15	0.17	-	9.62	9.79
Plant and Equipment						
Computer	5,139.13	3,883.19	657.31	-	1,141.17	1,255.95
Electrical Installations and Equipments	1,936.17	472.05	208.67	-	1,521.76	1,464.13
Furniture and Fixtures						
Furniture and Fixtures	1,688.02	815.50	134.50	-	952.77	872.52
Office Equipment	2,582.38	1,152.06	607.34	-	1,132.71	1,430.33
Vehicles	22.50	10.01	2.69	-	22.16	12.49
Leasehold Improvement	7,830.31	5,331.99	1,274.77	-	2,261.55	2,498.32
Total Tangible Assets	19,213.78	11,667.94	2,885.45	-	7,044.04	7,545.84
Intangible Assets						
Computer Software	1,908.15	1,228.31	806.17	-	1,441.11	679.84
Total Intangible Assets	1,908.15	1,228.31	806.17	-	1,441.11	679.84
Total	21,121.92	12,896.25	3,691.62	-	8,485.16	8,225.67
Year ended March 31, 2015	18,546.99	8,404.50	4,265.54	366.39	8,225.67	10,142.49

Note:

The assets which are shown under the Intangible Assets are not internally self generated assets.

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

10. NON-CURRENT INVESTMENTS

Particulars	₹ in lacs	
	As at March 31, 2016	2015
Long-Term Investment		
A. Trade Investment		
Investment in subsidiary (valued at cost unless stated otherwise)		
Unquoted Equity Instruments :		
16,54,40,000 (March 31, 2015: 16,54,40,000) Equity shares of ₹10 each fully paid-up in Shriram Housing Finance Ltd.	16,544.00	16,544.00
Total	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 :		
12,64,470 (March 31, 2015: Nil) Equity shares at the FV of ₹776.50/- each fully paid-up in Ceylinco Insurance PLC	9,877.38	-
Total	9,877.38	-
Unquoted Equity Instruments :		
(i) 9,63,265 (March 31, 2015: 9,63,265) Equity shares of ₹10 each fully paid-up in Highmark Credit Information Services Private Ltd.	118.00	118.00
(ii) 18,000 (March 31, 2015: 18,000) Equity Shares of ₹10/- each fully paid-up in Shriram Seva Sankalp Foundation	1.80	1.80
(iii) 5,98,726 (March 31, 2015: Nil) Equity shares at the FV of ₹10/- each fully paid-up in Visage Holdings & Finance Pvt.Ltd	997.00	-
Total	1,116.80	119.80
2) Investment in Approved Government securities (valued at cost unless stated otherwise)		
Quoted Investments :		
6.13% GOI Loan 2028 of Face value ₹100 lacs	101.45	101.45
9.22% Gujarat SDL 2023 of Face value ₹3000 lacs	3,175.64	3,175.64
9.55% Tamil Nadu SDL 2023 of Face value ₹1700 lacs	1,833.24	1,833.24
9.25% Maharashtra SDL 2023 of Face value ₹3400 lacs	3,605.33	3,605.33
8.27% GOI 2020 of Face value ₹5000 lacs	5,082.50	-
8.27% GOI 2020 of Face value ₹2500 lacs	2,556.25	-
Total	16,354.41	8,715.66
3) Investment in Pass Through Certificates		
Unquoted Investment :		
Small Business Loan Trust - Series I	1,792.74	-
Total	1,792.74	-
Grand Total	45,685.33	25,379.46
Aggregate amount of Unquoted Investments (cost of acquisition)	19,453.54	16,663.80
Aggregate amount of Quoted Investments (cost of acquisition)	26,231.79	8,715.66
Aggregate amount of provision for diminution in value of Investments	81.76	36.64

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 ₹16,354.41 lacs (March 31, 2015: ₹8,715.66 lacs) in favour of trustees representing the public deposit holders of the Company.

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

11. DEFERRED TAX ASSET (net)

Particulars	As at March 31,	
	2016	2015
Deferred tax liabilities		
Deferred expenses incurred for NCD mobilization	230.92	476.48
Gross deferred tax liabilities (A)	230.92	476.48
Deferred tax asset		
Timing difference on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	1,327.56	990.08
Provision for service tax	-	527.89
Contingent provision against standard assets	1,873.35	1,296.27
Provision for leave benefits	142.75	76.30
Provision for gratuity	520.62	408.33
Provision for Lease rental	21.94	-
Provision for Bonus	65.05	-
Merger Expenses	0.48	0.71
Estimated disallowances	-	271.92
Gross deferred tax assets (B)	3,951.75	3,571.50
Deferred tax asset (net) (B-A)	3,720.83	3,095.02

12. LOANS AND ADVANCES

Particulars	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Unsecured, Considered Good				
Capital advances	44.26	1,445.18	-	-
Service tax credit (input) receivable	-	-	42.18	38.35
Prepaid expenses	-	4.16	408.88	339.29
Interest paid in Advance	-	-	6.75	-
Security deposits	1,617.73	1,472.28	354.77	461.71
Advances recoverable in cash or in kind or for value to be received	-	-	6,576.08	7,597.53
Investment through Pass through certificate-own	886.62	1,252.15	1,766.20	1,800.49
Loans and Advances				
Assets under financing activities *				
- Secured, considered good	574,131.20	506,557.87	1,130,236.73	957,614.29
- Unsecured, considered good	26,989.27	17,114.83	72,991.23	44,187.74
- Doubtful	19,045.38	6,569.34	78,962.92	42,573.54
Total	622,714.45	534,415.81	1,291,345.74	1,054,612.94

* Includes Value of repossessed Stock of ₹ 1756.05 lacs (March 31, 2015: ₹ 2,327.69 lacs)

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

Disclosure on loan against gold as on March 31, 2016 Vide RBI notification DNBS.CC.PD. No.266/03.10.01/2011-12 dated March 26, 2012:

Particulars	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Total Assets under Management	1,902,356.72	1,574,617.61
Total Loan against gold	340,799.72	294,277.65
Percentage of Gold Loan on Total Assets (on book)	17.91%	18.69%

13. OTHER ASSETS

Particulars	₹ in lacs			
	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Other Bank balances of non-current portion [Refer note no.-15]	1,200.01	9,000.00	-	-
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	300.97	708.27	366.26	693.55
Interest accrued on fixed deposit and other loan and advances	486.36	198.26	1,691.63	1,769.27
Securitisation-receivable	1,533.36	3,816.21	3,725.55	6,075.34
Advance Tax (net of provisions for tax)	-	-	6,447.65	4,880.00
Total	3,520.69	13,722.74	12,231.10	13,418.16

14. CURRENT INVESTMENTS

Particulars	₹ in lacs	
	As at March 31, 2016	2015
Treasury Bills	18,348.53	12,215.99
Certificate of Deposits with Banks	15,000.00	41,772.70
Mutual Funds Units *	200.00	18,800.00
Total	33,548.53	72,788.69

a) As at March 31, 2016

14.1 Treasury Bills

Particulars	₹ in lacs			
	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

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

14.2 Certificate of Deposits

₹ 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

14.3 Mutual Fund

*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.

b) As at March 31, 2015

14.1 Treasury Bills

₹ 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

14.2 Certificate of Deposits

₹ 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

14.3. Mutual Fund

₹ in lacs

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
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) *Out of total ₹ 18,800 lacs, ₹ 200 lacs pertains to an equity and debt opportunities fund under the open ended scheme the maturity date will be considered as redemption date as and when required.

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

15. CASH AND BANK BALANCES

Particulars	₹ in lacs			
	Non-current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Cash and cash equivalents :				
Balances with banks in :				
- Current accounts	-	-	34,181.71	24,686.61
- Unpaid dividend accounts	-	-	73.18	60.61
- Deposits with maturity of less than 3 months	-	-	2,265.00	6,500.00
Cash on hand	-	-	4,485.06	5,723.59
Other bank Balances :				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	19,600.00
Deposits with original maturity for more than 12 months	-	9,000.00	14,000.00	-
Margin money deposit*	1,200.01	-	9,185.59	21,572.40
	1,200.01	9,000.00	64,190.54	78,143.21
Amount disclosed under the head "Other non-current asset" [Refer note no. 13]	(1,200.01)	(9,000.00)	-	-
Total	-	-	64,190.54	78,143.21

* Margin money deposit of ₹ 10,385.60 lacs as at March 31, 2016 (March 31, 2015 ₹ 21,572.40 lacs) are pledged with banks as margin for securitisation.

16. REVENUE FROM OPERATIONS

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Income from finance and other charges	365,036.22	320,474.87
Income on Long Term Securitisation / assignment *	6,311.56	11,169.77
Interest on Long Term Investment thru PTC-Securitisation **	266.00	1,256.37
Interest on Margin money on securitisation / assignment	1,358.45	3,112.52
Bad debts recovery	5,866.91	4,504.07
Interest on deposit with bank	2,111.29	6,571.56
Interest on government securities	2,147.55	880.19
Other financial services- Commission	388.52	254.62
Total	383,486.50	348,223.97

*Includes exempt income (subjected to EIS tax u/s 115 TA of the Income Tax Act) of ₹ 323.08 lacs for the year ended March 31, 2016.

**Includes exempt income of ₹ 195.85 lacs for the year ended March 31, 2016.

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

17. OTHER INCOME

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Dividend Income	-	284.45
Gain on sale of investments		
Short Term	417.53	3,949.10
Long Term	-	125.51
Profit on sale of assets	15.51	24.05
Miscellaneous income	91.01	236.15
Provision no longer required	1,553.08	-
Gain on Interest rate swap	38.50	319.99
Total	2,115.63	4,939.25

18. EMPLOYEE BENEFITS EXPENSES

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Salaries and allowances	46,797.46	36,658.39
Contributions to Provident fund and ESI	3,334.67	2,954.35
Gratuity	371.37	713.17
Staff welfare expenses	819.69	830.31
Total	51,323.19	41,156.22

19. FINANCE COSTS

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Interest expense on :		
Debentures	24,856.02	36,475.89
Subordinate debts	14,421.66	14,938.19
Fixed deposits	26,667.59	14,585.61
Loans from banks	60,177.95	56,280.62
Loans from institutions and others	3,465.28	4,341.26
Commercial Papers	5,332.78	992.03
Other Borrowing Cost:		
Bank Charges	824.27	954.84
Processing and other charges	687.22	582.83
Brokerage	1,912.11	3,578.43
Total	138,344.88	132,729.70

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

20. OTHER EXPENSES

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Rent	4,596.52	4,015.35
Power and Fuel expenses	945.67	844.66
Repairs & maintenance to Buildings	1,024.51	889.78
Repairs & maintenance to Office Equipments	45.51	48.27
Office upkeep expenses	1,174.54	1,121.99
Rates & taxes	1,370.61	1,015.98
Printing & stationery	1,914.82	1,888.52
Travelling & conveyance	5,165.68	5,175.83
Advertisement	1,055.29	1,271.41
Business promotion expenses	4,509.80	4,234.33
Commission	8,685.53	7,144.53
Royalty	4,321.01	2,478.29
Directors' sitting fees	29.99	25.84
Insurance	433.63	428.84
Communication expenses	3,041.23	3,082.89
Payments to the auditor		
(a) Audit fees	31.30	22.87
(b) Tax audit fees	6.22	5.56
(c) Certification and other services	7.37	6.69
(d) Out of pocket	11.46	11.57
Professional charges	8,668.49	8,930.75
Legal & Professional fees	772.89	807.01
Donations	7.45	0.20
Public issue expenses for non-convertible debentures	734.59	977.45
Loss on sale of assets	11.45	10.11
Loss on sale of Investments	-	76.05
CSR expenses	649.77	9.33
Miscellaneous expenses	708.53	998.57
Total	49,923.86	45,522.67

21. PROVISIONS & WRITE OFFS

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Provision for non performing assets	29,828.73	12,080.92
Contingent provision for standard assets	1,599.36	716.29
Bad debts written off	30,161.12	32,571.95
Provision for Diminution in value of Investments	45.12	11.23
Total	61,634.33	45,380.39

Notes

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22. EARNINGS PER SHARE (EPS)

Particulars	Year ended March 31,	
	2016	2015
Net profit after tax as per statement of profit and loss (₹ in lacs) (A)	52,978.03	55,806.39
Weighted average number of equity shares for calculating Basic EPS (No. in lacs) (B)	659.16	647.57
Weighted average number of equity shares for calculating Diluted EPS (No. in lacs) (C)	660.03	648.65
Basic earnings per equity share (in ₹) (Face value of ₹ 10/- per share) (A) / (B)	80.37	86.18
Diluted earnings per equity share (in ₹) (Face value of ₹ 10/- per share) (A) / (C)	80.27	86.03

Particulars	Year ended March 31,	
	2016	2015
Weighted average number of equity shares for calculating EPS (No. in lacs)	659.16	647.57
Add : Equity shares arising on conversion of optionally convertible warrants (No. in lacs)	-	-
Add : Equity shares for no consideration arising on grant of stock options under ESOP (No. in lacs)	0.87	1.08
Weighted average number of equity shares for calculating diluted EPS (No. in lacs)	660.03	648.65

23. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has an unfunded 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.

Consequent to the adoption of AS 15 'Employee Benefits' (revised), the following disclosures are made as required by the standard:

Statement of Profit and Loss

Net Employee benefit expenses (recognised in the employee cost)

Particulars	₹ in lacs	
	Gratuity	
	For the year ended March 31,	
	2016	2015
Current service cost	466.95	235.81
Interest cost on benefit obligation	158.00	93.63
Expected return on plan assets	N.A.	N.A.
Net actuarial (gain) / loss recognised in the year	253.59	383.73
Past service cost	-	-
Net benefit expense	878.54	713.17
Actual return on plan assets	N.A.	N.A.

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Balance Sheet

Benefit asset/(liability)

Particulars	₹ in lacs	
	Gratuity	
	As at March 31,	
	2016	2015
Present value of the defined benefit obligation	2,270.36	1,955.49
Fair value of plan assets	N.A.	N.A.
Total	2,270.36	1,955.49
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(2,270.36)	(1,955.49)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	₹ in lacs	
	Gratuity	
	As at March 31,	
	2016	2015
Opening defined benefit obligation	1,955.49	1,005.76
Interest cost	158.00	93.64
Current service cost	466.95	235.81
Transferred in liabilities	11.84	282.28
Benefits paid	(68.34)	(45.73)
Actuarial (gains) / losses on obligation	40.50	383.73
Closing defined benefit obligation	2,270.36	1,955.49

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,	
	2016	2015
Investments with insurer	NA	NA

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	Gratuity	
	As at March 31,	
	2016	2015
Discount Rate	7.95%	8.08%
Increase in compensation cost	5.00%	5.00%
Employee Turnover	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.

Notes

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Amounts for the current and previous three years are as follows:

Particulars	₹ in lacs			
	2016	As at March 31,		2013
	2015	2014		
Present value of defined benefit obligation	2,270.36	1955.49	1,005.76	1,062.37
Plan assets	NA	NA	NA	NA
Surplus / (deficit)	(2270.36)	(1955.49)	(1005.76)	(1062.37)
Experience adjustments on plan liabilities	(294.08)	(84.58)	(89.71)	(136.10)
Experience adjustments on plan assets	NA	NA	NA	NA

The Company has a leave encashment policy. The leave encashment liability is computed based on actuarial valuation and stands at ₹ 752.51 lacs as on March 31, 2016 (₹ 562.32 lacs as on March 31, 2015)

24. EMPLOYEE STOCK OPTION PLAN

24.1 The Company provides share-based payment schemes to its Employees. For the period ended March 31, 2016 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	: October 30, 2006
Date of grant	: October 19, 2007
Date of Board Approval	: October 19, 2007
Number of options granted	: 13,55,000
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, 2016		As at March 31, 2015	
	Number of Shares	Weighted Average Exercise Price (in ₹)	Number of Shares	Weighted Average Exercise Price (in ₹)
Outstanding at the beginning of the year	110,270	35.00	151,610	35.00
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Less: Exercised during the year	21,540	35.00	41,340	35.00
Less: Expired during the year	-	-	-	-
Outstanding at the end of the period	88,730	35.00	110,270	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)	-	4.55	-	5.55
Weighted average fair value of options granted	-	227.42	-	227.42

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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 ₹)
2016	35.00	88,730	4.55	35.00
2015	35.00	110,270	5.55	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:

Particulars	₹ in lacs	
	As at March 31,	
	2016	2015
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	200.93	249.71
Deferred compensation cost	Nil	Nil

Since the company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, the ICAI issued a guidance note on "Accounting for Employees Share Based Payments" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock

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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,	
	2016	2015
Profit as reported (₹ in lacs)	52,978.03	55,806.39
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	52,978.03	55,806.39
Less Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders (₹ in lacs)	52,978.03	55,806.39
Earnings per share		
Basic (₹)		
- As reported	80.37	86.18
- Proforma	80.37	86.18
Diluted (₹)		
- As reported	80.27	86.03
- Proforma	80.27	86.03

24.2 A new ESOP scheme "SCUF Employees Stock Option Scheme 2013" was approved at an EGM on May 31, 2013. Accordingly 26,27,000 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.

25. SEGMENT INFORMATION

The company has got a single reportable segment. Therefore, the segment wise reporting has not been given.

