



SHRIRAM CITY UNION FINANCE LIMITED

Our Company was incorporated as Shriram Hire-Purchase Finance Private Limited on March 27, 1986 as a private limited company under the Companies Act, 1956, as amended (the “Companies Act, 1956”) and was granted a certificate of incorporation by the Registrar of Companies, Chennai, Tamil Nadu (“RoC”). With effect from October 29, 1988, the status of our Company was changed to a public limited company, pursuant to which the name of our Company was changed to Shriram Hire-Purchase Finance Limited. The name of our Company was subsequently changed to Shriram City Union Finance Limited and a fresh certificate of incorporation dated April 10, 1990 was issued by the RoC. For further details, please see the section titled “History and Certain Corporate Matters” on page 101 of the Shelf Prospectus.

Corporate Identification Number: L65191TN1986PLC012840

Registered Office: 123, Angappa Naicken Street, Chennai- 600 001, Tamil Nadu, India.

Corporate Office: 144, Santhome High Road, Mylapore, Chennai - 600 004, Tamil Nadu, India.

Telephone: + 91 44 4392 5300; **Facsimile:** +91 44 4392 5430

Company Secretary and Compliance Officer: Mr. C. R. Dash;

Telephone: + 91 44 4392 5300; **Facsimile:** +91 44 4392 5430 **E-mail:** scufncd18@shriramcity.com;

Website: www.shriramcity.in

PUBLIC ISSUE BY SHRIRAM CITY UNION FINANCE LIMITED (“COMPANY” OR THE “ISSUER”) OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH (“NCDs”) FOR AN AMOUNT OF ₹ 1,000 MILLION (“BASE ISSUE SIZE”) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 9,000 MILLION AGGREGATING UP TO 10 MILLION NCDs AMOUNTING TO ₹ 10,000 MILLION (“TRANCHE 2 ISSUE LIMIT”) (THE “TRANCHE 2 ISSUE”) WHICH IS WITHIN THE SHELF LIMIT OF ₹ 30,000 MILLION (“SHELF LIMIT”) AND IS BEING OFFERED BY WAY OF THIS TRANCHE 2 PROSPECTUS DATED AUGUST 16, 2019 CONTAINING, INTER ALIA, THE TERMS AND CONDITIONS OF THIS TRANCHE 2 ISSUE (“TRANCHE 2 PROSPECTUS”), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED MARCH 27, 2019 (“SHELF PROSPECTUS”) FILED WITH THE ROC, BSE AND SEBI, THE FIRST ADDENDUM AND THE SECOND ADDENDUM. THE SHELF PROSPECTUS, THE FIRST ADDENDUM AND SECOND ADDENDUM AND THIS TRANCHE 2 PROSPECTUS CONSTITUTE THE PROSPECTUS (“PROSPECTUS”). THIS TRANCHE 2 ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATION, 2008 AND COMPANIES ACT, 2013 AND RULES MADE THEREUNDER.

OUR PROMOTER

Our Promoter is Shriram Capital Limited. For details of our Promoter, please see “Our Promoter” on page 114 of the Shelf Prospectus and on page 52 of this Tranche 2 Prospectus.

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to the section titled “Risk Factors” on page 11 of the Shelf Prospectus and “Material Developments” on page 23 of this Tranche 2 Prospectus. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), any registrar of companies or any stock exchange in India.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated ‘CARE AA+ Stable’ (Double A Plus; Outlook: Stable) by CARE and ‘CRISIL AA/Stable’ (pronounced as CRISIL double A rating with Stable outlook) by CRISIL for an amount of upto ₹ 30,000 million vide their letters dated December 11, 2018 (and revalidated on February 14, 2019 and further revalidated on March 20, 2019 and further revalidated on August 14, 2019) and December 6, 2018 (and revalidated on February 19, 2019 and further revalidated on March 19, 2019 and further revalidated on August 9, 2019) respectively. The rating of the NCDs by CARE and CRISIL are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by CARE and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold the NCDs and investors should take their own decisions. For the rationale of these ratings, please refer to Annexure A of this Tranche 2 Prospectus.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated February 19, 2019 was filed with BSE Limited (“BSE”), the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations on February 20, 2019 and was open for public comments for a period of seven Working Days from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange.

LISTING

The NCDs offered through this Tranche 2 Prospectus are proposed to be listed on the BSE. Our Company has obtained ‘in-principle’ approval for the Issue from BSE vide its letter dated February 28, 2019.

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

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see “Terms of the Issue” beginning on page 92 of this Tranche 2 Prospectus. For details relating to eligible investors see, “Issue Related Information” beginning on page 81 of this Tranche 2 Prospectus.

LEAD MANAGERS TO THE ISSUE


A. K. Capital Services Limited
30-38, Free Press House, 3rd Floor, Free Press Journal Marg,
215, Nariman Point, Mumbai 400 021
Telephone: +91 22 67546500/6634 9300
Facsimile: +91 22 6610 0594
Email: scufncd2018@akgroup.co.in
Investor Grievance E-mail:
investor.grievance@akgroup.co. in
Website: www.akgroup.co.in
Contact person: Mr. Malay Shah/ Mr. Krish Sanghvi
SEBI Registration No.: INM000010411


Edelweiss Financial Services Limited
Edelweiss House
Off. C.S.T Road, Kalina
Mumbai 400 098, Maharashtra, India
Telephone: +91 22 4086 3535
Facsimile: +91 22 4086 3610
Email: scuf.ncd@edelweissfin.com
Investor Grievance E-mail:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact person: Mr. Lokesh Singhi
SEBI Registration No.: INM0000010650

REGISTRAR TO THE ISSUE


Integrated Registry Management Services Private Limited
2nd Floor, “Kences Towers”, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017
Telephone: +91 44 2814 0801 to 803
Facsimile: +91 44 28142479
Email: scuf@integratedindia.in
Investor Grievance E-mail:
csdstd@integratedindia.in
Website: www.integratedindia.in
Contact person: Mr. K Balasubramanian
SEBI Registration No.: INR000000544

DEBENTURE TRUSTEE


Catalyst Trusteeship Limited**
Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai-400 098
Telephone: +91 2025280081
Facsimile: + 91 2025820275
Email: dt@ctltrustee.com
Investor Grievance Email:
grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Compliance Officer
SEBI Registration No.: IND000000034

TRANCHE 2 ISSUE PROGRAMME

TRANCHE 2 ISSUE OPENS ON: August 21, 2019

TRANCHE 2 ISSUE CLOSURES ON: September 19, 2019

* The Issue shall remain open for subscription on Working Days from 10:00 a.m. till 5:00 PM (Indian Standard Time) during the period indicated above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof. In the event of such early closure or extension of the Tranche 2 Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Tranche 2 Issue Closing Date, through an advertisement in at least one national daily newspaper with wide circulation. On the Tranche 2 Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. For further details please refer to the chapter titled “Issue Related Information” on page 81 of this Tranche 2 Prospectus.

**Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) has by its letter dated November 29, 2018 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the SEBI Debt Regulations and for its name to be included in this Tranche 2 Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.

A copy of this Tranche 2 Prospectus along with the Shelf Prospectus has been filed with the Registrar of Companies, Chennai, Tamil Nadu, in terms of the Companies Act, 2013, along with the requisite endorsed/certified copies of all requisite documents. For more information, see the section titled “Material Contracts and Documents for Inspection” on page 124 of this Tranche 2 Prospectus.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche 2 Prospectus to “our Company” or “we” or “us” or “our” or “SCUF” are to Shriram City Union Finance Limited, a public limited company incorporated under the Companies Act, 1956.

Unless the context otherwise indicates or implies or defined specifically in this Tranche 2 Prospectus, the following terms have the following meanings in this Tranche 2 Prospectus, and references to any statute or rules or regulations or guidelines or policies includes any amendments or re-enactments thereto, from time to time.

Company Related Terms

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

Issue Related Terms

Term	Description
A.K. Capital	A.K. Capital Services Limited
Allotment/ Allot/ Allotted	The allotment of the NCDs to the Allottees, pursuant to the Tranche 2 Issue.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee	A successful Applicant to whom the NCDs are allotted pursuant to the Issue.
Applicant/Investor/ASBA Applicant	A person who applies for the issuance and Allotment of NCDs through ASBA process pursuant to the terms of the Shelf Prospectus and this Tranche 2 Prospectus and the Application Form for this Tranche 2 Issue.
Application/ ASBA application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Tranche 2 Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and this Tranche 2 Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form.
Application Form	The form used by an Applicant for applying for the NCDs under the Issue through the ASBA process, in terms of the Shelf Prospectus and this Tranche 2 Prospectus.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant.
ASBA Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Banker(s) to the Issue	Collectively, the Public Issue Account Bank and the Refund Bank.
Base Issue Size	₹ 1,000 million
Basis of Allotment	The basis on which NCDs will be allotted to applicants under the Tranche 2 Issue.
Bidding Centres / Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Consortium,

Term	Description
	Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms to a Trading Member. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchange.
BSE	BSE Limited.
CARE	CARE Limited (formerly known as Credit Analysis and Research Limited).
Category I - Institutional Investors	- Public financial institutions scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs - Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs - Alternative Investment Funds, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 - Resident Venture Capital Funds registered with SEBI - Insurance companies registered with the IRDAI - State industrial development corporations - Insurance funds set up and managed by the army, navy, or air force of the Union of India - Insurance funds set up and managed by the Department of Posts, the Union of India - Systemically Important Non-Banking Financial Company registered with the RBI; - National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India - Mutual funds registered with SEBI
Category II- Non-Institutional Investors	- Companies within the meaning of Section 2(20) of the Companies Act, 2013 - Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs - Co-operative banks and regional rural banks - Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs - Scientific and/or industrial research organisations, which are authorised to invest in the NCDs - Partnership firms in the name of the partners - Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009) - Association of Persons - Any other incorporated and/ or unincorporated body of persons
Category III - High Net-Worth Individuals	Resident Indian individuals and Hindu Undivided Families applying through the Karta, for NCDs aggregating up to a value of more than ₹ 1,000,000, across all series of NCDs in the Tranche 2 Issue.
Category IV- Retail Individual Investors	Resident Indian individuals and Hindu Undivided Families applying through the Karta, for NCDs for an amount aggregating up to and including ₹ 1,000,000, across all series of NCDs in the Tranche 2 Issue.
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt ASBA Circular
Members of the Consortium (each individually, a Member of the Consortium)	The Lead Managers and the Consortium Members.
Consortium Agreement	Consortium Agreement dated August 16, 2019 entered into between our Company and the Members of the Consortium.
Credit Rating Agencies	CARE and CRISIL
CRISIL	CRISIL Limited
“Debenture Holders” or “NCD Holder(s)”	Any person holding the NCDs and whose name appears on the beneficial owners list provided by the Depositories (in case of NCDs in dematerialized form) or whose name appears in the Register of Debenture Holders maintained by the Issuer (in case of NCDs in physical form pursuant to rematerialization).
“Debentures” or “NCDs”	Secured, redeemable, non-convertible debentures of our Company of face value of

Term	Description
	₹ 1,000 each proposed to be issued by our Company in terms of the Shelf Prospectus and this Tranche 2 Prospectus.
Debenture Trustee Agreement	Agreement dated February 16, 2019 entered into between our Company and the Debenture Trustee.
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and the Company, in accordance with applicable laws.
Debenture Trustee/ Trustee	Trustee for the Debenture Holders, in this case being Catalyst Trusteeship Limited.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company.
Deemed Date of Allotment	The date on which the Banking and Securities Management Committee the approves the Allotment of the NCDs for the Tranche 2 Issue, or such other date as may be determined by the Banking and Securities Management Committee and notified to BSE. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in this Tranche 2 Prospectus for the Tranche 2 Issue) shall be available to the Debenture holders from the Deemed Date of Allotment.
Demographic Details	The details of an Applicant, such as his address, bank account details, Permanent Account Number, Category for printing on refund orders and occupation.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and this Tranche 2 Prospectus and the Public Issue Account Agreement.
Designated Stock Exchange/ Stock Exchange	BSE.
Draft Shelf Prospectus	The draft shelf prospectus dated February 19, 2019 filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations
Edelweiss	Edelweiss Financial Services Limited.
Equity Shares	Equity shares of our Company of face value of ₹10 each.
Equity Listing Agreement	The listing agreements entered into between our Company and the relevant stock exchanges in connection with the listing of the Equity Shares of our Company.
First Addendum	The addendum-cum corrigendum to the Shelf Prospectus dated April 3, 2019.
Issue	Public issue of secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 30,000 million in one or more tranches.
Lead Managers/LMs	A. K. Capital Services Limited and Edelweiss Financial Services Limited.
Limited Liability Partnerships	Limited liability partnerships registered under the Limited Liability Partnership Act, 2008.
Limited Review Financials / Limited Review Financial Information	For the purposes of this Tranche 2 Prospectus, the Limited Review Financial Information for the three-month period ended June 30, 2019. For the purposes of the Shelf Prospectus, the unaudited standalone financial results of the Company for the nine months ended December 31, 2018 and the six months ended September 30, 2018 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and presented in accordance with the requirements of the SEBI Listing Regulations.
Limited Review Financial Information for the three-month period ended June 30, 2019	The unaudited standalone and consolidated financial results of the Company for the three months ended June 30, 2019, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and presented in accordance with the requirements of the SEBI Listing Regulations.
MD&CEO	Managing Director and Chief Executive Officer of the Company.
Market Lot	1 (One) NCD
Maturity Amount/ Redemption	In respect of NCDs Allotted to a Debenture Holder, the face value of the NCDs

Term	Description
Amount	along with interest that may have accrued as on the Redemption Date.
Maturity Date/ Redemption Date	The respective dates on which each Series of NCDs shall be redeemed and Redemption Amount shall be paid by our Company, at the end of the respective tenure of such Series of NCDs.
NRIs	Persons resident outside India, who are citizens of India or persons of Indian origin and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2008.
NSE	National Stock Exchange of India Limited.
Public Issue Account	A bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Issue Account Bank to receive money from the ASBA Accounts on the Designated Date.
Public Issue Account Agreement	Agreement dated August 16, 2019 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank, and the Lead Managers for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	IndusInd Bank Limited.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under this Tranche 2 Prospectus for the Tranche 2 Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Reformatted Consolidated Financial Information under IGAAP	The statement of reformatted consolidated summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the reformatted consolidated summary statement of profit and loss and the reformatted consolidated summary statement of cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the summary of significant accounting policies as examined by our Company's Statutory Auditors, M/s G.D Apte & Co., Chartered Accountants, and as included in the Shelf Prospectus. Our audited consolidated financial statements as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 form the basis for such Reformatted Consolidated Financial Information
Reformatted Standalone Financial Information under IGAAP	The statement of reformatted standalone summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the reformatted standalone summary statement of profit and loss and the reformatted standalone summary statement of cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the summary of significant accounting policies as examined by our Company's Statutory Auditors, M/s G.D Apte & Co, Chartered Accountants, and as included in the Shelf Prospectus. Our audited standalone financial statements as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 form the basis for such Reformatted Standalone Financial Information.
Reformatted Financial Information under IGAAP	Reformatted Consolidated Financial Information under IGAAP and Reformatted Standalone Financial Information under IGAAP.
Reformatted Consolidated Financial Information under Ind AS	The reformatted consolidated statement of assets and liabilities as at March 31, 2019, the reformatted consolidated statement of profit and loss (including Other Comprehensive Income) for the year ended March 31, 2019, the reformatted consolidated statement of changes in equity for the year ended March 31, 2019, reformatted consolidated statement of cash flows for the year ended March 31, 2019, the summary of significant accounting policies, and other explanatory information as examined by our Company's Statutory Auditors, G.D. Apte & Co., Chartered Accountants.

Term	Description
	The audited consolidated financial statements as at and for the year ended March 31, 2019 form the basis for such Reformatted Consolidated Financial Information under Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“ IGAAP ”). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018. with the comparative period data as at and for the year ended March 31, 2018.
Reformatted Standalone Financial Information under Ind AS	The reformatted standalone statement of assets and liabilities as at March 31, 2019, the reformatted standalone statement of profit and loss (including Other Comprehensive Income) for the year ended March 31, 2019, the reformatted standalone statement of changes in equity for the year ended March 31, 2019, reformatted standalone statement of cash flows for the year ended March 31, 2019, the summary of significant accounting policies, and other explanatory information as examined by our Company’s Statutory Auditors, G.D. Apte & Co., Chartered Accountants. The audited standalone financial information as at and for the years ended March 31, 2019 form the basis for such Reformatted Standalone Financial Information under Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP”). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018.
Reformatted Financial Information under Ind AS	Reformatted Standalone Financial Information under Ind AS and Reformatted Consolidated Financial Information under Ind AS.
Reformatted Financial Information	Reformatted Financial Information under Ind AS and Reformatted Financial Information under IGAAP.
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount shall be made and as specified in this Tranche 2 Prospectus.
Refund Bank	IndusInd Bank Limited.
Register of NCD Holders	The register of NCD holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar.
“Registrar to the Issue” or “Registrar”	Integrated Registry Management Services Private Limited
Registrar Agreement	Agreement dated February 18, 2019 entered into between our Company and the Registrar to the Issue.
Second Addendum	The addendum to the Shelf Prospectus dated April 24, 2019.
Security	The principal amount of the NCDs to be issued in terms of this Tranche 2 Prospectus together with all interest due on the NCDs by way of a first and exclusive charge on specified future receivables of our Company in favor of the Debenture Trustee and first and exclusive charge on identified immovable property of our Company, as decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favor of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs, and the interest thereon, more particularly as detailed in the section titled “ <i>Issue Structure</i> ” on page 89 to this Tranche 2 Prospectus.
“Self Certified Syndicate Banks” or “SCSBs”	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Term	Description
Series	Collectively the series of NCDs being offered to the Applicants pursuant to this Tranche 2 Prospectus.
Shelf Prospectus	The shelf prospectus dated March 27, 2019 filed with the RoC and the Designated Stock Exchange in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Stock Exchange	BSE Limited.
Syndicate ASBA	An Application submitted by an ASBA Applicant through the Members of the Syndicate and Trading Members instead of the Designated Branches of the SCSBs.
Syndicate ASBA Application Locations	Bidding centres where the Members of the Syndicate and Trading Members shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate or Trading Members, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Trading Members	Intermediaries registered as brokers under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and with the BSE and NSE under the applicable byelaws, rules, regulations, guidelines, circulars issued by the BSE and NSE from time to time, and duly registered with BSE and NSE for collection and electronic upload of Application Forms on the electronic application platform provided by the BSE and NSE.
Tranche 2 Issue	Issue of the NCDs pursuant to this Tranche 2 Prospectus.
Tranche 2 Issue Closing Date	September 19, 2019.
Tranche 2 Issue Opening Date	August 21, 2019.
Tranche 2 Issue Period	The period between the Tranche 2 Issue Opening Date and the Tranche 2 Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Tranche Prospectus(es)	The relevant Tranche Prospectus containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts, documents for inspection and other terms and conditions for each Tranche Issue.
Tranche 2 Prospectus	This Tranche Prospectus dated August 16, 2019 filed with the RoC and the Designated Stock Exchange in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations
“Transaction Registration Slip” or “TRS”	The slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs.
Tripartite Agreements	Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories agree to act as depositories for the securities issued by the Issuer.
Working Days	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Tranche 2 Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when stock exchanges are closed for trading. Furthermore, for the purpose of post issue period, i.e. period beginning from the Tranche 2 Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges in India excluding Sundays and bank holidays in Mumbai.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
BFS	Board for Financial Supervision.
BPS	Basis points
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CIC	Core Investment Company

Term/Abbreviation	Description/ Full Form
Companies Act, 1956	Companies Act, 1956.
Companies Act, 2013	Companies Act, 2013, as amended.
SCD Rules	Companies (Share Capital and Debentures) Rules, 2014
CRAR	Capital to Risk Assets Ratio.
CRISIL	CRISIL Limited
CSR	Corporate Social Responsibility.
CrPC	The Code of Criminal Procedure, 1973.
DIN	Director Identification Number.
Depository(ies)	CDSL and NSDL.
Depositories Act	Depositories Act, 1996.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996.
DRR	Debenture Redemption Reserve.
DRT	Debt Recovery Tribunal.
DTC	Direct Tax Code.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999.
FIMMDA	Fixed Income Money Market and Derivative Association of India.
FIR	First Information Report.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
HUF	Hindu Undivided Family.
HFC	Housing finance company.
IAS	Indian Administrative Service.
IA&AS	Indian Audits and Accounts Service.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961.
Indian GAAP	Accounting Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act.
Ind AS	Indian accounting standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act.
IPC	The Indian Penal Code, 1860
ISIN	International Securities Identification Number.
IT	Information technology.
JV	Joint Venture.
LIBOR	London Inter-Bank Offer Rate.
LCV	Light commercial vehicles
LTV	Loan to value
MoF	Ministry of Finance, GoI.
MCA	Ministry of Corporate Affairs, GoI.
MHCV	Medium and heavy commercial vehicle
NBFC	Non-Banking Finance Company, as defined under applicable RBI guidelines.
NECS	National Electronic Clearing System.
NEFT	National Electronic Fund Transfer.
NGO	Non-governmental organisations
NSDL	National Securities Depository Limited.
NR or “Non-resident”	A person resident outside India, as defined under FEMA.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PFI	Public Financial Institution, as defined under Section 4A of the Companies Act, 1956.
PPP	Public Private Partnership.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934
“₹” or “Rupees” or “Indian Rupees” or “Rs.”	The lawful currency of India.
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Term/Abbreviation	Description/ Full Form
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Business / Industry Related Terms

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

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled “*Capital Structure*”, “*Regulations and Policies*”, “*History and Certain Corporate Matters*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Indebtedness*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 43, 95, 101, 59, 105, 116, 132 and 158 of the Shelf Prospectus, respectively will have the meanings ascribed to them in such sections. Further, capitalised terms that have been defined in the sections titled “*Statement of Tax Benefits*”, “*Other Regulatory and Statutory Disclosures*” and “*Issue Procedure*” beginning on pages 74, 81, and 103, of this Tranche 2 Prospectus, respectively will have the meanings ascribed to them in such sections.

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

Certain Conventions

All references in this Tranche 2 Prospectus to “India” are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in this Tranche 2 Prospectus is derived from our Reformatted Financial Information under Ind AS. In this Tranche 2 Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

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

The audited standalone and consolidated financial statements of our Company, as at and for the years ended March 31, 2019, form the basis for the Reformatted Standalone Financial Information under Ind AS and Reformatted Consolidated Financial Information under Ind AS, respectively. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“**IGAAP**”). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018.

The Limited Review Financial Information included in this Tranche 2 Prospectus have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and presented in accordance with the requirements of the SEBI Listing Regulations.

The Reformatted Standalone Financial Information under IGAAP and the Reformatted Consolidated Financial Information under IGAAP as issued by our Statutory Auditors, are included in the Shelf Prospectus in “*Financial Information*” on page 115.

Currency and Unit of Presentation

In this Tranche 2 Prospectus, references to “₹”, “Indian Rupees”, “INR”, “Rs.” and “Rupees” are to the legal currency of India and references to “US\$”, “USD”, and “U.S. dollars” are to the legal currency of the United States of America. For the purposes of this Tranche 2 Prospectus data will be given in ₹ million. In the Tranche 2 Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

Industry and Market Data

Any industry and market data used in this Tranche 2 Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us or its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe the industry and market data used in this Tranche 2 Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Tranche 2 Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (₹) of the USD as at June 30, 2019 and as of March 31 for the last 5 years are provided below:

Currency	June 30, 2019*	March 31, 2019**	March 31, 2018***	March 31, 2017	March 31, 2016	March 31, 2015
USD	68.92	69.17	65.04	64.84	66.33	62.59

Source: www.fibil.org.in and www.rbi.org.in

*Exchange rate as on June 28, 2019, as RBI Reference Rate is not available for June 30, 2019 being Sunday.

**Exchange rate as on March 29, 2019, as RBI Reference Rate is not available for March 30, 2019 and March 31, 2018 being a Saturday and a Sunday respectively.

***Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holiday and March 31, 2018 being a Saturday.

Industry Source Disclaimer

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard, Shriram City Union Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to, information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”

FORWARD LOOKING STATEMENTS

Certain statements contained in this Tranche 2 Prospectus that are not statement of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Tranche 2 Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- volatility in interest rates for both our lending and treasury operations;
 - any disruption in funding sources;
 - our inability to manage the level of NPAs in our loan assets;
 - high levels of customer defaults;
 - extant regulatory and legal requirements, as well as future regulatory changes;
 - failure to comply with RBI or NHB observations;
 - inability to accurately appraise or recover the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans;
 - any downturn in the economy or change in consumer preference in South India, where a large number of our Company’s branches are located;
 - any downgrade in our credit ratings;
 - any restrictions on our ability to obtain bank financing for specific activities; and
- other factors discussed in the Shelf Prospectus, including in the section titled “*Risk Factors*” on page 11 of the Shelf Prospectus, read with the section titled “*Material Developments*” on page 23 of this Tranche 2 Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “*Our Business*” on page 76 of the Shelf Prospectus and on page 39 of this Tranche 2 Prospectus. The forward-looking statements contained in this Tranche 2 Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II - INTRODUCTION

GENERAL INFORMATION

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

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

Registered Office

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

Corporate Office

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

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

Registration

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

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

For information on the Company's main objects, please see the section titled "*History and Main Objects*" on page 101 of the Shelf Prospectus. Please refer to Clause III of the Memorandum of Association of the Company for the complete text of the main objects and other objects of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, see the section titled "*Material Contracts and Documents for Inspection*" on page 124 of this Tranche 2 Prospectus.

Liability of the members of the Company

Limited.

Company Secretary and Compliance Officer

C R Dash

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

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

All grievances relating to this Tranche 2 Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Syndicate where the Application was submitted.

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

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

Chief Financial Officer

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

Lead Managers to the Issue

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

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

Consortium Members

A.K. Stockmart Private Limited
30-39, 3rd Floor,
Free Press House

Free Press Journal Marg
215, Nariman Point
Mumbai 400 021.
Tel: 022-6754 6500
Fax: 022-6754-4666
Email: ankit@akgroup.co.in/ranjit.dutta@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ankit Gupta/Ranjit Dutta
SEBI Registration No.: INZ000240830

Edelweiss Securities Limited

2nd Floor, M.B Towers,
Plot No. 5, Road No. 2,
Banjara Hills, Hyderabad 500 034.
Tel: 022-40635411/ 022-40635569
Email: amit.dalvi@edelweissfin.com/prakash.boricha@edelweissfin.com
Website: www.edelweissfin.com/www.edelweiss.in
Contact Person: Amit Dalvi/Prakash Boricha
SEBI Registration No.: INZ000166136

Debenture Trustee

Catalyst Trusteeship Limited (formerly GDA Trusteeship Limited)

Windsor, 6th Floor, Office No-604,
C.S.T. Road, Kalina, Santacruz (East),
Mumbai-400 098
Tel: (91 22) 4922 0543
Fax: (91 20) 4922 0505
Email: complianceCTL-Mumbai@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Compliance Officer
SEBI Registration. Number: IND000000034

Registrar to the Issue

Integrated Registry Management Services Private Limited

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

Statutory Auditors

G. D. Apte & Co., Chartered Accountants

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

Membership No: 113053

Legal counsel to Company and Lead Managers as to Indian law

L&L Partners*

Tower 2, Unit A2,
Indiabulls Finance Centre,
20th Floor, Elphinstone Road,
Lower Parel, Mumbai 400 013
India

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

** Formerly known as Luthra & Luthra Law Offices*

Bankers to the Company

DCB Bank Limited

No.6A, Rajaji Road, Nungambakkam,
Chennai 600 034
Tel.: 044-40500355
E-mail: muralik@dcbbank.com
Contact Person: K. Murali

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited, India
“Rajalakshmi”, No.5 & 7, Cathedral Road, Chennai 600 086
Tel.: +91 9860564802
E-mail: nevillemusa@hsbc.co.in
Contact Person: Nivelle Musa

Axis Bank Limited

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

IDBI Bank Limited

37, PM Towers, Greens Road,
Chennai, Tamil Nadu 600 006
Tel.: 044-28295392
E-mail: ibk10000005@idbi.co.in

Kotak Mahindra Bank Limited

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

Abu Dhabi Commercial Bank PJSC

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

United Bank of India

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

Union Bank of India

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

Indian Bank

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

IndusInd Bank Limited

PNA House, 4th Floor, Plot no. 57 & 57/1,
Road No. 17, near SRL, MIDC, Andheri East, Mumbai-400093
Tel.: (022) 6106 9248/34
E-mail: sunil.fadtare@indusind.com
Contact person: Rushal Padhye

Canara Bank

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

Public Issue Account Bank and Refund Bank**IndusInd Bank Limited**

IndusInd Bank, PNA House, 4th Floor,
Plot Mo. 57 & 57/1, Road No. 17, Near SRL,
MIDC Andheri East,
Mumbai-400093.
Tel: (91) 022 610690248/34
Fax: (91) 022 66238021
Email: sunil.fadtari@indusindbank.com
Contact person: Sunil Fadtari

Credit Rating Agencies**CRISIL Limited**

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

CARE Ratings Limited (Formerly known as Credit Analysis & Research Ltd.)

Unit No 0-509/C, Spencer Plaza,
5th Floor, No.769, Anna Salai, Chennai 600002.
Tel: 044 2849 7812/0876/0811
Fax: 044 2849 7812
E-mail: pradeep.kumar@careratings.com
Contact Person: V. Pradeep Kumar
Website: www.careratings.com
SEBI Registration No: IN/CRA/004/1999

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated 'CARE AA+ Stable' by CARE and 'CRISIL AA/Stable' by CRISIL for an amount of upto ₹ 30,000 million vide their letters dated December 11, 2018 (and revalidated on February 14, 2019 and further revalidated on March 20, 2019 and further revalidated on August 14, 2019) and December 6, 2018 (and revalidated on February 19, 2019 and further revalidated on March 19, 2019 and further revalidated on August 9, 2019) respectively. The rating of the NCDs by CARE and CRISIL indicates a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by CARE and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold the NCDs and investors should take their own decisions. For further details, please refer to Annexure A for the rating letters and the rationale for the above ratings.

Underwriting

This Tranche 2 Issue will not be underwritten.

Expert Opinion

Except for the letter dated December 11, 2018 (and revalidated on February 14, 2019 and further revalidated on March 20, 2019 and further revalidated on August 14, 2019) issued by CARE in respect of the credit rating for the NCDs; and consent of the Statutory Auditor dated August 16, 2019, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Tranche 2 Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013 in relation to their (i) examination reports, each dated August 07, 2019 on the Reformatted Consolidated Financial Information under Ind AS and the Reformatted Standalone Financial Information under Ind AS; (ii) Limited Review Report dated July 29, 2019 on the Limited Review Financial Information for the three month period ended June 30, 2019; and (iv) their report dated August 16, 2019 on the statement of tax benefits, included in this Tranche 2 Prospectus our Company has not obtained any expert opinions in respect of the Issue.

Designated Intermediaries

Self-Certified Syndicate Banks

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

Syndicate SCSB Branches

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

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Tranche 2 Issue, including details such as postal address, telephone number and email address, are provided on the website of the BSE for CRTAs and CDPs, as updated from time to time.

For further details, please see the section titled “Issue Procedure” on page 103 of this Tranche 2 Prospectus.

Tranche 2 Issue Programme

TRANCHE 2 ISSUE PROGRAMME*	
TRANCHE 2 ISSUE OPENS ON	TRANCHE 2 ISSUE CLOSES ON
August 21, 2019	September 19, 2019

* The Issue shall remain open for subscription on Working Days from 10:00 a.m. till 5:00 PM (Indian Standard Time) during the period indicated above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof. In the event of such early closure or extension of the Tranche 2 Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Tranche 2 Issue Closing Date, through an advertisement in at least one national daily newspaper with wide circulation. On the Tranche 2 Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. For further details please refer to the chapter titled “Issue Related Information” on page 81 of this Tranche 2 Prospectus.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche 2 Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche 2 Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche 2 Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche 2 Issue. Application Forms will only be accepted on Working Days during the Tranche 2 Issue Period. Neither our Company, nor the Lead Managers, Consortium Members or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

OBJECTS OF THE ISSUE

Issue Proceeds

The funds raised through this Tranche 2 Issue will be utilised for our various financing, lending, investments, repaying our existing liabilities or loans, towards our business operations, capital expenditure, working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Tranche 2 Issue.

The details of the proceeds of the Tranche 2 Issue are summarized below:

Particulars	Estimated amount (in ₹ million)
Gross proceeds to be raised through the Tranche 2 Issue	10,000
Less: - Tranche 2 Issue related expenses	160
Net Proceeds of the Tranche 2 Issue after deducting the Tranche 2 Issue related expenses	9,840

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 2 Issue, the number of allottees, market conditions and other relevant factors.

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

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

Issue Related Expenses

A portion of the Tranche 2 Issue Proceeds will be used to meet Issue-related expenses. The following are the estimated expenses for the Tranche 2 Issue:

S. No.	Particulars	Amount (in ₹ million)	As percentage of the Tranche 2 Issue Proceeds	As percentage of total expenses of the Tranche 2 Issue (in %)
1.	Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustee	6.65	0.07%	4.16%
2.	Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee	142.13	1.42%	88.83%
3.	Advertising and Marketing, Printing and Stationery Costs	6.50	0.07%	4.06%
4.	Other Miscellaneous Expenses	4.72	0.05%	2.95%
Total		160.00	1.60%	

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 2 Issue, the number of allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹15 per Application Form procured (plus service tax and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim use of Proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Tranche 2 Issue for the purposes described above, our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from the financial year ended March 31, 2020, the utilisation of the proceeds of the Tranche 2 Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche 2 Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Tranche 2 Issue. Further, in accordance with the Debt Listing Agreement, our Company will furnish to the BSE on a half yearly basis, a statement indicating material deviations, if any, in the use of Tranche 2 Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results.

Other confirmations

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

Details of all monies utilised this Tranche 2 Issue shall be disclosed separately in our annual financial statements indicating the purpose for which such monies had been utilised;

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

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Tranche 2 Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company.

The Tranche 2 Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

No part of the proceeds from this Tranche 2 Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from this Tranche 2 Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company.

Our Company confirms that it will not use the proceeds of the Tranche 2 Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

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

We shall utilize the Tranche 2 Issue proceeds only upon execution of Debenture Trust Deed, creation of relevant security for the NCDs, and upon receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Tranche 2 Prospectus in the section titled “*Terms of the Issue*” beginning on page 92 of this Tranche 2 Prospectus.

Variation in terms of contract or objects in this Tranche 2 Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which the Tranche 2 Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013.

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

There is no benefit or interest accruing to the Promoters or Directors from the objects of the Tranche 2 Issue.

MATERIAL DEVELOPMENTS

Except as disclosed below, there are no material developments in relation to our Company as disclosed in the sections titled “*Risk Factors*”, “*Capital Structure*”, “*Summary of Business*”, “*Our Business*”, “*Regulations and Policies*”, “*Our Management*”, “*History and Certain Corporate Matters*”, “*Financial Indebtedness*”, “*Outstanding Litigations and Material Developments*” and “*Main Provisions of the Articles of Association of the Company*” of the Shelf Prospectus read with the First Addendum and the Second Addendum would make them misleading in any material respect.

All disclosures made in this Tranche 2 Prospectus, read together with the Shelf Prospectus, the First Addendum and the Second Addendum, with respect to Tranche 2 Issue are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Issue. The disclosures in the Tranche 2 Prospectus, read together with the Shelf Prospectus, the First Addendum and the Second Addendum, are true and correct are not misleading in any material respect and there are no other material facts, the omission of which makes the Tranche 2 Prospectus, read together with the Shelf Prospectus, the First Addendum and the Second Addendum, misleading in any material respect.

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I. RISK FACTORS

1. The following information should be read with Risk Factor 1, *“We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability”* beginning on page 11 of the Shelf Prospectus:

Our net interest income as a percentage of total income for the Fiscals 2019 and 2018 was 63.51% and 65.89%, respectively, as per the Reformatted Consolidated Financial Information under Ind AS. For the three-month period ended June 30, 2019, our Company’s net interest income comprised 61.48% of its total income, on a standalone basis, and 60.70 % of its total income, on a consolidated basis, as per the Limited Review Financial Information for the three-month period ended June 30, 2019.

2. The following information should be read with Risk Factor 2, *“Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity, cash flows and financial condition”* beginning on page 12 of the Shelf Prospectus:

For instance, as at March 31, 2019, our Company’s secured and unsecured borrowings aggregated to ₹ 1,856,372.59 lakhs and ₹ 569,880.43 lakhs, respectively, on a consolidated basis, and to ₹ 1,692,447.87 lakhs and ₹ 564,921.96 lakhs, respectively, on a standalone basis, as per the Reformatted Financial Information under Ind AS. Our current maturities of long-term borrowings and short-term borrowings, as at March 31, 2019, aggregated to ₹ 1,114,900.95 lakhs, on a standalone basis, and ₹ 1,185,642.40 lakhs, on a consolidated basis, as per the Reformatted Financial Information under Ind AS.

3. The following information should be read with Risk Factor 3, *“If we are unable to manage the level of NPAs in our loan assets, our financial position and results of operations may suffer.”* beginning on page 12 of the Shelf Prospectus:

As of March 31, 2019, our Gross NPA (%) and Net NPA (%) were 8.91% and 5.02%, respectively on a standalone basis, as per the Reformatted Standalone Financial Information under Ind AS. Our Company’s ECL (%) amounted to 6.66% and 6.35%, as on March 31, 2019, on standalone and consolidated basis, respectively, as per the Reformatted Financial Information under Ind AS.

4. The following information should be read with Risk Factor 5, *“Our business is subject to various regulatory and legal requirements governing the banking and financial services industry in India. Also, future regulatory changes may have a material adverse effect on our business, results of operations and financial condition.”* beginning on page 13 of the Shelf Prospectus:

Similarly, the HFC Directions require all HFCs to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital, of not lower than 13% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable, as on or before March 31, 2020. Further, such minimum capital adequacy ratio requirement will increase to 14% and 15%, respectively, for (i) the period on or before March 31, 2021, and (ii) the period on or before March 31, 2022 and thereafter.

5. The following information should be read with Risk Factor 8, *“A large number of our Company’s business outlets are located in south India, and any downturn in the economy or any change in consumer preferences in that region could adversely affect our results of operations and financial condition.”* beginning on page 15 of the Shelf Prospectus:

As on June 30, 2019, out of 966 of our Company’s business outlets, 660 business outlets are located in the southern states of Tamil Nadu, Kerala, Andhra Pradesh, Telangana and Karnataka. Further, 59.37% of our Company’s AUM (on a standalone basis) as on March 31, 2019, respectively, originated in the five south Indian states, as per the Reformatted Standalone Financial Information under Ind AS.

6. The following information should be read with Risk Factor 12, *“In the case we are not able to continue enjoying rights to the ERP platform deployed by our Company, our business, results of operations and financial condition could be adversely affected.”* beginning on page 17 of the Shelf Prospectus:

The subsisting arrangements with Novac Technology Solutions Private Limited, a subsidiary of Shriram Value Services Limited, are valid until March 31, 2022 and can be unilaterally terminated by either party with a notice of 30 days.

7. The following should be read with Risk Factor 13, *“If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.”* beginning on page 17 of the Shelf Prospectus:

For details relating to our NPAs, provisions for NPAs and RBI and NHB provisioning norms, see *“Material Developments - Our Business – Asset Quality”* on page 43 of this Tranche 2 Prospectus.

8. The following information should be read with Risk Factor 14, *“Our loans to small enterprises businesses depend on the performance of the small enterprises sector in India, and government policies and statutory and/or regulatory reforms in the small enterprises finance sector.”* beginning on page 17 of the Shelf Prospectus:

The small enterprise segment also accounted for 57.72% and 52.87% of our AUM as on March 31, 2019 and March 31, 2018, respectively, on consolidated basis, as per the Reformatted Consolidated Financial Information under Ind AS.

9. The following information should be read with Risk Factor 15, *“Our gold loans business could be adversely impacted by RBI requirements in connection with lending against security of gold jewellery.”* beginning on page 18 of the Shelf Prospectus:

As on March 31, 2019, our AUM in the gold loans segment was ₹ 2,71,208.49 lakhs, comprising 8.82% of our Company’s total AUM, as of such date, on a consolidated basis, as per the Reformatted Consolidated Financial Information under Ind AS. As on March 31, 2018, with AUM amounting to ₹ 3,38,213.91 lakhs, the gold loans segment contributed to 11.52% of our total AUM as of such date, on a consolidated basis, as per the Reformatted Consolidated Financial Information under Ind AS.

10. The following information should be read with Risk Factor 18, *“Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.”* beginning on page 19 of the Shelf Prospectus:

As of March 31, 2019 and March 31, 2018, we had outstanding secured borrowings of ₹ 18,56,372.59 lakhs and ₹ 16,15,084.81 lakhs respectively, and outstanding unsecured borrowings of ₹ 569,880.43 lakhs and ₹ 672,678.73 lakhs, respectively, in each case on a consolidated basis, as per the Reformatted Consolidated Financial Information under Ind AS.

11. The following information should be read with Risk Factor 21, *“We may not be able to successfully sustain and manage our growth strategy. Inability to effectively manage any our growth and consequently related issues may adversely affect our business and financial condition.”* beginning on page 20 of the Shelf Prospectus:

Our total revenue increased to ₹ 606,985.52 lakhs for Fiscal 2019, from ₹ 543,896.64 lakhs for Fiscal 2018, at a CAGR of 11.60 %, as per the Reformatted Consolidated Financial Information under Ind AS. Our net profit after tax increased to ₹ 100,552.69 lakhs for Fiscal 2019 from ₹ 74,930.00 lakhs for Fiscal 2018, at a CAGR of 34.20 %, as per the Reformatted Consolidated Financial Information under Ind AS. In the three-month period ended June 30, 2019, our Company’s revenue and profit after tax amounted to ₹ 149,434.65 lakhs and ₹ 25,317.37 lakhs, respectively, on a standalone basis, and ₹ 157,287.76 lakhs and ₹ 26,004.10 lakhs, respectively, on a consolidated basis, as per the Limited Review Financial Information for the three-month period ended June 30, 2019.

12. The following information should be read with Risk Factor 26, *“Any adverse developments in the new and pre-owned two-wheeler or vehicle financing industries could adversely affect our business, results of operations and financial condition.”* beginning on page 23 of the Shelf Prospectus:

As of March 31, 2019 and March 31, 2018 our AUM for two-wheeler loans and auto loans were ₹ 588,604.93 lakhs and ₹ 651,169.52 lakhs, respectively, cumulatively accounting for 19.13% and 22.17% of our total AUM

as of such date on a consolidated basis, as per the Reformatted Consolidated Financial Information under Ind AS.

13. The following information should be read with Risk Factor 28, *“The success of our business depends on our ability to attract and retain our senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.”* beginning on page 23 of the Shelf Prospectus:

As of June 30, 2019, we employed 28,987 employees.

14. The following information should be read with Risk Factor 30, *“A decline in our capital adequacy ratio could restrict our future business growth.”* beginning on page 24 of the Shelf Prospectus:

Our Company’s capital adequacy ratio for Fiscal ended March 31, 2019 and Fiscal ended March 31, 2018 is 23.12% and 21.37%, respectively, on a standalone basis, with Tier I capital comprising 22.75% and 20.58%, on a standalone basis, as per the Reformatted Standalone Financial Information under Ind AS.

Our Subsidiary’s capital adequacy ratio for the Fiscal ended March 31, 2019 and March 31, 2018 is 29.94% and 33.02% respectively, on a standalone basis, with Tier I capital comprising 28.99% and 31.66%, on a standalone basis.

15. The following should be read with Risk Factor 31, *“Our Company, its Subsidiary and Promoter are involved in certain legal and other proceedings that if determined against us could have a material adverse effect on our financial condition and results of operations.”* beginning on page 24 of the Shelf Prospectus:

See *“Material Developments - Outstanding Litigation and Material Developments”* on page 73 of the Tranche 2 Prospectus for a description of certain material proceedings involving our Company, its Subsidiary and Promoter.

16. The following should be read with Risk Factor 32, *“We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.”* beginning on page 24 of the Shelf Prospectus:

For a summary of our asset and liability maturity profile as of March 31, 2019, as per the Reformatted Consolidated Financial Information under Ind AS, see *“Material Developments – Our Business - Liquidity Risk”* on page 46 of this Tranche 2 Prospectus.

17. The following information should be read with Risk Factor 33, *“Any change in control of our Promoter and/or any disassociation of our Company from the Shriram Group could adversely affect our operations and profitability.”* beginning on page 24 of the Shelf Prospectus:

As of June 30, 2019, Shriram Capital holds 33.74% of our paid-up share capital.

18. The following information should be read with Risk Factor 35, *“We have certain contingent liabilities which may adversely affect our financial condition.”* beginning on page 25 of the Shelf Prospectus:

As of March 31, 2019 and March 31, 2018, we had certain contingent liabilities (excluding guarantees issued by the Company) not provided for, amounting to ₹ 5,585.95 lakhs, and ₹ 6,930.29 lakhs respectively, on a consolidated basis, and determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts, as per the Reformatted Consolidated Financial Information under Ind AS.

As of March 31, 2019 and March 31, 2018, we had certain contingent liabilities (excluding guarantees issued by the Company) not provided for, amounting to ₹ 5,536.75 lakhs, and ₹ 6,930.29 lakhs respectively, on a standalone basis, and determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts, as per the Reformatted Standalone Financial Information under Ind AS.

19. The following information should be read with Risk Factor 40, *“Our Promoter has significant control in our Company, which will enable it to influence the outcome of matters submitted to shareholders for approval, and their interests may differ from those of other shareholders.”* beginning on page 27 of the Shelf Prospectus:
As of June 30, 2019, our Promoter, Shriram Capital owned 33.74% of our paid-up equity share capital.
20. The following information should be read with Risk Factor 41, *“We have entered into, and will continue to enter into, related party transactions and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.”* beginning on page 27 of the Shelf Prospectus:
For more information, see *“Financial Statements”* on page 53 of this Tranche 2 Prospectus.
21. The following information should be read with Risk Factor 51, *“Our Company has given a corporate guarantee in relation to refinance obtained by its Subsidiary from the NHB, which if called upon may materially and adversely affect our business, results of operations, cash flows and financial condition.”* beginning on page 30 of the Shelf Prospectus:

Our Company has given a corporate guarantee in relation to refinancing obtained by its Subsidiary from the NHB, aggregating to ₹ 250 million as of March 31, 2019, as per the Reformatted Standalone Financial Information under Ind AS.

22. The Risk Factor No. 53, *“The terms of office of certain of our non-executive Independent Directors are expiring on March 31, 2019, thereby resulting in change in composition of the Board and certain Board-level committees”* beginning on page 31 of the Shelf Prospectus stands deleted.
23. The following information should be read with Risk Factor 57, *“Any downgrading in credit rating of our NCDs may affect the trading price of the NCDs.”* beginning on page 32 of the Shelf Prospectus:

The NCDs proposed to be issued under this Issue have been rated by CARE and CRISIL vide their letters dated December 11, 2018 (revalidated on February 14, 2019, March 20, 2019 and August 14, 2019) and December 6, 2018 (revalidated on February 19, 2019, March 19, 2019 and August 9, 2019) respectively.

24. The following information should be read with Risk Factor 69, *“A decline in India’s foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.”* beginning on page 35 of the Shelf Prospectus:

India’s foreign exchange reserves totaled US\$ 428,952.1 million as on August 2, 2019, compared to US\$ 402,703.4 million as on August 3, 2018 (Source: RBI).

25. The following information should be read with Risk Factor 70, *“If inflation were to rise significantly, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers and our profits might decline.”* beginning on page 35 of the Shelf Prospectus:

As per the RBI the Wholesale Price Index (**“WPI”**), stood at 121.5 % for the month of June 2019, as against 119.1 % for the month of June 2018; and at 121.2 % for the month of May 2019, as against 118.3 % for the month of May 2018 (Source: RBI).

26. ***This Tranche 2 Prospectus includes certain unaudited financial information in relation to our Company, which has been subjected to limited review. Reliance on such information should, accordingly, be limited. Additionally, our Company may publish additional unaudited financial information during the Issue Period.”***

This Tranche 2 Prospectus includes Limited Review Financial Information in relation to our Company for (i) the three-month period ended June 30, 2019 in respect of which the Auditors have issued their limited review reports dated July 29, 2019. As Limited Review Financial Information prepared by the Company in accordance with Regulation 33 of the SEBI Listing Regulations has been subject only to a limited review and as described in “Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information” Performed by the Independent Auditor of the Entity” issued by the ICAI, and not to an audit, any reliance by prospective investors on such Limited Review Financial Information for the three-month period ended June 30, 2019, should, accordingly, be limited. Additionally, in accordance with applicable law, our Company is required to publish its quarterly and half yearly financial information with the stock exchanges. Our Company

may publish such information during the Issue Period. Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Tranche 2 Prospectus.

II. CAPITAL STRUCTURE

Details of equity share capital

The following table lays down details of our authorised, issued, subscribed and paid up share capital as on June 30, 2019.