26. RELATED PARTY DISCLOSURE

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. Aiyneri Ramachandra Naaidu (Father of Mr. R Duruvasan)
- c. Ms. Aiyneri Ammayamma (Mother of Mr. R Duruvasan)
- d. Mr. Aiyneri 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 May 15, 2015)
- c. Shriram Ownership Trust (SOT)
- d. Piramal Enterprises Limited (PEL)
- e. TPG India Investments I INC. (Upto May 11, 2015)

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26.1 Details of Transactions

Particulars	₹ in lacs					
	Enterprises having significant influence over the Company		Subsidiaries		Key Managerial Personnel	
	As at March 31, 2016	2015	As at March 31, 2016	2015	As at March 31, 2016	2015
Payments/Expenses						
Royalty to SOT	4,321.01	2,479.88	-	-	4,321.01	2,479.88
Reimbursement of rent, and other expenses to SCL	349.02	208.27	-	-	349.02	208.27
License Fees to SCL	2,137.36	1,916.89	-	-	2,137.36	1,916.89
Rent and other expenses to SHFL	-	-	160.08	156.63	160.08	156.63
Loan given to SHFL	-	-	-	14,200.00	-	14,200.00
Payment of Loan given by SHFL	-	-	-	7,400.00	-	7,400.00
Interest on Borrowings from SHFL	-	-	-	18.66	-	18.66
Equity dividend to SCL	3,451.68	2,338.23	-	-	3,451.68	2,338.23
Equity dividend to Dynasty Acquisition FPI Limited	2,080.39	-	-	-	2,080.39	-
Equity dividend to TPG India Investments I INC	-	1,409.30	-	-	-	1,409.30
Equity dividend to Piramal Enterprises Limited	1,019.88	690.88	-	-	1,019.88	690.88
Payments to Key Managerial Personnel	-	-	-	-	114.38	171.77
Receipts						
Commission and sublease income - SHFL	-	-	295.36	298.60	295.36	298.60
Reimbursement of expenses - SHFL	-	-	23.76	8.72	23.76	8.72
Repayment of Loan - SHFL	-	-	-	14,200.00	-	14,200.00
Interest on Loan - SHFL	-	-	-	155.42	-	155.42
Loan from SHFL	-	-	-	7,400.00	-	7,400.00
Sale of Land	-	-	-	0.28	-	0.28
Balance outstanding as at						
Share Capital held by SCL	2,226.89	2,226.89	-	-	2,226.89	2,226.89
Share Capital held by Dynasty Acquisition FPI Limited	1,342.19	-	-	-	1,342.19	-
Share Capital held by TPG India Investments I INC	-	1,342.19	-	-	-	1,342.19
Share Capital held by Piramal Enterprises Limited	657.98	657.98	-	-	657.98	657.98
Investment in Shares of SHFL	-	-	16,544.00	16,544.00	16,544.00	16,544.00
Security deposits with SHFL	-	-	117.38	117.38	117.38	117.38
Outstanding Receivable SHFL	-	-	43.74	32.71	43.74	32.71
Outstanding Payable SHFL	-	-	0.54	0.71	0.54	0.71
Outstanding Expenses SCL	14.40	11.83	-	-	14.40	11.83
Outstanding Expenses SOT	503.90	-	-	-	503.90	-

Notes

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27. CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

(I) Contingent Liabilities

Particulars	₹ in lacs	
	As at March 31,	
	2016	2015
a. Income Tax	2,956.88	4,831.24
b. Kerala Value Added Tax	4.65	4.65
c. Tamilnadu Value Added Tax	75.50	-

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

As at March 31, 2016, ₹ 87.76 lacs (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

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 year is given below

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Total number of transactions under par structure	1	2
Total book value of assets	10,000.00	29,968.29
Sale consideration received	10,000.00	29,968.29

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(ii) The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below

S. No.	Particulars	₹ in lacs	
		As at March 31, 2016	As at March 31, 2015
1.	No of SPVs sponsored by the NBFC for securitisation transactions	8	12
2.	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	35,719.00	93,426.78
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	10,051.01	20,302.28
	Others	708.69	2,599.64
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
	Others	334.59	191.93
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

B. Direct Assignment

(i) The information on direct assignment of the Company as an originator in respect of par transactions done during the year

Particulars	₹ in lacs	
	Year ended March 31, 2016	2015
Total number of transactions under par structure	2	-
Total book value of assets	20,127.08	-
Sale consideration received	18,114.37	-

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

(ii) The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

		₹ in lacs	
S. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1.	No. of transactions assigned by the Company	3	1
2.	Total amount of outstanding	19,506.34	2,610.68
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 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	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

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	-	-	1	200.00	2	201.00
Customer & Outsider		-	-	1	15.00	-	-	1	15.00
Staff, Customer & Outsider		-	-	-	-	-	-	-	-
Total		1	1.00	3	41.91	1	200.00	5	242.91
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	1	15.00	-	-	2	16.00
Total		1	1.00	3	41.91	1	200.00	5	242.91

Notes

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30. DERIVATIVES

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)

		₹ in lacs	
S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i)	The notional principal of swap agreements	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	-	-

31. EXPOSURE TO CAPITAL MARKET

		₹ in lacs	
S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
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;	10,077.38	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;	49,101.71	38,774.95
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;	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		63,134.52	50,662.11

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forming part of Standalone Financial Statements for the year ended March 31, 2016

32. Expenditure In Foreign Currency (Cash Basis) - Nil

33. The company had no discontinuing operations during the year ended March 31, 2016 and during the year ended March 31, 2015.

34. The Company has taken various office premises under operating lease. The lease payments recognised in the statement of profit and loss account are ₹4596.52 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. The future minimum lease payments in respect of non-cancellable operating leases as at the Balance sheet days are summarised below:

Particulars	₹ in lacs	
	For the year ended March 31,	
	2016	2015
a. Not later than 1 year	347.75	209.35
b. More than 1 year and less than 5 years	977.60	335.08
c. Later than 5 years	467.23	1.71

35. Capital

S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i)	CRAR (%)	26.14%	29.03%
ii)	CRAR - Tier I Capital (%)	23.36%	24.80%
iii)	CRAR - Tier II Capital (%)	2.78%	4.23%
iv)	Amount of subordinated debt raised as Tier-II capital (t in lacs)	47,137.31	64,115.03
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

36. Investments

S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
1)	Value of Investments		
i)	Gross Value of Investments		
a)	In India	69,356.48	98,168.15
b)	Outside India	9,877.38	-
ii)	Provisions for Diminution		
a)	In India	81.76	36.64
b)	Outside India	-	-
iii)	Value of Net Investments		
a)	In India	69,274.72	98,131.51
b)	Outside India	9,877.38	-
2)	Movement of provisions held towards diminution on investments		
i)	Opening Balance	36.64	25.41
ii)	Add : Provisions made during the year	45.12	11.23
iii)	Less : Write-off / write-back excess provisions during the year	-	-
iv)	Closing Balance	81.76	36.64

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

37. Details of non-performing financial assets purchased / sold - Nil

38. Details of financing of parent company products - Nil

39. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFCs - Nil

40. Registration obtained from other financial sector regulators - Nil

41. Disclosure of Penalties imposed by RBI and other regulators - Nil

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, 2016	Year ended March 31, 2015
Provisions for diminution on Investment	45.12	11.23
Provision towards NPA	29,828.73	12,080.92
Provision made towards Income tax	28,332.03	29,593.66
Other provisions and Contingencies(with details)		
Provision for Standard Assets	1,599.36	716.29
Provision for Gratuity	371.37	949.73
Provision for Leave benefits	302.45	167.16

43. Draw Down Reserves - Nil

44. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

a. Concentration of Deposits (for deposit taking NBFCs)

	₹ in lacs
Total Deposits of twenty largest depositors	3193.48
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	1.31%

b. Concentration of Advances

	₹ in lacs
Total Advances to twenty largest borrowers	73,763.67
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	3.88%

c. Concentration of Exposures

	₹ in lacs
Total Exposure to twenty largest borrowers / customers	73,763.67
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	3.88%

d. Concentration of NPAs

	₹ in lacs
Total Exposure to top four NPA accounts	6,275.18

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

e. Sector-wise NPAs

S. No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-
2	MSME / Corporate borrowers	5.40%
3	Services	-
4	Unsecured personal loans	5.96%
5	Auto loans	
	i) Auto Loans	6.44%
	ii) Two wheeler	5.05%
6	Other personal loans	
	i) Consumer Durable	-
	ii) Pledged Jewel	3.82%

45. MOVEMENT OF NPAs

		₹ in lacs	
S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i)	Net NPAs to Net Advances (%)	1.56%	0.68%
ii)	Movement of NPAs (Gross)		
a)	Opening balance	49,142.87	34,040.24
b)	Additions during the year	82,975.23	41,831.79
c)	Reductions during the year	34,109.80	26,729.16
d)	Closing balance	98,008.30	49,142.87
iii)	Movement of Net NPAs		
a)	Opening balance	10,662.34	7,640.62
b)	Additions during the year	29,119.81	10,195.10
c)	Reductions during the year	10,083.12	7,173.38
d)	Closing balance	29,699.03	10,662.34
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening balance	38,480.54	26,399.62
b)	Provisions made during the year	53,855.42	31,636.70
c)	Write-off / write-back of excess provisions	24,026.68	19,555.78
d)	Closing balance	68,309.27	38,480.54

46. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

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.

47. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) - Nil

48. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) - Nil

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

49. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 months	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	-	-	-	-	-	-	-	-	-

50. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Rating Agency	Rating Instrument	Rating Assigned as on March 31, 2016
India Ratings	Long-Term (NCDs)	IND AA' / Stable
	Short-Term (CP)	'IND A1+
	Bank Loan Ratings	IND AA'
	Fixed deposit	IND tAA
CARE	Long-Term (NCDs)	CARE AA+
	Short-Term (CP)	CARE A1+
	Subordinate Debt	CARE AA+
	Fixed deposit	CARE AA+ (FD)
ICRA	Long-Term (NCDs)	ICRA AA / stable
	Short-Term (CP)	ICRA A1+
	Fixed deposit	MAA+ (Stable)
	Long-Term (NCDs)	GRISIL AA-/Stable
CRISIL	Short-Term (CP)	CRISIL A1+
	Subordinate Debt	CRISIL AA-/Stable
	Fixed deposit	FAA (Stable)

Note: No migration during the year

Notes

forming part of Standalone Financial Statements for the year ended March 31, 2016

51. CUSTOMER COMPLAINTS

S. No.	Particulars	Count
(a)	No. of complaints pending at the beginning of the year	29
(b)	No. of complaints received during the year	1,010
(c)	No. of complaints redressed during the year	1,023
(d)	No. of complaints pending at the end of the year	16

52. Based on the intimation received by the company, none of the suppliers have confirmed to be registered under "the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Therefore, the related information for this purpose stands to be Nil.

53. 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.

54. Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with current year presentation.

As per our report of even date
For Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

Pijush Kumar Gupta
 Partner
 Membership No. 015139

Place: Chennai
 Date: April 27, 2016

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

R Duruvasan
 Managing Director & CEO
 DIN: 00223052

C R Dash
 Company Secretary

S. Krishnamurthy
 Director
 DIN: 00140414

Subhasri Sriram
 Chief Financial Officer

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiary (Information in respect of each subsidiary to be presented with amounts in lacs)

CORPORATE OVERVIEW

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₹ in lacs

S. No.	Particulars	
1	Name of the subsidiary	Shriram Housing Finance Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4	Share capital	21,416.00
5	Reserves & surplus	18,053.67
6	Total assets	138,716.55
7	Total Liabilities	99,246.88
8	Investments	8,743.10
9	Turnover	16,746.62
10	Profit before taxation	4,273.40
11	Provision for taxation	1,378.14
12	Profit after taxation	2,895.26
13	Proposed Dividend	NA
14	Percentage of shareholding	77.25%
Notes:		
1	Names of subsidiaries which are yet to commence operations.	NA
2	Names of subsidiaries which have been liquidated or sold during the year.	NA

For Shriram City Union Finance Limited

Place: Chennai
Date: April 27, 2016

R Duruvasan
Managing Director & CEO
DIN: 00223052

S. Krishnamurthy
Director
DIN: 00140414

C R Dash
Company Secretary

Subhasri Sriram
Chief Financial Officer

As required in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

		₹ in lacs	
Particulars			
Liabilities side	Amount outstanding	Amount overdue	
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:			
(a) Debenture: Secured	202,976.13	5,441.77 [#]	
: Unsecured	-	-	
(other than falling within the meaning of public deposits*)			
(b) Deferred Credits	-	-	
(c) Term Loans	764,880.16	-	
(d) Inter-corporate loans and borrowing	-	-	
(e) Commercial Paper	7,993.25	-	
(f) Public Deposits*	322,152.70	3,175.79 [#]	
(g) Other Loans - Subordinate Debts	129,896.03	1,817.70 [#]	
- Cash Credit (including working capital demand loan)	87,037.31	-	
Total (1)	1,514,935.57	10,435.26	
*Please see Note 1 below			
(2) Break-up of (1)(f) above (Outstanding Public deposits inclusive of interest accrued thereon but not paid):			
(a) In the form of Unsecured debentures	-	-	
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	
(c) Other public deposits	322,152.70	3,175.79 [#]	
Total (2)	322,152.70	3,175.79	
*Please see Note 1 below			
[#] Represent amount unclaimed.			
		₹ in lacs	
Assets side		Amount outstanding	
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below):			
(a) Secured		1,702,611.88	
(b) Unsecured		197,988.79	
Total (3)		1,900,600.67	
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities			
(i) Lease assets including lease rentals under sundry debtors:			
(a) Financial lease		-	
(b) Operating lease		-	
(ii) Stock on Hire including hire charges under sundry debtors:			
(a) Assets on hire		-	
(b) Repossessed Assets		1,756.05	
(iii) Other loans counting towards AFC Activities:			
(a) Loans where assets have been repossessed		-	
(b) Loans other than (a) above		-	
Total (4)		1,756.05	

	₹ in lacs
Assets side	Amount outstanding
(5) Break-up of Investments :	
Current Investments :	
I. Quoted :	
(i) Shares : a Equity	-
b Preference	-
(ii) Debenture and Bonds	-
(iii) Units of mutual funds	200.00
(iv) Government Securities	18,348.53
(v) Others (Please specify)	-
a. Certificate of deposits	15,000.00
b. Commercial Paper	-
II. Unquoted :	
(i) Shares: a Equity	-
b Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
Long Term investments :	
1. Quoted :	
(i) Shares : a Equity	9,877.38
b Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	16,354.41
(v) Others (Please specify)	-
2. Unquoted :	
(i) Shares: a Equity	17,660.80
b Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Investment in Pass Through Certificates)	1,792.74
Total (5)	79,233.86

(6) Borrower group-wise classification of assets, financed as in (3) and (4) above :

Please see Note 2 below

Category	Amount (Net of provisions)		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	1,644,234.10	189,813.35	1,834,047.45
Total (6)	1,644,234.10	189,813.35	1,834,047.45

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see Note 3 below

Category	₹ in lacs	
	Market Value/ break-up or fair value or NAV	Book Value(net of provisions)
1. Related Parties **		
(a) Subsidiaries	16,544.00	16,544.00
(b) Companies in the same group	1.80	1.80
(c) Other related parties	-	-
2. Other than related parties	-	-
Government securities	34,702.94	34,702.94
Provision on government securities	(81.76)	(81.76)
Units of Mutual Funds	200.00	200.00
Certificate of deposits	15,000.00	15,000.00
Commercial Paper	-	-
Others	12,785.12	12,785.12
Total (7)	79,152.10	79,152.10

** As per Accounting Standard of ICAI (Please see Note 3)

(8) Other information

		₹ in lacs
Particulars		Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	98,008.30
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	29,699.03
(iii)	Assets acquired in satisfaction of debt	-

Notes :

1 As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for calculation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

For Shriram City Union Finance Limited

Place: Chennai
Date: April 27, 2016

R Duruvasan
Managing Director & CEO
DIN: 00223052

S. Krishnamurthy
Director
DIN: 00140414

C R Dash
Company Secretary

Subhasri Sriram
Chief Financial Officer

PIJUSH GUPTA & CO

CHARTERED ACCOUNTANTS
P-199, C.I.T. ROAD, SCHEME IV-M, KOLKATA - 700 010

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
SHRIRAM HOUSING FINANCE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Shriram Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

INDEPENDENT AUDITOR'S REPORT

financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the said Order
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st

March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations which would impact its financial position in its financial statements - refer Note 27 to the financials statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **Pijush Gupta & Co.**
Chartered Accountants
Firm Registration
Number: 309015E

Ramendra Nath Das
Partner
Membership No.014125
Place: Mumbai
Date: April 22, 2016

Annexure 'A'

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

REPORT UNDER THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016

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

- i. (a) According to the information and explanations given to us and records produced before us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us and records produced before us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and records produced before us, the title deeds of all the immovable properties are held in the name of the company.
- ii. The Company is engaged in distributions and marketing of financial products which does not involve maintenance of any inventory.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the public during the period covered by our audit report.
- vi. According to the information and explanations given to us the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act.
- vii. (a) According to the information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there are no dues payable as at the year end with such authorities.
- (b) According to the information and explanations given to us and the relevant documents produced before us the following disallowance under Income Tax assessment has been disputed by the Company. Total assessed income for the year being loss, department has reduced the carry forward amount of loss and has not raised any demand for deposit.

Annexure 'A'

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Statute	Nature of Dispute	Amount of tax involved ₹ lakhs	Years to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Expenditure disallowed	14.64	Assessment Year 2013-14	C.I.T(Appeals), Chennai

- viii. Based upon the audit procedures and according to the information and explanations provided to us, the company has not defaulted in repayment of loans or borrowing to financial institution, bank, government or dues to debenture holders.
- ix. In our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments). The Company has obtained term loans from the Banks and NHB and the same were applied for the purposes for which those were raised.
- x. We have been informed that during the audit period certain borrowers have defrauded the Company by providing fake documents/multiple sale amounting to ₹ 65.35 lacs. The Company has taken necessary action against the said borrowers. Refer Note 34 to the financial statements.
- xi. Based on our audit procedures and as per information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion the Company is not a Nidhi Company.
- xiii. According to the information and explanations given to us, the Company has complied with section 177 and 188 of Companies Act, 2013 where applicable in respect of all transactions with the related parties and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review
- xv. According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with the directors.
- xvi. According to the information and explanations given to us the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934

For **Pijush Gupta & Co.**
Chartered Accountants
Firm Registration
Number: 309015E

Ramendra Nath Das
Partner
Membership No.014125
Place: Mumbai
Date: April 22, 2016

Annexure 'B'

Annexure to the independent auditors' report of even date on the financial statements of Shriram Housing Finance Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Shriram Housing Finance Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require

that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Annexure 'B'

Annexure to the independent auditors' report of even date on the financial statements of Shriram Housing Finance Limited

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For **Pijush Gupta & Co.**
Chartered Accountants
Firm Registration
Number: 309015E

Ramendra Nath Das
Partner
Membership No.014125
Place: Mumbai
Date: April 22, 2016

Shriram Housing Finance Limited

CIN NO : U65929TN2010PLC078004

₹ in lacs

Balance Sheet as at	Notes	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	5	21,416.00	21,416.00
(b) Reserves and surplus	6	18,053.67	15,158.41
		39,469.67	36,574.41
2. Non-Current Liabilities			
(a) Long term borrowings	7	74,514.37	35,686.64
(b) Deferred tax liabilities (net)	8	-	126.55
(c) Other long-term liabilities	9	217.42	137.00
(d) Long-term provisions	10	1,546.84	618.15
		76,278.63	36,568.34
3. Current Liabilities			
(a) Short term borrowings	11	5,288.04	-
(b) Other current liabilities	9	17,496.87	5,581.32
(c) Short-term provisions	10	183.34	60.72
		22,968.25	5,642.04
TOTAL		1,38,716.55	78,784.79
II. ASSETS			
1. Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	12	238.92	108.34
(ii) Intangible assets	12	1.28	7.39
(b) Non-current investments	13	7,600.76	1,329.06
(c) Deferred tax assets (net)	8	39.4	-
(d) Long-term loans and advances	14	1,18,289.87	71,036.70
(e) Other non-current assets	15	363.38	365.56
		1,26,533.61	72,847.05
2. Current Assets			
(a) Current investments	13	1,142.34	676.00
(b) Cash and cash equivalents	16	1,278.11	2,136.50
(c) Short-term loans and advances	14	9,644.83	3,042.08
(d) Other current assets	15	117.66	83.16
		12,182.94	5,937.74
TOTAL		1,38,716.55	78,784.79

The notes referred to above form an integral part of the financial statements.