Particulars	Aggregate value (₹ in millions)
Authorised share capital	
118,500,000 Equity Shares of ₹ 10.00 each	1,185.00
4,000,000 Cumulative Redeemable Preference Shares of ₹100 each	400.00
Issued, subscribed and paid up equity share capital	
65,994,522 Equity Shares of ₹ 10.00 each	659.94
Securities premium account	17,549.78

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

Changes in Equity Share capital history of our Company

Set forth below are the changes to the Equity Share capital history of our Company as disclosed in the Shelf Prospectus as of June 30, 2019:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)	Remarks
April 10, 2019	765	10	35	Cash	Exercise of ESOP	659,93,082	659,930,820	17,549,416,692.99	-
June 12, 2019	1,440	10	35	Cash	Exercise of ESOP	659,94,522	659,945,220	17,549,778,780.99	-

Shareholding pattern of our Company

The following is the shareholding pattern of our Company, as on June 30, 2019:

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid- up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights Class eg: X	Class eg:y	Total				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	1	22268877	0	0	22268877	33.74	22268877	0	0	22268877	0	33.74	0	0.00	0.00	0.00	22268877
(B)	Public	9567	43725645	0	0	43725645	66.26	43725645	0	0	43725645	0	66.26	0.00	0.00	n.a.	n.a.	43587015
(C)	Non Promoter- Non Public																	
(C1)	Shares Underlying DRs						NA											
(C2)	Shares held by Employee Trusts																	
Total		9568	65994522	0	0	65994522	100.00	65994522	0	0	65994522	0	100.00	0	0.00	0.00	0.00	65855892

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

	Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights Class X	Class y	Total	Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(1)	Indian																				
a	Individual/Hindu Undivided Family			0	0	0	0	0.00								0.00	0				
b	Central Government/ State Governments			0	0	0	0	0.00								0.00	0				
c	Financial Institutions / Banks			0	0	0	0	0.00								0.00	0				
d	Any other (Specify) Body Corporate		1	22268877	0	0	22268877	33.74	22268877			22268877				33.74		-			22268877
	Sub Total A(1)		1	22268877	0	0	22268877	33.74	22268877	0	0	22268877	0	0	0	33.74	0	0.00			22268877
(2)	Foreign																				
a	Individual (Non resident Individuals / Foreign individuals)							0.00													
b	Government							0.00													
c	Institutions							0.00													
d	Foreign Portfolio Investor							0.00													
e	Any other (Specify)							0.00													
	Sub Total A(2)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0.00	0		0		0
	Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)		1	22268877	0	0	22268877	33.74	22268877	0	0	22268877	0	0	0	33.74	0	0.00			22268877

Table III - Statement showing shareholding pattern of the Public shareholder

	Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights			Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
									Class X	Class y	Total										
(1)	<u>Institutions</u>																				
a	Mutual Funds/UTI		6	3610422			3610422	5.47	3610422	0	0	3610422.00	0		0	5.47					3610422
b	Venture capital Funds						0	0.00	0	0	0	0.00	0		0	0.00					
c	Alternate Investment Funds		2	437517			437517	0.66	437517	0	0	437517.00	0		0	0.66					437517
d	Foreign Venture Capital Investors						0	0.00	0	0	0	0.00	0		0	0.00					
e	Foreign Portfolio Investors		82	17209355			17209355	26.08	17209355	0	0	17209355.00	0		0	26.08					17209355
f	Financial Institutions / Banks		4	46564			46564	0.07	46564	0	0	46564.00	0		0	0.07					46564
g	Insurance Companies						0	0.00	0	0	0	0.00	0		0	0.00					
h	Provident Funds / Pension Funds						0	0.00	0	0	0	0.00	0		0	0.00					
i	Any other (Specify)						0	0.00	0	0	0	0.00	0		0	0.00					
							0.00		0	0	0	0.00	0		0	0.00					
	Sub Total B(1)		94	21303858	0	0	21303858	32.28	21303858			21303858				32.28					21303858
(2)	Central Government																				

	Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights		Total	Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
									Class X	Class y											
	nt / State Government / President of India																				
	Sub Total B(2)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0.00	0				
(3)	Non-Institutions																				
a	Individuals holding Nominal Share Capital upto Rs.2 Lakhs		8969	1104149			1104149	1.67	1104149	0	0	1104149.00	0		0	1.67					967469
	Individual Shareholders holding Nominal Share Capital in excess of Rs.2 Lakhs		5	343757			343757	0.52	343757	0	0	343757.00	0		0	0.52					343757
b	NBFCs Registered with RBI		2	13450			13450	0.02	13450	0	0	13450.00	0		0	0.02					13450
c	Employee Trusts						0	0.00	0	0	0	0.00	0		0	0.00					
d	Overseas Depositories (holding DRs) (balancing figure)						0	0.00	0	0	0	0.00	0		0	0.00					
e	Any other		497	20960431	0	0	2096043	31.76	2096043	0	0	209604310	0		0	31.76					20958481

Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights Class X	Class y	Total	Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
ASSOCIATION OF PERSONS CORPORATE BODY- FOREIGN BODY CLEARING MEMBER DOMESTIC BODY CORPORATE FOREIGN INSTITUTIONAL INVESTORS FOREIGN PORTFOLIO INVESTOR- CORPORATE-3 LIMITED LIABILITY PARTNERSHIP/ CORPORATE BODY - LLP NON RESIDENT INDIANS IEPF		1	30	0	0	130	0.00	130	0	0	30.00	0		0	0.00					30
		1	13421889	0	0	13421889	20.34	13421889	0	0	13421889.00	0		0	20.34					13421889
		78	65486	0	0	65486	0.10	65486	0	0	65486.00	0		0	0.10					65486
		193	6718682	0	0	6718682	10.18	6718682	0	0	6718682.00	0		0	10.18					6716732
		2	184420	0	0	184420	0.28	184420	0	0	184420.00	0		0	0.28					184420
		8	424848	0	0	424848	0.64	424848	0	0	424848.00	0		0	0.64					424848
		9	20365	0	0	20365	0.03	20365	0	0	20365.00	0		0	0.03					20365
		203	71417	0	0	71417	0.11	71417	0	0	71417.00	0		0	0.11					71417
		1	52794	0	0	52794	0.08	52794	0	0	52794.00	0		0	0.08					52794

Category and Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting Rights					No. (a)	As a % of total Shares held (b)	No. (Not Applicable) (a)	As a % of total Shares held (Not Applicable) (b)	
								Class X	Class y	Total										
Authority Unclaimed Securities Suspense Account		1	500	0	0	500	0.00	500	0	0	500.00	0		0	0.00					500
Sub Total B(3)		9473	22421787	0	0	22421787	33.98	22421787	0	0	22421787.00	0		0	33.98					22283157
Total Public Shareholding (B)= (B)(1)+(B)(2) +(B)(3)		9567	43725645	0	0	43725645	66.26	43725645	0	0	43725645.00	0	0.00	0	66.26					43587015

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

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

Shareholding of Promoter in our Company

The following is the shareholding of our Promoter in our Company, as on June 30, 2019:

Sr. no.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Total shareholding as a percentage of the total number of Equity Shares	Number of Equity Shares pledged	Percentage of Equity Shares pledged with respect to shares owned
1.	Shriram Capital Limited	22268877	22268877	33.74	0	0.00

Top 10 Equity Shares holders as on June 30, 2019

The following are the details of the top ten shareholders of our Company, as June 30, 2019:

Sr. no.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Total shareholding as a percentage of the total number of Equity Shares
1.	Shriram Capital Limited	22268877	22268877	33.74
2.	Dynasty Acquisition (FPI) Ltd	13421889	13421889	20.34
3.	Piramal Enterprises Limited	6579840	6579840	9.97
4.	East Bridge Capital Master Fund Limited	2562364	2562364	3.88
5.	Matthews India Fund	1827872	1827872	2.77
6.	East Bridge Capital Master Fund I Ltd	1641228	1641228	2.49
7.	WF Asian Reconnaissance Fund Limited	1601597	1601597	2.43
8.	Aditya Birla Sun Life Trustee Private Limited	1361242	1361242	2.06
9.	WF Asian Smaller Companies Fund Limited	1516817	1516817	2.30
10.	Cornalina Acquisition (FII) Limited	1223810	1223810	1.85
	Total	54005536	54005536	81.83

Top ten holders of debt instruments

Set forth below are our details of our top ten holders of debentures on a cumulative basis outstanding as on June 30, 2019

(₹ in million)

S no.	Name of holder	Amount
1.	SBI Dual Advantage Fund Series XXIV	11,896.22
2.	HDFC Trustee Company Ltd A/C HDFC Floating Rate Debt Fund	9,835.51
3.	Postal Life Insurance Fund A/C SBIFMPL	4,087.77
4.	Reliance Capital Trustee Co Ltd A/C-Reliance Low Duration Fund	2,684.70
5.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Credit Risk Fund	2,147.76
6.	Rural Postal Life Insurance Fund A/C UTI AMC	1,640.21
7.	ICICI Bank Ltd	1,610.82
8.	DSP Ultra Short Fund	1,070.40
9.	LIC MF Special Unit Scheme	1,052.51
10.	RBL Bank Limited	1,052.51

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

The promoter group, the directors of our Promoter, our Directors and their relatives have not purchased or sold any securities of the Company and its Subsidiary within six months immediately preceding the date of filing of the Draft Shelf Prospectus and until the date of this Tranche 2 Prospectus

Debt-equity ratio

The debt to equity ratio of our Company as on June 30, 2019 (prior to this Tranche 2 Issue) is based on a total outstanding debt of ₹ 222,292.57 million, and shareholders' funds amounting to ₹ 65,757.62 million which was 3.38 times as on June 30, 2019. The debt to equity ratio post the Tranche 2 Issue (assuming subscription of ₹ 23,330.72 million) would be 3.74 times, based on a total outstanding debt of ₹ 245,623.29 million and shareholders' fund (as on June 30, 2019) of ₹ 65,757.62 million. The actual debt equity ratio post the Issue would depend upon the actual position of debt and equity on the date of Allotment.

Amount(in ₹million)[#]

Particulars	Prior to the Tranche 2 Issue (as of June 30, 2019)	Post the Issue
Secured Loan	172,912.62	196,243.34
Unsecured Loan	49,379.95	49,379.95
Total Debt [A]	222,292.57	245,623.29
Share Capital	659.94	659.94
Reserves	85,097.68	65,097.68
Total Shareholders' Funds [B]	65,757.62	65,757.62
Debt Equity Ratio (No. of Times) [#] [A]/[B]	3.38	3.74

[#] Any change in total debt and net worth after June 30, 2019 has not been considered

*Excluding ₹ 4.72 million of miscellaneous expenditure-expenses for the public issue of non-convertible debentures to the extent not written off.

Note: The above debt equity ratio has been calculated on the assumption of full Shelf Limit which is Rs 30,000 million and not on the Tranche II Issue Size. The Company had raised Rs. 6.669.28 million in the Tranche 1 Issue which opened on April 5, 2019 and closed on April 23, 2019.

Details of any Acquisition or Amalgamation in the last one year

Our Company has not made any acquisition or amalgamation in the last one year prior to filing of the Draft Shelf Prospectus until the date of this Tranche 2 Prospectus.

Details of any Reorganization or Reconstruction in the last one year

Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of the Draft Shelf Prospectus until the date of this Tranche 2 Prospectus.

III. OUR BUSINESS

OVERVIEW

The following information should be read with “*Our Business – Overview*” beginning on page 77 of the Shelf Prospectus:

We believe that we specialize in small enterprise finance, which accounted for 57.72 % and 52.87% of our AUM as on March 31, 2019 and March 31, 2018, respectively, as per the Reformatted Consolidated Financial Information under Ind AS. A significant portion of our AUM also comprises of two-wheeler finance, with such segment accounting for 15.29% and 17.19% of our AUM as on March 31, 2019 and March 31, 2018, respectively, as per the Reformatted Consolidated Financial Information under Ind AS.

Having commenced operations in 1986, we have established a pan-India presence, through 1,036 branches as of June 30, 2019 and remain committed to serving unbanked and underserved sections of our customer-base.

Our total revenue increased to ₹ 6,06,985.52 lakhs for Fiscal 2019 from ₹ 5,43,896.64 lakhs for Fiscal 2018, at a CAGR of 11.60%, as per the Reformatted Consolidated Financial Information under Ind AS. Our net profit after tax increased to ₹ 100,552.69 lakhs for Fiscal 2019 from ₹ 74,930.00 lakhs for Fiscal 2018, at a CAGR of 34.20 %, as per the Reformatted Consolidated Financial Information under Ind AS.

In the three-month period ended June 30, 2019, our Company’s revenue and profit after tax amounted to ₹ 149,434.65 lakhs and ₹ 25,317.37 lakhs, respectively, on a standalone basis, and ₹ 157,287.76 lakhs and ₹ 26,004.10 lakhs, respectively, on a consolidated basis, as per the Limited Review Financial Information for the three-month period ended June 30, 2019.

KEY FINANCIAL PARAMETERS

The following information should be read with “*Our Business – Key financial parameters*” beginning on page 77 of the Shelf Prospectus:

Provided below is a summary of our key financial parameters for the last two Fiscals period ended March 31, 2019 and March 31, 2018, as per the Reformatted Financial Information under Ind AS.

On a consolidated basis

Particulars	(Amount in ₹ lakhs)	
	Fiscal 2019 (Consolidated) (Ind AS)	Fiscal 2018 (Consolidated) (Ind AS)
Paid up equity share capital	6,599.23	6,596.58
Net worth	6,50,557.84	5,65,552.22
Total Debt	2,426,253.02	2,287,763.54
Debt Securities – Secured	4,26,704.75	2,97,060.12
Borrowings (Other than Debt securities) – Secured	14,29,370.45	13,18,024.69
Borrowings (Other than Debt securities) – Unsecured	1,92,568.87	2,47,751.83
Deposits – Unsecured	3,11,940.61	3,07,365.15
Subordinated Liabilities – Unsecured	65,370.95	1,17,561.75
Derivative financial instruments	297.39	0
Other financial liabilities	35,521.51	25,919.51
Net Fixed Assets	8,622.48	8,328.93
Cash and cash equivalents	99,676.01	33,963.42
Investments	91,749.65	66,745.10
Bank balance	30,327.51	20,201.06
Other Financial Assets	3,799.49	2,241.50
Assets Under Management	2,881,075.06	2,753,368.51

Off Balance Sheet Assets	74,003.06	293.04
Interest Income	596,058.51	536,316.49
Interest Expense	210,582.87	177,962.39
Provisioning & Write-offs	65,198.09	63,946.03
Profit after tax (PAT)	100,552.69	74,930.00
Stage 3 Assets	2,62,833.76	2,69,434.66
Stage 3 Provisions	1,95,251.24	1,83,549.71
Gross NPA (%)	8.54%	9.17%
Net NPA (%)	4.85%	4.92%
ECL (%)	6.35%	6.25%
CRAR – Shriram City Union Finance Limited	23.12%	21.37%
CRAR – Shriram Housing Finance Limited	29.94%	33.02%

On a standalone basis

(Amount in ₹ lakhs)

Particulars	Fiscal 2019 (Ind AS)	Fiscal 2018 (Ind AS)
Paid up equity share capital	6,599.23	6,596.58
Net worth	6,31,260.57	5,47,593.70
Total Debt	2,257,369.83	2,140,107.94
Debt Securities – Secured	3,68,689.96	2,30,102.27
Borrowings (Other than Debt securities) – Secured	13,23,460.52	12,47,187.37
Borrowings (Other than Debt securities) – Unsecured	1,87,610.40	2,37,891.40
Deposits – Unsecured	3,11,940.61	3,07,365.15
Subordinated Liabilities – Unsecured	65,370.95	1,17,561.75
Derivative financial instruments	297.39	0
Other Financial Liabilities	35,458.51	25,908.59
Net Fixed Assets	7,924.47	7,577.70
Cash and cash equivalents	98,228.89	33,426.48
Investments	86,622.55	73,552.19
Bank balance other than above	30,189.86	20,065.11
Other Financial Assets	3,442.49	1,883.85
Assets Under Management	2,698,910.93	2,578,729.72
Off Balance Sheet Assets	74,003.06	293.04
Interest Income	567,691.63	508,404.37
Interest Expense	197,990.79	166,412.87
Provisioning & Write-offs	64,737.84	62,966.96
Profit after tax (PAT)	98,887.80	71,094.23
Stage 3 Assets	2,57,668.91	2,59,385.24
Stage 3 Provisions	1,92,649.18	1,79,181.32
Gross NPA (%)	8.91%	9.41%
Net NPA (%)	5.02%	4.97%
ECL (%)	6.66%	6.50%
Tier I Capital Adequacy Ratio (%)	22.75%	20.58%
Tier II Capital Adequacy Ratio (%)	0.37%	0.79%

DEBT-EQUITY RATIO

Particulars	Prior to the Issue (As on June 30, 2019)	Post-Issue
Standalone basis	3.38	3.74
Consolidated basis	3.54	3.88

Note: The above debt equity ratio has been calculated on the assumption of full Shelf Limit which is Rs 30,000 million and not on the Tranche II Issue Size. The Company had raised Rs. 6.669.28 million in the Tranche 1 Issue which opened on April 5, 2019 and closed on April 23, 2019.

OUR STRENGTHS

The following information should be read with “*Our Business – Our Strengths – Significant position in the high-growth small enterprise finance segment*” beginning on page 79 of the Shelf Prospectus:

The small enterprise segment also accounted for 57.72%, and 52.87% of our AUM as on March 31, 2019 and March 31, 2018 respectively, as per the Reformatted Consolidated Financial Information under Ind AS.

The following information should be read with “*Our Business – Our Strengths – Diversified portfolio of products*” beginning on page 79 of the Shelf Prospectus:

As of March 31, 2019 and 2018, approximately 57.72% and 52.87% respectively of our AUM comprised loans to small enterprises, 15.29% and 17.19 % respectively of our AUM comprised two-wheeler loans, 8.82% and 11.52% respectively of our AUM comprised loans against gold, 8.33% and 7.35% of our AUM comprised personal loans, 3.84% and 4.99% respectively of our AUM comprised auto loans, 6.01% and 6.08% of our AUM comprised housing finance loans, respectively, as per the Reformatted Consolidated Financial Information under Ind AS.

The following information should be read with “*Our Business – Our Strengths – ‘Hub-and-spoke’ business model with efficient credit policies and procedures resulting in high asset quality*” beginning on page 80 of the Shelf Prospectus:

As of March 31, 2019, our Gross NPA (%) and Net NPA (%) were 8.91% and 5.02%, respectively on a standalone basis, as per the Reformatted Standalone Financial Information under Ind AS. Our Company’s ECL (%) amounted to 6.66% and 6.50% respectively as on March 31, 2019 and March 31, 2018 on a standalone basis, as per the Reformatted Standalone Financial Information under Ind AS.

OUR STRATEGIES

The following information should be read with “*Our Business – Strategy – Continue to grow our small enterprise finance segment*” beginning on page 81 of the Shelf Prospectus:

The following information should be read with “*Our Business – Strategy – Continue to focus on controlling operating costs and operational efficiency*” beginning on page 81 of the Shelf Prospectus:

For Fiscal 2019 and Fiscal 2018, we recorded net profit after tax of ₹ 100,552.69 lakhs and ₹ 74,930.00 lakhs, respectively, as per the Reformatted Consolidated Financial Information under Ind AS.

The following information should be read with “*Our Business – Strategy – Further expand operations by growing our business outlet network*” beginning on page 81 of the Shelf Prospectus:

As of June 30, 2019, we had 1,036 business outlets across India, with a significant presence in south India. As on June 30, 2019, 660 of our Company’s 966 business outlets and 28 out of our Subsidiary’s 70 branches are located in the states of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Kerala.

The following information should be read with “*Our Business – Strategy – Sustain the growth in our housing finance business*” beginning on page 81 of the Shelf Prospectus:

During Fiscal 2019, we disbursed ₹ 75,881.95 lakhs in home loans, primarily to middle-income customers in semi-urban locations, as per the Reformatted Consolidated Financial Information under Ind AS. As on June 30, 2019, Shriram Housing operates through 70 branches and 22 sales offices across 18 states in India with 733 employees.

Description of Our Business

The following information should be read with “*Our Business –Description of our Business – Our Products*” beginning on page 82 of the Shelf Prospectus:

Small Enterprise Finance Segment

With AUM amounting to ₹ 17,75,517.96 lakhs, the segment also contributed to 57.72% of our total AUM as on March 31, 2019, as per the Reformatted Consolidated Financial Information under Ind AS.

Two-Wheeler Loans

With AUM amounting to ₹ 4,70,340.27 lakhs, the segment also contributed to 15.29% of our total AUM as on March 31, 2019, as per the Reformatted Consolidated Financial Information under Ind AS.

Loans against Gold

With AUM amounting to ₹ 2,71,208.49 lakhs, the segment also contributed to 8.82 % of our total AUM as on March 31, 2019, as per the Reformatted Consolidated Financial Information under Ind AS.

Personal Loans

With AUM amounting to ₹ 2,56,228.73 lakhs, the segment also contributed to 8.33% of our total AUM as on March 31, 2019, as per the Reformatted Consolidated Financial Information under Ind AS.

Auto Loans

With AUM amounting to ₹ 1,18,264.66 lakhs, the segment also contributed to 3.84% of our total AUM as on March 31, 2019, as per the Reformatted Consolidated Financial Information under Ind AS.

Housing Finance

As on June 30, 2019, Shriram Housing operates through 70 branches and 22 sales offices, with 733 employees.

Our housing finance business caters primarily to middle-income customers in semi-urban locations, targeting prospective home owners from tier II and tier III cities. As of March 31, 2019, our AUM for housing finance was ₹ 184,766.19 lakhs, which represented 6.01% of our total AUM as of that date, as per the Reformatted Consolidated Financial Information under Ind AS.

OUR OPERATIONS

The following information should be read with “*Our Business – Description of our Business – Our Operations*” beginning on page 83 of the Shelf Prospectus:

Business Outlet Network

As of June 30, 2019, we had a wide network of 1,036 business outlets across India. Our business is concentrated in rural and semi-urban areas of south India in the states of Tamil Nadu, Andhra Pradesh, Telangana, Kerala and Karnataka. The distribution of business outlets across India by region, as of June 30, 2019, is set out in the following table:

States	Number of Business Outlets	
	Company	Subsidiary

States	Number of Business Outlets	
	Company	Subsidiary
Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Telanagna	660	28
Gujarat, Maharashtra, Rajasthan	154	27
Others	152	15
Total Business Outlets	966	70

As of June 30, 2019, all of our business outlets were connected to servers at our corporate office to enable real time information sharing with respect to our loan disbursement and recovery administration.

Disbursement

Our disbursements across our various products for the periods indicated, as per the Reformatted Consolidated Financial Information under Ind AS, are as follows:

(Amount in ₹ lakhs)

	Fiscal	
	2019	2018
Small Enterprise Finance	10,45,657.92	10,34,626.78
Two-wheeler Loans	4,91,883.20	5,05,940.77
Gold Loans	5,72,891.78	6,72,187.62
Personal Loans	2,33,665.02	1,92,365.83
Auto Loans	63,042.19	87,098.07
Housing Finance Loans	75,881.95	75,886.30
Total	24,83,022.06	25,68,105.37

Asset quality

Our historical AUM for each segment and Net NPAs of our business, as per the Reformatted Consolidated Financial Information under Ind AS, have been as follows:

(Amount in ₹ lakhs)

	As of March 31,	
	2019	2018
AUM	30,76,326.30	29,36,918.22
Two-wheeler Loans	4,70,340.27	5,04,727.98
Auto Loans	1,18,264.66	1,46,441.54
Personal Loans	2,56,228.73	2,15,747.61
Loans Against Gold	2,71,208.49	3,38,213.91
Small Enterprise Finance Segment Loans	17,75,517.96	15,52,780.01
Housing Finance Loans	184,766.19	1,79,007.16
Gross NPA	2,62,833.75	2,69,434.66
Net NPA	1,49,343.50	1,44,587.76
Gross NPA (%)	8.54%	9.17%
Net NPA (%)	4.85%	4.92%

Classification of Assets

Details of provisions and amounts written off as of the specified dates, as per the Reformatted Consolidated Financial Information under Ind AS, are set out below:

(Amount in ₹ lakhs)

	As of March 31,	
	2019	2018
Gross NPAs	262,833.76	269,434.66
Provisions	113,489.94	124,846.56
Net NPAs	149,343.82	144,588.10
Gross NPA to AUM	8.54%	9.17%
Net NPA to AUM	4.85%	4.92%
Provision Coverage Ratio	43.18%	46.34%
ECL	195,251.24	183,549.71
ECL (%)	6.35%	6.25%

Our write-offs were ₹ 65,198.09 lakhs and ₹ 63,946.03 lakhs as of March 31, 2019 and March 31, 2018, respectively, as per the Reformatted Consolidated Financial Information under Ind AS.

TREASURY OPERATIONS

The following information should be read with “Our Business – Treasury Operations” on page 87 of the Shelf Prospectus:

The following table sets forth the principal components of our secured loans, as per the Reformatted Consolidated Financial Information under Ind AS, as of the dates indicated:

(Amount in ₹lakhs)

	As of March 31,	
	2019	2018
<i>Borrowings – Secured</i>		
Redeemable Non-convertible Debentures (retail private placement)	-	-
Non-convertible Debentures (institutional private placement)	4,15,327.57	2,76,139.39
Redeemable Non-convertible Debentures (public issue)	11,377.18	20,920.73
Term Loans from Banks	10,30,113.22	10,15,806.16
Term Loans from Financial Institutions	31,412.90	49,782.31
Term Loans from Banks-Foreign Currency	7,103.45	-
Derivative Financial Instruments	297.39	-
Refinance from National Housing Bank	-	-
Cash Credit from Banks	1,72,804.60	1,61,961.46
Working Capital Demand Loans from Banks	76,685.16	81,126.03
Other loans	1,11,251.12	9,348.73
Total Secured Borrowings	18,56,372.59	16,15,084.81

The following table sets forth the principal components of our unsecured loans, as per the Reformatted Consolidated Financial Information under Ind AS, as of the dates indicated:

(Amount in ₹lakhs)

	As of March 31,	
	2019	2018
<i>Borrowings – Unsecured</i>		
Fixed Deposits	3,11,940.61	3,07,365.15
Subordinated debts	65,370.95	1,17,561.75
Term loans from banks	9,026.93	19,060.38
Commercial Paper	1,83,541.94	2,28,691.45
Total Unsecured Borrowings	5,69,880.43	6,72,678.73

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

Particulars	Fiscal	
	2019	2018
Cost of borrowing	9.01%	8.44%

Our Company is registered as a deposit-taking NBFC with the RBI, which authorizes us to accept deposits from the public. We do not, however, depend on deposits as our primary source of funding. As of March 31, 2018 and March 31, 2019, we had fixed deposits outstanding of ₹ 307,365.15 lakhs and ₹ 311,940.61 lakhs which constituted 13.82% and 14.36 % respectively, of our Company’s total borrowings as of such dates, on a standalone basis, as per the Reformatted Standalone Financial Information under Ind AS.

CAPITAL ADEQUACY

The following information should be read with “Our Business – Capital Adequacy” on page 88 of the Shelf Prospectus:

Our standalone capital adequacy ratios were 23.12% and 21.37% as of March 31, 2019, and March 31, 2018, respectively. Information related to our capital adequacy ratio on a standalone basis and the capital adequacy ratio required by RBI, as per the Reformatted Standalone Financial Information under Ind AS, for the dates specified are set out below:

(Amount in ₹ lakhs)

Particulars	As of March 31,	
	2019	2018
Eligible Tier I Capital	6,14,038.04	541,268.98
Eligible Tier II Capital	10,081.44	20,814.14
Total Capital	6,24,119.48	5,62,083.12
Total Risk-weighted Assets	26,99,007.39	26,30,717.17
Capital Adequacy Ratio	23.12%	21.37%
Capital Adequacy Ratio required by RBI	15.00%	15.00%

Information related to our Subsidiary’s capital adequacy ratio and the capital adequacy ratio required by NHB for the dates specified are set out below:

(Amount in ₹ lakhs)

Particulars	As of March 31,	
	2019	2018
Eligible Tier I Capital	45,401	43,408
Eligible Tier II Capital	1,486	1,862
Total Capital	46,887	45,270
Total Risk-weighted Assets	156,630	137,118
Capital Adequacy Ratio	29.94%	33.02%
Capital Adequacy Ratio required by NHB	12.00%	12.00%

Credit Rating

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

Credit Rating Agency	Instruments	Ratings	Limit
CRISIL	Non-convertible Debentures	CRISIL AA/Stable	₹ 3,00,000 lakhs
CARE	Non-convertible Debentures -III	CARE AA+; Stable	₹ 30 lakhs
	Non-convertible Debentures- VIII (public issue)	CARE AA+; Stable	₹7,906 lakhs
	Non-convertible Debentures – IX (public issue)	CARE AA+; Stable	₹9,515 lakhs
	Non-convertible Debentures- XII	CARE AA+; Stable	₹10,000 lakhs
	Non-convertible Debentures- XV	CARE AA+; Stable	₹350 lakhs
	Non-convertible Debentures- XVI	CARE AA+; Stable	₹750 lakhs
	Non-convertible Debentures- XVIII	CARE AA+; Stable	₹10,000 lakhs
	Non-convertible Debentures- XIX	CARE AA+; Stable	₹11,500 lakhs
	Non-convertible Debentures- XX	CARE AA+; Stable	₹35,500 lakhs
	Non-convertible Debentures- XXI	CARE AA+; Stable	₹13,500 lakhs
	Non-convertible Debentures- XXII	CARE AA+; Stable	₹50,000 lakhs
	Non-convertible Debentures- XXIII	CARE AA+; Stable	₹50,000 lakhs
	Non-convertible Debentures- XXIV	CARE AA+; Stable	₹40,000 lakhs
	Non-convertible Debentures- XXV	CARE AA+; Stable	₹65,000 lakhs
	Non-convertible Debentures	CARE AA+; Stable	₹60,000 lakhs
	Non-convertible Debentures	CARE AA+; Stable	₹50,000 lakhs
	Non-convertible Debentures	CARE AA+; Stable	₹300,000 lakhs
	Sub-debt -I	CARE AA+; Stable	₹12,020 lakhs

Credit Rating Agency	Instruments	Ratings	Limit
	Sub-debt -II	CARE AA+; Stable	₹10,000 lakhs
	Sub-debt -III	CARE AA+; Stable	₹600 lakhs
	Commercial Paper	CARE A1+	₹300,000 lakhs
	Fixed Deposit	CARE AA+(FD); Stable	₹100 lakhs
India Rating	Bank loan	IND AA/Stable	₹15,00,000 lakhs
	Long-term debt programme	IND AA/Stable	₹3,000 lakhs
	Fixed deposit programme	IND AA/Stable	-
ICRA	Commercial Paper	[ICRA] A1+	₹3,00,000 lakhs
	Non-convertible Debentures	[ICRA] AA/ Stable	₹2,500 lakhs
	Fixed Deposit	MAA+/ Stable	-

RISK MANAGEMENT

The following information should be read with “*Our Business – Risk Management*” on page 90 of the Shelf Prospectus:

Interest Rate Risk

Our net interest income as a percentage of total income for Fiscal 2019 and Fiscal 2018 was 63.51% and 65.89%, respectively, as per the Reformatted Consolidated Financial Information under Ind AS. Our net interest income as a percentage of total income for the three-month period ended June 30, 2019 was 60.70 %, as per the Limited Review Financial Information for the three-month period ended June 30, 2019.

Liquidity Risk

A summary of our asset and liability maturity profile as of March 31, 2019, as per the Reformatted Consolidated Financial Information under Ind AS, which is based on certain estimates, assumptions and our prior experience of the performance of our assets, is set out below:

(Amount in ₹lakhs)

Particulars	Upto 30/31 Days	Over month upto 1 2 Months	Over months upto 2 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits (includes unclaimed matured deposits and interest thereon)	24,026.98	10,967.57	11,039.25	27,697.66	50,850.49	1,62,052.31	36,888.56	-	3,23,522.82
Advances	1,52,335.48	1,14,406.54	1,16,302.89	3,76,607.41	6,26,105.15	9,19,751.22	2,71,341.02	3,04,225.35	28,81,075.06
Investments	36,864.42	197.80	509.71	413.83	18,766.20	13,083.54	9,113.50	12,800.64	91,749.64
Borrowings (includes unclaimed matured debentures & subordinated debts and interest thereon)	1,83,805.99	91,773.07	1,77,841.38	2,10,694.37	4,13,814.83	8,79,378.67	1,54,722.60	154.35	21,12,185.26
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	7,103.45	-	-	7,103.45

EMPLOYEES

The following information should be read with “*Our Business – Employees*” on page 93 of the Shelf Prospectus:

Our total employee strength, as on June 30, 2019, was 28,987.

We have also set up the SCUF Employee Stock Option Scheme, 2006, pursuant to which a total 13,55,000 stock options had been granted as on June 30, 2019, exercisable into 13,55,000 Equity Shares. As on June 30, 2019, a total of 21,360 stock options remained outstanding.

PROPERTY

The following information should be read with “*Our Business – Property*” on page 94 of the Shelf Prospectus:

As of June 30, 2019, we had 1,036 business outlets across India, which we occupy pursuant to lease agreements or premises sharing agreements.

IV. OUR MANAGEMENT

The following table sets forth details of the newly appointed Directors of the Company of the Company:

Name, Designation, Term, DIN	Age	Address	Director of the Company since	Other Directorships
Srinivasa Chakravarthy Yalamati <i>Designation:</i> Managing Director & CEO <i>Term:</i> For a period of five years from July 1, 2019 <i>Nationality:</i> Indian <i>DIN:</i> 00052308	56	Plot No.302 Heritage Banjara apartment Road No.3, Panchavati Society, Banjara hills, Hyderabad Telangana India 500034	July 1, 2019	(i) Shriram Chit P. Limited (ii) Shriram Chits (Maharashtra) Limited (iii) Shriram Housing Finance Limited
Duruvasan Ramachandra <i>Designation:</i> Non-Executive and Non-independent Director* <i>Term:</i> Liable to retire by rotation <i>Nationality:</i> Indian <i>DIN:</i> 00223052	57	H No 1-66/1, Villa No. 5, CEO Enclave, Gachibowli, Hyderabad – 500 032	June 6, 2017. Reappointed as Non-Executive and Non-independent Director on the Board from July 29, 2019.	(i) CES Limited (ii) Shriram Life Insurance Company Limited
Ignatius Michael Viljoen <i>Designation:</i> Non-Executive, Non-Independent Director <i>Term:</i> Liable to retire by rotation <i>Nationality:</i> South African <i>DIN:</i> 08452443	46	419, Highland Road, Johannesburg, 2094, South Africa	July 29, 2019	(i) Sanlam Credit Fund Advisor Proprietary Limited (ii) Shriram Transport Finance Company Limited

* Duruvasan Ramchandra was the MD&CEO of the Company at time of filing of the Shelf Prospectus.

The following table sets forth the changes made to terms of certain Directors as disclosed in the Shelf Prospectus read with the First Addendum in the AGM of the Company held on July 29, 2019:

Name	Designation	Term
C . R. Muralidharan	Independent Director	Term extended until March 31, 2022
Diwakar B. Gandhi	Independent Director	Term extended upto March 31, 2024
Pranab Prakash Pattanayak	Independent Director	Term extended up to March 31, 2023
Venkataraman Murali	Independent Director	Term extended upto March 31, 2024

Gerrit Lodewyk Van Heerde ceased to be non-executive, non-independent director of the Company with effect from July 29, 2019. Vipen Kapur and Subramaniam Krishnamurthy ceased to be Directors of our Company with effect from March 31, 2019.

Brief Profile

The following is a brief biography of our newly appointed Directors:

Srinivasa Chakravarthy Yalamati is the Managing Director and Chief Executive Officer of our Company. He has been serving the Shriram Group for nearly 3 decades. Previously, he has served as the CEO and Executive Director of Shriram Chits P Ltd.

Ignatius Michael Viljoen is an additional director in the capacity of Non-Executive and Non-Independent Director of our Company. He is the credit portfolio manager at Sanlam Pan Africa Portfolio Management. He is a member of the Botswana Insurance Fund Management Limited Credit Committee. He has a masters' degree in economics from the University of the Orange Free State. He serves on the board of directors of Sanlam Credit Fund Advisor Proprietary Limited.

Borrowing powers of the Board

Pursuant to special resolution passed by the shareholders of our Company at their AGM held on July 29, 2019 and in accordance with provisions of Section 180(1)© and other applicable provisions of the Companies Act, 2013 as amended, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company upon such terms and conditions and with or without security as the Board may think fit, provided that money or monies to be borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business) shall not exceed ₹ 400,000 million. The aggregate value of the NCDs to be offered under the Issue Documents, together with the existing borrowings of our Company, is within the approved borrowing limits of ₹ 400,000 million.

Remuneration of the Directors

Managing Director and Chief Executive Officer

The present remuneration structure of the Managing Director and Chief Executive Officer consists of basic pay, allowances and perquisites, retirement benefits, ESOP and reimbursement of expenses incurred in the performance of office duties. The following table sets forth all compensation payable to Srinivasa Chakravarti Yalamati, Managing Director and Chief Executive Officer with effect from July 1, 2019:

Particulars	Remuneration
Basic salary	₹4,00,000 per month with annual increment of not less than 10% per annum with effect from April 1 every year
Allowances and Perquisites	Some of the perquisites available as per the terms of appointment of the MD&CEO: • House rent allowance of 20% of basic salary per month of rent free accommodation. • Annual membership fees for a maximum of two clubs and all expenses at the club for an official purpose reimburses or paid to the club by the Company. • Expenditure on entertainment, business promotion, travel, undertaken, and other expenses reasonably incurred for official purposes. • Contribution to Provident Fund- 12% of basic salary per month, contribution to national pension scheme- 10% of basic salary per month, ex-gratia, superannuation and gratuity shall be paid as per the rules of the Company. • Company to provide a car. The running and maintenance expenses including the driver's salary for use on Company's business borne/ reimbursed by the Company. • Premium on personal accident/ edicclaim shall be paid as per the policy of the Company, subject to a maximum of ₹ 50,000 per annum. • Payment for water, gas, electricity and soft furnishing of residence. Payment of subscription charges for newspapers and periodicals subject to a maximum of ₹ 60,000 per annum. • Leave/Travel concession for the Managing Director and Chief Executive Officer and family paid/borne by the Company subject to a maximum of ₹ 4,00,000 per annum
ESOP	Employee Stock Options may be granted as decided by the Nomination and Remuneration Committee/Board from time to time, according to the Employee Stock Option Scheme of the Company.

Other Directors

Independent Directors are paid remuneration by way of sitting fees, as well as reimbursement of reasonable, connected expenses incurred for attending the Board/Committee meetings, as follows:

Name of Committee/Board	Sitting Fee Amount (in ₹) per meeting

Board Meeting, Audit and Risk Management Committee, Independent Directors Meeting, Nomination and Remuneration Committee, Asset Liability Management Committee, General Meeting, Stakeholders Relationship Committee and Corporate Social Responsibility Committee	50,000
Information Technology Strategy Committee	25,000

Non- Independent Directors are paid remuneration by way of sitting fees, as well as reimbursement of reasonable, connected expenses incurred for attending the Board/Committee meetings, as decided by the Board from time to time.

The following table sets forth compensation paid by the Company to all its current Directors, for the last fiscal year and the three month period ended June 30, 2019:

(Amount in ₹million)

Name of Directors	Period ended June 30, 2019	Fiscal Year 2019
Debendranth Sarangi	0.35	0.53
Yalamati Srinivasa Chakravarti	-	-
Durvuvasan Ramachandra	0.20	0.66
Maya S. Sinha	0.25	0.40
Ignatius Michael Viljoen	-	-
Pranab Prakash Pattanayak	0.10	0.40
Ranvir Dewan	-	-
Shashank Singh	-	-
Venkataraman Murali	0.10	0.55
C R Muralidharan	0.10	-
Diawakar B. Gandhi	0.15	-

Venkataraman Murali and Srinivasa Chakravarti Yalamati are directors of the Company's Subsidiary and his remuneration details for the three month period ended June 30, 2019 and the fiscal year ended March 31, 2019 are as follows:

(Amount in ₹million)

	Period ended June 30, 2019	Fiscal Year 2019
Venkataraman Murali	0.06	0.26
Srinivasa Chakravarti Yalamati	-	-

None of our Directors hold any equity shares in the Company's Subsidiary or associate companies except Srinivasa Chakravarti Yalamati, who holds one one share in Shriram Housing Finance Limited, our Subsidiary.

Committees of the Board of Directors

Pursuant to the resolution passed by the Board of Directors at its meeting held on April 24, 2019 the constitution of the Audit and Risk Management Committee, with effect from May 1, 2019 is revised to:

Sr. No	Name of the Member	Designation	Directorship
1.	Venkataraman Murali	Chairperson	Non-Executive, Independent
2.	C R Muralidharan	Member	Non-Executive, Independent

3.	Ranvir Dewan	Member	Non-Executive, Non-Independent
4.	Pranab Prakash Pattanayak	Member	Non- Executive, Independent

Pursuant to the resolution passed by the Board of Directors at its meeting held on July 29, 2019 the constitution of the Nomination and Remuneration Committee, with effect from August 1, 2019 is revised to:

Sr. No	Name of the Member	Designation	Directorship
1.	Diwakar B Gandhi	Chairperson	Non-Executive, Independent
2.	Debendranath Sarangi	Member	Non-Executive, Independent
3.	Ignatius Michael Viljoen	Member	Non-Executive, Non-Independent

Pursuant to the resolution passed by the Board of Directors at its meeting held on April 24, 2019 the constitution of the Stakeholders Relationship Committee, with effect from May 1, 2019 is revised to:

Sr. No	Name of the Member	Designation	Directorship
1.	C R Muralidharan	Chairperson	Non-Executive, Independent
2.	Maya S Sinha	Member	Non-Executive, Independent
3.	Venkataraman Murali	Member	Non-Executive, Independent
4.	Diwakar B Gandhi	Member	Non-Executive, Independent

Pursuant to the resolution passed by the Board of Directors at its meeting held on July 29, 2019 the constitution of the Asset Liability Management Committee, with effect from August 1, 2019 is revised to:

Sr. No	Name of the Member	Designation	Directorship
1.	Pranab Prakash Pattanayak	Chairperson	Non-Executive, Independent
2.	Srinivasa Chakravarti Yalamati.	Member	Managing Director and Chief Executive Officer
3.	Ramasubramaniam Chandrasekar	Member	Chief Financial Officer
4.	Anitha S	Member	Chief Risk Officer

Pursuant to the resolution passed by the Board of Directors at its meeting held on July 29, 2019 the constitution of the Banking and Securities Management Committee, with effect from August 1, 2019 is revised to:

Sr. No	Name of the Member	Designation	Directorship
1.	Ramasubramaniam Chandrasekar	Chairperson	Chief Financial Officer
2.	Krithika Doraiswamy.	Member	Vice President - Finance
3.	R Jayaraman	Member	Chief Information Officer

Pursuant to the resolution passed by the Board of Directors at its meeting held on July 29, 2019 the constitution of the Corporate Social Responsibility Committee, with effect from August 1, 2019 is revised to:

Sr. No	Name of the Member	Designation	Directorship
1.	Maya S Sinha	Chairperson	Non-Executive, Independent
2.	Debendranath Sarangi	Member	Non-Executive, Independent
3.	Srinivasa Chakravarti Yalamati	Member	Managing Director and Chief Executive Officer

V. OUR PROMOTER

Shareholding Pattern of Shriram Capital Limited as on June 30, 2019:

Sr. No.	Name of Shareholder	No. of Shares	Percentage Shareholding (%)
1.	Shriram Financial Ventures (Chennai) Private Limited	75,81,19,281	70.56
2.	Shrilekha Business Consultancy Private Ltd	21,49,12,006	20.00
3.	TPG India Investments II INC	10,13,80,344	9.44
4.	Sri R Thyagarajan & Sri D V Ravi (on behalf of Shriram Ownership Trust)	250	0.00
5.	Piramal Enterprises Limited	1,000	0.00
6.	R Kannan	50	0.00
7.	S Natarajan	50	0.00
8.	D V Ravi	50	0.00
9.	G S Sundararajan	50	0.00
10.	S Murali	50	0.00
		107,44,13,131	100.00

Board of directors of Shriram Capital Limited

1. Ajay Gopikisan Piramal – Chairman;
2. Rajesh Ratanlal Laddha – Managing Director & CEO;
3. Ravi Devaki Venkataraman – Managing Director
4. N Lakshmi Narayanan – Director;
5. Gowrishankar Kuppuswamy Tirumangalam – Director
6. Bhatia Puneet – Director;
7. Ian Maxwell Kirk – Director;
8. Heinie Carl Werth – Director;
9. Akhila Srinivasan – Director;
10. Jasmit Singh Gujral – Director and
11. Umesh Govind Revankar - Director.

Shareholding of our Promoter in our Company

For details of the shareholding of our Promoter in our Company as of June 30, 2019 see “*Capital Structure*” on page 29 of this Tranche 2 Prospectus.

VI. FINANCIAL STATEMENTS

Please refer to Annexure D of this Tranche 2 Prospectus

VII. FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's outstanding secured borrowings of ` 172,912.62 million and unsecured borrowings of `49,379.95 million, on a standalone basis as on June 30, 2019, together with a brief description of certain significant terms of such financing arrangements.

I. Secured borrowings availed by our Company

A. Term loans

Set forth below is a brief summary of our secured term loans as on June 30, 2019.

(` in million)								
S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
1.	Abu Dhabi Commercial Bank PJSC	350	November 21, 2016	175.00	12 equal quarterly installments after 12 months of moratorium.	Hypothecation of specified receivables	2% on overdue amount from due date till date of actual payment	Nil after expiry of 12 months from date of disbursement with a 45 day notice.
2.	Allahabad Bank	1,000	September 21, 2015	253.56	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	Nil	Waived
3.	Allahabad Bank	3,000	January 25, 2019	3021.91	11 equal quarterly instalments after initial moratorium of 17 months at the end of the 18 th , 21 st , 24 th , 27 th , 30 th , 33 rd , 36 th , 39 th , 42 nd and the 48 th month from the date of first disbursement	Hypothecation of specified receivables	2%	Waived
4.	Andhra Bank	2,000	August 24, 2015	500.39	4 quarterly installments after moratorium of 36 months.	Hypothecation of specified receivables	Variable	2%
5.	Andhra Bank	1,500	December 27, 2016	1,500.32	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th	Hypothecation of specified receivables	Variable	Nil

S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
					and 48 th month from date of first disbursement			
6.	Andhra Bank	1,000	September 25, 2017	1,000.21	4 quarterly installments after moratorium of 36 months.	Hypothecation of specified receivables	Variable	Nil
7.	Axis Bank	2,000	April 18, 2016	2014.60	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	2%	Variable
8.	Axis Bank	1,000	February 3, 2017	923.89	12 quarterly installments commencing 27 months from date of first disbursement	Hypothecation of specified receivables	2%	Waived
9.	Bajaj Finance Limited	750	June 24, 2019	746.10	12 equal quarterly installments commencing 3 months from the date of first disbursement	Hypothecation of specified receivables	2%	Nil, with 30 days' notice
10.	Bank of Baroda	3,000	October 13, 2015	1,750.32	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	Variable	2%
11.	Bank of Baroda	5,000	June 26, 2018	4,189.83	19 quarterly installments after moratorium of 3 months	Hypothecation of specified receivables	2%	Nil
12.	Bank of India	4,000	November 18, 2016	3,137.86	8 quarterly installments commencing from ninth quarter of each drawdown	Hypothecation of specified receivables	Nil	Waived
13.	Bank of	3,000	August	3,003.81	8 quarterly	Hypothecati	2%	Waived

S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
	India		11, 2017		installments commencing from ninth quarter of each drawdown	on of specified receivables		
14.	Bank of Maharashtra	2,000	September 7, 2015	507.91	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	1%	Waived
15.	Bank of Maharashtra	1,500	March 13, 2019	1,507.56	7 quarterly installments starting from the 6 th to 12 th quarter from the date of first disbursement	Hypothecation of specified receivables	1-2%	Nil
16.	Canara Bank	1,000	February 22, 2016	251.74	12 quarterly installments after 1 year repayment holiday	Hypothecation of specified receivables	2%	Nil, with 7 days' notice
17.	Citi Bank	711*	February 26, 2019	710	Bullet repayment on February 26, 2020	Hypothecation of specified receivables	2%	2%
18.	Dena Bank	3,500	September 25, 2017	3,501.30	8 equal quarterly installments starting after a moratorium period of 24 months from date of disbursement in each tranche	Hypothecation of specified receivables	Variable	Waived, with 30 days' notice
19.	Federal Bank	1,000	October 23, 2015	249.97	8 quarterly installments after the moratorium period of 24 months	Hypothecation of specified receivables	2%	Nil
20.	Federal Bank	1,250	July 25, 2016	781.05	8 quarterly installments after the moratorium period of 24 months	Hypothecation of specified receivables	2%	Nil
21.	Federal Bank	750	September 19, 2017	468.75	8 quarterly installments after the moratorium	Hypothecation of specified receivables	2%	Nil