As per our report of even date
For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No. 309015E

Ramendra Nath Das
Partner
Membership No : 014125

Place: Mumbai.
Date: April 22, 2016

For and on behalf of the Board of Directors of
Shriram Housing Finance Limited

Sujan Sinha
Managing Director & CEO
DIN : 02033322

Mageswari Pasupathy
Company Secretary

Subhasri Sriram
Director
DIN : 01998599

Kunal Shah
Chief Financial Officer

Shriram Housing Finance Limited

CIN NO : U65929TN2010PLC078004

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₹ in lacs

Statement of Profit and Loss	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Income:			
Revenue from operations	17	16,721.06	8,374.69
Other Income	18	25.56	179.10
Total Income		16,746.62	8,553.79
Expenses:			
Employee benefits expense	19	2,759.45	1,476.97
Finance costs	20	5,652.17	1,429.44
Depreciation and amortization expense	12	70.67	99.30
Other expenses	21	2,941.85	2,099.10
Provisions & write-offs (net)	22	1,049.08	438.62
Total Expenses		12,473.22	5,543.43
Profit before tax		4,273.40	3,010.36
Tax Expense:			
(1) Current tax		1,541.90	853.36
(2) Deferred tax		(165.95)	204.03
(3) Tax of earlier years		2.19	(66.69)
Total tax expense		1,378.14	990.70
Profit after tax from continuing operations		2,895.26	2,019.66
Earnings per equity share of par value ₹ 10/- each	23		
(1) Basic (₹)		1.35	0.94
(2) Diluted (₹)		1.35	0.94

The notes referred to above form an integral part of the financial statements.

As per our report of even date
For Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

Ramendra Nath Das
 Partner
 Membership No : 014125

Place: Mumbai.
 Date: April 22, 2016

For and on behalf of the Board of Directors of
Shriram Housing Finance Limited

Sujan Sinha
 Managing Director & CEO
 DIN : 02033322

Mageswari Pasupathy
 Company Secretary

Subhasri Sriram
 Director
 DIN : 01998599

Kunal Shah
 Chief Financial Officer

Shriram Housing Finance Limited

₹ in lacs

Cash Flow Statement	For the year ended March 31, 2016	For the year ended March 31, 2015
A) Cash flow from Operating activities		
Net Profit before taxation	4,273.40	3,010.36
Adjustments for:		
Depreciation and amortization	70.67	99.30
Provision for sub standard, doubtful & loss assets	704.39	213.02
Contingent provision on standard assets	279.34	190.32
Bad debts written off	65.35	35.28
Provision for gratuity	65.30	6.08
Provision for leave benefits (net of paid)	0.75	1.56
Provision for lease rental	1.53	4.78
Premium on PTC written off	2.66	0.09
NCD private placement Expenses	83.73	28.79
Dividend income	-	(6.15)
Interest received (others)	(4.68)	(67.65)
(Profit)/Loss on sale of assets	1.43	0.08
Profit on sale of investments	(8.08)	(100.54)
Operating profit before working capital changes	5,535.79	3,415.32
Movement in working capital:		
(Increase) / decrease in short-term loans and advances	(6,602.75)	(1,838.26)
(Increase) / decrease in long-term loans and advances	(47,303.02)	(39,926.65)
(Increase) / decrease in other current assets	(22.45)	(11.43)
(Increase) / decrease in other non-current assets	(30.94)	(18.67)
Increase / (decrease) in current liabilities	6,909.96	4,953.50
Increase / (decrease) in non-current liabilities	80.42	19.61
Cash generated from operations	(41,432.99)	(33,406.58)
Direct Taxes Paid (net of refund)	(1,559.58)	(738.58)
Net Cash flow from/(used in) operating activities (A)	(42,992.57)	(34,145.16)
B) Cash flow from investing activities		
Purchase of fixed and intangible assets	(198.19)	(64.50)
Proceeds from sale of assets	1.62	1.24
Purchase of pass through certificates	(7,500.00)	(1,226.73)
Proceeds from sale of investments (net)	767.37	522.68
Dividend received	-	0.51
Interest received (others)	4.68	67.65
Net Cash flow from/(used in) investing activities (B)	(6,924.52)	(699.15)

Shriram Housing Finance Limited

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	₹ in lacs	
Cash Flow Statement	For the year ended March 31, 2016	For the year ended March 31, 2015
C) Cash flow from financing activities		
Increase / (decrease) in long term borrowings	43,833.32	36,199.97
Increase / (decrease) in short term borrowings	5,288.04	-
Private placement expenses for non-convertible debentures paid	(62.66)	(447.16)
Net Cash flow from/(used in) financing activities (C)	49,058.70	35,752.81
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(858.39)	908.50
Cash and cash equivalents at the beginning of the year	2,136.50	1,228.00
Cash and cash equivalents at the end of the year	1,278.11	2,136.50

	₹ in lacs	
Component of cash and cash equivalents	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash on hand	92.81	20.53
Balances with banks:		
- Current Account /Cash Credit Account	1,185.30	2,115.97
Total Cash and cash equivalents	1,278.11	2,136.50

As per our report of even date
For Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

For and on behalf of the Board of Directors of
Shriram Housing Finance Limited

Ramendra Nath Das
 Partner
 Membership No : 014125

Sujan Sinha
 Managing Director & CEO
 DIN : 02033322

Subhasri Sriram
 Director
 DIN : 01998599

Place: Mumbai.
 Date: April 22, 2016

Mageswari Pasupathy
 Company Secretary

Kunal Shah
 Chief Financial Officer

Notes

Shriram Housing Finance Limited

1. THE ENTITY

Shriram Housing Finance Limited (the "Company") is registered as a public limited company under the Companies Act, 1956, having received its Certificate of Incorporation on November 9, 2010 and Certificate of Commencement of Business on January 21, 2011, from The Registrar of Companies (ROC). The company received its Certificate of Registration from National Housing Bank (NHB) as required under Section 29A of the National Housing Bank Act, 1987, on August 4, 2011. The Company is a subsidiary of Shriram City Union Finance Limited (SCUF). The Company is engaged in the business of providing loans for construction or purchase of residential property and loans against property.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with 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 NHB as applicable to the Company. The financial statements have been prepared on an accrual basis and under the historical cost convention

3. CONSISTENCY OF ACCOUNTING POLICIES

Accounting Policies adopted in the preparation of these financial statements are consistent with those of previous year except where specifically indicated in the paragraphs below.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 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.

4.2 Use of estimates

Preparation of financial statements in conformity with accounting principles generally accepted in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of the operations for the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and/or liabilities in future periods

4.3 Tangible Fixed Assets

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for intended use. Borrowing costs relating to acquisition of fixed assets are capitalised to the extent they relate to period till such assets are ready to be put to use.

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

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Shriram Housing Finance Limited

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. Depreciation on Fixed Asset is calculated on a straight line basis as per the useful lives of the assets as prescribed under the Schedule II to Companies Act, 2013. 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. Leasehold Improvements are amortised on SLM over the primary period of lease subject to a maximum of 60 months.

4.4 Intangible Assets

Intangible assets comprising computer software acquired separately are measured and recognised at cost. Such assets generated internally are capitalised at all expenditure that can be directly attributed or allocated including overheads on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Expenditure over and above development costs as above are not capitalised and are recognised as expense and reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortised on a straight line basis over the estimated useful economic life of such assets. It is presumed that the useful economic life of Computer Software will not exceed three years from the date such assets are available for use. If there is a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

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.

4.5 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.

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.

4.6 Capital Advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realize them in cash and over a period of time these advances get converted into fixed assets. These advances are non-current in nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under Long-Term Loans and Advances.

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Shriram Housing Finance Limited

4.7 Borrowing costs

Borrowing cost includes all charges and fees to the extent they are regarded as an adjustment to the interest cost. Borrowing cost is amortised over the period of the borrowing.

4.8 Investments

Investments which are readily realizable and 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.

On initial recognition, all investments are measured at cost. Cost comprises of purchase price and directly attributable acquisition expenses like brokerages and other fees and duties.

Current Investments are carried in the financial statements at lower of cost and fair value determined on individual investment basis. Long-term Investments including non-current and current portions thereof are carried at cost. However provision for diminution in value of long-term investments is made to recognize a decline in value other than temporary in nature.

On disposal of an investment, the difference between its carrying value and net disposal proceeds is charged or credited in the statement of profit and loss.

4.9 Loans

Loans consist of secured loans given for acquisition of property and/or loans against existing property. Loans are classified under Current and Non-Current categories depending upon their respective due dates of recovery. Normal finance charges accrued as per agreement and expenses recoverable are

added to the principal amounts outstanding as on reporting date. The assets are disclosed net of write-offs.

A Loan 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 is identified as a Loss Asset. Entire loss assets are written off and if such assets are carried in the books for any reason whatsoever, provision is made in the books for a full 100% amount of the outstanding.

Provision for standard, sub-Standard and doubtful assets is made in the books, as per estimates of the management, subject to the minimum prescribed under the provisions of Housing Finance Companies (NHB) Directions, 2010. Such provisions are not netted from gross advances but are disclosed separately.

4.10 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.

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Shriram Housing Finance Limited

4.11 Revenue Recognition

Interest income on loans disbursed is recognised on accrual basis except in case of Non Performing Assets (NPA) where interest is accounted on realization. Loans are generally repayable in Equated Monthly Installments (EMIs) along with interest. EMIs commence generally once the loan is entirely disbursed. Pre-EMI interest is payable monthly where the loan is partly disbursed. On part disbursal cases, EMI will commence only on party request or after completion of 18 months moratorium whichever is earlier.

Additional finance charges / additional interest are treated to accrue on realization due to uncertainty of its realization.

Profit/Loss on sale of investments is recognised at the time of sale/redemption. Dividend is recognised as income in the year in which right to receive such dividend is established.

Interest on deposits and investments is recognised as income on a time proportion basis to the extent said deposits/investments were outstanding during the year.

Income from services is recognised as per the terms of the contract on accrual basis.

4.12 Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities calculated in accordance with the provisions laid down in the Income Tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating in the current year and reversal of timing differences of the earlier years. Tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted as on the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for all deductible timing differences, subject to consideration of prudence to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case the Company has unabsorbed depreciation or carry forward losses under tax laws deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In case the Company is having or approaching tax holiday in near future no deferred tax asset or liability is recognised in respect of timing differences that would reverse during the tax holiday period to the extent the Company's gross total income is subject to deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The Company on each reporting date reassesses unrecognised deferred tax assets and recognizes hitherto unrecognised deferred tax assets to the extent the same fulfills criteria for such recognition as above. Similarly the carrying amounts of deferred tax assets are reviewed at each reporting date and writes down or reverses write downs as the case may be depending upon circumstances obtaining at that time.

The Company sets off assets and liabilities representing current tax as there is legally enforceable right to set off the recognised amounts and the Company intends to settle the asset and liability on a net basis. The

Notes

Shriram Housing Finance Limited

deferred tax assets and deferred tax liabilities are similarly set off.

4.13 Segment Reporting Policies

The main business of the Company is to provide long term home loans. Accordingly there is no separate reportable segment as per "Accounting standard AS 17 Segment Reporting"

4.14 Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with 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.

4.15 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the Provident Fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the Provident Fund.

The Company operates one defined benefit plan for its employees, viz., gratuity. Provisions for costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. The actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognised in full in the statement of profit and loss in the period in which they occur.

Accumulated leave which is expected to be utilised within the next 12 months is treated as short term employee benefit. The

Company measures the expected cost of such entitlements 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 entitlements are provided for based on actuarial valuation using projected unit credit method at year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. Both the schemes of gratuity and accumulated leave are un-funded.

4.16 Earnings Per Share

Basic earnings per share are 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 period and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.17 Expenses on debentures

Expenses on issue of debentures/subordinated debts are charged off on straight line basis over the weighted average tenor of the underlying debentures.

4.18 Provisions

A provision is recognised when the Company has a present obligation as a result of past event where 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. Values of such provisions are determined based

Notes

Shriram Housing Finance Limited

on the best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.19 Cash and cash equivalents

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 for the purposes of cash flow statement comprise cash at bank, cash in hand, cheques in hand, remittances in transit and short-term investments with an original maturity of three months or less.

4.20 Contingent Liabilities

The Company does not recognize a contingent liability but discloses its existence in the financial statement. Contingent liability for this purpose is a possible obligation that arises from past events whose value will

be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. Contingent liabilities also include a present obligation that is not recognised as there is a possibility that outflow of resources will not arise to settle the obligation. A contingent liability also arises where there is a liability that cannot be measured reliably.

4.21 Special Reserve :

The Company creates Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

4.22 Securitisation of assets :

Securitised Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets. De-recognition of securitised assets and recognition of gain or loss arising on such securitisation is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

Notes

Shriram Housing Finance Limited

5. SHARE CAPITAL

Particulars	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Authorised		
22,00,00,000 (Previous year :22,00,00,000) equity shares of ₹ 10/- each	22,000.00	22,000.00
	22,000.00	22,000.00
Issued, Subscribed and Fully Paid up Equity shares		
21,41,60,000 (Previous Year : 21,41,60,000) equity shares of ₹ 10/- each.	21,416.00	21,416.00
Total Issued, Subscribed and Fully Paid up share capital	21,416.00	21,416.00

5.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹ in lacs	Number	₹ in lacs
Shares outstanding at beginning of the year	214,160,000	21,416.00	214,160,000	21,416.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	214,160,000	21,416.00	214,160,000	21,416.00

5.2 Terms/Rights attached to equity shares: The Company has only one class of equity shares having a face value of ₹ 10/- per equity share. Each holder of equity share is entitled to one vote per share.

5.3 Details of shareholders holding more than 5% of the shares in the Company

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% of Holding	Number of shares	% of Holding
Valiant Mauritius Partners FDI Ltd.	48,720,000	22.75%	48,720,000	22.75%
Shriram City Union Finance Ltd., and its Nominees	165,440,000	77.25%	165,440,000	77.25%

5.4 For details of share reserved for issue under the employees stock option scheme (ESOP) [Refer note 26]

5.5 There are no shares allotted as fully paid up pursuant to any contract without payment being received in cash, and there are no shares allotted as bonus shares, during the period of five years immediately preceding the date of the balance sheet.

Notes

Shriram Housing Finance Limited

6. RESERVES & SURPLUS

Particulars	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Securities premium account		
Opening balance	12,180.00	12,180.00
Add: Securities premium credited during the year	-	-
Closing balance	12,180.00	12,180.00
Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987 & Section 36(1) (viii) of Income Tax Act, 1961)		
Opening balance	703.40	285.38
Add: transferred as per section 29C of the NHB Act, 1987	-	-
Add: transferred as per section 36(1)(viii) of the Income Tax Act, 1961 (considered for 29C of the NHB Act)	600.00	418.02
Appropriation during the year	-	-
Closing balance	1,303.40	703.40
Surplus in the Statement of Profit and Loss		
Opening balance	2,275.01	674.59
Less: Additional Depreciation as per Companies Act 2013.	-	1.22
Add: Net profit for the year	2,895.26	2,019.66
Less: Appropriations	-	-
Less: Transfer to statutory reserve (Pursuant to Section 29C of the NHB Act, 1987 & section 36(1)(viii) of Income Tax Act, 1961)	600.00	418.02
Net surplus in the statement of Profit and Loss	4,570.27	2,275.01
Total	18,053.67	15,158.41

7. LONG TERM BORROWINGS

Particulars	₹ in lacs			
	Non-current portion		Current maturities	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Secured				
Privately placed redeemable non-convertible debentures	31,000.00	25,600.00	600.00	-
Term loan from banks	41,227.77	10,086.64	4,758.87	513.33
Refinance from National Housing Bank	2,286.60	-	160.05	-
Total Long term borrowing	74,514.37	35,686.64	5,518.92	513.33
Amount disclosed under the head "other liabilities"	-	-	(5,518.92)	(513.33)
Total	74,514.37	35,686.64	-	-

Notes

Shriram Housing Finance Limited

7.1 Secured Loans - Long Term Borrowings

A. Privately Placed Redeemable Non Convertible Debentures

Terms of repayment as at March 31, 2016

₹ in lacs

ROI	Issue Price	Redemption Price	Type	Redemption on	Non-Current portion	Current Maturities
10.30%	10.00	10.00	Quoted	10-Oct-24	4,000.00	-
9.35%	10.00	10.00	Quoted	26-Dec-21	1,500.00	-
10.25%	10.00	10.00	Quoted	13-Oct-21	1,500.00	-
10.25%	10.00	10.00	Quoted	10-Oct-21	4,500.00	-
9.00%	10.00	10.00	Quoted	27-Oct-20	4,000.00	-
9.25%	10.00	10.00	Quoted	26-Dec-19	4,000.00	-
-	10.00	13.09	Quoted	08-Oct-18	2,000.00	-
9.30%	10.00	10.00	Quoted	26-Dec-17	4,500.00	-
9.70%	10.00	10.00	Un-Quoted	01-Dec-17	5,000.00	-
-	10.00	11.97	Quoted	24-Nov-16	-	600.00
					31,000.00	600.00

Terms of repayment as at March 31, 2015

₹ in lacs

ROI	Issue Price	Redemption Price	Type	Redemption on	Non-Current portion	Current Maturities
10.30%	10.00	10.00	Quoted	10-Oct-24	4,000.00	-
9.35%	10.00	10.00	Quoted	26-Dec-21	1,500.00	-
10.25%	10.00	10.00	Quoted	13-Oct-21	1,500.00	-
10.25%	10.00	10.00	Quoted	10-Oct-21	4,500.00	-
9.25%	10.00	10.00	Quoted	26-Dec-19	4,000.00	-
9.30%	10.00	10.00	Quoted	26-Dec-17	4,500.00	-
9.70%	10.00	10.00	Un- Quoted	01-Dec-17	5,000.00	-
-	10.00	11.97	Quoted	24-Nov-16	-	600.00
					25,000.00	600.00

Nature of security:

The redemption of principal amount of secured redeemable non-convertible debentures with all interest thereon 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.

B. Term loan from banks

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 9.90%	1 to 60 installments of bullet, monthly & quarterly frequency	31,124.97	2,541.67
Total			41,227.77	4,758.87

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Terms of repayment as at March 31, 2015

Tenor	Rate of Interest	Repayment Details	₹ in lacs	
			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 frequency	7,766.64	333.33
Total			10,086.64	513.33

Nature of security:

Term loans from banks are secured by way of exclusive charges on specified home loan receivables.

C. Refinance from National Housing Bank

Terms of repayment as at March 31, 2016

Tenor	Rate of Interest	Repayment Details	₹ in lacs	
			Non-Current portion	Current Maturities
Above 60 months	8.50% to 9.00%	47 installments of quarterly frequency	2,286.60	160.05
Total			2,286.60	160.05

Nature of security:

Refinance from NHB is secured by way of exclusive charge on specified home loan receivables.

8. DEFERRED TAX ASSETS / LIABILITIES (NET)

Particulars	₹ in lacs	
	As at March 31	
	2016	2015
Deferred tax liabilities		
Timing difference on account of :		
On creation of special reserve	(416.56)	(208.78)
Deferred expenses incurred for NCD mobilization	(137.49)	(142.20)
Deferred expenses - Bank Loan Processing Fees	(21.77)	(7.32)
Rating expenses	(2.57)	(3.79)
Gross deferred tax liabilities (A)	(578.39)	(362.09)
Deferred tax asset		
Timing difference on account of :		
Differences in depreciation as per income tax & as charged in financial statement	3.41	2.12
Contingent provision against standard assets	206.75	108.11
Provision for sub standard and doubtful assets	333.40	88.00
Provision for loss assets	5.10	5.04
Provision for lease rent	14.80	14.02
Provision for leave encashment	3.05	2.74
Provision for gratuity	35.68	12.85
Provision for bonus & ex-gratia	15.60	2.48
Preliminary expenditure	-	0.18
Gross deferred tax assets (B)	617.79	235.54
Deferred tax assets / (liabilities) (net) (A + B)	39.40	(126.55)

Notes

Shriram Housing Finance Limited

9. OTHER LIABILITIES

₹ in lacs

Particulars	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Current maturities of long term borrowings (Refer Note 7)	-	-	5,518.92	513.33
Interest accrued but not due on borrowings	100.03	19.61	1,075.28	760.44
Temporary book overdraft	-	-	9,657.34	4,073.85
Tax deducted at source	-	-	18.38	8.58
Statutory dues pertaining to employees	-	-	17.32	12.93
Outstanding expenses	-	-	332.80	170.70
Service tax payable	-	-	8.67	0.85
Rent deposit	117.39	117.39	-	-
Stale cheque account	-	-	350.44	12.41
Retention money and other liabilities	-	-	517.72	28.23
Total	217.42	137.00	17,496.87	5,581.32

10. PROVISIONS

₹ in lacs

Particulars	Long Term		Short Term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Provision for Employee benefits:				
Provision for gratuity	102.30	37.78	0.79	0.01
Provision for leave benefits	8.10	7.37	0.72	0.70
Other provisions:				
Provision for lease rent	18.83	21.37	23.94	19.87
Contingent provision for housing loans of standard assets	347.17	225.24	49.82	8.60
Provision for housing loans of sub standard assets	244.75	133.91	9.33	5.83
Provision for housing loans of doubtful assets	474.14	76.02	43.03	3.51
Provision for housing loans of loss assets	-	-	14.73	14.82
Contingent provision for non- housing loans of standard assets	187.24	79.30	13.17	4.92
Provision for non- housing loans of sub standard assets	68.24	31.33	19.94	2.17
Provision for non housing loans of doubtful assets	96.07	5.83	7.87	0.29
Total	1,546.84	618.15	183.34	60.72

11. SHORT TERM BORROWINGS

₹ in lacs

Particulars	As at March 31	
	2016	2015
Secured		
Working capital demand loan from banks	500.00	-
Cash Credit from banks	3,788.04	-
Unsecured		
Short term loan from bank	1,000.00	-
Total	5,288.04	-

11.1 Cash Credits and Working Capital Demand Loans

Nature of Security

Cash credit and working capital demand loan from banks are secured by way of exclusive charge on specified home loan receivables.

11.2 Short Term Loan From Bank

Terms of repayment as at March 31, 2016

₹ in lacs

Rate of Interest	Repayment Details	March 31, 2016	March 31, 2015
9.30%	Bullet payment at the end of 90 days	1,000.00	-

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12. TANGIBLE AND INTANGIBLE FIXED ASSETS

Particulars	Gross Block		As at April 1, 2015	Depreciation / Amortisation		As at March 31, 2016	Net Block	
	As at April 1, 2015	Additions during the period		For the period	Adjustment to opening retained earnings		As at March 31, 2016	As at March 31, 2015
Assets for own use								
Land - Freehold	0.28	-	-	-	-	0.28	0.28	0.28
Plant and Machinery								
Computer	131.79	49.88	68.81	35.84	-	177.08	76.75	62.98
Electrical Installations and Equipments	21.18	41.68	2.60	424	-	60.54	54.32	18.58
Furniture and Fixtures								
Furniture and Fixtures	9.62	16.25	3.92	1.25	-	23.50	20.15	5.70
Office Equipment	0.80	0.71	0.16	0.07	-	0.96	0.87	0.64
Leasehold Improvement	63.04	89.67	42.88	23.16	-	149.88	86.55	20.16
Intangible Assets								
Computer Software	115.50	-	108.11	6.11	-	115.50	1.28	7.39
TOTAL	342.21	198.19	226.48	70.67	-	527.74	240.20	115.73
Year ended March 31, 2015	281.54	64.51	128.48	99.30	1.22	342.21	115.73	-

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13. INVESTMENTS

₹ in lacs

Particulars	Non-current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Long-term investment				
Other than trade (valued at cost)				
Investment in pass through certificates (unquoted)	7,600.76	1,329.06	1,142.34	676.00
Total	7,600.76	1,329.06	1,142.34	676.00

14. LOANS AND ADVANCES

Housing and Non-housing loans granted by the Company are secured by equitable mortgage of the property financed. There are no loans & advances to related parties.

₹ in lacs

Particulars	Long Term		Short Term*	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Housing Loans - Secured				
Standard assets (considered good)	76,124.71	52,193.90	6,853.77	1,976.27
Sub standard assets	1,631.65	892.76	62.19	38.85
Doubtful assets	935.24	304.08	68.47	14.05
Housing Loans - Unsecured				
Standard assets	11.38	-	0.60	-
Doubtful assets	-	-	14.89	-
Loss assets	-	-	14.73	14.82
Non Housing Loans - Secured				
Standard assets (considered good)	38,599.90	17,100.93	2,397.58	939.82
Sub standard assets	454.95	208.87	132.90	14.48
Doubtful assets	185.05	23.31	15.15	1.15
Capital advances - Unsecured, considered good	-	7.11	-	-
Other Advances				
Service tax credit (input) receivable	-	-	0.10	3.05
Prepaid expenses	7.53	0.17	60.15	23.94
Advance salary	-	-	2.25	-
Security deposit	282.02	259.63	5.52	6.29
Advance for assets	-	-	-	0.25
Travelling advances	-	-	-	0.11
Advance income tax	52.44	36.94	-	-
Other sundry advances	5.00	9.00	16.53	9.00
Total	1,18,289.87	71,036.70	9,644.83	3,042.08

*Short term loans and advances include current maturities of long term loans and advances.

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Shriram Housing Finance Limited

15. OTHER ASSETS

Particulars	₹ in lacs			
	Non-current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Private placement issue expenses for non-convertible debentures to the extent not written off or adjusted	313.77	346.89	83.53	71.48
Bank loan processing fees to the extent not written off	49.61	18.67	13.30	2.86
Interest receivable on PTC	-	-	18.44	7.69
Receivable against expenses	-	-	0.54	0.71
Other sundry assets	-	-	1.85	0.42
Total	363.38	365.56	117.66	83.16

16. CASH AND CASH EQUIVALENTS

Particulars	₹ in lacs			
	Non-current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
(a) Balances with banks	-	-	-	-
- Current Account	-	-	1,185.30	2,115.97
(b) Cash on hand	-	-	92.81	20.53
Total	-	-	1,278.11	2,136.50

17. REVENUE FROM OPERATIONS

Particulars	₹ in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income		
Interest on loans	15,049.12	7,314.35
Interest received on PTC	279.28	84.78
Fees & other charges		
Processing fees	1,311.28	943.29
Other charges	81.16	32.27
Bad debts recovery	0.22	-
Total	16,721.06	8,374.69

18. OTHER INCOME

Particulars	₹ in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Dividend income	-	6.15
Net Gain/Loss on sale of investment	8.08	100.54
Profit on sale of assets	0.68	0.01
Interest received - others	4.68	67.65
Miscellaneous income	12.12	4.75
Total	25.56	179.10

Notes

Shriram Housing Finance Limited

19. EMPLOYEE BENEFIT EXPENSE

	₹ in lacs	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries	1,841.06	1,224.24
Contributions to provident fund /ESI	87.56	51.24
Provision for gratuity	65.30	6.08
Provision for leave benefits	5.06	1.58
Staff welfare expenses	75.88	47.26
Training expenses	9.45	2.77
Bonus and ex-gratia	113.46	29.44
Incentives	561.68	112.25
Meal Sodexo expenses	-	2.11
Total	2,759.45	1,476.97

20. FINANCE COSTS

	₹ in lacs	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense on:		
Loans from other companies	-	232.68
Loan from banks	2,761.41	265.36
Loan from financial institution	62.06	-
Debentures	2,769.38	917.89
Debenture application money	-	5.09
Commercial paper	30.13	-
Other Borrowing Costs :		
Processing and other charges	29.19	8.42
Total	5,652.17	1,429.44

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Shriram Housing Finance Limited

21. OTHER EXPENSES

Particulars	₹ in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	438.15	341.28
Printing & stationery	60.19	40.21
Travelling and conveyance	190.53	128.14
Books & periodicals	5.43	6.84
Meeting expenses	5.86	1.77
Business promotion	16.73	14.89
Business commission	623.66	454.35
Communication	66.19	37.10
Director's sitting fees	2.25	1.91
Electricity	55.33	35.91
Insurance	5.68	1.92
Bank charges	9.49	5.54
Payment to auditors		
Audit fees	13.42	7.43
Out of pocket expenses	2.46	2.77
Professional and consultancy	333.85	477.33
Registration & filing fees	22.09	21.05
Office maintenance	138.15	64.88
Postage & courier	41.98	27.30
Rates, duties & taxes	14.25	2.88
Membership fees	15.74	3.90
Premium on PTC written off	2.66	-
Royalty	179.66	97.92
Corporate social responsibility	1.50	-
Donation	0.60	-
Loss on sale of assets	2.11	0.09
Advertisement	17.02	6.60
Legal	25.95	12.48
Collection and recovery	133.62	4.72
Loan processing expenses	421.18	267.65
NCD private placement expenses	83.73	28.79
Miscellaneous expenditure	12.39	3.45
Total	2,941.85	2,099.10

Notes

Shriram Housing Finance Limited

22. PROVISIONS & WRITE OFFS

	₹ in lacs	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Contingent provision for standard assets	279.34	213.02
Provision for sub standard /doubtful /loss assets	704.39	190.32
Bad debts written off	65.35	35.28
Total	1,049.08	438.62

23. EARNINGS PER SHARE (EPS)

	₹ in lacs	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax as per statement of profit and loss (₹ in lacs) (A)	2,895.26	2,019.66
Weighted average number of equity shares for calculating Basic EPS (No. in lacs) (B)	2,141.60	2,141.60
Weighted average number of equity shares for calculating diluted EPS (No. in lacs) (C)	2,141.60	2,141.60
Basic earnings per equity share (in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	1.35	0.94
Diluted earnings per equity share (in Rupees) (Face value of ₹ 10/- per share) (A) / (C)	1.35	0.94

	₹ in lacs	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Weighted average number of equity shares for calculating EPS(No. in lacs)	2,141.60	2,141.60
Add : Equity shares arising on conversion of optionally convertible warrants (No. in lacs)	-	-
Add : Equity shares for no consideration arising on grant of stock options under ESOP (No. in lacs)	-	-
Weighted average number of equity shares in calculation diluted EPS(No. in lacs)	2,141.60	2,141.60

24. RELATED PARTY DISCLOSURE**24.1. Names of Related Party and Respective Relations :**

Nature of Relationship	Name of the Company/ Individual
Holding Company	Shriram City Union Finance Limited (SCUF)
Enterprises having significant influence over the Company	Shriram Capital Limited (SCL), Shriram Ownership Trust (SOT) and Valliant Mauritius Partners FDI Ltd. (VMPL)
Key Managerial Personnel	Mr. Sujan Sinha, (MD and CEO), Mr Kunal Shah (CFO) , Ms. Kavitha G Shah (CS) **, M/s. Nikita Hule (CS)***

24. 2 Related Parties Identified by the Company

Particulars	Holding Company		Enterprises having significant influence over the Company		Key Managerial Personnel		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Payments/Expenses								
Employee Benefits Mr.Sujan Sinha*	-	-	-	-	91.61	108.38	91.61	108.38
Employee Benefits Mr.Kunal Shah*	-	-	-	-	50.62	16.87	50.62	16.87
Employee Benefits Ms.Kavitha G.Shah */Ms. Nikita Hule*	-	-	-	-	1.73	2.93	1.73	2.93
Rent - SCUF	14.20	12.51	-	-	-	-	14.20	12.51
Rent - SCL	-	-	186.96	128.47	-	-	186.96	128.47
Expenses reimbursements - SCUF	9.56	8.72	-	-	-	-	9.56	8.72
Expenses reimbursements - SCL	-	-	44.43	15.19	-	-	44.43	15.19
Commission/Interest - SCUF	295.37	441.51	-	-	-	-	295.37	441.51
Interest - SCL	-	-	-	77.26	-	-	-	77.26
Inter corporate loan - Given to SCUF	-	7,400.00	-	-	-	-	-	7,400.00
Inter corporate loan - Repayment to SCUF	-	14,200.00	-	-	-	-	-	14,200.00
Inter corporate loan - SCL	-	-	-	5,000.00	-	-	-	5,000.00
Royalty Fees - SOT	-	-	191.38	103.62	-	-	191.38	103.62
Fixed Asset - SCUF	-	0.28	-	-	-	-	-	0.28
Receipts								
Expenses reimbursement - SCUF	17.20	26.12	-	-	-	-	17.20	26.12
Expenses reimbursement - SCL	-	-	-	0.07	-	-	-	0.07
Interest - SCUF	-	18.66	-	-	-	-	-	18.66
Rent - SCUF	142.92	130.50	-	-	-	-	142.92	130.50
Inter corporate loan - Given by SCUF	-	14,200.00	-	-	-	-	-	14,200.00

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Particulars	Holding Company		Enterprises having significant influence over the Company		Key Managerial Personnel		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Inter corporate loan - Repayment by SCUF	-	7,400.00	-	-	-	-	-	7,400.00
Inter corporate loan - SCL	-	-	-	5,000.00	-	-	-	5,000.00
Balance outstanding as at March 31, 2016	16,544.00	16,544.00	-	-	-	-	16,544.00	16,544.00
Share Capital - SCUF	-	-	-	-	-	-	4,872.00	4,872.00
Share Capital - VMPL	-	-	-	-	-	-	43.20	32.00
Outstanding Expenses - SCUF	43.20	32.00	-	-	-	-	5.42	11.15
Outstanding Expenses - SCL	-	-	-	11.15	-	-	56.41	32.84
Outstanding Expenses - SOT	-	-	-	32.84	-	-	-	-
Security Deposit - SCUF	117.39	117.39	-	-	-	-	117.39	117.39

* He / She is eligible for gratuity / leave encashment as per the company policy.

** Ceased to be the Company Secretary w.e.f 21.10.2015

*** Ceased to be the Company Secretary w.e.f 10.10.2014

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25. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS:

The company operates one defined plan, viz., gratuity for its employees. Under the gratuity plan every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is unfunded.

25.1 Net employee benefit expense (Recognized in Employee Benefits Expenses)

A) Gratuity:

In Statement of Profit and Loss

Particulars	₹ in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	8.95	4.69
Interest cost on benefit obligation	3.02	2.77
Expected return on plan assets	-	-
Net actuarial (gain). Loss recognized in the year	53.33	(1.38)
Past services cost	-	-
Net benefit expense	65.30	6.08

In Balance Sheet Benefit Asset/Liability

Particulars	₹ in lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening defined benefit obligation	37.79	31.71
Interest cost	3.02	2.77
Current services cost	8.95	4.69
Benefits paid	-	-
Actuarial (gains)/losses on obligation	53.33	(1.38)
Closing defined benefit obligation	103.09	37.79
The principal assumptions used in determining gratuity and post employment medical benefit	-	-
Salary rise (%)	5.00	5.00
Discount rate (%)	8.75	8.75
Attrition rate (%)	3.00	3.00
Average balance service	24.92 Years	24.48 Years

B) Leave encashment:

Company has provided Leave encashment liability as required under Accounting Standard - 15(Revised) and balance in books as on March 31, 2016 is ₹ 8.82 lacs (Previous Year ₹ 8.07 lacs).

26.EMPLOYEE STOCK OPTION PLANS

The company provides share-based payment schemes to its employees. For the period ended March 31, 2016 an Employee Stock Option Plan (ESOP) was in existence.

The relevant details of the scheme and the grant are as below:

1. Date of Board approval - 25.01.2013
2. Date of Shareholders approval - 28.03.2013
3. Date of grant - 28.08.2013 & 20.04.2015

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Shriram Housing Finance Limited

4. Number of options granted - 3,70,000 & 1,50,000
5. Method of settlement(cash/equity) - equity
6. Graded vesting period:
 After 4 years of Grant date - 50% of options granted
 After 5 years of Grant date - 50% of options granted
 Exercisable period - 10 years from Vesting Date
 Vesting Conditions - 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. Exercise Price per option is ₹ 10/-. 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 Report of Sept 1, 2013 & June 12, 2015 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 Shared 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	₹ in lacs	
	As at March 31,	
	2016	2015
Profit as reported (₹ in lacs)	2,895.26	2,019.66
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	2,895.26	2,019.66
Less: Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders	2,895.26	2,019.66
Earnings per share		
Basic (₹)		
As reported	1.35	0.94
Proforma	1.35	0.94
Diluted (₹)		
As reported	1.35	0.94
Proforma	1.35	0.94

27. CONTINGENT LIABILITY AND COMMITMENT TO THE EXTENT NOT PROVIDED FOR:

a) Contingent Liability

Particulars	₹ in lacs	
	As at March 31,	
	2016	2015
Income Tax	14.64	-

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.

Notes

Shriram Housing Finance Limited

b) Commitments

As at March 31, 2016, Estimated amount of contract remaining to be executed on capital account - Nil (Previous Year- ₹ 2.87 lacs).

28. 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 appropriate & good.

29. No Funds raised through preferential allotment of shares.

30. Value of Imports on CIF basis-Nil (Previous Year-NIL).

31. Foreign exchange earnings (NIL) and out go- ₹ 0.84 Lacs (Previous Year- ₹ 1.09 Lacs).

32. During the financial year ended March 31, 2016, Company invested in Pass Through Certificates (PTC's) amounting to ₹ 7,500 lacs. The balance outstanding as on March 31, 2016 of all PTC's is ₹ 8,743.10 lacs.

The details of PTC investment are as under :

		₹ in lacs
Originator		Balance as on March 31, 2016
Shubham Housing Finance Limited		561.75
India Shelter Finance Corporation Limited*		681.35
Equitas Finance Limited		2,500.00
Equitas Finance Limited		5,000.00
Total		8,743.10

*Balance amount includes premium of ₹ 3.29 lacs

33. Based on the information received by the company, none of the suppliers have confirmed to be registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

34. During the financial year, Company identified frauds amounting to ₹ 65.35 lacs committed by borrowers on the company and was fully written off.