S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
					period of 24 months			
22.	HDFC Bank	500	August 24, 2015	188.89	8 half yearly installments commencing from 18 th month of disbursement	Hypothecation of specified receivables	4%	Nil
23.	HDFC Bank	500	March 5, 2016	251.92	8 half yearly installments commencing from 18 th month of disbursement	Hypothecation of specified receivables	4%	Nil
24.	HDFC Bank	1,000	September 7, 2016	503.46	10 half yearly installments commencing from 6 th month of disbursement	Hypothecation of specified receivables	4%	Nil
25.	HDFC Bank	500	February 21, 2017	302.16	10 half yearly installments commencing from 6 th month of disbursement	Hypothecation of specified receivables	4%	Nil
26.	HDFC Bank	1,000	June 23, 2017	673.38	3 half yearly installments commencing from 24 th month of disbursement after 18 months moratorium	Hypothecation of specified receivables	4%	Nil
27.	HDFC Bank	1,000	March 15, 2018	692.95	16 quarterly installments commencing from 3 rd month of disbursement	Hypothecation of specified receivables	4%	Nil
28.	HDFC Bank	500	May 11, 2018	377.53	16 quarterly installments commencing from 3 rd month of disbursement	Hypothecation of specified receivables	4%	Nil
29.	HSBC Bank	2,100	March 3, 2018	2,117.01	Bullet repayment (18 months tenor)	Hypothecation of specified receivables	Variable	Variable
30.	ICICI Bank	1,500	March 2, 2017	1,500.76	3 equal semi annual installments after 30	Hypothecation of specified receivables	2%	Nil with 60 days prior notice in certain cases

S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
					months from date of each drawdown			such as change in regulatory norms and change in risk. Otherwise, 1% (with 15 days prior written notice)
31.	ICICI Bank	500	March 20, 2018	499.27	3 equal semi annual installments after 30 months from date of each drawdown	Hypothecation of specified receivables	2%	Nil with 60 days prior notice in certain cases such as change in regulatory norms and change in risk. Otherwise, 1% (with 15 days prior written notice)
32.	Indian Bank	3,000	November 15, 2016	3023.48	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	2%	Nil
33.	Indian Bank	5,000	September 29, 2017	5,039.01	4 quarterly installments after 36 months moratorium from date of withdrawal in each tranche	Hypothecation of specified receivables	2%	Nil
34.	Indian Bank	3,000	March 28, 2015	761.29	4 equal quarterly installments after 36 months from date of disbursement	Hypothecation of specified receivables	2%	2.28%
35.	Indian Bank	5,000	March 14, 2019	5021.82	12 quarterly installments after moratorium period of 1 year.	Hypothecation of specified receivables	2%	1%
36.	Indian Overseas Bank	5,000	March 17, 2017	5,015.63	4 equal quarterly installments at the end of	Hypothecation of specified receivables	2%	Waived

S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
					the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement			
37.	IndusInd Bank	5000	May 2, 2019	4890.76	36 monthly installments with no moratorium starting one month after disbursement	Hypothecation of specified receivables	Nil	Nil
38.	Kotak Mahindra Bank	1,250	February 18, 2016	559.80	9 installments semi-annually with 1 st installment starting from 13 th month	Hypothecation of specified receivables	2%	1%
39.	Lakshmi Vilas Bank	1,000	June 26, 2018	1,000.53	10 quarterly installments starting from 21 st month after holiday period of 6 quarters	Hypothecation of specified receivables	2%	2%
40.	National Bank for Agricultural and Rural Development (NABARD)	5,000	June 14, 2019	4,993.90	11 half-yearly installments payable in January and July. Total door to door tenor is 60 months.	Hypothecation of specified receivables	2%	2.5%
41.	Oriental Bank of Commerce	1,000	September 21, 2015	499.47	4 quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	2%	Nil
42.	State Bank of Mauritius	250	March 6, 2017	252.27	4 equal installments at the end of the 33 rd , 34 th , 35 th and 36 th month	Hypothecation of specified receivables	2%	Nil
43.	State Bank of India (Sanctioned by State Bank of Hyderabad prior to its merger)	1,000	December 29, 2015	505.81	4 quarterly installments starting from March 2019 to December 2019.	Hypothecation of specified receivables	Variable	Nil

S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
	with State Bank of India)							
44.	State Bank of India	3,000	December 15, 2015	3,023.75	2 installments pay the end of the 4 th year and 5 th year from date of drawdown	Hypothecation of specified receivables	2%	2%
45.	State Bank of India (Sanctioned by State Bank of Travancore prior to its merger with State Bank of India)	2,500	August 5, 2015	759.97	4 quarterly installments after 36 months moratorium from date of first availment	Hypothecation of specified receivables	2%	Nil
46.	Syndicate Bank	1,500	September 4, 2017	1,500.68	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement of each tranche	Hypothecation of specified receivables	Variable	Waived with 30 days' notice
47.	Syndicate Bank	3,000	June 26, 2015	1,500.79	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	Variable	Nil
48.	Syndicate Bank	1,500	December 29, 2015	750.37	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	Variable	Waived with 1 month notice
49.	Syndicate Bank	3,000	November 5, 2016	1,500.76	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first	Hypothecation of specified receivables	Variable	Waived with 1 month notice

S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
					disbursement			
50.	Syndicate Bank	3,000	March 21, 2019	2,991.33	14 quarterly installments where the first quarterly instalment will be due 9 months after release of every tranche	Hypothecation of specified receivables	2%	Waived with 1 month notice
51.	Catholic Syrian Bank	500	December 26, 2017	468.66	16 quarterly installments	Hypothecation of specified receivables	1%-2%	2%
52.	South Indian Bank	500	August 19, 2017	500	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	2%	2%
53.	South Indian Bank	1,000	September 9, 2016	1,000.01	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	2%	2%
54.	South Indian Bank	1,000	March 20, 2017	1,000.01	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	2%	2%
55.	Union Bank of India	3,000	February 8, 2016	2,249.94	4 quarterly installments after moratorium of 3 years	Hypothecation of specified receivables	Variable	Nil
56.	Union Bank of India	2,000	October 6, 2017	1999.67	4 quarterly installments after moratorium of 3 years	Hypothecation of specified receivables	1%-2%	Waived
57.	Union Bank of India	3,000	February 19, 2018	2,999.65	4 quarterly installments after	Hypothecation of specified	Variable	Waived

S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
58.	United Bank of India	2,000	September 1, 2015	500.02	moratorium of 3 years 4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	receivables Hypothecation of specified receivables	3%	Waived with 15 days notice
59.	United Bank of India	2,000	February 1, 2016	1,499.44	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	3%	Waived with 15 days notice
60.	Vijaya Bank	1,950	February 15, 2016	1,950.03	4 equal quarterly installments at the end of moratorium of 48 months	Hypothecation of specified receivables	2%	Waived
61.	Vijaya Bank	750	March 23, 2018	750.27	4 equal quarterly installments at the end of the 39 th , 42 nd , 45 th and 48 th month from date of first disbursement	Hypothecation of specified receivables	2%	Waived with 1 month notice
62.	Vijaya Bank	2,000	January 4, 2019	1995.70	Repayable in 12 equal quarterly installments with initial moratorium period of 15 months after first disbursement	Hypothecation of specified receivables	2%	Waived with 1 month notice
63.	SIDBI	2,500	December 23, 2016	1,889.73	20 installments commencing 6 months after date of disbursement	Hypothecation of specified receivables	2%	Waived with 120 days' notice
64.	Citicorp	1,000	April 18, 2018	Nil	Bullet repayment (tenor of 1 year)	Hypothecation of specified receivables	2%	2%

S. no.	Name of lender	Amount sanctioned	Date of sanction	Balance amount outstanding	Repayment date/schedule	Security	Penalty	Prepayment
	Total	124,611		99,697.96				

*As per the RBI conversion rate as on February 26, 2019.

B. Cash credit facilities

Set forth below is a brief summary of our secured cash credit facilities as on June 30, 2019. Our cash credit facilities are all repayable upon demand by the respective lenders.

(` in million)

S. no.	Name of lender	Amount sanctioned	Balance amount outstanding	Repayment Schedule	Security
1.	Allahabad Bank	500	460.44	Repayable on demand, annual renewal.	Hypothecation of specified receivables
2.	Andhra Bank	250	242.61	Repayable on demand, annual renewal.	Hypothecation of specified receivables
3.	Axis Bank	2,500	282.73	Repayable on demand, annual renewal.	Hypothecation of specified receivables
4.	Bank of India	3,000	0.47	Repayable on demand, annual renewal.	Hypothecation of specified receivables
5.	Bank of Maharashtra	400	370.70	Repayable on demand, annual renewal.	Hypothecation of specified receivables
6.	Canara Bank	250	139.44	Repayable on demand, annual renewal.	Hypothecation of specified receivables
7.	DCB Bank	200	0	Repayable on demand, annual renewal.	Hypothecation of specified receivables
8.	Dena Bank	1,500	887.38	Repayable on demand, annual renewal.	Hypothecation of specified receivables
9.	Federal Bank	250	144.25	Repayable on demand, annual renewal.	Hypothecation of specified receivables
10.	HSBC Bank	450	152.11	Repayable on demand, annual renewal.	Hypothecation of specified receivables
11.	ICICI Bank	500	161.67	Repayable on demand, annual renewal.	Hypothecation of specified receivables
12.	Indian Bank	1,250	613.57	Repayable on demand, annual renewal.	Hypothecation of specified receivables
13.	Karur Vysya Bank	300	0	Repayable on demand, annual renewal.	Hypothecation of specified receivables
14.	Kotak Mahindra Bank	400	178.88	Repayable on demand, annual renewal.	Hypothecation of specified receivables
15.	Oriental Bank of commerce	47.50	27.55	Repayable on demand, annual renewal.	Hypothecation of specified receivables
16.	Punjab National Bank	1,000	560.23	Repayable on demand, annual renewal.	Hypothecation of specified receivables
17.	State Bank of India	4,000	2,309.59	Repayable on demand, annual renewal.	Hypothecation of specified receivables
18.	State Bank of Mauritius	100	40.85	Repayable on demand, annual renewal.	Hypothecation of specified receivables
19.	Syndicate Bank	1,000	581.45	Repayable on demand, annual renewal.	Hypothecation of specified receivables
20.	Union Bank of India	50	13.94	Repayable on demand, annual renewal.	Hypothecation of specified receivables
21.	Lakshmi Vilas Bank	100	98.20	Repayable on demand, annual renewal.	Hypothecation of specified receivables
22.	Credit Balances in CA Account		1,015.85		
	Total	18,047.5	8,294.07*		

*Including 12.16 million from HDFC Bank where the sanction is for WCDL and CC where the indebtedness has been noted as part of working capital demand loans in C below.

C. Working Capital Demand Loans from Banks

Set forth below is a brief summary of our working capital demand loans as on June 30, 2019.

(in million)

S. no.	Name of lender	Date of disbursement	Amount sanctioned	Balance amount outstanding as on June 30, 2019	Maturity date	Repayment Schedule	Security
1.	Kotak Mahindra Bank	June 24, 2019	600	601.14	December 6, 2019	Bullet repayment.	Hypothecation Of Specific Receivables
2.	Kotak Mahindra Bank	June 24, 2019	600	601.14	December 13, 2019	Bullet repayment.	Hypothecation Of Specific Receivables
3.	Kotak Mahindra Bank	June 24, 2019	600	601.14	December 20, 2019	Bullet repayment.	Hypothecation Of Specific Receivables
4.	HDFC Bank	June 26, 2019	900	901.20	September 24, 2019	Bullet repayment	Hypothecation Of Specific Receivables
5.	Standard Chartered Bank	June 28, 2019	3900	3,903.51	September 30, 2019	Bullet repayment	Hypothecation Of Specific Receivables
6.	State Bank of India	May 2, 2019	1600	1,611.96	May 2, 2019	Bullet repayment	Hypothecation Of Specific Receivables
7.	Federal Bank	April 2, 2019	100	99.73	October 2, 2019	Bullet repayment	Hypothecation Of Specific Receivables
8.	Dena Bank	May 2, 2019	600	604.39	July 31, 2019	Bullet repayment	Hypothecation Of Specific Receivables
9.	Syndicate Bank	May 7, 2019	400	399.66	August 5, 2019	Bullet repayment	Hypothecation Of Specific Receivables
10.	Canara Bank	June 4, 2019	100	100.72	July 3, 2019	Bullet repayment	Hypothecation Of Specific Receivables
11.	Indian Bank	June 10, 2019	500	502.73	July 9, 2019	Bullet repayment	Hypothecation Of Specific Receivables
12.	ICICI Bank Ltd	June 13, 2019	200	200.00	July 12, 2019	Bullet repayment	Hypothecation Of Specific Receivables
13.	HSBC Bank	June 27, 2019	90	90.10	July 26, 2019	Bullet repayment	Hypothecation Of Specific Receivables
14.	HDFC Bank	June 25, 2019	500	388.58	July 25, 2019	Bullet repayment	Hypothecation Of Specific Receivables
15.	Punjab National Bank	June 26, 2019	400	400.32	July 26, 2019	Bullet repayment	Hypothecation Of Specific Receivables
16.	Union Bank of India	June 29, 2019	30	30.02	July 29, 2019	Bullet repayment	Hypothecation Of Specific Receivables
17.	Axis Bank	June 29, 2019	1100	1,100.00	August 28, 2019	Bullet repayment	Hypothecation Of Specific Receivables
18.	HSBC Bank	June 10, 2019	180	180.96	July 10, 2019	Bullet repayment	Hypothecation Of Specific Receivables
19.	YES Bank	-	4,000	0	One year from the date of disburseme	Bullet repayment	Hypothecation Of Specific Receivables

S. no.	Name of lender	Date of disbursement	Amount sanctioned	Balance amount outstanding as on June 30, 2019	Maturity date	Repayment Schedule	Security
					nt		
	Total		16,400	12,317.30			

D. Secured non-convertible debentures

Set forth below is a brief summary of our secured non-convertible debentures outstanding as on June 30, 2019.

(i) Non-convertible debentures issued through public offerings

Set forth below is a brief summary of our secured non-convertible debentures issued through public offerings outstanding as on June 30, 2019.

(` in million)

Issue	Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount	Credit rating	Security
Public offering of non-convertible debentures (“2019 NCDs”) of face value and issue price of `1,000 in Fiscal 2019	Series I	24 months (annual)	9.55%	April 30, 2021	April 30, 2019	3835.0	CARE AA+	First and exclusive charge over identified immovable property and specified future receivables of our Company.
	Series II	24 months (cumulative)	NA	April 30, 2021	April 30, 2019	244.1	Stable by CARE and CRISIL	
	Series III	36 months (annual)	9.65%	April 30, 2022	April 30, 2019	638.4	AA/ Stable by CRISIL	
	Series IV	36 months (monthly)	9.26%	April 30, 2022	April 30, 2019	395.2		
	Series V	36 months (cumulative)	NA	April 30, 2022	April 30, 2019	242.0		
	Series VI	60 months (annual)	9.75%	April 30, 2024	April 30, 2019	649.6		
	Series VII	60 months (monthly)	9.35%	April 30, 2024	April 30, 2019	338.9		
	Series VIII	60 months (cumulative)	NA	April 30, 2024	April 30, 2019	205.6		
Total						6548.80		

(ii) Non-convertible debentures issued through private placements

Set forth below is a brief summary of our secured non-convertible debentures issued on a private placement basis outstanding as on June 30, 2019.

(` in million)

Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on June 30, 2019	Credit rating	Security
10.75% non-convertible debentures of face value and issue price of `1,000,000	Ten years	10.75%	February 4, 2021	February 2, 2011	20.6	‘CARE AA-’ from CARE and ‘IND AA-’ from IRRPL	First pari passu charge on receivables of our Company with a minimum asset cover of 1.25 times at all time during the tenure of these non-convertible debentures.
9.30% non-convertible debentures of face value and issue price of	Five years	9.30%	June 17, 2020	June 17, 2015	501.7	CARE AA+ stable	Exclusive charge on specified receivables of our Company

Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on June 30, 2019	Credit rating	Security
₹1,000,000							with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
9.30% non-convertible debentures of face value and issue price of ₹1,000,000	Five years	9.30%	June 22, 2020	June 22, 2015	500.8	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
8.25% non-convertible debentures of face value and issue price of ₹1,000,000	Three years	8.25%	October 7, 2019	October 7, 2016	1,060.1	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
8.20% non-convertible debentures of face value and issue price of ₹1,000,000	3 years 38 days	8.20%	April 16, 2020	March 10, 2017	1387	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
XIRR 8.15% non-convertible debentures of face value and issue price of ₹1,000,000	1078 days	XIRR 8.15%	May 27, 2020	June 14, 2017	4130.3	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these

Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on June 30, 2019	Credit rating	Security
							non-convertible debentures.
XIRR 8.15% non-convertible debentures of face value and issue price of ₹1,000,000	1112 days	XIRR 8.15%	June 30, 2020	June 14, 2017	59	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
7.97% non-convertible debentures of face value and issue price of ₹1,000,000	Three years	7.97%	October 27, 2020	October 27, 2017	3,157.5	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
XIRR 7.97% non-convertible debentures of face value and issue price of ₹1,000,000	1075 days	XIRR 7.97%	October 6, 2020	October 27, 2017	2,287.5	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
8.09% non-convertible debentures of face value and issue price of ₹1,000,000	1826 days	8.09%	December 5, 2022	December 5, 2017	836	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible

Debt Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on June 30, 2019	Credit rating	Security
							debentures.
9.3056% non-convertible debentures of face value and issue price of ₹1,000,000	449 days	9.30%	September 27, 2019	July 5, 2018	1,070.4	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
SBI MCLR Linked non-convertible debentures of face value and issue price of ₹1,000,000	531 days	SBI MCLR Linked	December 18, 2019	July 5, 2018	2,731.5	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
SBI MCLR Linked non-convertible debentures of face value and issue price of ₹1,000,000	622 days	SBI MCLR Linked	March 18, 2020	July 5, 2018	2,730.9	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
9.40% non-convertible debentures of face value and issue price of ₹1,000,000	852 days	9.40%	December 30, 2020	August 31, 2018	2,425.8	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible

Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on June 30, 2019	Credit rating	Security
							debentures.
Zero Coupon non-convertible debentures of face value and issue price of ₹1,000,000	1300 days	Zero coupon	April 4, 2022	September 12, 2018	871.3	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
Zero Coupon non-convertible debentures of face value and issue price of ₹1,000,000	1478 days	Zero coupon	September 29, 2022	September 12, 2018	927.6	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
SBI MCLR Linked non-convertible debentures of face value and issue price of ₹1,000,000	Three years	SBI MCLR Linked	September 21, 2021	September 21, 2018	6,443.3	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
INR-FBIL-MIBOR-OIS-COMPOUND+SPREAD non-convertible debentures of face value and issue price of ₹1,000,000	487 days	INR-FBIL-MIBOR-OIS-COMPOUND+SPREAD	July 23, 2019	March 23, 2018	4,091.5	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible

Debenture Series/ Option	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding as on June 30, 2019	Credit rating	Security
							debentures.
8.90% non-convertible debentures of face value and issue price of ₹1,000,000	1827 days	8.90%	March 27, 2023	March 26, 2018	1,176.5	CARE AA+ stable	Exclusive charge on specified receivables of our Company with a minimum asset cover of 1.10 times at all time during the tenure of these non-convertible debentures.
Total					36,409.30		

II. *Unsecured borrowings availed by our Company*

A. *Fixed deposits*

As a deposit taking non banking financial company, our Company accepts both non cumulative and cumulative unsecured deposits from the public (“**SCUF Deposits**”), which are accepted in multiples of ₹1000 with a minimum deposit amount of ₹5000 per cumulative deposit account and ₹5000 per non cumulative deposit account at interest rates ranging from 8.25 % p.a. to 9.25 % p.a. with an additional interest rate of 0.25 % p.a. for senior citizens (who have completed 60 years of age on the date of making the deposit) and are redeemable from a period of 12 months to 60 months from the date of the deposit. Set forth below is a brief summary of the SCUF Deposits outstanding as on June 30, 2019.

(₹ in million)

Type of instrument	Amount issued	Balance amount outstanding	Repayment date/ schedule	Credit rating
Fixed deposits	30,255.12	32,178.39	These are the public deposits mobilized by the Company and redeemable from a period of 12 months to 60 months from the date of deposits	MAA+(stable)

B. *Subordinated debentures*

Set forth below is a brief summary of our unsecured subordinated debentures outstanding as on June 30, 2019.

(i) *Listed subordinated debentures*

Set forth below is a brief summary of our listed, unsecured, subordinated debentures outstanding as on June 30, 2019:

(₹ in million)

Debenture Series	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding	Credit rating
11.15% non-convertible debentures	Seven years	11.15%	December 31, 2019	December 31, 2012	632.35	CARE AA' by CARE

Debenture Series	Tenure/ Maturity	Coupon rate (%)	Redemption date/ Schedule	Date of allotment	Amount outstanding	Credit rating
of face value and issue price of ₹10,00,000						
11.15% non-convertible debentures of face value and issue price of ₹10,00,000	Seven years	11.15%	January 7, 2020	January 7, 2013	157.71	CARE AA' by CARE
Total					790.06	

(ii) **Unlisted subordinated debentures**

Set forth below is a brief summary of our unlisted, unsecured, subordinated debentures outstanding as on June 30, 2019:

(₹ in million)

Type of instrument	Amount issued	Amount Outstanding as on June 30, 2019	Repayment date/schedule
Subordinated Debt	3085.34	4995.68	Varied

III. Commercial papers

Our Company has issued commercial papers of the face value ₹ 11,770 million each as on June 30, 2019. The total outstanding amount in respect of the commercial papers is ₹ 11,415.81 million. The details of the commercial papers are set forth below:

(₹ in million)

Sr. No.	Particular	Date of Disbursement	Amount Sanctioned	Amount outstanding as on June 30, 2019	Maturity Date
1.	SBI Mutual Fund	December 14, 2018	250	240.41	December 10, 2019
2.	SBI Mutual Fund	January 11, 2019	150	143.68	January 2, 2020
3.	SBI Mutual Fund	January 18, 2019	350	334.40	January 13, 2020
4.	Citi Bank	March 21, 2019	3500	3296.21	March 10, 2020
5.	SBI Mutual Fund	March 22, 2019	150	141.57	March 5, 2020
6.	Citi Bank	April 30, 2019	1000	933.84	April 13, 2010
7.	SBI Mutual Fund	May 9, 2019	120	111.61	April 30, 2020
8.	LIC Mutual Fund	May 14, 2019	1000	997.47	July 12, 2019
9.	Invesco Mutual Fund	May 14, 2019	500	498.74	July 12, 2019
10.	JM Financial Mutual Fund	May 14, 2019	250	249.37	July 12, 2019
11.	UTI Mutual Fund	June 4, 2019	1500	1489.66	July 31, 2019
12.	Edelweiss Mutual Fund	June 4, 2019	1250	1241.38	July 31, 2019
13.	JM Financial Mutual Fund	June 4, 2019	750	744.49	August 2, 2019
14.	HSBC Mutual Fund	June 7, 2019	500	496.32	July 30, 2019
15.	HSBC Mutual Fund	June 7, 2019	500	496.66	August 2, 2019
	Total		11,770	11,415.81	

IV. The amount of corporate guarantee issued by the Issuer along with the name of the counterparty on behalf of whom it has been issued

Except for the below, no corporate guarantee has been issued by the Company:

The Company executed a deed of guarantee dated May 22, 2015 in favour of National Housing Bank ("NHB"). Shriram Housing Finance Limited vide letter dated June 9, 2014, requested sanction of refinance assistance of ₹ 1000 million for the Fiscal Year 2014-2015. NHB, by its letter of intent dated December 18, 2014 agreed to sanction to the Subsidiary refinance assistance not exceeding ₹ 250 million on the terms and conditions contained in the Memorandum of Agreement and Loan Agreement dated April 27, 2015 entered into by the Subsidiary and NHB.

V. *Details of rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debenture/ Preference Shares) as on June 30, 2019*

As of June 30, 2019, our Company has no outstanding amounts in relation to hybrid debt like FCCB, Optionally Convertible Debenture/ Preference Shares.

VI. *Details of all defaults and/or delay in payment of interest and principal of any kind of term loan, debt securities and other financial indebtedness including corporate guarantee issued by the Company in the past five years*

Nil.

VII. *Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.*

Nil.

VIII. *Significant restrictive covenants in our debt facilities*

Some of the significant corporate actions for which our Company requires the prior written consent of lenders include the following:

1. To create or permit any charges or lien on any mortgaged or hypothecated properties.
2. Effect any change in the Company's capital structure.
3. Enter into borrowing arrangements with any bank/company.
4. Create any further charge, lien or encumbrance over the assets and properties of the Company, which are charged to the bank.