35. Section 135 of The Companies Act 2013, which mandates 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 amount to ₹ 30.61 lacs for the year 2015-16 . The company has spent ₹ 1.50 lacs during the year.

36. The figures of previous year has been rearranged/ regrouped to conform to the current year.

37. The Company does not have licensed capacity as it is a Home Finance Company.

38. The Company has 79 branches as at March 31, 2016 The list of branches is attached.

39. The Company recalculated its CRAR applying the combined LTV in cases where multiple loans have been extended against the same property for the FY 2013-14. Based on the revised calculations CRAR as on March 31, 2014 stands at 159.08% as against 159.33% earlier.

40. During the year additional provision amounting to ₹ 274.56 Lacs on loans was made over and above the provision required as per NHB Directions.

Notes

Shriram Housing Finance Limited

41. 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 ₹ 600.00 lacs (Previous Year ₹ 418.02 lacs).

Particulars	₹ in lacs	
	As at March 31,	
	2016	2015
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.	703.40	285.38
c) Total	703.40	285.38
Addition / Appropriation / Withdrawal during the year		
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.	600.00	418.02
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
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 of the NHB Act, 1987	-	-
Balance at the end of the period		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1,303.40	703.40
c) Total	1,303.40	703.40

42. Disclosure of details as required under amended guidelines on Asset Liability Management (ALM) issued by NHB vide circular dated October 11, 2010, NHB(ND)/DRS/Pol No.35/2010-11.

42.1 Capital to Risk Ratio (CRAR)

Items	₹ in lacs	
	As at March 31,	
	2016	2015
1. CRAR(%)	42.85%	67.33%
2. CRAR(%) Tier I capital	42.20%	66.74%
3. CRAR(%) Tier II capital	0.65%	0.59%

42.2 Exposure to Real Estate Sector

a) Direct exposure

i) Residential mortgages

Lending fully secured by mortgage on Residential property that is or will be occupied by the borrower or that is rented

Category	₹ in lacs	
	As at March 31,	
	2016	2015
(i) Housing Loan to individuals upto ₹ 15 Lakhs	37,714.78	29,299.40
(ii) Housing Loan to individual more than ₹ 15 Lakhs	39,189.17	23,185.92
(iii) Non Housing Loan against residential property	35,930.51	17,069.02

Notes

Shriram Housing Finance Limited

(ii) Commercial Real Estate

Category	₹ in lacs	
	As at March 31, 2016	2015
Lending secured by mortgages on commercial real - estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc) exposure includes non-fund based (NFB) limits	14,627.10	4,154.13

iii) Investment in mortgage backed securities (MBS) and other securitized exposures

Category	₹ in lacs	
	As at March 31, 2016	2015
a) Residential	1,243.10*	2,005.06*
b) Commercial Real Estate	-	-

*includes premium of ₹ 3.29 lacs (previous year - ₹ 5.96 lacs)

b) Indirect exposure

Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs) - NIL (previous year - NIL)

43. ASSET LIABILITY MANAGEMENT:

Maturity pattern of certain items of Assets and Liabilities

Period	Liabilities		Assets	
	Borrowings from Banks*	Market Borrowings	Advances	Investment
1 day to 30-31 days(one month)	805.00	-	2,515.86	88.10
Over one month to 2 months	125.00	-	460.54	89.78
Over 2 months upto 3 months	1,845.27	-	652.05	90.50
Over 3 months to 6 months	970.02	-	1,975.66	279.29
Over 6 months to 1 year	6,461.67	600.00	3,927.43	593.04
Over 1 year to 3 years	13,673.70	11,500.00	12,154.62	4,123.78
Over 3 to 5 years	27,173.70	8,000.00	13,990.33	3,206.06
Over 5 to 7 years	1,660.80	7,500.00	16,813.35	146.46
Over 7 to 10 years	640.20	4,000.00	27,767.99	122.80
Over 10 Years	365.97	-	47,245.33	-
Total	53,721.33	31,600.00	1,27,503.16	8,739.81

*Includes Borrowings from NHB

As per our report of even date
For Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

For and on behalf of the Board of Directors of
Shriram Housing Finance Limited

Ramendra Nath Das
 Partner
 Membership No : 014125

Sujan Sinha
 Managing Director & CEO
 DIN : 02033322

Subhasri Sriram
 Director
 DIN : 01998599

Place: Mumbai.
 Date: April 22, 2016

Mageswari Pasupathy
 Company Secretary

Kunal Shah
 Chief Financial Officer

Notes

Shriram Housing Finance Limited

LIST OF BRANCHES

Sr. No	State / UT	Branch Name
1	Andhra Pradesh	Guntur
2	Andhra Pradesh	Kurnool
3	Andhra Pradesh	Nellore
4	Andhra Pradesh	Rajahmundry
5	Andhra Pradesh	Tirupati
6	Andhra Pradesh	Vijayawada
7	Andhra Pradesh	Visakhapatnam
8	Chattisgarh	Bilaspur
9	Chattisgarh	Raipur
10	Delhi	Delhi
11	Gujarat	Ahmedabad
12	Gujarat	Ahmedabad East
13	Gujarat	Bharuch
14	Gujarat	Bhavnagar
15	Gujarat	Himatnagar
16	Gujarat	Mehsana
17	Gujarat	Palanpur
18	Gujarat	Rajkot
19	Gujarat	Surat
20	Gujarat	Vadodara
21	Haryana	Ambala
22	Haryana	Karnal
23	Karnataka	Banashankari
24	Karnataka	Bengaluru
25	Karnataka	Hubli
26	Karnataka	Mysore
27	Kerala	Ernakulam
28	Madhya Pradesh	Bhopal
29	Madhya Pradesh	Indore
30	Madhya Pradesh	Neemuch
31	Madhya Pradesh	Ratlam
32	Madhya Pradesh	Ujjain
33	Maharashtra	Ahmednagar
34	Maharashtra	Amaravati
35	Maharashtra	Aurangabad
36	Maharashtra	Chandrapur
37	Maharashtra	Kolhapur
38	Maharashtra	Nagpur
39	Maharashtra	Nashik
40	Maharashtra	Navi Mumbai
41	Maharashtra	Pune
42	Maharashtra	Solapur
43	Odisha	Bhubaneswar
44	Puducherry	Puducherry
45	Punjab	Amritsar
46	Punjab	Bathinda
47	Punjab	Jalandhar
48	Punjab	Ludhiana
49	Punjab	Mohali
50	Rajasthan	Ajmer

Notes

Shriram Housing Finance Limited

LIST OF BRANCHES

Sr. No	State / UT	Branch Name
51	Rajasthan	Alwar
52	Rajasthan	Bikaner
53	Rajasthan	Jaipur
54	Rajasthan	Jodhpur
55	Rajasthan	Kota
56	Rajasthan	Udaipur
57	Tamil Nadu	Chennai
58	Tamil Nadu	Chennai - II
59	Tamil Nadu	Coimbatore
60	Tamil Nadu	Hossur
61	Tamil Nadu	Madurai
62	Tamil Nadu	Thiruchirapalli
63	Tamil Nadu	Tirunelveli
64	Telangana	Hyderabad
65	Telangana	Karimnagar
66	Telangana	Warangal
67	Uttar Pradesh	Agra
68	Uttar Pradesh	Allahabad
69	Uttar Pradesh	Bareilly
70	Uttar Pradesh	Kanpur
71	Uttar Pradesh	Lucknow
72	Uttar Pradesh	Meerut
73	Uttarakhand	Dehradun
74	Uttarakhand	Haldwani
75	Uttarakhand	Haridwar
76	West Bengal	Barasat
77	West Bengal	Durgapur
78	West Bengal	Kolkata
79	West Bengal	Siliguri

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS

P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

INDEPENDENT AUDITOR'S REPORT

To the Members of SHRIRAM CITY UNION FINANCE LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of SHRIRAM CITY UNION FINANCE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for

the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS

P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the preparation of consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company and the subsidiary as on 31st March, 2016 taken on record by the Board of Directors

of the Holding Company and the subsidiary, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 27 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary

For **Pijush Gupta & Co.**
Chartered Accountants
Firm Registration Number: 309015E

Pijush Kumar Gupta
Partner
Membership No. 015139
Place: Chennai
Date: April 27, 2016

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS

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Annexure 'A'

Annexure to the independent auditors' report of even date on the consolidated financial statements of Shriram City Union Finance Limited and its subsidiary (Group)

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

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary, together referred to as Group, in conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2016.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under

section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS

P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA -700 010

assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For **Pijush Gupta & Co.**
Chartered Accountants
Firm Registration Number: 309015E

Pijush Kumar Gupta
Partner
Membership No. 015139
Place: Chennai
Date: April 27, 2016

Consolidated Balance Sheet

as at March 31, 2016

		₹ in lacs	
Particulars	Note No	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	6,592.72	6,590.56
(b) Reserves and surplus	4	458,282.83	415,008.92
		464,875.55	421,599.48
2. Non-current liabilities			
(a) Long-term borrowings	5	1,001,268.70	808,974.27
(b) Other long-term liabilities	6	50,126.10	35,412.20
(c) Long-term provisions	7	19,055.34	9,328.60
		1,070,450.14	853,715.07
3. Current liabilities			
(a) Short-term borrowings	8	105,315.62	117,745.08
(b) Other current liabilities	6	490,289.15	419,783.43
(c) Short-term provisions	7	67,472.58	44,527.83
		663,077.35	582,056.34
4. Minority Interest		8,910.74	8,254.48
Total		2,207,313.78	1,865,625.37
II. ASSETS			
1. Non-current assets			
(a) Fixed assets :	9		
(i) Tangible assets		7,282.77	7,653.98
(ii) Intangible assets		1,442.40	687.23
(b) Non-current investments	10	36,742.09	10,164.52
(c) Deferred tax assets(net)	11	3,919.49	3,117.99
(d) Long-term loans and advances	12	741,004.32	605,452.51
(e) Other non-current assets	13	3,520.69	13,722.74
		793,911.76	640,798.97
2. Current assets			
(a) Current Investments	14	34,690.87	73,464.69
(b) Cash and bank balances	15	65,468.65	80,279.71
(c) Short-term loans and advances	12	1,300,990.57	1,057,655.02
(d) Other current assets	13	12,251.93	13,426.98
		1,413,402.02	1,224,826.40
Total		2,207,313.78	1,865,625.37

Significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

Pijush Kumar Gupta
 Partner
 Membership No. 015139

Place: Chennai
 Date: April 27, 2016

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

R Duruvasan
 Managing Director & CEO
 DIN: 00223052

C R Dash
 Company Secretary

S. Krishnamurthy
 Director
 DIN: 00140414

Subhasri Sriram
 Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

		₹ in lacs	
Particulars	Note No	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from operations	16	399,819.04	356,169.96
Other income	17	2,141.19	5,118.16
Total income		401,960.23	361,288.12
EXPENSES			
Employee benefits expense	18	54,082.64	42,633.19
Finance costs	19	144,038.43	134,006.59
Depreciation and amortization expense	9	3,762.29	4,364.84
Other expenses	20	52,456.12	47,785.51
Provisions & write offs	21	62,683.41	45,819.01
Total expenses		317,022.89	274,609.14
Profit before tax		84,937.34	86,678.98
Tax expense:			
- Current tax		29,873.93	30,447.02
- Deferred tax		(801.50)	(1,236.84)
- Tax of earlier years		2.19	(66.69)
Total tax expense		29,074.62	29,143.49
Profit after tax from continuing operations		55,862.72	57,535.49
Less: Minority interest		656.27	393.41
		55,206.45	57,142.08
Earnings per equity share	22		
Equity shares of par value ₹ 10/- each			
Basic (₹)		83.75	88.24
Diluted (₹)		83.64	88.09

Significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

Pijush Kumar Gupta
 Partner
 Membership No. 015139

Place: Chennai
 Date: April 27, 2016

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

R Duruvasan
 Managing Director & CEO
 DIN: 00223052

C R Dash
 Company Secretary

S. Krishnamurthy
 Director
 DIN: 00140414

Subhasri Sriram
 Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2016

₹ in lacs

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash flows from Operating activities		
Profit before Taxes	84,937.34	86,678.98
Adjustments for :		
Depreciation and amortization	3,762.29	4,364.84
(Profit)/Loss on sale of fixed assets (net)	(2.63)	(13.86)
Public issue expenditure for non-convertible debentures	734.59	977.45
Provision for Non performing assets and bad debts written off	60,759.59	44,901.17
Contingent provision on standard assets	1,878.70	906.61
Provision for diminution in the value of investments	45.12	11.23
Provision no longer required	(1,555.10)	(222.40)
Gain on sale of investments	(417.53)	(4,175.15)
Provision for Lease rental	1.53	4.78
Loss on sale of investments	(8.08)	76.05
Dividend Income	-	(290.60)
	150,135.82	133,219.28
Operating profit before working capital changes		
Movements in Working capital:		
(Increase) / decrease in assets under financing activities	(357,900.23)	(334,191.43)
(Increase) / decrease in Short-term loans and advances	(5,520.24)	(2,429.40)
(Increase) / decrease in Long-term loans and advances	(47,078.78)	(37,902.31)
(Increase) / decrease in other current assets	847.76	4,420.70
(Increase) / decrease in other non-current assets	1,994.76	3,762.18
(Increase) / decrease in Investments	46,426.96	67,431.44
Increase / (decrease) in other current liabilities	67,106.70	75,044.31
Increase / (decrease) in other non-current liabilities	15,218.95	(815.47)
Cash generated from operations	(128,768.30)	(91,460.70)
Direct taxes paid (net of refunds)	(29,891.61)	(32,714.55)
Net Cash from/(used in) operating activities (A)	(158,659.91)	(124,175.25)
B. Cash flows from Investing activities		
Purchase of fixed including intangible assets	(4,177.91)	(2,875.95)
Capital advance for assets	1,400.92	(1,391.46)
Proceeds from sale of fixed assets	34.30	111.52
Purchase of investments	(27,805.85)	(21,360.19)
Proceeds from sale of investments	19,367.37	218.67
Profit on sale of investments	417.53	4,460.62
Loss on sale of investments	-	(76.05)
Miscellaneous income	4.68	149.69
Dividend received	-	0.51
Net Cash from/(used in) investing activities (B)	(10,758.96)	(20,762.64)

Consolidated Cash Flow Statement

for the year ended March 31, 2016

Particulars	₹ in lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
C. Cash flows from Financing activities		
Proceeds from issue of equity share capital including securities premium and share application money	7.55	78,972.56
Increase / (decrease) of long-term borrowings	197,300.02	(83,547.68)
Increase / (decrease) of short-term borrowings	(12,429.49)	79,389.71
Public issue expenses for non-convertible debentures paid	-	(53.53)
Dividend Paid	(10,203.64)	(6,908.03)
Tax on dividend	(2,079.82)	(1,264.84)
Net Cash from/(used in) financing activities (C)	172,594.62	66,588.19
Net increase / (decrease) in cash and cash equivalents (A+B+C)	3,175.75	(78,349.70)
Cash and cash equivalents at the beginning of the year	39,107.31	117,457.01
Cash and cash equivalents at the end of the year	42,283.06	39,107.31

Components of cash and cash equivalents	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Cash on hand	4,577.87	5,744.12
Balances with banks in:		
Current accounts	35,367.01	26,802.58
Unpaid dividend accounts	73.18	60.61
Deposits with maturity of less than 3 months	2,265.00	6,500.00
Total Cash and cash equivalents (Note 15)	42,283.06	39,107.31

Notes

- 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 Standards) Rules, 2006 (as amended)
- 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 Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

Pijush Kumar Gupta
 Partner
 Membership No. 015139

Place: Chennai
 Date: April 27, 2016

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

R Duruvasan
 Managing Director & CEO
 DIN: 00223052

C R Dash
 Company Secretary

S. Krishnamurthy
 Director
 DIN: 00140414

Subhasri Sriram
 Chief Financial Officer

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

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 accordance 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	
		As at March 31, 2016	As at March 31, 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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 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 retirement of, and gains or losses arising from

disposal of tangible assets which are carried at cost are recognised 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

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

k. 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 securitisation / direct assignment of assets is recognised over the tenure of agreements. Presecuritisation 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 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

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

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 prepares its segment information in conformity with the Accounting Standard 17 issued by The Institute of Chartered Accountants of India (ICAI).

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

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

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. 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.

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

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

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.

3. SHARE CAPITAL

Particulars	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Authorised		
11,85,00,000 (March 31, 2015: 11,85,00,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2015: 40,00,000) cumulative redeemable preference shares of ₹100/- each	4,000.00	4,000.00
	15,850.00	15,850.00
Issued, Subscribed and Fully Paid-up		
Equity Shares		
6,59,27,152 (March 31, 2015: 6,59,05,612) shares of ₹10/- each	6,592.72	6,590.56
Total Issued, Subscribed and fully Paid-up share capital	6,592.72	6,590.56

3.1 Reconciliation of the equity shares outstanding at the beginning and at end of the Reporting Period

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
At the beginning of the year	65,905,612	6,590.56	59,284,432	5,928.44
Issued during the year - ESOP [Refer note-24]	21,540	2.16	41,340	4.13
Preferential allotment to Piramal Enterprises Limited	-	-	6,579,840	657.99
Outstanding at the end of the year	65,927,152	6,592.72	65,905,612	6,590.56

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.

For the year ended March 31, 2016, the amount of per equity share dividend recognised as distributions to equity shareholders was ₹ 15 (March 31, 2015 : ₹ 15 including interim dividend) including interim dividend.

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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

3.3 Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholders	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity share of ₹ 10 each fully paid				
Shriram Capital Limited	22,268,877	33.78	22,268,877	33.79
Dynasty Acquisition FPI Limited	13,421,889	20.36	-	-
TPG India Investments I INC	-	-	13,421,889	20.37
Piramal Enterprises Limited	6,579,840	9.98	6,579,840	9.98

As per the records of the Company, including its register of shareholders /members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3.4 Shares reserved for issue under option:

For details of share reserved for issue under the employees stock option scheme (ESOP) [Refer note 24]

3.5 The Company has issued 8,29,393 equity shares (March 31, 2015: 11,90,030) 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.