VIII. OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

A. *Proceedings involving our Company*

1. Sangramsinh Madhavrao Ghatge (the “**Complainant**”) filed a criminal complaint for offences under sections 406, 409, 420, 464, 467, 468, 471, 120-B of the Indian Penal Code, 1860 against the Company, the Directors and certain other employees of the Company (the “**Accused**”) alleging that the Accused have conspired together in connivance to cheat the Complainant and his wife by forging documents. The Judicial Magistrate, first class, Karad heard the complaint and forwarded the complaint to the police for investigation as per section 156(3) of the Code of Criminal Procedure, 1973.
2. Our Company had filed an appeal before the Commissioner of Income Tax (Appeals) (“**CIT(A)**”) against the assesment order of the the Assessing Officer dated December 31, 2016 has made certain disallowances for the determination of refund.in The CIT(A), vide order dated January 30, 2019 allowed certain amounts for determination of refund, while disallowing others. The Company filed an appeal before ITAT on the issue of disallowance of amounts transferred to the Statutory Reserve Fund while the Department of Income Tax filed appeal on the issue of royalty and certain other diallowances. Both appeals are pending before the ITAT.
3. Our Company has filed various complaints and notices under section 138 of the Negotiable Instrument Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. Our Company is contesting several disputed income tax, service tax and VAT matters before various authorities. The contingent liabilities as per applicable accounting standard as on March 31, 2019 in respect of such matters were ₹ 803.68 million.

B. *Proceedings involving our Directors*

For details of the criminal case involving our Directors, refer to “*Outstanding Litigation and Other Material Developments – Proceedings involving our Company*”.

C. *Proceedings involving our Subsidiary*

Madhu K.S filed a consumer complaint before the Consumer Disputes Redressal under Section 12 of the Consumer Protection Act, 1986 against the chairman and managing director, and the manager (housing finance) of SHFL alleging service deficiency and charing of usurious interest rates. The complainant prayed for a compensation of ₹ 0.93 million.

D. *Proceedings involving our Promoter*

1. SCL is involved in three appeals before the Income Tax Appellate Tribunal in relation to certain disallowances made by the assessing officer in their remit back assessment orders for the assessment years 2014-15 (the appeal involves an amount of Rs. 8.7 million) and 2016-17(89.61 million).
2. SCL is involved in proceedings before the Commissioner of Income Tax-Appeals in relation to certain disallowances made by the assessing officer and in relation to an order of the TDS assessing officer for levying interest for the assessment years 2017-18 (353.35 million) and 2010-11 (involving an amount of Rs.0.37 million), respectively.

E. *Material frauds committed against our Company in the last five years*

There have been instances of fraud, which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company in the last Fiscal and the period ending June 30, 2019.

STATEMENT OF TAX BENEFITS

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

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

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

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

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

I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.
2. As per section 2(29A) read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

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

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

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

3. As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.
4. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

5. Securities Transaction Tax (“STT”) is a tax levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the debentures.
6. Income tax is deductible at source on interest on debentures, payable to resident debenture holders at the time of credit/ payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:
 - a) Any security issued by a Company in a dematerialised form and is listed on recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
 - b) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family (‘HUF’), Debenture Holder does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.
 - c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
 - d) (i) When the resident Debenture Holder with Permanent Account Number (‘PAN’) (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, “Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax”.

Further, section 87A provides a rebate of 100 percent of income-tax or an amount of Rs. 12500 whichever is less to a resident individual whose total income does not exceed Rs.5,00,000.

The rebate u/s 87A has been increased to Rs.12,500/- for Resident Individuals whose total income does not exceed Rs.5,00,000 with effect from Assessment Year 2020-21 (Financial Year 2019-20). However once the total income exceeds Rs.5,00,000, no rebate is available.
 - (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.
 - (iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.
7. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.

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

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

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

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

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

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

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

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

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

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

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

- b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
 - c) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.
3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act, and at the normal rates for Short Term Capital Gains if the payee debenture holder is a non-resident Indian.
 4. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets whose gains are exempt under Section 10(38) of the I.T. Act) during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.
 5. The income tax deducted shall be increased by surcharge as under:

The Surcharge as per the Finance (No.2) Act 2019 is as under .
 - (a) In the case of non-resident individuals, HUF, association of persons, body of individuals and artificial juridical person, surcharge at the rate of 10% of such tax liability (if aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000) and 15% of such tax liability (if income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000) and 25% of such tax liability (if income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if income exceeds Rs.5,00,00,000) subject to deduction.
 - (b) In the case of foreign companies, surcharge at the rate of 2% of such tax liability where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000, surcharge at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 10,00,00,000.
 - (c) Health & Education Cess is to be applied at 4% on aggregate of base tax and surcharge.
 6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate ("TRC"), is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.
 7. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

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

1. As per Section 2(14) of the I.T. Act, any securities held by FPIs which has invested in such

securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FPIs as capital gains.

2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FPIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
3. Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess) in accordance with and subject to the provisions of Section 115AD of the I.T. Act.
4. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% (plus applicable surcharge and cess) on payment by way of interest paid by an Indian company to FPIs in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government.
5. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FPIs.
6. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. Tax benefits available to Mutual Funds

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

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

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

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

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

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.
2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVII-B (“deductee”) to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
 - (i) at the rate specified in the relevant provision of the I.T. Act; or
 - (ii) at the rate or rates in force; or
 - (iii) at the rate of twenty percent.
3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).
4. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (2) above in such a case.
5. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (2) above will apply apart from penal consequences.

VII. Taxability of Gifts received for nil or inadequate consideration

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

- (a) without any consideration, and the aggregate fair market value of such debentures exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures would be taxable as income from other sources;
- (b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration; shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the I.T. Act.

VIII. General Anti-Avoidance Rule (‘GAAR)

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter alia denial of tax benefit. Section 95 under Chapter XA contains the said provisions and the same are, applicable w.e.f 1-04-2018. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

NOTES:

The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by the Finance Act, 2019 and Finance (No.2) Bill, 2019. The amendments in Finance (No.2) Bill, 2019 will be applicable when the same is passed in parliament.

1. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
2. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the nonresident has fiscal domicile.
3. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.

The Surcharge as per the Finance (No.2) Act, 2019 is as under In the case of individuals, HUF, association of persons, body of individuals and artificial juridical person, surcharge at the rate of 10% of such tax liability (if aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000) and 15% of such tax liability (if income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000) and 25% of such tax liability (if income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if income exceeds Rs.5,00,00,000) subject to deduction.

- a) Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds Rs. 1 crore.
 - b) In the case of domestic companies, surcharge at the rate of 7% on tax where the income exceeds Rs 1 crore but does not exceed Rs. 10 crores and at the rate of 12% on tax where the income exceeds Rs. 10 crores.
4. Health and Education Cess is to be applied at 4% on aggregate of base tax and surcharge.
5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.
6. The above statement sets out the provisions of law in a summary manner only and is not complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
7. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
8. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION III – ISSUE RELATED INFORMATION

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue is being made pursuant to the resolution passed by the Board on July 25, 2018 and October 25, 2018 and the resolution passed by the Banking and Securities Management Committee approving the Draft Shelf Prospectus at its meeting held on February 19, 2019 and the resolution passed by the Banking and Securities Management Committee approving the Shelf Prospectus at its meeting held on March 27, 2019.

This Tranche 2 Issue and Tranche 2 Prospectus have been approved by the Banking and Securities Management Committee by its resolution as its meeting held on August 16, 2019.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders of the Company at the Annual General Meeting of the Company on July 29, 2019.

Eligibility to make the Issue

Our Company, the persons in control of our Company, our Directors or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Neither our Company nor our Promoter nor Directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Consents

Consents in writing of the Directors, the Chief Financial Officer, the Compliance Officer, the Statutory Auditors, Bankers to the Company, Bankers to the Issue, Lead Managers, Registrar to the Issue, Legal Counsel to the Company and Lead Managers as to Indian law, Credit Rating Agencies, Industry Expert and the Debenture Trustee, Consortium Members to act in their respective capacities, have been obtained and shall be filed along with this Tranche 2 Prospectus with the RoC.

Our Company has appointed Catalyst Trusteeship Limited as the Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to our Company for its appointment which is enclosed as Annexure B.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED AND IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS

RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 16, 2019 WHICH READS AS FOLLOWS:

1. WE CONFIRM THAT NEITHER THE COMPANY NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE 2 ISSUE OR RELATING TO THE TRANCHE 2 ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE TRANCHE 2 ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.
3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.
5. WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED FEBRUARY 19, 2019 HOSTED ON THE WEBSITE OF BSE LIMITED, BEING THE DESIGNATED STOCK EXCHANGE.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER DATED FEBRUARY 28, 2019 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN

CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JULY 27, 2015 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45I-A OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RESERVE BANK OF INDIA DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO FINANCIAL SOUNDNESS OF THE COMPANY OR CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY THE COMPANY.

Disclaimer in Respect of Jurisdiction

The Issue is being made in India, to investors from Category I, Category II, Category III and Category IV. This Tranche 2 Prospectus will not, however constitute an offer to sell or an invitation to subscribe to the NCDs offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Tranche 2 Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

CRISIL Disclaimer

CRISIL Limited (CRISIL) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Shriram City Union Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Tranche 2 Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Tranche 2 Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Tranche 2 Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Change in auditors of our Company during the last three years

The following are the details of change in the auditors of our Company during the last three years:

S. No	Name of auditor	Address	Date of appointment/ resignation	Auditor of the Company since (in case of resignation)	Reason
1	M/s Pijush Gupta & Co, Chartered Accountants	GF -17, Augusta Point , Golf Course Road, Sector – 53. Gurugram – 122002.	Resigned on June 30, 2017	M/s G D Apte & Co Chartered Accountants	Retired at the AGM held on June 30, 2017
2	M/s G D Apte & Co Chartered Accountants	GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038	Appointed on June 30, 2017	Not applicable.	Appointed at the AGM held on June 30, 2017

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Reservation

No portion of this Issue has been reserved.

Reservations or Qualifications or Adverse Remarks of Auditors

There have been no reservations of qualifications or adverse remarks of auditors in the last five fiscals.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The SCD Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The above-mentioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of that year.

Statement by the Board of Directors

- (i) All monies received out of the issue of the NCDs to the public shall be transferred to a separate bank account other than the bank account referred to in section 40(3) of the Companies Act, 2013;
- (ii) Details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies were utilised; and
- (iii) Details of all unutilised monies out of the Tranche 2 Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

- (iv) if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Tranche 2 Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants as per applicable laws;

Track Record of past issues handled by the Lead Managers

The track record of past issues handled by A.K Capital and Edelweiss are at available www.akgroup.co.in and www.edelweissfin.com respectively.

Listing

The NCDs will be listed on BSE. BSE is the Designated Stock Exchange. BSE has given in-principle listing approval through their letter dated February 28, 2019.

If the permission to list and trade the NCDs has not been granted by the BSE, our Company shall repay all such moneys received from the Applicant in compliance with applicable law. Our Company shall use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE will be taken within 6 Working Days from the Tranche 2 Issue Closing Date.

Details regarding lending out of issue proceeds and loans advanced by the Company

A. Lending Policy

Our lending policy is as detailed in the section titled “Our Business” on page 76 of the Shelf Prospectus.

B. Loans given by our Company to associates, entities or persons relating to the Board, senior management or Promoters

Company has not provided any loans or advances to associates, entities or persons relating to the Board, senior management or Promoters out of the proceeds of the previous public issues of debt securities.

C. Types of loans

Type of loans/advances given by the Company as on March 31, 2019 on a standalone basis:

S. No	Type of loan	Amount (in ₹ million)	Percentage (%)
1	Secured	2,20,427.24	76.23%
2	Unsecured	68,728.77	23.77%
	Total assets under management (AUM)	2,89,156.01	100.00%

Types of loans according to sectoral exposure as on March 31, 2019 is as follows on a standalone basis:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	Retail	
a	-Mortgages (home loans and loans against property)	-
b	-Gold loans	9.38%
c	- Vehicle finance	20.36%
d	-MFI	-
e	-M and SME	61.40%
f	-Capital market funding (loans against shares, margin funding)	-
h	-Others	8.86%
2	Wholesale	
a	-Infrastructure	-
b	-Real estate (including builder loans)	-
c	-Promoter funding	-
d	-Any other sector (as applicable)	-
e	-Others	-
	Total	100%

Denomination of loans outstanding by ticket size as on March 31, 2019 on a standalone basis:

S. No	Ticket size*	Percentage of AUM
1	Up to ₹ 0.2 million	36.17%
2	₹ 0.2-.5 million	10.85%
3	₹ 0.5-1 million	13.12%
4	₹ 1-2.5 million	20.26%
5	₹ 2.5-5 million	5.74%
6	₹ 5 million-10 million	3.98%
7	₹ 10-50 million	6.64%
8	₹ 50-250 million	2.99%
9	₹ 250-1000 million	0.25%
10	> ₹ 1000 million	-
Total		100%

Denomination of loans outstanding by LTV* as on March 31, 2019 on a standalone basis:

S. No	LTV	Percentage of AUM
1	Up to 40%	0.71%
2	40-50%	1.45%
3	50-60%	3.90%
4	60-70%	8.93%
5	70-80%	8.68%
6	80-90%	5.92%
7	>90%	70.41%
Total		100%

*LTV at the time of origination

Geographical classification of borrowers as on March 31, 2019 on a standalone basis:

S. No.	Top 5 states / Region	Percentage of AUM
1	Tamil Nadu	26.17%
2	Andhra Pradesh	18.57%
3	Maharashtra	18.27%
4	Telangana	14.48%
5	Gujarat	5.62%
Total		84.83%

D. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2019 on a standalone basis.

	Amount
Total Advances to twenty largest borrowers (in ₹ million)	4,583.15
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	1.59%

E. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2019 on a standalone basis.

	Amount
Total exposure to twenty largest borrowers / customers (in ₹ million)	3,914.88
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers (in %)	1.35%

F. Details of loans overdue and classified as non – performing in accordance with the RBI's guidelines as on March 31, 2019.

Movement of gross NPAs*	Amount (in ₹ million)
(a) Opening balance	25,938.49
(b) Additions during the year	13,119.61
(c) Reductions during the year	13,291.21
(d) Closing balance	25,766.89

Movement of provisions for NPAs	Amount (in ₹ million)

(a) Opening balance	12,234.00
(b) Provisions made during the year	5,715.64
(c) Write-off / write -back of excess provisions	6,712.21
(d) Closing balance	11,237.43

G. Segment –wise gross NPA as on March 31, 2019

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	Retail	
a	-Mortgages (home loans and loans against property)	-
b	-Gold loans	2.34%
c	- Vehicle finance	10.02%
d	-MFI	-
e	-MandSME	9.24%
f	-Capital market funding (loans against shares, margin funding)	-
h	-Others	11.04%
2	Wholesale	
a	-Infrastructure	-
b	-Real estate (including builder loans)	-
c	-Promoter funding	-
d	-Any other sector (as applicable)	-
e	-Others	-
	Total	8.91%

H. Classification of consolidated borrowings as on March 31, 2019

S. No	Type of Borrowings	Amount (₹ in million)	Percentage
1	Secured	1,85,637.26	76.51%
2	Unsecured	56,988.04	23.49%
	Total	2,42,625.30	100.00%

I. Promoter Shareholding

There has been no change in our Promoter’s shareholding in our Company beyond the limit prescribed by RBI in the last financial year.

J. Maturity pattern of certain items of assets and liabilities on as standalone basis as on March 31, 2019

(₹ in million)

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	2,402.70	1,096.76	1,103.93	2,769.77	5,085.05	16,205.23	3,688.86	-	32,352.28
Advances	14,823.57	11,344.69	11,525.78	37,378.13	62,021.84	89,228.69	24,550.76	19,017.63	269,891.09
Investments	2,064.75	-	31.07	0.86	1,804.38	1,200.00	810.00	2,751.19	8,662.26
Borrowings	17,909.78	8,847.39	17,745.52	18,438.33	37,777.11	81,545.92	12,499.55	(433.39)	194,330.21
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	710.34	-	-	710.34

K. Onward lending to borrowers forming part of the “group” as defined by RBI

There is no onward lending to borrowers forming part of the “group” as defined by RBI.

Utilisation of proceeds of previous issues by our Company and group companies:

Since the initial public offering of our Company on December 22, 1994, our Company has not made any public issues of any Equity Shares.

Details of utilization of proceeds of previous public issues of debentures by our Company are as follows:

S. No	Date of offer document	Total Issue Proceeds (₹ in million)	Amount utilized as on date of the Tranche 2 Prospectus (₹ in million)
1	August 3, 2011	7,500.00	7,500.00
2	September 26, 2012	4,360.00	4,360.00
3	November 18, 2013	1,5361.06	1,5361.06
4	March 24, 2014	2,000.00	2,000.00
5	March 27, 2019	6,669.28	6,669.28

Our group companies have not made any public issuances of debentures in the past five years preceding the date of the Draft Shelf Prospectus until the date of this Tranche 2 Prospectus.

Mechanism for redressal of investor grievances

Integrated Registry Management Services Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

All grievances relating to the Tranche 2 Issue should be addressed to the Registrar to the Issue and the Compliance Officer giving full details of the Applicant, number of NCDs applied for, amount paid on application series applied for and Member of the Syndicate/Trading Member/SCSB to which the application was submitted.

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

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

ISSUE STRUCTURE

The following are the key terms of the NCDs issued under this Tranche 2 Prospectus. This section should be read in conjunction with and is qualified in its entirety by more detailed information in “*Terms of the Issue*” on page 92 of this Tranche 2 Prospectus.

The NCDs being offered as part of the Tranche 2 Issue are subject to the provisions of the SEBI Debt Regulations, the Debt Listing Agreement, and the Companies Act, 2013, the RBI Act, the terms of the Shelf Prospectus, this Tranche 2 Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Issuer	Shriram City Union Finance Limited.
Type of instrument/Security Name	Secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each.
Nature of instrument	Secured.
Seniority	Senior.
Mode of issue	Public issue.
Eligible Investors	See the section titled “ <i>Issue Procedure</i> ” on page 103 of this Tranche 2 Prospectus.
Listing	The NCDs shall be listed on the BSE within 6 Working Days from the Tranche 2 Issue Closing Date.
Rating of the instrument	‘CARE AA+ Stable’ (Double A Plus; Outlook: Stable) by CARE and ‘CRISIL AA/Stable’ (pronounced as CRISIL double A rating with Stable outlook) by CRISIL Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale of this rating, see Annexure A of this Tranche 2 Prospectus.
Base Issue size	₹ 1,000 million
Option to retain oversubscription	₹ 9,000 million.
Objects of the Issue	See the section titled “ <i>Objects of the Issue</i> ” on page 20 of this Tranche 2 Prospectus.
Details of utilization of proceeds	See the section titled “ <i>Objects of the Issue</i> ” on page 20 of this Tranche 2 Prospectus.
Coupon rate	See the section titled “ <i>Terms of the Issue</i> ” on page 92 of this Tranche 2 Prospectus.
Step up/ step down coupon rates	NA
Coupon payment frequency	See the section titled “ <i>Terms of the Issue</i> ” on page 92 of this Tranche 2 Prospectus.
Coupon payment dates	See the section titled “ <i>Terms of the Issue</i> ” on page 92 of this Tranche 2 Prospectus.
Coupon type	Fixed.
Coupon reset process	NA
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
Day count basis	Actual/ Actual.
Tenor	See the section titled “ <i>Terms of the Issue</i> ” on page 92 of this Tranche 2 Prospectus.
Redemption Dates	See the section titled “ <i>Terms of the Issue</i> ” on page 92 of this Tranche 2 Prospectus.
Redemption Amount	See the section titled “ <i>Terms of the Issue</i> ” on page 92 of this Tranche 2 Prospectus.
Redemption Premium/Discount	NA
Issue Price (in ₹)	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	NA
Put Date/Put Price/Call Date/Call Price/ Put Notification Time/Call Notification Time	NA
Face Value (in ₹)	₹ 1,000 per NCD

Minimum application size and in multiples of debt securities thereafter	₹10,000 (10 NCDs) and in multiple of ₹1,000 (1 NCD) thereafter
Issue Timing 1. Tranche 2 Issue Opening Date 2. Tranche 2 Issue Closing Date	1. August 21, 2019 2. September 19, 2019
Pay-in Date	Application Date. The entire Application Amount is payable on Application
Deemed date of Allotment	The date on which the Banking and Securities Management Committee approves the Allotment of the NCDs for the Tranche 2 Issue, or such other date as may be determined by the Banking and Securities Management Committee and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in this Tranche 2 Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Issuance mode of the instrument	Dematerialised form only.
Trading	In dematerialised form only.
Depositories	NSDL and CDSL.
Business day convention/ Working Day	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Tranche 2 Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when stock exchanges are closed for trading. Furthermore, for the purpose of post issue period, i.e. period beginning from the Tranche 2 Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges in India excluding Sundays and bank holidays in Mumbai. If the date of payment of interest specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the “ Effective Date ”), however the calculation for payment of interest will be only till the originally stipulated date of payment of interest. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last interest payment date) falls on a holiday, the interest/redemption payments shall be made only on the preceding Working Day, along with interest accrued on the NCDs until such date, however, excluding the date of such payment.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under this Tranche 2 Prospectus. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Security	The principal amount of the NCDs to be issued in terms of this Tranche 2 Prospectus together with all interest due on the NCDs by way of a first and exclusive charge on specified future receivables of our Company in favor of the Debenture Trustee and first and exclusive charge on identified immovable property of our Company, as decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favor of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon pursuant to the Issue.
Transaction documents	Transaction documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 2 Prospectus read with any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trust Deed, Debenture Trust Agreement, Public Issue Account Agreement and Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, “ <i>Material Contracts and Documents for Inspection</i> ” on page 124.
Conditions Precedent to Disbursement	Other than the conditions specified in the Debt Regulations, there are no conditions precedents to disbursement.
Conditions Subsequent to Disbursement	Other than the conditions specified in the Debt Regulations, there are no conditions subsequent to disbursement.
Events of default	See the section titled “Terms of the Issue” on page 92 of this Tranche 2 Prospectus.
Cross default provisions	See the section titled “Terms of the Issue” on page 92 of this Tranche 2 Prospectus.
Roles and responsibility of the Debenture Trustee	See the section titled “Terms of the Issue” on page 92 of this Tranche 2 Prospectus.
Governing law and jurisdiction	The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the NCD Holders will be subject to the jurisdiction of

	competent courts in Chennai.
Security cover	At least 100% of the outstanding NCDs and the interest thereon at any point of time.

** In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form.*

***The Tranche 2 Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in this Tranche 2 Prospectus, except that the Tranche 2 Issue may close on such earlier date or extended date as may be decided by the Board. In the event of such an early closure of or extension of the Tranche 2 Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or initial date of closure. Applications Forms for the Tranche 2 Issue will be accepted only from 10:00 a.m. till 5:00 p.m. or such extended time as may be permitted by BSE, on Working Days during the Tranche 2 Issue Period. On the Tranche 2 Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. or such extended time as may be permitted by BSE.*

Please see “Issue Procedure” on page 103 of this Tranche 2 Prospectus. for details of category wise eligibility and allotment in the Tranche 2 Issue.

Participation by any of the investor classes in this Tranche 2 Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see section titled “Issue Procedure” on page 103 of this Tranche 2 Prospectus.

TERMS OF THE ISSUE

Specific terms for each series of the NCDs

Particulars	Series							
	I	II	III	IV	V	VI	VII	VIII
Frequency of Interest Payment	Annual	Cumulative	Annual	Monthly	Cumulative	Annual	Monthly	Cumulative
Minimum Application	₹10,000 (10 NCDs) across all series collectively.							
Face Value/ Issue Price of NCDs	₹1,000 per NCD							
In multiples of thereafter	₹1,000 (1 NCDs) across all series							
Tenor	24 months	24 months	36 months	36 months	36 months	60 months	60 months	60 months
Coupon (% per annum)	9.55	NA	9.70	9.30	NA	9.85	9.45	NA
Effective Yield (% per annum)	9.54	9.55	9.69	9.70	9.70	9.84	9.86	9.85
Mode of Interest Payment	Through various modes available.							
Amount on Maturity (₹)	1,000	1,200.45	1,000	1,000	1,320.50	1,000	1,000	1,600.40
Put and Call Options	NA							
Nature of indebtedness	Secured							

With respect to series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual series will be made at the time of redemption of the NCDs.

Subject to applicable tax deducted at source, if any

Please refer to Annexure C for details pertaining to the cash flows of the Company in accordance with the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

**Our Company would allot the Series III NCDs, as specified in this Tranche 2 Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of NCDs.*

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Tranche 2 Issue.

Maturity and Redemption

Series I NCDs

In case of Series I NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD:

Category of NCD Holders	Coupon (%)
All categories	9.55

Series I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

Series II NCDs

In case of Series II NCDs, interest along with the principal would be redeemed at the end of 24 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
All categories	1,000	1,200.45

Series III NCDs

In case of Series III NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III NCD:

Category of NCD Holders	Coupon (%)
All categories	9.70

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series IV NCDs

In case of Series IV NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IV NCD:

Category of NCD Holders	Coupon (%)
All categories	9.30

Series IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series V NCDs

In case of Series V NCDs, interest along with the principal would be redeemed at the end of 36 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
All categories	1,000	1,320.50

Series VI NCDs

In case of Series VI NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VI NCD:

Category of NCD Holders	Coupon (%)
All categories	9.85

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VII NCDs

In case of Series VII NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VII NCD:

Category of NCD Holders	Coupon (%)
All categories	9.45

Series VII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VIII NCDs

In case of Series VIII NCDs, interest along with the principal would be redeemed at the end of 60 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
All categories	1,000	1,600.40

Payment of Interest

The amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on Sundays or holidays of commercial banks in Mumbai, then interest as due and payable on such day, would be paid on the succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the NCDs as per the Depositories as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details please see “*Manner of Payment of Interest / Refund / Redemption*” on page 94 of this Tranche 2 Prospectus.

Ranking of NCDs

The NCDs would constitute secured obligations of our Company and shall rank *pari passu* with the existing secured creditors on all loans and advances/ book debts/ receivables, both present and future of our Company and immovable property equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of

the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Shelf Prospectus the Tranche 2 Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. A register of NCD Holders holding NCDs in physical form ("**Register of NCD Holders**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the updated record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose.
6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Transaction Documents and the Debenture Trust Deed.

Nomination Facility to NCD Holders

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and the Companies Act, 2013, the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as holder of NCDs; or
- (b) to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form. Applicants holding NCDs in the physical form should provide required details in connection with their nominee to our Company and inform our Company in connection with NCDs held in the physical form.

Taxation

As per clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the SCRA and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Deemed Date of Allotment

The date on which the Banking and Securities Management Committee approves the Allotment of the NCDs for this Tranche 2 Issue, or such other date as may be determined by the Banking and Securities Management Committee and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in this Tranche 2 Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.

Application Size

Each application should be for a minimum of 10 NCDs and multiples of 1 NCD thereafter (for all series of NCDs taken individually or collectively). The minimum application size for each application for NCDs would be ₹10,000 and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per NCD, as specified in this Tranche 2 Prospectus, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of this Tranche 2 Prospectus.

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption as per this Tranche 2 Prospectus. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below*:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 2,00,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/

redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form, on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least 7 days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through post.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of NCDs held under different option, separate certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each series.

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form. Further, no action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

NCDs held in physical form on account of rematerialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.*

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, as applicable on the date of this Tranche 2 Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "Issue Structure" on page 89 of this Tranche 2 Prospectus for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, the relevant provisions of which shall come into effect from April 1, 2019, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche 2 Prospectus shall apply, *mutatis mutandis* (to the extent applicable) to the NCD(s) as well.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Common form of transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holders required to be given by us or the Debenture Trustee will be sent by post or through email or other electronic media to the registered NCD Holders from time to time.

Issue of duplicate NCD Certificate(s)

If NCD certificate(s) is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The principal amount of the NCDs to be issued in terms of this Tranche 2 Prospectus together with all interest due on the NCDs by way of a first and exclusive charge on specified future receivables of our Company in favor of the Debenture Trustee and first and exclusive charge on identified immovable property of our Company, as decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favor of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs, and the interest thereon.

Our Company intends to enter into an agreement with the Debenture Trustee, (“**Debenture Trust Deed**”), the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Tranche 2 Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the NCD holders

We have appointed Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) to act as the Debenture Trustees for the NCD Holders. The Debenture Trustee and we will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us *pro tanto* to the NCD Holders. The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s).

As per the RBI circular dated June 27, 2013, our Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues.

Lien on pledge of NCDs

Our Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be as disclosed in Annexure C.

Payment of Interest

If allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be refunded/unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please see, “*Issue Procedure - Rejection of Applications*” on page 106 of this Tranche 2 Prospectus.

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

ISSUE PROCEDURE

This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018, which provides, inter-alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts

ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche 2 Prospectus.

Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("Debt Application Circular"). The procedure mentioned in this section is subject to the Stock Exchange putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by the Stock Exchange and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE 2 PROSPECTUS, THE TRANCHE 2 ISSUE OPENING DATE AND THE TRANCHE 2 ISSUE CLOSING DATE.

THE LEAD MANAGERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Tranche 2 Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche 2 Issue Closing

Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Who can apply?

The following categories of persons are eligible to apply in this Issue.

Category I

- Public financial institutions scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

- High Net-worth Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10,00,000 across all Series of NCDs in this Tranche 2 Issue

Category IV

- Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all Series of NCDs in

this Tranche 2 Issue.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Tranche 2 Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Tranche 2 Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche 2 Prospectus.

How to apply?

Availability of the Shelf Prospectus, this Tranche 2 Prospectus, Abridged Prospectus and Application Forms.

Please note that there is a single Application Form for who are persons resident in India.

Copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, this Tranche 2 Prospectus together with Application Forms and copies of the Shelf Prospectus and this Tranche 2 Prospectus may be obtained from our Registered and Corporate Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Shelf Prospectus, this Tranche 2 Prospectus and the Application Forms will be available

- (i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Managers at www.akgroup.co.in and www.edelweissfin.com.
- (ii) at the designated branches of the SCSBs and the Members of the Consortium/Lead Brokers at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Tranche 2 Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under this Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange have confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Tranche 2 Issue.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016 (“**SEBI Circular 2016**”), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards single issuer limit is 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval).

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates, (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and, (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; (iv) a letter of authorisation and (v) certificate of registration from RBI. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; (iv) specimen signatures of authorised signatories and (v) certificate of registration from IRDAI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) specimen signature of authorized person; (vi) a certified copy of the registered instrument for creation of such fund/trust; and (vii) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Non-banking financial companies

Applications made by non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) board resolution authorising investments; (iii) specimen signature of authorized person; (iv) registration certificate from RBI.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in this Tranche 2 Issue.

Applications cannot be made by:

- a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
- b) Foreign nationals;
- c) Persons resident outside India;
- d) Foreign Institutional Investors;
- e) Foreign Portfolio Investors;
- f) Non Resident Indians;
- g) Qualified Foreign Investors;
- h) Overseas Corporate Bodies**;
- i) Foreign Venture Capital Funds; and
- j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Tranche 2 Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche 2 Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account Bank and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Tranche 2 Prospectus with ROC

A copy of this Tranche 2 Prospectus shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Tranche 2 Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of this Tranche 2 Prospectus with the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

- (a) Applications must be made in the prescribed Application Form.
- (b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Shelf Prospectus, this Tranche 2 Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the

Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

- (c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in this Tranche 2 Prospectus.
- (d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
- (f) Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- (g) Applicants must ensure that their Application Forms are made in a single name.
- (h) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- (i) Applicant should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
- (j) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
- (k) Applications for all the options of the NCDs may be made in a single Application Form only.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Tranche 2 Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Tranche 2 Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Tranche 2 Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

- (a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.
- (b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Members of the Consortium and the other Designated Intermediaries during the Tranche 2 Issue Period. On the Tranche 2 Issue Closing Date, the Members of the Consortium and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of the Consortium and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
- (c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the

Application Form during the Issue Period.

- (d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.
- (e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Members of the Consortium or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.
- (f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Shelf Prospectus, the Shelf Prospectus or this Tranche 2 Prospectus nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.
- (g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.
- (h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Tranche 2 Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche 2 Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's

- **Check if you are eligible to apply as per the terms of the Shelf Prospectus, this Tranche 2 Prospectus and applicable law;**
- **Read all the instructions carefully and complete the Application Form;**
- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;
- Applications are required to be in single or joint names (not more than three);
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;
- Ensure that Applications are submitted to the Designated Intermediaries, before the closure of application hours on the Issue Closing Date;
- Information provided by the Applicants in the Application Form will be uploaded on to the online

platform of the Stock Exchange by the Designated Intermediaries, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;

- Ensure that the Applicant's names (given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;
- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;
- Ensure that you request for and receive an Acknowledgement Slip for all your Applications and an acknowledgement as a proof of having been accepted;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs;
- Before submitting the physical Application Form with the Designated Intermediaries, ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- For Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Banks or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Bank (assuming that such bank is not a SCSB), to our Company, the Registrar to the Issue or the Designated Intermediaries;
- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the, or to the Members of the Consortium at the Specified Locations, or to the Designated Intermediaries, as the case may be;
- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application

Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Consortium, or the Designated Intermediaries, as the case may be, for the submission of the Application Form;
- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that your Application Form bears the stamp of the relevant Designated Intermediaries to whom the Application is submitted;
- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
- Tick the Option of NCDs in the Application Form that you wish to apply for.

Don'ts

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, by money order, postal order or by stockinvest;
- Do not send the Application Forms by post; instead submit the same to the Designated Intermediaries (as the case may be) only;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not fill up the Application Form such that the NCDs applied for exceeds the size of this Issue and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;
- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;
- Do not submit more than five Application Forms per ASBA Account;
- Do not submit the Application Forms without the Application Amount; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, please see the section titled "*Issue Procedure*" on page 103 of this Tranche 2 Prospectus.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other options of NCDs, as specified in the relevant Tranche Prospectus for each Tranche Issue, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Tranche Issue for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

- (i) Tripartite Agreements dated March 30, 2000 and April 30, 1999, between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (iv) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- (v) It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
- (vi) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- (vii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under this Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 103 of this Tranche 2 Prospectus.

Communications

All future communications in connection with Applications made in this Tranche 2 Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Tranche 2 Issue related problems and/or post-Tranche 2 Issue related problems such as non-receipt of

Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any post-Tranche 2 Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not made through the ASBA facility
- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount blocked being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- Investor Category in the Application Form not being ticked;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided by the Applicant;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Submission of more than 5 ASBA Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID and Client ID not mentioned in the Application Form;
- Applications by stockinvest or accompanied by cash/money order/postal order or any mode other than ASBA;
- If an authorization to the SCSB for blocking funds in the ASBA Account has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a Limited Liability Partnership firm can apply in its own name;
- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors

residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;

- GIR number mentioned in the Application Form instead of PAN;
- Application by OCBs;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the DP ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Application Forms from Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- Applications for an amount below the minimum Application size;
- Inadequate funds or no credit balance in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Applications not uploaded on the terminals of the Stock Exchange;
- Applications providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- Application Forms submitted to the Designated Intermediaries does not bear the stamp of the relevant Designated Intermediaries. Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Consortium, or other Designated Intermediaries, as the case may be;
- Applications by other persons who are not eligible to apply for NCDs under this Issue under applicable Indian regulatory requirements;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and this Tranche 2 Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and this Tranche 2 Prospectus;
- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the Application Form;
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application; and

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Mode of making refunds

The payment of refund, if any, may be done through various electronic modes mentioned below:

- i. **Direct Credit** – Applicants having bank accounts with the Banker(s) to the Issue shall be eligible to

receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

- ii. **NACH** – Payment of refund would be done through NACH for Applicants having an account at any of the centres specified by RBI, where such facility has been made available. This mode of payment of refunds, if any, would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds, if any, through this mode will be done for Applicants having a bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).
- iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- iv. **RTGS** – If the refund amount exceeds ₹ 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the Banker(s) to the Issue for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche 2 Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by post at the Applicant's sole risk, within six Working Days from the Tranche 2 Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

- a) Allotment of NCDs in this Tranche 2 Issue shall be made within the time period stipulated by SEBI;
- b) Credit to dematerialised accounts will be given within one Working Day from the Deemed Date of Allotment;
- c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within 6 Working days from the Tranche 2 Issue Closing Date, for the delay beyond 6 Working days in case of non-receipt of minimum subscription; and
- d) Our Company will provide adequate funds to the Registrar to the Issue / relevant banks for this purpose.

Basis of Allotment

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the valid Applications for the purpose of drawing the basis of allocation.

Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, (“**Institutional Portion**”);
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, (“**Non-Institutional Portion**”).
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, (“**High Net-worth Individual Category Portion**”).
- D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, (“**Retail Individual Category Portion**”).

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net-worth Individual Category Portion**" and "**Retail Individual Category Portion**" are individually referred to as “**Portion**” and collectively referred to as “**Portions**”.

Allocation Ratio

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
10%	10%	40%	40%

(a) *Allotments in the first instance:*

- i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Tranche 2 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Tranche 2 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of Tranche 2 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange; and
- iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of Tranche 2 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with the Stock Exchange, in each Portion subject to the Allocation Ratio indicated at the section titled “*Issue Procedure – Basis of Allotment*” at page 66 of this Tranche 2 Prospectus.

As per the SEBI circular dated October 29, 2013, the allotment in this Tranche 2 Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

- (b) *Under Subscription:* If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non-Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis.

- (c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchange on a particular date exceeds NCDs to be Allotted for each portion respectively.
- (d) Minimum Allotments of 1 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.
- (e) *Allotments in case of oversubscription:* In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of SNCDs to the applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).
- (f) *Proportionate Allotments:* For each Portion, on the date of oversubscription:
 - i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
 - ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche 2 Issue Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
 - iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.
- (g) *Applicant applying for more than one Series/Options of NCDs:* If an Applicant has applied for more than one series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Managers and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 8 (eight) series and in case such Applicant cannot be allotted all the 8 (eight) Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Managers wherein the NCDs with the least tenor i.e. Allotment of NCDs with tenor of 24 months followed by Allotment of NCDs with tenor of 36 months and so on.
- (h) *Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications:* The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche 2 Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Tranche 2 Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Tranche 2 Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company would allot Series III NCDs to all valid applications, wherein the applicants have selected only NCDs, but have not indicated their choice of the relevant options of the NCDs.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Retention of oversubscription

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche 2 Issue up to the Tranche 2 Issue Limit i.e. aggregating up to ₹ 10,000 million. The aggregate value of NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche 2 Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the “**Tranche 2 Issue Limit**”.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Tranche 2 Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Tranche 2 Issue at any time prior to the Tranche 2 Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Tranche 2 Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Tranche 2 Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Tranche 2 Issue Closing Date.

In the event of such early closure of this Tranche 2 Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche 2 Issue Closing Date as applicable, through advertisement(s) in all those newspapers in which pre-Tranche 2 Issue advertisement and advertisement for opening or closure of this issue have been given.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Tranche 2 Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Tranche 2 Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche 2 Issue Closing Date. However, in order that the data so captured is accurate, the Designated

Intermediaries will be given up to one Working Day (till 1:00 PM) after the Tranche 2 Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche 2 Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Utilisation of Application Amounts

The sum received in respect of the Tranche 2 Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of this Issue

- All monies received out of this Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.
- The allotment letter shall be issued or application money shall be refunded within 6 Working days from the closure of this Tranche I Issue or such lesser time as may be specified by Securities and Exchange Board, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.
- Details of all monies unutilised out of the previous issues made by way of public offer, as well as the monies to be raised through this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.
- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.
- Details of all unutilised monies out of this Tranche 2 Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of this Issue remains unutilized indicating the form in which such unutilised monies have been invested.
- We shall utilize proceeds of this Issue subsequent to (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining listing and trading approval as stated in this Tranche 2 Prospectus in “*Issue Structure*” on page 89 of this Tranche 2 Prospectus.
- Proceeds of this Tranche 2 Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.
- Proceeds of this Tranche 2 Issue shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

Listing

The NCDs proposed to be offered in pursuance of the Shelf Prospectus and this Tranche 2 Prospectus will be listed on the BSE. For the purpose of the Tranche 2 Issue, BSE is the designated stock exchange. Our Company has received an 'in-principle' approval from BSE by way of its letter dated February 28, 2019. The application for listing of the NCDs will be made to BSE at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Tranche 2 Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days from the Tranche 2 Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such NCDs with series shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Undertaking by our Company

We undertake that:

- a) the complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;
- b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. six Working Days from the Tranche 2 Issue Closing Date.;
- c) if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Tranche 2 Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants as per applicable laws;
- d) the funds required for dispatch of allotment advice/ certificates by post shall be made available to the Registrar to the Issue by our Company;
- e) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;
- f) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;
- g) we shall disclose the complete name and address of the Debenture Trustee in our annual report;
- h) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in the Tranche 2 Prospectus; and
- i) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION IX – MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Shelf Prospectus and until the date of this Tranche 2 Prospectus) which are or may be deemed material have been entered or are to be entered into by

our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at 123, Angappa Naicken Street, Chennai 600 001, Tamil Nadu, India, from 10.00 a.m. and 12.00 noon on any Working Day during which the Tranche 2 Issue is open for public subscription.

MATERIAL CONTRACTS

1. Shareholders' Agreement dated March 30, 2012 as amended by an agreement dated July 5, 2013 between SHFL, Valiant Mauritius Partners FDI Limited and our Company;
2. Agreement dated May 29, 2015 between Dynasty Acquisitions Limited and our Company;
3. License Agreement dated April 1, 2010 between Shriram Ownership Trust and our Company and extension letter dated April 1, 2013;
4. Issue Agreement dated February 18, 2019 between our Company and the Lead Managers;
5. Amendment to the Issue Agreement dated August 16, 2019;
6. Registrar Agreement dated February 18, 2019 between our Company and the Registrar to the Issue;
7. Debenture Trustee Agreement dated February 16, 2019 between our Company and the Debenture Trustee;
8. Public Issue Account Agreement dated August 16, 2019 between our Company, the Registrar, the Bankers to the Issue and the Lead Managers;
9. Consortium Agreement dated August 16, 2019 between our Company, the Lead Managers and Consortium Members;
10. Tripartite Agreements dated March 30, 2000 and April 30, 1999 between our Company, the Registrar to the Issue and CDSL and NSDL respectively.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date;
2. Copy of shareholders resolution dated July 25, 2018 and July 29, 2019 on borrowing limit;
3. Copy of the Board resolutions dated July 25, 2018 and October 25, 2018 approving the Issue;
4. Copy of the resolution passed by the Banking and Securities Management Committee at its meeting held on February 19, 2019 approving the Draft Shelf Prospectus;
5. Copy of the resolution passed by the Banking and Securities Management Committee at its meeting held on March 27, 2019 approving the Shelf Prospectus;
6. Copy of the resolution passed by the Banking and Securities Management Committee at its meeting held on August 16, 2019 approving this Tranche 2 Prospectus;
7. Consents of each of the Directors, the Chief Financial Officer the Compliance Officer, Lead Managers, legal counsel to the Company and Lead Managers as to Indian Law, Registrar to the Issue, Bankers to our Company, Bankers to the Issue, the Debenture Trustee, Consortium Members/Lead Brokers and the Credit Rating Agencies to include their names in the Prospectus, in their respective capacities;
8. Credit rating letter dated December 11, 2018, revalidation letter dated February 14, 2019, revalidation letter dated March 20, 2019, revalidation letter dated August 14, 2019 and credit rating rationale dated December 11, 2018 by CARE Ratings assigning a rating of CARE AA+ Stable (Double A Plus; Outlook: Stable) in respect of the NCDs.
9. Credit rating letter dated December 6, 2018, revalidation letter dated February 19, 2019, revalidation letter dated March 19, 2019, revalidation letter dated August 9, 2019 and credit rating rationale dated December 4, 2018 by CRISIL assigning a rating of CRISIL AA/Stable' (pronounced as CRISIL double A rating with Stable outlook) in respect of the NCDs.
10. Consent of the Statutory Auditor dated February 19, 2019, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in the Shelf Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013 in relation to their (i) examination reports, each dated February 16, 2019 on the Reformatted Consolidated Financial Information under IGAAP and the Reformatted Standalone Financial Information under IGAAP; (ii) Limited Review Report dated October 25, 2018 on the Limited Review Financial Information for the quarter and half year ended September 30, 2018; (iii) Limited Review Report dated January 25, 2019 on the Limited Review Financial Information for the quarter and nine-months ended December 31, 2018; and (iv) their report dated February 18, 2019 on the statement of tax benefits, included in the Shelf Prospectus.
11. Consent of the Statutory Auditor dated August 16, 2019, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Tranche 2 Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 read with

Section 26(5) of the Companies Act, 2013 in relation to their (i) examination reports, each dated August 07, 2019 on the Reformatted Consolidated Financial Information under Ind AS and the Reformatted Standalone Financial Information under Ind AS; (ii) Limited Review Report dated July 29, 2019 on the Limited Review Financial Information for the three month period ended June 30, 2019; and (iv) their report dated August 16, 2019 on the statement of tax benefits, included in this Tranche 2 Prospectus.

12. Statutory Auditor's examination reports, each dated February 16, 2019 on the Reformatted Consolidated Financial Information under IGAAP and the Reformatted Standalone Financial Information under IGAAP.
13. Statutory Auditor's examination reports, each dated August 07, 2019 on the Reformatted Consolidated Financial Information under Ind AS and the Reformatted Standalone Financial Information under Ind AS.
14. Limited Review Report dated October 25, 2018 on the Limited Review Financial Information for the quarter and half year ended September 30, 2018.
15. Limited Review Report dated January 25, 2019 on the Limited Review Financial Information for the quarter and nine-months ended December 31, 2018.
16. Limited Review Report dated July 29, 2019 on the Limited Review Financial Results for the three month period ended June 30, 2019.
17. Statement of tax benefits dated August 16, 2019 issued by our Statutory Auditor;
18. Annual Report of our Company for the last five Fiscals;
19. In-principle approval from the BSE by its letter dated February 28, 2019; and
20. Due Diligence Certificate dated August 16, 2019 filed by the Lead Managers with SEBI.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the NCD Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

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DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 2 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Tranche 2 Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Tranche 2 Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Debendranath Sarangi

**Chairperson, Non-Executive and Independent
Director**

C.R. Muralidharan

Non-Executive and Independent Director

Venkataraman Murali

Non-Executive and Independent Director

Place: Chennai

Date: August 16, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 2 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Tranche 2 Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Tranche 2 Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Ranvir Dewan

Non-Executive and Non-Independent Director

Place: Malaysia

Date: August 16, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 2 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

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Signed by the Board of Directors of the Company

Maya Sinha

Non-Executive and Independent Director

Shashank Singh

Non-Executive and Non-Independent Director

Place: Mumbai

Date: August 16, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 2 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

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Signed by the Board of Directors of the Company

Ignatius Michael Viljoen

Non-Executive and Non-Independent Director

Place: Johannesburg, South Africa

Date: August 16, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 2 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

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Signed by the Board of Directors of the Company

Diwakar Bhagwati Gandhi

Non-Executive and Independent Director

Place: Delhi

Date: August 16, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 2 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

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Signed by the Board of Directors of the Company

Yalamati Srinivasa Chakravarti

Managing Director, Executive and Non-Independent Director

Duruvasan Ramachandra

Non-Executive and Non-Independent Director

Place: Hyderabad

Date: August 16, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 2 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

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Signed by the Board of Directors of the Company

Pranab Prakash Pattanayak

Non-Executive and Independent Director

Place: Bangalore

Date: August 16, 2019

ANNEXURE A: CREDIT RATING AND RATIONALE

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CARE/CRO/RL/2018-19/1460

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

December 11, 2018

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed long term non-convertible debenture (NCD) issue aggregating to Rs.3000.00 crore of your company. The proposed NCDs would have tenure of up to 7 years.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Proposed Non-Convertible Debenture issue	3,000.00 (Rs. Three thousand crore only)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Assigned

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is December 10, 2018).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure-I. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 12, 2018, we will proceed on the basis that you have no any comments to offer.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
11. CARE ratings are **not** recommendations to buy, sell or hold any securities.

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If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,



Balachandran V
Deputy Manager
balachandran.v@careratings.com



Ravi Shankar R
Manager
ravi.s@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002.

Tel: +91-44-2849 0811 / 13 / 76 • Tel./ Fax: +91-44-2849 7812 • www.careratings.com • CIN-L67190MH1993PLC071691

Annexure-I Press Release

Ratings

Facilities	Amount (Rs.cr)	Ratings ¹	Rating Action
Non-Convertible Debenture (Proposed)	3000.00 (Rupees three thousand crore only)	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Assigned

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the proposed Non-Convertible Debenture issue of Shriram City Union Finance Ltd. (SCUF) factors in benefits derived from being part of Shriram group, Highly experienced Management team, Long track record of operations, fairly diversified product profile, comfortable capital adequacy levels, diversified resource profile and comfortable liquidity profile. The ratings also factor in the established market position of SCUF in rural and semi-urban region and consistent business growth of the company over the last few years. The ratings are, however, constrained by the regional concentration of its asset portfolio and the risk associated with its customer base which is relatively less organized, weakening asset quality of the company and decline in the profitability on account of increased credit provisioning costs. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Benefits derived from being part of the Shriram group and highly experienced Management team

SCUF is a promoted by Chennai based Shriram group which was started in 1974 by entering into chit fund business. Over the years, the group has diversified into other segments in financial services industry including Commercial Vehicle Finance, Consumer & Enterprise Finance, Life & General Insurance and financial product distribution. As on September 30, 2018, the promoter group companies hold 33.75% stake. Being part of Shriram Group, SCUF has access to vast client base and branch network of the group companies like Shriram Chit funds, Shriram Transport Finance Company Ltd (STFC, rated CARE AA+; Stable/CARE

A1+) etc. SCUF's management is also largely from Shriram group and has significant experience in small ticket retail financing in the semi-urban and rural areas. Operations are looked after by an experienced team headed by key management people who are having vast experience in the NBFC industry. Also, the company's board of directors includes representatives from the group having significant experience in retail financing. Mr R.Duruvasan is the Managing Director who has been associated with Shriram group for more than three decades and Mr. R. Chandrasekar is the CFO having experience of more than 30 years.