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. On merger 2,73,91,613 equity shares of ₹ 10 each fully paid of the Company were allotted to the shareholders of Consolidated SRHPL on August 19, 2013, which resulted in increase in paid up share capital of the Company by 7,81,042 equity shares of ₹ 10 each.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

4. RESERVES & SURPLUS

Particulars	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Capital reserve	7,871.88	7,871.88
Capital redemption reserve	2,328.98	2,328.98
Securities premium account		
Opening balance	184,683.27	108,053.57
Add : Securities premium received	54.17	78,404.05
Less: Amount utilised towards share issue expenses	-	(1,774.35)
Closing balance	184,737.44	184,683.27
Debenture redemption reserve		
Opening balance	16,494.61	15,995.20
Add: Transfer from surplus in the statement of profit and loss	5,122.26	8,398.63
Less: Amount transferred to General reserve on Redemption	(14,204.80)	(7,899.22)
Closing balance	7,412.07	16,494.61
Share options outstanding account		
Employee stock option outstanding	249.71	343.32
Less: Utilised during the year	(48.78)	(93.61)
Closing balance	200.93	249.71
Statutory reserve (in pursuant to section 45-IC of the RBI Act, 1934 & Section 29C of the NHB Act, 1987)		
Opening balance	53,959.38	42,475.46
Add: Transfer from surplus in the statement of profit and loss	11,060.80	11,483.92
Closing balance	65,020.18	53,959.38
General reserve		
Opening balance	34,395.62	20,915.40
Add: Transfer from surplus in the statement of profit and loss	5,299.00	5,581.00
Add: Transfer from Debenture redemption reserve	14,204.80	7,899.22
Closing balance	53,899.42	34,395.62
Surplus in the Statement of Profit and Loss		
Opening balance	115,025.47	96,065.53
Less: Additional depreciation (as per The Companies Act, 2013)	-	(367.34)
Add: Net profit for the year	55,206.46	57,142.07
Less: Appropriations		
- Interim dividends	(3,296.12)	(3,362.04)
- Tax on interim dividend	(671.03)	(660.32)
- Proposed final Equity dividend	(6,592.72)	(6,920.09)
- Tax on proposed Equity dividend	(1,378.07)	(1,408.79)
- Transfer to Statutory reserve (in pursuant to section 45-IC of the RBI Act, 1934 & Section 29C of the NHB Act, 1987)	(11,060.80)	(11,483.92)
- Transfer to General reserve	(5,299.00)	(5,581.00)
- Transfer to Debenture redemption reserve	(5,122.26)	(8,398.63)
Net surplus in the Statement of Profit and Loss	136,811.93	115,025.47
Total	458,282.83	415,008.92

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

5. LONG-TERM BORROWINGS

Particulars	₹ in lacs			
	Non-current portion		Current maturities	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Secured				
Privately placed redeemable non-convertible debentures (Retail)	2,995.61	30,496.55	27,286.78	67,029.45
Privately placed non-convertible debentures (Institutional)	70,586.67	71,250.00	64,366.66	1,000.00
Public issue of redeemable non-convertible debentures: (NCDs)				
Issued in 2011	-	30,860.80	-	-
Issued in 2012	11,116.35	11,116.35	-	32,243.79
Issued in 2013	8,624.82	15,361.06	6,736.24	-
Issued in 2014	13,788.52	20,000.00	6,211.48	-
Term loan from Banks	553,713.88	325,086.52	222,605.97	194,925.85
Term loan from Financial Institutions	19,500.00	27,500.00	8,000.00	7,000.00
Refinance from National Housing Bank	2,286.60		160.05	
Total Secured Long-term borrowing	682,612.45	531,671.28	335,367.18	302,199.09
Unsecured				
Fixed deposits	216,877.43	173,024.40	81,708.14	38,707.78
Subordinated debts	101,778.82	104,278.59	2,499.77	8,787.04
Total Unsecured Long-term borrowing	318,656.25	277,302.99	84,207.91	47,494.82
Amount disclosed under the head "Other current liabilities" [Refer note no-6]	-	-	(419,575.09)	(349,693.91)
Total	1,001,268.70	808,974.27	-	-

5.1 Secured Loans - Long-Term Borrowings

A. Secured redeemable non convertible debenture

(I) privately placed secured redeemable non convertible debentures (NCDs) of ₹ 1000/- each - unquoted (Retail)

Terms of repayment as at March 31, 2016

Redeemable at par within	₹ in lacs				
	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
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

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

Terms of repayment as at March 31, 2015

₹ in lacs

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
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 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.

(ii) Privately Placed Secured Redeemable Non-Convertible Debenture (Institutional)

Privately placed redeemable non-convertible debenture (NCDs) of ₹ 10,00,000/- each - Quoted

₹ in lacs

	Non-current portion		Current maturities		Redeemable/ Redeemed at par on
Rate of Interest	As at March 31,		As at March 31,		
	2016	2015	2016	2015	
10.30%	4,000.00	4,000.00	-	-	10-Oct-24
9.35%	1,500.00	1,500.00	-	-	26-Dec-21
10.25%	1,500.00	1,500.00	-	-	13-Oct-21
10.25%	4,500.00	4,500.00	-	-	10-Oct-21
10.75%	400.00	500.00	100.00	-	04-Feb-21
9.00%	4,000.00	-	-	-	23-Oct-20
9.30%	5,000.00	-	-	-	22-Jun-20
9.30%	5,000.00	-	-	-	17-Jun-20
9.25%	4,000.00	4,000.00	-	-	26-Dec-19
8.95%	7,500.00	-	-	-	30-Oct-18
Zero coupon	2,000.00	-	-	-	08-Oct-18
9.07%	3,500.00	-	-	-	10-Aug-18
9.10%	10,000.00	10,000.00	-	-	27-Mar-18
9.30%	4,500.00	4,500.00	-	-	26-Dec-17
10.60%	2,500.00	2,500.00	-	-	13-Dec-17
9.70%	5,000.00	5,000.00	-	-	01-Dec-17
10.50%	666.67	2,000.00	666.66	-	23-Nov-17

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

₹ in lacs					
Rate of Interest	Non-current portion		Current maturities		Redeemable/ Redeemed at par on
	As at March 31,		As at March 31,		
	2016	2015	2016	2015	
10.75%	1,000.00	1,000.00	-	-	26-Jul-17
10.75%	2,150.00	2,150.00	-	-	12-Jul-17
9.18%	270.00	-	-	-	10-Jul-17
9.00%	1,600.00	-	-	-	01-Jun-17
10.49%	-	27,500.00	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	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
Total	70,586.67	71,250.00	64,366.66	1,000.00	

₹ in lacs

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on are secured by 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 secured redeemable Non Convertible Debentures (NCDs) of ₹ 1000/- each - Quoted

a. Issued in 2011

Non-current Portion

				₹ in lacs	
Option Detail	Rate of Interest	As at March 31,		Redeemable	Put and call
		2016	2015	at par on	option
Option I	11.60%	-	5,429.05	25-Aug-16	25-Aug-15
	12.10%	-	21,556.45	25-Aug-16	25-Aug-15
	11.85%	-	3,875.30	25-Aug-16	25-Aug-15
Total		-	30,860.80		

₹ in lacs

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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

b. Issued in 2012

Non-current Portion

Option Detail	Rate of Interest	As at March 31,		₹ in lacs
		2016	2015	Redeemable at par on
Option II	11.75%	7,551.36	7,550.82	06-Oct-17
	10.75%	94.83	95.37	06-Oct-17
Option IV	11.75%	3,467.11	3,462.26	06-Oct-17
	10.75%	3.05	7.90	06-Oct-17
Total		11,116.35	11,116.35	

Current Portion

Option Detail	Rate of Interest	As at March 31,		₹ in lacs
		2016	2015	Redeemable at par on
Option I	10.60%	-	29,697.71	06-Oct-15
	10.60%	-	2,546.08	06-Oct-15
Total		-	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

Option Detail	Rate of Interest	As at March 31,		₹ in lacs
		2016	2015	Redeemable at par on
Series I	10.75%	-	177.75	04-Jan-17
	11.00%	-	4,207.31	04-Jan-17
Series II	10.75%	7.40	7.40	04-Jan-18
	11.25%	309.78	309.78	04-Jan-18
Series III	10.75%	503.82	509.05	04-Jan-19
	11.50%	4,515.52	4,510.29	04-Jan-19
Series IV	10.75%	-	125.59	04-Jan-17
	11.00%	-	2,225.59	04-Jan-17
Series V	10.75%	14.75	14.75	04-Jan-18
	11.25%	261.38	261.38	04-Jan-18
Series VI	10.75%	292.67	287.56	04-Jan-19
	11.50%	2,523.12	2,528.23	04-Jan-19
Series VII	10.75%	0.40	0.30	04-Jan-19
	11.25%	195.98	196.08	04-Jan-19
Total		8,624.82	15,361.06	

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

Current portion

Option Detail	Rate of Interest	As at March 31,		₹ in lacs Redeemable at par on
		2016	2015	
Series I	10.75%	180.00	-	04-Jan-17
	11.00%	4,205.06	-	04-Jan-17
Series IV	10.75%	118.00	-	04-Jan-17
	11.00%	2,233.18	-	04-Jan-17
Total		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

Option Detail	Rate of Interest	As at March 31,		₹ in lacs Redeemable at par on
		2016	2015	
Series I	10.50%	-	5,114.71	03-May-16
	11.00%	-	841.06	03-May-16
Series II	10.75%	0.17	2.34	03-May-17
	11.50%	3,508.59	3,506.42	03-May-17
Series III	10.85%	3,031.26	3,050.26	03-May-19
	11.75%	5,032.29	5,013.29	03-May-19
Series IV	10.50%	-	2.53	03-May-16
	11.00%	-	253.18	03-May-16
Series V	10.75%	10.24	1.54	03-May-17
	11.50%	755.50	764.20	03-May-17
Series VI	10.85%	507.63	501.45	03-May-19
	11.75%	942.84	949.02	03-May-19
Total		13,788.52	20,000.00	

Current portion

Option Detail	Rate of Interest	As at March 31,		₹ in lacs Redeemable at par on
		2016	2015	
Series I	10.50%	5,112.10	-	03-May-16
	11.00%	843.67	-	03-May-16
Series IV	10.50%	2.53	-	03-May-16
	11.00%	253.18	-	03-May-16
Total		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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

B. Term Loan

(i) Term Loan from Bank

Terms of repayment as at March 31, 2016

Tenor	Rate of interest	Repayment Details	₹ in lacs	
			Non-Current portion	Current Maturities
Above 60 months	9.75% to 9.80%	1 to 20 installment of quarterly & half yearly	10,102.80	2,217.20
48-60 months	9.30% to 9.90%	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 frequency	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

Terms of repayment as at March 31, 2015

Tenor	Rate of interest	Repayment Details	₹ in lacs	
			Non-Current portion	Current Maturities
Above 60 months	10.25%	14 installments of half yearly	2,320.00	180.00
48-60 months	10.00% to 10.60%	1 to 12 installments of bullet, Quarterly & half yearly	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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

(ii) Term Loan from Financial Institutions

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

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.

(iii) Refinance from National Housing Bank

Terms of repayment 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.

5.2 Unsecured Loan - Long Term Borrowings

A. Fixed Deposits of ₹ 1000/- each - Unquoted

Terms of repayment as at March 31, 2016

₹ in lacs				
Redeemable at par within	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
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

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

Terms of repayment as at March 31, 2015

Redeemable at par within	Rate of interest			₹ in lacs
	>=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

B. Privately Placed Subordinated Debts

The company has 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, 2016

(i) Privately Placed Subordinated Debts of ₹ 1,000/- each - Unquoted

Redeemable at par within	Rate of interest		₹ in lacs
	< 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 ₹ 1,00,000/- each - Quoted

Redeemable at par within	Rate of interest		₹ in lacs
	< 10%	>= 10% < 12%	Total
24-36 Months	-	20,520.00	20,520.00
12-24Months	-	2,515.00	2,515.00
Total non-current portion	-	23,035.00	23,035.00

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

(iii) Privately Placed Subordinated Debts of ₹ 10,00,000/- each - Quoted

₹ in lacs

Redeemable at par within	Rate of interest		
	< 10%	>= 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 within	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Over 60 months	-	14,272.81	-	14,272.81
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 ₹ 1,00,000/- each - Quoted

₹ in lacs

Redeemable at par within	Rate of interest		
	< 10%	>= 10% < 12%	Total
36-48 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 ₹ 10,00,000/- each - Quoted

₹ in lacs

Redeemable at par within	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	-	7,500.00	-	7,500.00
Total non-current portion	-	7,500.00	-	7,500.00

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

6. OTHER LIABILITIES

₹ in lacs

Particulars	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Current maturities of long-term borrowings [Refer note no. 5]	-	-	419,575.09	349,693.91
Interest accrued but not due on borrowings	47,773.20	30,314.25	16,587.77	25,204.47
Interest received in advance	-	-	152.52	-
Unclaimed dividends*	-	-	73.18	60.61
Unclaimed matured deposits and interest accrued thereon*	-	-	3,175.79	1,721.40
Unclaimed matured debentures and interest accrued thereon*	-	-	5,441.77	4,420.08
Unclaimed matured Subordinate debts and interest accrued thereon*	-	-	1,817.70	718.97
Temporary credit balance in bank accounts	-	-	26,564.71	24,710.91
Tax deducted at source	-	-	496.93	315.81
Statutory due pertaining to employees	-	-	492.32	493.29
Service tax - contested	-	-	8.67	1,553.93
Unrealised gain on securitisation **	2,137.79	4,759.63	3,473.75	5,675.69
Retention and other liabilities	215.11	338.23	12,428.95	5,214.36
Total	50,126.10	35,412.20	490,289.15	419,783.43

* Accrued interest is up to the date of maturity. Amounts shall be credited to Investor Education & Protection Fund to the extent unclaimed as and when due.

** Unrealised gain on securitisation comprises of future interest receivable under par structure securitisation / assignment.

7. PROVISIONS

₹ in lacs

Particulars	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Provision for Employee benefits:				
Provision for gratuity	2,302.34	1,933.72	71.11	59.56
Provision for leave benefits	729.42	544.10	31.91	26.29
Other provisions:				
Provision for Non performing assets (NPA)	13,568.85	5,179.05	55,718.52	33,575.20
Contingent provision for standard assets	2,354.14	1,613.72	3,656.31	2,518.03
Provision for lease rent	18.83	21.37	23.94	19.87
Provision for Diminution in the value of Investments	81.76	36.64	-	-
Proposed dividend	-	-	6,592.72	6,920.09
Corporate dividend tax	-	-	1,378.07	1,408.79
Total	19,055.34	9,328.60	67,472.58	44,527.83

As a result of revised provisioning norms of standard assets and Non-performing assets notified by RBI effective from current financial year, total amount of provision inclusive of income de-recognition in this respect increased by ₹ 17,700 lacs and profit before tax for the year has reduced by the same amount.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

8. SHORT TERM BORROWINGS

Particulars	₹ in lacs	
	As at March 31	
	2016	2015
Secured		
Term loan from banks	-	8,000.00
Term loan from financial institutions	5,000.00	-
Cash Credit from banks	88,315.62	106,745.08
Working capital demand loan from banks	3,000.00	2,500.00
	96,315.62	117,245.08
Unsecured		
Commercial papers	8,000.00	-
Short term loans from bank	1,000.00	-
Inter Corporate Deposits	-	500.00
	9,000.00	500.00
Total	105,315.62	117,745.08

8.1 Term loan from Banks

		₹ in lacs	
Rate of interest	Repayment Details	As at March 31	
		2016	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.

8.2 Term loan from Financial Institutions

		₹ in lacs	
Rate of interest	Repayment Details	As at March 31	
		2016	2015
9.25%	Bullet payment at the end of 1 year	5,000.00	-
Total		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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

8.3 Cash Credit and working capital demand loans from Banks

Nature of Security

Cash credit and working capital demand loan from banks are secured by way of hypothecation of specific movable assets relating to the loans.

8.4 Short Term Loan From Bank

		₹ in lacs	
Rate of interest	Repayment Details	As at March 31	
		2016	2015
9.30%	Bullet payment at the end of 90 days	1,000.00	-

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

Particulars	Gross Block		Depreciation / Amortisation			Net Block		₹ in lacs
	As at April 1, 2015	Additions during the year	Deletions during the year	As at April 1, 2015	For the year	Adjustment to Opening Retained Earnings	As at March 31, 2016	
Tangible Assets								
Assets For Own Use								
Land - Freehold	2.40	-	-	-	-	-	2.40	2.40
Buildings	12.94	-	-	3.15	0.17	-	9.62	9.79
Plant and Equipment								
Computer	5,270.92	594.07	36.87	3,952.00	693.15	-	4,610.21	1,318.93
Electrical Installations and Equipments	1,957.35	311.76	8.70	474.65	212.91	-	684.34	1,482.71
Furniture and Fixtures								
Furniture and Fixtures	1,697.64	232.59	10.30	819.42	135.75	-	947.01	878.22
Office Equipment	2,583.18	322.61	40.32	1,152.22	607.41	-	1,731.89	1,430.97
Vehicles	22.50	14.43	3.90	10.01	2.69	-	10.87	12.49
Leasehold Improvement	7,893.35	1,135.01	64.83	5,374.87	1,297.93	-	6,615.44	2,518.48
Total Tangible Assets	19,440.30	2,610.47	164.93	11,786.31	2,950.01	-	14,603.06	7,653.99
Intangible Assets								
Computer Software	2,023.65	1,567.45	-	1,336.42	812.28	-	2,148.70	687.23
Total Intangible Assets	2,023.65	1,567.45	-	1,336.42	812.28	-	2,148.70	687.23
Total	21,463.94	4,177.92	164.93	13,122.73	3,762.29	-	16,751.77	8,341.21
Year ended March 31, 2015	18,828.53	2,875.96	240.35	8,532.98	4,364.84	366.39	13,122.73	-

Note:

The assets which are shown under the Intangible Assets are not internally self generated assets.

Notes

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10. NON-CURRENT INVESTMENTS

Particulars	As at March 31,	
	2016	2015
Long-Term Investment		
A. Other than Trade Investment		
1) Investment in Equity Instruments (valued at cost unless stated otherwise)		
Quoted Equity Instruments :		
12,64,470 (March 31, 2015: Nil) Equity shares at the FV of ₹ 776.50/- each fully paid-up in Ceylinco Insurance PLC	9,877.38	-
Total	9,877.38	-
Unquoted Equity Instruments :		
(i) 9,63,265 (March 31, 2015: 9,63,265) Equity shares of ₹ 10 each fully paid-up in Highmark Credit Information Services Private Ltd.	118.00	118.00
(ii) 18,000 (March 31, 2015: 18,000) Equity Shares of ₹ 10/- each fully paid-up in Shriram Seva Sankalp Foundation	1.80	1.80
(iii) 5,98,726 (March 31, 2015: Nil) Equity shares at the FV of ₹ 10/- each fully paid-up in Visage Holdings & Finance Pvt.Ltd	997.00	-
Total	1,116.80	119.80
2) Investment in approved Government securities (valued at cost unless stated otherwise)		
Quoted Investments :		
6.13% GOI Loan 2028 of Face value ₹ 100 lacs	101.45	101.45
9.22% Gujarat SDL 2023 of Face value ₹ 3000 lacs	3,175.64	3,175.64
9.55% Tamil Nadu SDL 2023 of Face value ₹ 1700 lacs	1,833.24	1,833.24
9.25% Maharashtra SDL 2023 of Face value ₹ 3400 lacs	3,605.33	3,605.33
8.27% GOI 2020 of Face value ₹ 5000	5,082.50	-
8.27% GOI 2020 of Face value ₹ 2500 lacs	2,556.25	-
Total	16,354.41	8,715.66
3) Investment in Pass Through Certificates (Unquoted)	9,393.50	1,329.06
Total	9,393.50	1,329.06
Grand Total	36,742.09	10,164.52
Aggregate amount of Unquoted Investments (cost of acquisition)	10,510.30	1,448.86
Aggregate amount of Quoted Investments (cost of acquisition)	26,231.79	8,715.66
Aggregate amount of provision for diminution in value of Investments	81.76	36.64

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 government securities being statutory liquid assets to the extent of ₹ 16,354.41 lacs (March 31, 2015: ₹ 8,715.66 lacs) in favour of trustees representing the public deposit holders of the Company.

Notes

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11. DEFERRED TAX ASSET (net)

Particulars	₹ in lacs	
	As at March 31,	
	2016	2015
Deferred tax liabilities		
Deferred expenses incurred for NCD mobilization	230.92	476.48
Special reserve	416.56	208.78
Rating Expenses	2.57	3.79
Gross deferred tax liabilities (A)	650.05	689.05
Deferred tax asset		
Timing difference on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	1,330.97	992.20
Provision for service tax	-	527.89
Contingent provision against standard assets	2,080.10	1,404.38
Provision for substandard and doubtful asset	338.50	93.04
Provision for leave benefits	145.80	79.04
Provision for gratuity	556.30	421.18
Provision for Lease rental	36.74	14.02
Provision for Bonus	80.65	2.48
Preliminary expenditure	-	0.18
Merger Expenses	0.48	0.71
Estimated disallowances	-	271.92
Gross deferred tax assets (B)	4,569.54	3,807.04
Deferred tax asset (net) (B-A)	3,919.49	3,117.99

12. LOANS AND ADVANCES

Particulars	₹ in lacs			
	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Unsecured, Considered Good				
Capital advances	44.26	1,452.29	-	-
Service tax credit (input) receivable	-	-	42.28	41.40
Prepaid expenses	7.53	4.33	469.03	363.23
Interest paid in Advance	-	-	6.75	-
Security deposits	1,899.75	1,731.91	360.29	468.00
Advances recoverable in cash or in kind or for value to be received	57.44	45.94	6,594.86	7,606.89
Investment through Pass through certificates - Own	886.62	1,252.15	1,766.20	1,800.49
Loans and Advances				
Assets under financing activities : *				
- Secured, considered good	688,855.81	575,852.70	1,139,488.08	960,530.38
- Unsecured, considered good	27,000.65	17,114.83	72,991.83	44,187.74
- Doubtful	22,252.27	7,998.36	79,271.25	42,656.89
Total	741,004.32	605,452.51	1,300,990.57	1,057,655.02

* Includes Value of repossessed Stock of ₹ 1756.05 lacs (March 31, 2015: ₹ 2,327.69 lacs)

Notes

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Disclosure on loan against gold as on March 31, 2016 Vide RBI notification DNBS.CC.PD. No.266/03.10.01/2011-12 dated March 26, 2012:

Particulars	₹ in lacs	
	As at March 31, 2016	As at March 31, 2015
Total Assets under Management	2,029,859.88	1,648,340.90
Total Loan against gold	340,799.72	294,277.65
Percentage of Gold Loan on Total Assets (on book)	16.79%	17.85%

13. OTHER ASSETS

Particulars	₹ in lacs			
	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Other Bank balances of non-current portion [Refer note no 15]	1,200.01	9,000.00	-	-
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	300.97	708.27	366.26	693.55
Interest accrued on fixed deposit and other loan and advances	486.36	198.26	1,710.07	1,776.96
Securitisation-receivable	1,533.36	3,816.21	3,725.55	6,075.34
Advance Tax (net of provisions for tax)	-	-	6,447.65	4,880.00
Other Assets	-	-	2.39	1.13
Total	3,520.69	13,722.74	12,251.93	13,426.98

14. CURRENT INVESTMENTS

Particulars	₹ in lacs	
	As at March 31,	
	2016	2015
Treasury Bills	18,348.53	12,215.99
Certificate of Deposits with Banks	15,000.00	41,772.70
Mutual Funds Units *	200.00	18,800.00
Investment in pass through certificates	1,142.34	676.00
Total	34,690.87	73,464.69

a) As at March 31, 2016

14.1 Treasury Bills

Particulars	₹ in lacs			
	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

Notes

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14.2 Certificate of Deposits

₹ 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

14.3 Mutual Fund

* 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.

b) As at March 31, 2015

14.1 Treasury Bills

₹ 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

14.2 Certificate of Deposits

₹ 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

14.3. Mutual Fund

₹ in lacs

Particulars	Date of Investment	Date of Maturity	Rate of Interest	Amount
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) * Out of total ₹ 18,800 lacs, ₹ 200 lacs pertains to an equity and debt opportunities fund under the open ended scheme the maturity date will be considered as redemption date as and when required.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

15. CASH AND BANK BALANCES

₹ in lacs

Particulars	Non-current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Cash and cash equivalents :				
Balances with banks in :				
- Current accounts	-	-	35,367.01	26,802.58
- Unpaid dividend accounts	-	-	73.18	60.61
- Deposits with maturity of less than three months	-	-	2,265.00	6,500.00
Cash on hand	-	-	4,577.87	5,744.12
Other bank Balances:				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	19,600.00
Deposits with original maturity for more than 12 months	-	9,000.00	14,000.00	-
Margin money deposit *	1,200.01	-	9,185.59	21,572.40
	1,200.01	9,000.00	65,468.65	80,279.71
Amount disclosed under the head "Other non-current asset" [Refer note 13]	(1,200.01)	(9,000.00)	-	-
Total	-	-	65,468.65	80,279.71

* Margin money deposit of ₹ 10,385.60 lacs as at March 31, 2016 (March 31, 2015: ₹ 21,572.40 lacs) are pledged with banks as margin for securitisation.

16. REVENUE FROM OPERATIONS

₹ in lacs

Particulars	Year ended March 31,	
	2016	2015
Income from finance and other charges	381,477.78	328,590.70
Income on Long Term Securitisation / assignment *	6,311.56	11,169.77
Interest on Long Term Investment thru PTC-Securitisation **	545.28	1,341.15
Interest on Margin money on securitisation / assignment	1,358.45	3,112.52
Bad debts recovery	5,867.13	4,504.07
Interest on deposit with bank	2,111.29	6,571.56
Interest on government securities	2,147.55	880.19
Total	399,819.04	356,169.96

* Includes exempt income (subjected to EIS tax u/s 115 TA of the Income Tax Act) of ₹ 323.08 lacs for the year ended March 31, 2016.

** Includes ₹ 195.85 lacs is taxable for the year ended March 31, 2016.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

17. OTHER INCOME

Particulars	₹ in lacs	
	Year ended March 31,	2015
	2016	
Dividend Income	-	290.60
Gain on sale of investments		
Short Term	425.61	4,049.64
Long Term	-	125.51
Profit on sale of assets	16.19	23.87
Miscellaneous income	107.81	308.55
Provision no longer required	1,553.08	-
Gain on Interest rate swap	38.50	319.99
Total	2,141.19	5,118.16

18. EMPLOYEE BENEFITS EXPENSES

Particulars	₹ in lacs	
	Year ended March 31,	2015
	2016	
Salaries and allowances	49,318.72	38,028.01
Contributions to Provident fund and ESI	3,422.23	3,005.59
Gratuity	436.67	719.25
Staff welfare expenses	905.02	880.34
Total	54,082.64	42,633.19

19. FINANCE COSTS

Particulars	₹ in lacs	
	Year ended March 31,	2015
	2016	
Interest expense on :		
Debentures	27,625.40	37,398.87
Subordinate debts	14,421.66	14,938.19
Fixed deposits	26,667.59	14,585.61
Loans from banks	62,939.36	56,545.98
Loans from institutions and others	3,527.34	4,399.86
Commercial Papers	5,362.91	992.03
Other Borrowing Cost:		
Bank Charges	824.27	954.84
Processing and other charges	757.79	612.78
Brokerage	1,912.11	3,578.43
Total	144,038.43	134,006.59

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

20. OTHER EXPENSES

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Rent	5,034.67	4,356.63
Power and fuel expenses	1,001.00	880.57
Repairs & maintenance to Buildings	1,024.51	889.78
Repairs & maintenance to Office Equipments	45.51	48.27
Office upkeep expenses	1,312.69	1,186.87
Rates & taxes	1,384.86	1,018.86
Printing & stationery	1,975.01	1,928.73
Travelling & conveyance	5,356.21	5,303.97
Advertisement	1,072.31	1,278.01
Business promotion expenses	4,526.53	4,249.22
Commission	8,920.67	7,345.36
Royalty	4,500.67	2,576.21
Directors' sitting fees	32.24	27.75
Insurance	439.31	430.76
Communication expenses	3,149.40	3,147.29
Payments to the auditor		
(a) Audit fees	44.72	30.30
(b) Tax audit fees	6.22	5.56
(c) Certification and other services	7.36	6.69
(d) Out of pocket	13.92	14.34
Professional charges	9,002.34	9,408.08
Legal & professional fees	798.84	819.49
Donations	8.05	0.20
Public issue expenses for non-convertible debentures	734.59	977.45
Loss on sale of assets	13.56	10.20
Loss on sale of Investments	-	76.05
Loan processing expenses	421.18	267.65
CSR expenses	651.27	9.33
Miscellaneous expenses	978.48	1,491.89
Total	52,456.12	47,785.51

21. PROVISIONS & WRITE OFFs

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Provision for non performing assets	30,533.12	12,293.94
Contingent provision for standard assets	1,878.70	906.61
Bad debts written off	30,226.47	32,607.23
Provision for Diminution in value of Investments	45.12	11.23
Total	62,683.41	45,819.01

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

22. EARNINGS PER SHARE (EPS)

Particulars	Year ended March 31,	
	2016	2015
Net profit after tax as per statement of profit and loss (₹ in lacs) (A)	55,206.45	57,142.08
Weighted average number of equity shares for calculating Basic EPS (No. in lacs) (B)	659.16	647.57
Weighted average number of equity shares for calculating Diluted EPS (No. in lacs) (C)	660.03	648.65
Basic earnings per equity share (in ₹) (Face value of ₹ 10/- per share) (A) / (B)	83.75	88.24
Diluted earnings per equity share (in ₹) (Face value of ₹ 10/- per share) (A) / (C)	83.64	88.09

Particulars	Year ended March 31,	
	2016	2015
Weighted average number of equity shares for calculating EPS (No. in lacs)	659.16	647.57
Add : Equity shares arising on conversion of optionally convertible warrants (No. in lacs)	-	-
Add : Equity shares for no consideration arising on grant of stock options under ESOP (No. in lacs)	0.87	1.08
Weighted average number of equity shares for calculating diluted EPS (No. in lacs)	660.03	648.65

23. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

23.1 Shriram City Union Finance Limited

The Company has an unfunded 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.

Consequent to the adoption of AS 15 'Employee Benefits' (revised), the following disclosures are made as required by the standard:

Statement of Profit and Loss

Net Employee benefit expenses (recognised in the employee cost)

Particulars	₹ in lacs	
	Gratuity	
	For the year ended March 31,	
	2016	2015
Current service cost	466.95	235.81
Interest cost on benefit obligation	158.00	93.63
Expected return on plan assets	N.A.	N.A.
Net actuarial (gain) / loss recognised in the year	253.59	383.73
Past service cost	-	-
Net benefit expense	878.54	713.17
Actual return on plan assets	N.A.	N.A.

Notes

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Balance Sheet

Benefit asset/(liability)

₹ in lacs

Particulars	Gratuity	
	As at March 31,	
	2016	2015
Present value of defined benefit obligation	2,270.36	1,955.49
Fair value of plan assets	N.A.	N.A.
Total	2,270.36	1,955.49
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(2,270.36)	(1,955.49)

Changes in the present value of the defined benefit obligation are as follows:

₹ in lacs

Particulars	Gratuity	
	As at March 31,	
	2016	2015
Opening defined benefit obligation	1,955.49	1,005.76
Interest cost	158.00	93.64
Current service cost	466.95	235.81
Transferred in liabilities	11.84	282.28
Benefits paid	(68.34)	(45.73)
Actuarial (gains) / losses on obligation	40.50	383.73
Closing defined benefit obligation	2,270.36	1,955.49

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,	
	2016	2015
Investments with insurer	NA	NA

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	Gratuity	
	As at March 31,	
	2016	2015
Discount Rate	7.95%	8.08%
Increase in compensation cost	5.00%	5.00%
Employee Turnover	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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

Amounts for the current and previous three years are as follows:

Particulars	₹ in lacs			
	2016	As at March 31,		2013
		2015	2014	
Defined benefit obligation	2,270.36	1955.49	1,005.76	1,062.37
Plan assets	NA	NA	NA	NA
Surplus / (deficit)	(2270.36)	(1955.49)	(1005.76)	(1062.37)
Experience adjustments on plan liabilities	(294.08)	(84.58)	(89.71)	(136.10)
Experience adjustments on plan assets	NA	NA	NA	NA

The Company has a leave encashment policy. The leave encashment liability is computed based on actuarial valuation and stands at ₹ 752.51 lacs as on March 31, 2016 (March 31, 2015: ₹ 562.32 lacs).

23.2 Shriram Housing Finance Limited

The company operates one defined benefit plan of gratuity for its employees. Under the gratuity plan every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is unfunded.

23.2.1 Net employee benefit expense (Recognised in Employee Benefits Expenses)

A) Gratuity:

In Statement of Profit & Loss

Particulars	₹ in lacs	
	Gratuity	
	Year ended March 31,	
	2016	2015
Current service cost	8.95	4.69
Interest cost on benefit obligation	3.02	2.77
Expected return on plan assets	NA	NA
Net actuarial (gain) / loss recognised in the year	53.33	(1.38)
Past services cost	-	-
Net benefit expense	65.30	6.08

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

In Balance Sheet

Benefit Asset/Liability

₹ in lacs

Particulars	Gratuity	
	As at March 31,	
	2016	2015
Opening defined benefit obligation	37.79	31.71
Interest cost	3.02	2.77
Current services cost	8.95	4.69
Benefits paid	-	-
Actuarial (gains)/losses on obligation	53.33	(1.38)
Closing defined benefit obligation	103.09	37.79
The principal assumptions used in determining gratuity and post employment medical benefit		
Salary rise (%)	5.00	5.00
Discount rate (%)	8.75	8.75
Attrition rate (%)	3.00	3.00
Average balance service	24.92 Years	24.48 Years

B) Leave encashment

Company has provided Leave encashment liability as required under Accounting Standard-15(Revised) and balance in books as on March 31, 2016 is ₹ 8.82 lacs (March 31, 2015: ₹ 8.07 lacs).

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. For the period ended March 31, 2016 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	: October 30 2006
Date of grant	: October 19 2007
Date of Board Approval	: October 19 2007
Number of options granted	: 13,55,000
Method of Settlement (Cash/Equity)	: Equity
Graded vesting period:	
After 1 years of grant date	: 10% of options granted
After 2 years of grant date	: 20% of options granted
After 3 years of grant date	: 30% of options granted
After 4 years of grant date	: 40% of options granted
Exercisable period	: 10 years from vesting date
Vesting Conditions	: On achievement of pre-determined targets

Notes

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The details of Series 1 have been summarised below:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Weighted Average Exercise Price(in ₹)	Number of Shares	Weighted Average Exercise Price(in ₹)
Outstanding at the beginning of the year	110,270	35.00	151,610	35.00
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Less: Exercised during the year	21,540	35.00	41,340	35.00
Less: Expired during the year	-	-	-	-
Outstanding at the end of the period	88,730	35.00	110,270	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)	-	4.55	-	5.55
Weighted average fair value of options granted	-	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 price (in ₹)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price(in ₹)
2016	35.00	88,730	4.55	35.00
2015	35.00	110,270	5.55	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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

Particulars	₹ in lacs	
	As at March 31,	
	2016	2015
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	200.93	249.71
Deferred compensation cost	Nil	Nil

Since the company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, the ICAI issued a guidance note on "Accounting for Employees Share Based Payments" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earnings per share would be as follows:

Particulars	As at March 31,	
	2016	2015
Profit as reported (₹ in lacs)	52,978.03	55,806.39
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	52,978.03	55,806.39
Less: Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders (₹ in lacs)	52,978.03	55,806.39
Earnings per share		
Basic (₹.)		
- As reported	80.37	86.18
- Proforma	80.37	86.18
Diluted (₹.)		
- As reported	80.27	86.03
- Proforma	80.27	86.03

24.1.2 A new ESOP scheme "SCUF Employees Stock Option Scheme 2013" was approved at an EGM on May 31, 2013. Accordingly 26,27,000 equity shares @ ₹ 10 each have been reserved under this scheme with an exercise price of ₹ 300 per option and with a maximum vesting period of five years from the date of grant.

Notes

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24.2 Shriram Housing Finance Limited

24.2.1. Employee Stock Option Plan

The company provides share-based payment schemes to its employees. For the year ended March 31, 2016 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Board approval	: January 25, 2013
Date of Shareholders approval	: March 28, 2013
Date of grant	: August 28, 2013 & April 20, 2015
Number of options granted	: 3,70,000 & 1,50,000
Method of settlement (Cash/Equity)	: Equity
Graded vesting period:	
After 4 years of Grant date	: 50% of option granted
After 5 years of Grant date	: 50% of option granted
Exercisable period	: 10 years from Vesting Date
Vesting Conditions	: 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. Exercise Price per option is ₹ 10/-. 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 Report of Sept 1, 2013 & June 12, 2015 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 Shared 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,	
	2016	2015
Profit as reported (₹ in lacs)	2,895.26	2,019.66
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	2,895.26	2,019.66
Less: Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders (₹ in lacs)	2,895.26	2,019.66
Earnings per share		
Basic (₹)		
- As reported	1.35	0.94
- Proforma	1.35	0.94
Diluted (₹)		
- As reported	1.35	0.94
- Proforma	1.35	0.94

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25. SEGMENT INFORMATION

The company has got a single reportable segment. Therefore, the segment wise reporting has not been given.

26. RELATED PARTY DISCLOSURE

I) Key Managerial Personnel

- | | |
|--|--|
| a. Mr. R. Duruvasan, Managing Director & CEO | d. Mr. Sujan Sinha, Managing Director & CEO (SHFL) |
| b. Mrs. Subhasri Sriram, Chief Financial Officer | e. Mr. Kunal Shah, Chief Financial Officer (SHFL) |
| c. Mr. C R Dash, Company Secretary | f. Mrs. Kavitha G Shah, Company Secretary (SHFL) (Upto October 10, 2015) |

II) Relatives of Key Managerial Personnel

- | | |
|--|---|
| a. Ms. A. Komaleeswari (Spouse of Mr. R Duruvasan) | r. Mrs. Suchitra Subrata Sinha (Mother of Mr. Sujan Sinha) |
| b. Mr. Aiyneri Ramachandra Naaidu (Father of Mr. R. Duruvasan) | s. Mr. Sushmit Sujan Sinha (Son of Mr. Sujan Sinha) |
| c. Ms. Aiyneri Ammayamma (Mother of Mr. R Duruvasan) | t. Ms. Pamela Sinha Mathur (Daughter of Mr. Sujan Sinha) |
| d. Mr. Aiyneri Vamsi Krishna (Son of Mr. R. Duruvasan) | u. Mr. Parvitosh Mathur (Daughter's husband of Mr. Sujan Sinha) |
| e. Mr. B. Perumal (Brother of Mr. R. Duruvasan) | v. Mr. Sukanto Sinha (Brother of Mr. Sujan Sinha) |
| f. Ms. S.Usha Rani (Sister of Mr. R. Duruvasan) | w. Mrs. Miti Shah (Spouse of Mr. Kunal Shah) |
| g. Mr. Sriram (Spouse of Mrs. Subhasri Sriram) | x. Mr. Kirit Shah (Father of Mr. Kunal Shah) |
| h. Mr. Sankaralingam (Father of Mrs. Subhasri Sriram) | y. Mrs. Neela Shah (Mother of Mr. Kunal Shah) |
| i. Ms. Gomathy Lingam (Mother of Mrs. Subhasri Sriram) | z. Ms. Aarushi Shah (Daughter of Mr. Kunal Shah) |
| j. Mr. Sailesh Sriram (Son of Mrs. Subhasri Sriram) | aa. Mr. Rushub A Shah (Spouse of Mrs. Kavitha G Shah) |
| k. Ms. Shewta Sriram (Daughter of Mrs. Subhasri Sriram) | ab. Mrs. Jayshree G Shah (Mother of Mrs. Kavitha G Shah) |
| l. Ms. Sasmita Dash (Spouse of Mr. C R Dash) | ac. Mr. Jayesh G Shah (Brother of Mrs. Kavitha G Shah) |
| m. Mr. Durga Charan Dash (Father of Mr. C R Dash) | ad. Ms. Jasmine J Shah (Sister of Mrs. Kavitha G Shah) |
| n. Ms. Radhamani Dash (Mother of Mr. C R Dash) | ae. Ms. Deepthi D Vora (Sister of Mrs. Kavitha G Shah) |
| 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) | |

III) Enterprises having significant influence

- Shriram Capital Limited (SCL)
- Shriram Ownership Trust (SOT)
- Dynasty Acquisition FPI Limited (DAL) (From May 15, 2015)
- Piramal Enterprises Limited (PEL)
- Valliant Mauritius Partners FDI Limited (VMPL)
- TPG India Investments I INC (TPG) (Upto May 11, 2015)

Notes

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26.1 Details of Transactions

Particulars	₹ in lacs					
	Enterprises having significant influence over the Company		Director/ Key Managerial Personnel		Total	
	As at March 31,		As at March 31,		As at March 31,	
	2016	2015	2016	2015	2016	2015
Payments/Expenses						
Royalty to SOT	4,512.39	2,581.91	-	-	4,512.39	2,581.91
Reimbursement of business promotion expenses, rent and other expenses to SCL	580.41	351.93	-	-	580.41	351.93
License Fees to SCL	2,137.36	1,916.89	-	-	2,137.36	1,916.89
Loan to SHFL by SCL	-	5,000.00	-	-	-	5,000.00
Payment of Interest SCL	-	77.26	-	-	-	77.26
Equity dividend to SCL	3,451.68	2,338.23	-	-	3,451.68	2,338.23
Equity dividend to DAL	2,080.39	-	-	-	2,080.39	-
Equity dividend to TPG	-	1,409.30	-	-	-	1,409.30
Equity dividend to PEL	1,019.88	690.88	-	-	1,019.88	690.88
Payments to Key Managerial Personnel	-	-	258.34	299.94	258.34	299.94
Receipts						
Loan from SCL by SHFL	-	5,000.00	-	-	-	5,000.00
Reimbursement of expenses - SCL	-	0.07	-	-	-	0.07
Balance outstanding as at						
Share Capital held by SCL	2,226.89	2,226.89	-	-	2,226.89	2,226.89
Share Capital held by DAL	1,342.19	-	-	-	1,342.19	-
Share Capital held by TPG	-	1,342.19	-	-	-	1,342.19
Share Capital held by PEL	657.98	657.98	-	-	657.98	657.98
Share Capital held by VMPL	4,872.00	4,872.00	-	-	4,872.00	4,872.00
Outstanding Expenses SCL	19.82	22.98	-	-	19.82	22.98
Outstanding Expenses SOT	608.53	32.84	-	-	608.53	32.84

27. CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

(I) Contingent Liabilities

A. SHRIRAM CITY UNION FINANCE LTD

Particulars	₹ in lacs	
	As at March 31,	
	2016	2015
a. Income Tax	2,956.88	4,831.24
b. Kerala Value Added Tax	4.65	4.65
c. Tamilnadu Value Added Tax	75.50	-

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.

Notes

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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.

B. Shriram Housing Finance Limited

Particulars	₹ in lacs	
	As at March 31,	
	2016	2015
Income Tax	14.64	-

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.

(II) Commitments

Shriram City Union Finance Limited

As at March 31, 2016, ₹ 87.76 lacs (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

Shriram Housing Finance Limited

As at March 31, 2016, estimated amount of contract remaining to be executed on capital account - Nil

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 year is given below

Particulars	₹ in lacs	
	Year ended March 31,	
	2016	2015
Total number of transactions under par structure	1	2
Total book value of assets	10,000.00	29,968.29
Sale consideration received	10,000.00	29,968.29

(ii) The information on securitisation of the Company as an originator in respect of outstanding amount of securitised

Notes

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assets is given below

S. No.	Particulars	₹ in lacs	
		As at March 31, 2016	As at March 31, 2015
1	No of SPVs sponsored by the NBFC for securitisation transactions	8	12
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	35,719.00	93,426.78
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	10,051.01	20,302.28
	Others	708.69	2,599.64
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
	Others	334.59	191.93
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

B. Direct Assignment

(i) The information on direct assignment of the Company as an originator in respect of par transactions done during the year

Particulars	₹ in lacs	
	Year ended March 31, 2016	2015
Total number of transactions under par structure	2	-
Total book value of assets	20,127.08	-
Sale consideration received	18,114.37	-

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(ii) The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

S. No.	Particulars	₹ in lacs	
		As at March 31, 2016	As at March 31, 2015
1	No. of transactions assigned by the Company	3	1
2	Total amount of outstanding	19,506.34	2,610.68
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	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

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

Particulars	₹ in lacs							
	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

Notes

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30. DERIVATIVES

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)

		₹ in lacs	
		Year ended March 31,	
S. No	Particulars	2016	2015
i)	The notional principal of swap agreements	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	-	-

31. EXPOSURE

31.1 Exposure to Capital Market

		₹ in lacs	
		Year ended March 31,	
S. No	Particulars	2016	2015
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;	10,077.38	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;	49,101.71	38,774.95
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;	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		63,134.52	50,662.11

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

31.2 Exposure to Real Estate Sector

		₹ in lacs	
S. No	Particulars	Year ended March 31,	
		2016	2015
i)	Residential Mortgages -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	112,834.46	69,554.34
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	14,627.10	4,154.13
iii)	Investments in Mortgage Backed Securities(MBS) and other securitised exposures -		
	Residential*	1,243.10	2,005.06
	Commercial Real Estate		
	Total	128,704.66	75,713.53

*includes premium of ₹ 3.29 lacs (March 31, 2015: ₹ 5.96 lacs)

32. Foreign Exchange Earnings - Nil and outgo ₹ 0.84 lacs (Previous Year ₹ 1.09 lacs)

33. The company had no discontinuing operations during the year ended March 31, 2016 and during the year ended March 31, 2015.

34. 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. 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,	
		2016	2015
a.	Not later than 1 year	347.75	209.35
b.	More than 1 year and less than 5 years	977.60	335.08
c.	Later than 5 years	467.23	1.71

35. Capital

A. Shriram City Union Finance Limited

S. No.	Particulars	Year ended	Year ended
		March 31, 2016	March 31, 2015
i)	CRAR (%)	26.14%	29.03%
ii)	CRAR - Tier I Capital (%)	23.36%	24.80%
iii)	CRAR - Tier II Capital (%)	2.78%	4.23%
iv)	Amount of subordinated debt raised as Tier-II capital (₹ in lacs)	47,137.31	64,115.03
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

B. Shriram Housing Finance Limited

S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i)	CRAR (%)	42.85%	67.33%
ii)	CRAR - Tier I Capital (%)	42.20%	66.74%
iii)	CRAR - Tier II Capital (%)	0.65%	0.59%

36. Investments

		₹ in lacs	
S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
1)	Value of Investments		
i)	Gross Value of Investments		
a)	In India	61,555.58	83,629.75
b)	Outside India	9,877.38	-
ii)	Provisions for Diminution		
a)	In India	81.76	36.64
b)	Outside India	-	-
iii)	Value of Net Investments		
a)	In India	61,473.72	83,593.11
b)	Outside India	9,877.38	-
2)	Movement of provisions held towards diminution on investments		
i)	Opening Balance	36.64	25.41
ii)	Add : Provisions made during the year	45.12	11.23
iii)	Less : Write-off / write-back excess provisions during the year	-	-
iv)	Closing Balance	81.76	36.64

37. Details of non-performing financial assets purchased / sold - Nil

38. Details of financing of parent company products - Nil

39. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFCs - Nil

40. Registration obtained from other financial sector regulators - Nil

41. Disclosure of penalties imposed by RBI and other regulators - Nil

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, 2016	Year ended March 31, 2015
Provisions for diminution on Investment		45.12	11.23
Provision towards NPA		30,533.12	12,293.94
Provision made towards Income tax		29,710.17	30,447.02
Other provisions and Contingencies (with details)			
Provision for Standard Assets		1,878.70	906.61
Provision for Gratuity		436.67	955.81
Provision for Leave benefits		307.51	168.72

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

43. Draw Down Reserves - Nil

44. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

a. Concentration of Deposits (for deposit taking NBFCs)

	₹ in lacs
Total Deposits of twenty largest depositors	3,913.48
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	1.31%

b. Concentration of Advances

	₹ in lacs
Total Advances to twenty largest borrowers	73,763.67
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	3.88%

c. Concentration of Exposures

	₹ in lacs
Total Exposure to twenty largest borrowers / customers	73,763.67
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	3.88%

d. Concentration of NPAs

	₹ in lacs
Total Exposure to top four NPA accounts	6,275.18

e. Sector-wise NPAs

A. Shriram City Union Finance Limited

S. No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-
2	MSME	5.40%
3	Corporate borrowers	-
4	Services	-
5	Unsecured personal loans	5.96%
6	Auto loans	
	i) Auto Loans	6.44%
	ii) Two wheeler	5.05%
7	Other personal loans	
	i) Consumer Durable	-
	ii) Pledged Jewel	3.82%

B. Shriram Housing Finance Limited

S. No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Housing	3.18%
2	Non Housing	1.89%

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

45. MOVEMENT OF NPAs

A. Shriram City Union Finance Limited

		₹ in lacs	
S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i)	Net NPAs to Net Advances (%)	1.56%	0.68%
ii)	Movement of NPAs (Gross)		
a)	Opening balance	49,142.87	34,040.24
b)	Additions during the year	82,975.23	41,831.79
c)	Reductions during the year	34,109.80	26,729.16
d)	Closing balance	98,008.30	49,142.87
iii)	Movement of Net NPAs		
a)	Opening balance	10,662.34	7,640.62
b)	Additions during the year	29,119.81	10,195.10
c)	Reductions during the year	10,083.12	7,173.38
d)	Closing balance	29,699.03	10,662.34
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening balance	38,480.54	26,399.62
b)	Provisions made during the year	53,855.42	31,636.70
c)	Write-off / write-back of excess provisions	24,026.68	19,555.78
d)	Closing balance	68,309.27	38,480.54

B. Shriram Housing Finance Limited

		₹ in lacs	
S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i)	Net NPAs to Net Advances (%)	2.01%	1.69%
ii)	Movement of NPAs (Gross)		
a)	Opening balance	1,512.36	404.63
b)	Additions during the year	2,218.57	1,131.51
c)	Reductions during the year	215.71	23.78
d)	Closing balance	3,515.22	1,512.36
iii)	Movement of Net NPAs		
a)	Opening balance	1,238.62	343.91
b)	Additions during the year	1,479.29	914.92
c)	Reductions during the year	180.79	20.21
d)	Closing balance	2,537.12	1,238.62
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening balance	273.71	60.69
b)	Provisions made during the year	739.31	216.59
c)	Write-off / write-back of excess provisions	34.92	3.57
d)	Closing balance	978.10	273.71

46. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

A. Shriram City Union Finance Limited

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 profit 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.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

B. Shriram Housing Finance Limited

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 profit of the company made during the three immediately preceding financial years, which amounts to ₹ 30.61 lacs for the year 2015-16. The company has spent ₹ 1.50 lacs during the year.

47. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) - Nil

48. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) - Nil

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

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49. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 months	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	87,973.67
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	-	-	-	-	-	-	-	-	-

50. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

A. Shriram City Union Finance Limited

Rating Agency	Rating Instrument	Rating Assigned as on March 31, 2016
India Ratings	Long-Term (NCDs)	IND AA / Stable
	Short-Term (CP)	IND A1+
	Bank Loan Ratings	IND AA'
	Fixed deposit	IND tAA
CARE	Long-Term (NCDs)	CARE AA+
	Short-Term (CP)	CARE A1+
	Subordinate Debt	CARE AA+
	Fixed deposit	CARE AA+ (FD)
ICRA	Long-Term (NCDs)	ICRA AA / stable
	Short-Term (CP)	ICRA A1+
	Fixed deposit	MAA+ (Stable)
CRISIL	Long-Term (NCDs)	CRISIL AA-/Stable
	Short-Term (CP)	CRISIL A1+
	Subordinate Debt	CRISIL AA-/Stable
	Fixed deposit	FAA (Stable)

B. Shriram Housing Finance Limited

Rating Agency	Rating Instrument	Rating Assigned as on March 31, 2016
India Ratings	Long-Term (NCDs)	IND AA / Stable
	Bank Loan Ratings	IND AA / Stable
	Long-Term (NCDs)	CARE AA+
CARE	Short-Term (CP)	CARE A1+

Note: No migration during the year

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2016

51. CUSTOMER COMPLAINTS

S. No.	Particulars	Count
(a)	No. of complaints pending at the beginning of the year	29
(b)	No. of complaints received during the year	1,138
(c)	No. of complaints redressed during the year	1,151
(d)	No. of complaints pending at the end of the year	16

52. Based on the intimation received by the company, none of the suppliers have confirmed to be registered under "the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Therefore, the related information for this purpose stands to be Nil.

53. 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%	2884.69
Minority Interests in all Subsidiaries		(8910.74)		(656.27)
Associates	NA	NA	NA	NA
Joint Ventures	NA	NA	NA	NA
Total	100.00%	473,786.48	100.00%	55,867.21

54. Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with current year presentation.

As per our report of even date
For Pijush Gupta & Co.
 Chartered Accountants
 Firm Registration No. 309015E

Pijush Kumar Gupta
 Partner
 Membership No. 015139

Place: Chennai
 Date: April 27, 2016

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

R Duruvasan
 Managing Director & CEO
 DIN: 00223052

C R Dash
 Company Secretary

S. Krishnamurthy
 Director
 DIN: 00140414

Subhasri Sriram
 Chief Financial Officer

Notes

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Notes

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Corporate information

BOARD OF DIRECTORS

Sri Debendranath Sarangi

Chairman, Non-Executive, Independent

Sri Duruvasan Ramachandra

Managing Director and Chief Executive Officer,
Executive, Non Independent

Sri Venkataraman Murali

Director, Non-Executive, Independent

Sri Pranab Prakash Pattanayak

Director, Non-Executive, Independent

Sri Vipen Kapur

Director, Non-Executive, Independent

Sri Subramaniam Krishnamurthy

Director, Non-Executive, Independent

Smt Maya S Sinha

Director, Non-Executive, Independent

Sri Khushru Burjor Jijina

Additional Director, Non-Executive, Non Independent
(appointed as an Additional Director w.e.f October 28, 2015)

Sri Gerrit Lodewyk Van Heerde

Director, Non-Executive, Non Independent

Sri Shashank Singh

Additional Director, Non-Executive, Non Independent
(appointed as an Additional Director w.e.f October 28, 2015)

Sri Ranvir Dewan

Director, Non-Executive, Non Independent

Sri Gopalasamudram Srinivasaraghavan Sundararajan

Director, Non-Executive, Non Independent

Sri Sunil Varma

Director, Non-Executive, Independent
(resigned w.e.f. April 28, 2015)

Sri Puneet Bhatia

Director, Non-Executive, Non Independent
(resigned w.e.f. October 28, 2015)

COMPANY SECRETARY

Sri C R Dash

BANK

ALLAHABAD BANK
ANDHRA BANK
AXIS BANK LTD.
BANK OF BARODA
BANK OF INDIA
BANK OF MAHARASHTRA
CANARA BANK
CENTRAL BANK OF INDIA
CITY UNION BANK LTD.
CORPORATION BANK
DENA BANK

FEDERAL BANK
HDFC BANK LTD.
ICICI BANK LTD.
IDBI BANK LTD.
INDIAN BANK
INDIAN OVERSEAS BANK
INDUSIND BANK LTD.
KOTAK MAHINDRA BANK LTD.
ORIENTAL BANK OF COMMERCE
PUNJAB NATIONAL BANK
STANDARD CHARTERED BANK PLC

STATE BANK OF HYDERABAD
STATE BANK OF INDIA
STATE BANK OF TRAVANCORE
SYNDICATE BANK
THE SOUTH INDIAN BANK LTD.
UNION BANK OF INDIA
UNITED BANK OF INDIA
VIJAYA BANK

INSTITUTIONS

CITICORP FINANCE (INDIA) LTD
SMALL INDUSTRIES DEVELOPMENT
BANK OF INDIA LIMITED (SIDBI)

AUDITORS

Pijush Gupta & Co.
Chartered Accountants
P - 199, C I T Road,
Scheme IV - M, Kolkata - 700 010

REGISTERED OFFICE

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

LISTED AT

BSE LIMITED
NATIONAL STOCK EXCHANGE OF
INDIA LIMITED

SHARE TRANSFER AGENTS

Integrated Enterprises (India) Limited
2nd Floor, 'Kences Towers'
No. 1, Ramakrishna Street,
Off North Usman Road, T. Nagar
Chennai - 600 017
Phone No.: + 91 44 2814 0801, 2814 0803

SECRETARIAL OFFICE

No. 144, Santhome High Road,
Mylapore, Chennai 600 004
Phone No.: + 91 44 4392 5300
Fax No.: + 91 44 4392 5430



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