Long track record and established market position in rural and semi-urban region and consistent business growth over the last few years

Incorporated in 1986, SCUF has established track record in retail financing and has presence in the rural and semi-urban market which consists of relatively under banked segment. With total AUM of Rs. 29,748 crore as on September 30, 2018, the company has achieved considerable market position in each product they are offering.

The company has witnessed AUM growth with CAGR of around 18% for the last three years ending March 2018. In FY18, the total AUM grew by 20% YoY aided by 54% growth in Personal Loans, 24% growth in 2W and 22% growth in SME loans. The ability of the company to maintain sustainable growth rate in the increased competitive environment remains key for its growth prospects.

Fairly diversified product profile and presence in the unorganized MSME and self-employed segment which is relatively riskier

SCUF has fairly diversified product portfolio in the retail finance segment with strong focus on SME loans constituting around 58% of the total AUM as on September 30, 2018 (56% as on March 31, 2018) increased from 55% as on March 31, 2017. The other products include 2 wheeler loans constituting 18% as on September 30, 2018, Loan against gold constituting 11%, PL with 8% and Auto Loan with 5%.

SCUF is primarily lending towards the business finance needs of the unorganized MSME segment and self-employed segment in the rural and semi-urban areas which is characterized by marginal credit profile of the borrowers and are not serviced by the

banking sector. Since this segment is highly susceptible to the impact of economic downturn, maintaining asset quality is a key monitorable.

Comfortable capitalization

SCUF's capitalisation is comfortable which is supported by equity infusion in the past by both the promoter group and external investors and healthy internal accruals. Total CAR stood at 21.40% as on March 31, 2018 (23.91% as on March 31, 2017) and Tier I CAR stood at 20.60% as on March 31, 2018 (22.25% as on March 31, 2017). The CAR and Tier I CAR as on September 30, 2018 was 20.79% and 20.44% respectively. The current capital is sufficient for the company for the next 3-5 years by maintaining CAR more than 15% while growing their book by around 18-20%.

Liquidity position

SCUF has fairly diversified resource profile with access towards low cost funding from banks, fixed deposits and market instruments like NCDs, Sub debts and Commercial paper. SCUF's brand image in South India enables to mobilise funds from institutions as well as from retail customers. As on March 31, 2018, the company's funding profile is comprised of bank loans occupying 60% of overall funding, followed by NCDs and Sub debts aggregating 15%, Commercial paper 11% respectively and fixed deposit programme 14%. With increasing interest rate trends prevailing in Market instruments in the recent past, the company increased its borrowings through bank during Q4FY18 and Q1FY19 and proportion of the same increased from 56% as on March 31, 2017 to 60% as on March 31, 2018. The proportion of bank borrowings as on September 30, 2018 was 55%.

The average cost of borrowings reduced to 8.9% during FY18 from 9.8% during FY17 due to run down of older borrowings which were raised 3-4 years back and major portion of funding profile as on March 31, 2018 consists of funds raised with lower interest rate. However during Q2FY19, the cost of borrowings increased slightly to 9.0%. SCUF's ALM profile stood comfortable with no negative cumulative mismatches in any of the time buckets.

Key Rating Weaknesses

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Regionally concentrated business

Though SCUF's branch network is spread across 21 states, the business is concentrated towards Southern and Western regions. With South occupying 61% of the overall AUM followed by West with 31%, North occupied remaining 8% of the overall AUM as on September 30, 2018. Top 4 states (Tamil Nadu, Andhra Pradesh, Maharashtra and Karnataka) occupied 79% of the total AUM as on March 31, 2018 as against 82% as on March 31, 2017.

Weakening asset quality

With migration on NPA recognition norms from 120 dpd to 90 dpd by end of March 31, 2018 gross NPA increased from 6.73% as on March 31, 2017 to 9.01% as on March 31, 2018. However, during FY18, the company witnessed further moderation in asset quality with 90+dpd increasing from 8.64% as on March 31, 2017 to 9.01% as on March 31, 2018. GNPA as on September 30, 2018 stood at 8.94%. Net NPA as on March 31, 2018 was 3.43% as against 1.79% as on March 31, 2017. The increase in NPA was witnessed across the segment with gross NPA in SME book was 9.68% as on March 31, 2018 (PY: 7.12%), gross NPA in 2W was 10.03% as on March 31, 2018 (PY: 7.37%), gross NPA in PL was 10.62% (PY: 8.78%), gross NPA in Auto loans was 10.85% (PY: 8.99%). The company's ability to improve asset quality on each segment remains key rating sensitivity going forward.

Decline in the profitability indicators on account of increased credit provisioning costs

SCUF maintained healthy margin with NIM of 12.5% in FY18 which improved from 12.3% during FY17 due to decline in the average cost of borrowings. However, the credit cost (loan loss & provisions/avg. assets) which increased to 4.02% in FY17 continued to remain high at 3.95% in FY18. This is primarily on account of change in NPA norms from 180+dpd to 90+dpd and relatively higher provisioning coverage than its peers. ROTA during FY18 increased slightly to 2.49% during FY18 from 2.46% during FY17 however it is lower than historical ROTA level of 2.7%-3.0% due to increased loan loss provisioning costs in the recent past. The company reported PAT of Rs. 665 crore on a total income of Rs. 5,102 crore during FY18 as against PAT of Rs. 556 crore on a total income of Rs. 4,434 crore during FY17. The company reported PAT of Rs. 479 crore on a total income of Rs.2,916 crore during

H1FY19. The company has adopted Ind-AS accounting policy from June 2018 onwards. Expected Credit Loss (ECL) method used for loan loss provisioning is based on historical values of reported NPAs. With use of past five year data for calculation of ECL provisioning, PD arrived for June 2018 quarter stood at 4.46%. In the long term, ability of the company to improve asset quality is critical to maintain PD at present level. In absence of same, ECL provisioning likely to increase. With increasing interest rate scenario and effects of provisioning under IndAS, the ability of the company to improve profitability indicators remain key rating sensitivity.

Industry outlook

Over the last few years, the NBFC sector has gained systemic importance with increase in share of NBFC's total assets when compared to bank total assets. The same has resulted in the Reserve Bank of India (RBI) taking various policy actions resulting in NBFCs attracting higher support and regulatory scrutiny. The RBI has revised the regulatory framework for NBFCs which broadly focuses on strengthening the structural profile of NBFC sector. Overall the revised regulations are positive for the NBFC sector making it structurally stronger, increase transparency and improve their ability to withstand asset quality shocks in the long run.

The last three years have been challenging period for the NBFCs due to change in NPA norms resulting in higher provisioning and rising delinquencies due to demonetization and GST implementation thereby impacting profitability. However, with support from the external equity investors and lenders and the experience of the management to control the liquidity position provides additional comfort to the credit profile of NBFCs in spite of impact on profitability. However with the increased competition prevailing in the financial sector, the ability to remain focused on target customers and improve the business without impacting their asset quality would be key rating sensitivity going forward.

Prospects

Supported by well-experienced management and the group's significant presence in the financial services industry, SCUF has grown its business significantly in the past few years. SME loans, key focus area of SCUF continues to witness healthy growth rates. With transition from 120+dpd to 90+dpd for NPA recognition coupled with moderation in asset

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quality, net NPA witnessed increase in FY18. In the past three years ended March 2018, despite increase in credit costs, increase in spreads supported by reduction in cost of funds, profitability continue to remain stable as reflected in ROTA. Going forward, with increase in interest rates and shift towards ECL based provisioning, the ability of the company to improve asset quality is critical to maintain profitability. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Analytical Approach- Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Financial Ratios-Financial Sector

Rating Methodology for Non-Banking Financial Companies

About the Company

Shriram City Union Finance Limited (SCUF), commenced its operations in 1986, is a deposit accepting non-banking financial company (NBFC-D) registered with Reserve Bank of India (RBI) and part of Shriram Group which is having presence in retail financial services, chit funds, Retail stock broking, financial product distribution, General insurance, life Insurance, Wealth Advisory etc. The company started its operations with truck financing during initial stages however from 2002 onwards, SCUF started focusing towards SME financing and other retail business. The company has 3.95 million active customers base who are serviced through 969 branches across 21 states as on September 30, 2018. SCUF offers services under product categories such as SME loans (SBL), 2 wheeler loans (2W), Auto loans (AL), Loans against Gold (LAG) and Personal Loans (PL). As on September 30, 2018, SBL and 2W loan accounted for 58% and 18% of AUM respectively while LAG and PL accounted for 11% and 8% of AUM respectively.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total income	4,434	5,102
PAT	556	665
Interest coverage (times)	1.56	1.61
Total Assets	24,484	28,893
Net NPA (%)	1.79*	3.43\$
ROTA (%)	2.46	2.49

A-Audited

**-NPA recognition policy has been changed from 150dpd to 120dpd as on March 31, 2017.*

SNPA recognition policy has been changed from 120dpd to 90dpd as on March 31, 2018.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact

Name: Mr Sudhakar P

Tel: 044-2850 1003

Email: p.sudhakar@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures (proposed)	-	-	-	3000.00	CARE AA+; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fixed Deposit	LT	10.00	CARE AA+ (FD); Stable	1)CARE AA+ (FD); Stable (27-Aug-18)	1)CARE AA+ (FD); Stable (07-Jul-17)	1)CARE AA+ (FD); Stable (10-Mar-17) 2)CARE AA+ (FD) (12-Jul-16)	1)CARE AA+ (FD) (14-Jul-15)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Oct-16) 2)CARE AA+ (06-Apr-16)	-
3.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Oct-16) 2)CARE AA+ (06-Apr-16)	-
4.	Debentures-Non Convertible Debentures	LT	3.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
5.	Commercial Paper	ST	50.00	CARE A1+	1)CARE A1+ (27-Aug-18) 2)CARE A1+ (27-Jun-18)	1)CARE A1+ (20-Mar-18) 2)CARE A1+ (07-Jul-17)	1)CARE A1+ (10-Mar-17) 2)CARE A1+ (20-Jan-17) 3)CARE A1+ (27-Jul-16) 4)CARE A1+ (12-Jul-16)	1)CARE A1+ (14-Jul-15)
6.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (12-Jul-16)	1)CARE AA+ (14-Jul-15)
7.	Debentures-Non Convertible	LT	-	-	-	-	1)Withdrawn (06-Oct-16)	-

	Debentures						2)CARE AA+ (06-Apr-16)	
8.	Debt-Subordinate Debt	LT	120.20	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
9.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
10.	Debt-Subordinate Debt	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
11.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
12.	Debt-Subordinate Debt	LT	60.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
13.	Debentures-Non Convertible Debentures	LT	79.06	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
14.	Debentures-Non Convertible Debentures	LT	95.15	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
15.	Commercial Paper	ST	2950.00	CARE A1+	1)CARE A1+ (27-Aug-18) 2)CARE A1+ (27-Jun-18)	1)CARE A1+ (20-Mar-18) 2)CARE A1+ (07-Jul-17)	1)CARE A1+ (10-Mar-17) 2)CARE A1+ (20-Jan-17) 3)CARE A1+ (27-Jul-16) 4)CARE A1+	1)CARE A1+ (14-Jul-15) 2)CARE A1+ (15-Apr-15)

							(12-Jul-16)	
16.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
17.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15) 2)CARE AA+ (08-Jun-15)
18.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15) 2)CARE AA+ (17-Jun-15)
19.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (22-Jul-15)
20.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (22-Jul-15)
21.	Debentures-Non Convertible Debentures	LT	35.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (18-Aug-15)
22.	Debentures-Non Convertible Debentures	LT	75.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (02-Nov-15)
23.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+	-

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							(27-Jul-16)	
24.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (07-Oct-16)	-
25.	Debentures-Non Convertible Debentures	LT	115.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17)	-
26.	Debentures-Non Convertible Debentures	LT	355.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17) 2)CARE AA+; Stable (21-Jun-17)	-	-
27.	Debentures-Non Convertible Debentures	LT	135.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17) 2)CARE AA+; Stable (26-Jun-17)	-	-
28.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (24-Oct-17)	-	-
29.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (04-Dec-17)	-	-
30.	Debentures-Non Convertible Debentures	LT	400.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (20-Mar-18)	-	-
31.	Debentures-Non Convertible Debentures	LT	650.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18) 2)CARE AA+; Stable (27-Jun-18)	-	-	-
32.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	-	-	-
33.	Debentures-Non Convertible Debentures	LT	600.00	CARE AA+; Stable	1)CARE AA+; Stable (12-Sep-18)	-	-	-

34.	Debentures-Non Convertible Debentures	LT	3000.00	CARE AA+; Stable	-	-	-	-

R

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

February 14, 2019

Confidential

Dear Sir,

Validity of Credit rating for Non-Convertible Debenture issue of Rs.3,000 crore
(Unutilised amount of Rs. 3,000 crore as on February 13, 2019)

In continuation with our rating letter no. CARE/CRO/RL/2018-19/1460 dated December 11, 2018 conveying the rating assigned to the Non-Convertible Debenture issue of Rs. 3,000 crore (Unutilised amount of Rs.3,000 crore as on February 13, 2019), it is re-emphasised that the proposed Non-Convertible Debenture issue needs to be raised within a period of 6 months of the said date of letter after which it needs to be revalidated.

Once the Non-Convertible Debenture is placed, the rating is valid for the tenure of such instrument till redemption. Nevertheless, CARE reserves the right to undertake a review of the rating from time to time, based on circumstances warranting such review.

Thanking you,

Yours faithfully,

R. Ravi Shankar

[Ravi Shankar R]
Manager

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

March 20, 2019

Confidential

Dear Sir,

Validity of Credit rating for Non-Convertible Debenture issue of Rs.3,000 crore
(Unutilised amount of Rs. 3,000 crore as on March 19, 2019)

In continuation with our rating letter no. CARE/CRO/RL/2018-19/1460 dated December 11, 2018 conveying the rating assigned to the Non-Convertible Debenture issue of Rs. 3,000 crore (Unutilised amount of Rs.3,000 crore as on March 19, 2019), it is re-emphasised that the proposed Non-Convertible Debenture issue needs to be raised within a period of 6 months of the said date of letter after which it needs to be revalidated.

Once the Non-Convertible Debenture is placed, the rating is valid for the tenure of such instrument till redemption. Nevertheless, CARE reserves the right to undertake a review of the rating from time to time, based on circumstances warranting such review.

Thanking you,

Yours faithfully,

R. Ravishanker

[Ravi Shankar R]

Manager

Encl.: As above

Disclaimer

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CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

CARE/CRO/RL/2019-20/1208

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

August 14, 2019

Confidential

Dear Sir,

Credit rating for outstanding debt instruments

On a review of recent developments including operational and financial performance of your company for FY19 (audited) and Q1FY20 (provisional), our Rating Committee has reviewed the following ratings:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debenture issue- XXVIII*	3000	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
Total	3000 (Rupees Three thousand crore only)		

*Unutilised amount of Rs. 2333.07 crore as on July 30, 2019

- The outstanding NCDs are repayable by April 30, 2024
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

- CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
7. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Tej Kiran

[Tej Kiran G]

Analyst

tej.kiran@careratings.com

R. Ramesh Kumar

[Ravi Shankar R]

Manager

ravi.s@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE/CRO/RR/2018-19/1144

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

December 11, 2018

Dear Sir,

Credit rating of proposed Non-Convertible Debenture issue

Please refer to our letter dated December 11, 2018 on the above subject.

2. The rationale for the rating is attached as an **Annexure - I**.
3. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 12, 2018, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

R. Ravi Shankar

**Ravi Shankar R
Manager**

Encl: As above

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

Annexure-I

Rating Rationale

Shriram City Union Finance Limited

Facilities	Amount (Rs.cr)	Ratings ¹	Rating Action
Non-Convertible Debenture (Proposed)	3,000.00 (Rupees Three thousand crore only)	CARE AA+; Stable [Double A Plus; Outlook: Stable]	Assigned

Rating Rationale

The rating assigned to the proposed Non-Convertible Debenture issue of Shriram City Union Finance Ltd. (SCUF) factors in benefits derived from being part of Shriram group, Highly experienced Management team, Long track record of operations, fairly diversified product profile, comfortable capital adequacy levels, diversified resource profile and comfortable liquidity profile. The ratings also factor in the established market position of SCUF in rural and semi-urban region and consistent business growth of the company over the last few years. The ratings are, however, constrained by the regional concentration of its asset portfolio and the risk associated with its customer base which is relatively less organized, weakening asset quality of the company and decline in the profitability on account of increased credit provisioning costs. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Background

Shriram City Union Finance Limited (SCUF), commenced its operations in 1986, is a deposit accepting non-banking financial company (NBFC-D) registered with Reserve Bank of India (RBI) and part of Shriram Group which is having presence in retail financial services, chit funds, Retail stock broking, financial product distribution, General insurance, life Insurance, Wealth Advisory etc. The company started its operations with truck financing during initial stages however from 2002 onwards, SCUF started focusing towards SME financing and other retail business. The company has 3.95 million active customers base who are serviced through 969 branches across 21 states as on September 30, 2018. SCUF offers services under product categories such as SME loans (SBL), 2 wheeler loans (2W), Auto loans (AL), Loans against Gold (LAG) and Personal Loans

(PL). As on September 30, 2018, SBL and 2W loan accounted for 58% and 18% of AUM respectively while LAG and PL accounted for 11% and 8% of AUM respectively.

Credit Risk Assessment

Benefits derived from being part of the Shriram group and highly experienced Management team

SCUF is promoted by Chennai based Shriram group which was started in 1974 by entering into chit fund business. Over the years, the group has diversified into other segments in financial services industry including Commercial Vehicle Finance, Consumer & Enterprise Finance, Life & General Insurance and financial product distribution. As on September 30, 2018, the promoter group companies hold 33.75% stake. Being part of Shriram Group, SCUF has access to vast client base and branch network of the group companies like Shriram Chit funds, Shriram Transport Finance Company Ltd (STFC, rated CARE AA+; Stable/CARE A1+) etc. SCUF's management is also largely from Shriram group and has significant experience in small ticket retail financing in the semi-urban and rural areas. Operations are looked after by an experienced team headed by key management people who are having vast experience in the NBFC industry. Also, the company's board of directors includes representatives from the group having significant experience in retail financing. Mr R.Duruvasan is the Managing Director who has been associated with Shriram group for more than three decades and Mr. R. Chandrasekar is the CFO having experience of more than 30 years.

Long track record and established market position in rural and semi-urban region and consistent business growth over the last few years

Incorporated in 1986, SCUF has established track record in retail financing and has presence in the rural and semi-urban market which consists of relatively under banked segment. With total AUM of Rs. 29,748 crore as on September 30, 2018, the company has achieved considerable market position in each product they are offering.

The company has witnessed AUM growth with CAGR of around 18% for the last three years ending March 2018. In FY18, the total AUM grew by 20% YoY aided by 54% growth in Personal Loans, 24% growth in 2W and 22% growth in SME loans. The ability of the company to maintain sustainable growth rate in the increased competitive environment remains key for its growth prospects.

Regionally concentrated business

Though SCUF's branch network is spread across 21 states, the business is concentrated towards Southern and Western regions. With South occupying 61% of the overall AUM followed by West with 31%, North occupied remaining 8% of the overall AUM as on September 30, 2018. Top 4 states (Tamil Nadu, Andhra Pradesh, Maharashtra and Karnataka) occupied 79% of the total AUM as on March 31, 2018 as against 82% as on March 31, 2017.

Fairly diversified product profile and presence in the unorganized MSME and self-employed segment which is relatively riskier

SCUF has fairly diversified product portfolio in the retail finance segment with strong focus on SME loans constituting around 58% of the total AUM as on September 30, 2018 (56% as on March 31, 2018) increased from 55% as on March 31, 2017. The other products include 2 wheeler loans constituting 18% as on September 30, 2018, Loan against gold constituting 11%, PL with 8% and Auto Loan with 5%.

SCUF is primarily lending towards the business finance needs of the unorganized MSME segment and self-employed segment in the rural and semi-urban areas which is characterized by marginal credit profile of the borrowers and are not serviced by the banking sector. Since this segment is highly susceptible to the impact of economic downturn, maintaining asset quality is a key monitorable.

Weakening asset quality

With migration on NPA recognition norms from 120 dpd to 90 dpd by end of March 31, 2018 gross NPA increased from 6.73% as on March 31, 2017 to 9.01% as on March 31, 2018. However, during FY18, the company witnessed further moderation in asset quality with 90+dpd increasing from 8.64% as on March 31, 2017 to 9.01% as on March 31, 2018. GNPA as on September 30, 2018 stood at 8.94%. Net NPA as on March 31, 2018 was 3.43% as against 1.79% as on March 31, 2017. The increase in NPA was witnessed across the segment with gross NPA in SME book was 9.68% as on March 31, 2018 (PY: 7.12%), gross NPA in 2W was 10.03% as on March 31, 2018 (PY: 7.37%), gross NPA in PL was 10.62% (PY: 8.78%), gross NPA in Auto loans was 10.85% (PY: 8.99%). The company's ability to improve asset quality on each segment remains key rating sensitivity going forward.

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Liquidity position

SCUF has fairly diversified resource profile with access towards low cost funding from banks, fixed deposits and market instruments like NCDs, Sub debts and Commercial paper SCUF's brand image in South India enables to mobilise funds from institutions as well as from retail customers. As on March 31, 2018, the company's funding profile is comprised of bank loans occupying 60% of overall funding, followed by NCDs and Sub debts aggregating 15%, Commercial paper 11% respectively and fixed deposit programme 14%. With increasing interest rate trends prevailing in Market instruments in the recent past, the company increased its borrowings through bank during Q4FY18 and Q1FY19 and proportion of the same increased from 56% as on March 31, 2017 to 60% as on March 31, 2018. The proportion of bank borrowings as on September 30, 2018 was 55%.

The average cost of borrowings reduced to 8.9% during FY18 from 9.8% during FY17 due to run down of older borrowings which were raised 3-4 years back and major portion of funding profile as on March 31, 2018 consists of funds raised with lower interest rate. However during Q2FY19, the cost of borrowings increased slightly to 9.0%. SCUF's ALM profile stood comfortable with no negative cumulative mismatches in any of the time buckets.

Comfortable capitalization

SCUF's capitalisation is comfortable which is supported by equity infusion in the past by both the promoter group and external investors and healthy internal accruals. Total CAR stood at 21.40% as on March 31, 2018 (23.91% as on March 31, 2017) and Tier I CAR stood at 20.60% as on March 31, 2018 (22.25% as on March 31, 2017). The CAR and Tier I CAR as on September 30, 2018 was 20.79% and 20.44% respectively. The current capital is sufficient for the company for the next 3-5 years by maintaining CAR more than 15% while growing their book by around 18-20%.

Decline in the profitability indicators on account of increased credit provisioning costs

SCUF maintained healthy margin with NIM of 12.5% in FY18 which improved from 12.3% during FY17 due to decline in the average cost of borrowings. However, the credit cost (loan loss & provisions/avg. assets) which increased to 4.02% in FY17 continued to remain high at 3.95% in FY18. This is primarily on account of change in NPA norms from 180+dpd to 90+dpd and

relatively higher provisioning coverage than its peers. ROTA during FY18 increased slightly to 2.49% during FY18 from 2.46% during FY17 however it is lower than historical ROTA level of 2.7%-3.0% due to increased loan loss provisioning costs in the recent past. The company reported PAT of Rs. 665 crore on a total income of Rs. 5,102 crore during FY18 as against PAT of Rs. 556 crore on a total income of Rs. 4,434 crore during FY17. The company reported PAT of Rs. 479 crore on a total income of Rs.2,916 crore during H1FY19. The company has adopted Ind-AS accounting policy from June 2018 onwards. Expected Credit Loss (ECL) method used for loan loss provisioning is based on historical values of reported NPAs. Past five years GNPA is tabled below.

Period	FY14 (A)	FY15 (A)	FY16 (A)	FY17 (A)	FY18 (A)
NPA Norms	180 dpd	180 dpd	150 dpd	120 dpd	90 dpd
Gross NPA Ratio (%)	2.67	3.12	5.15	6.73	9.00

With use of past five year data for calculation of ECL provisioning, PD arrived for June 2018 quarter ECL stood at 4.46%. In the long term, ability of the company to improve asset quality is critical to maintain PD at present level. In absence of same, ECL provisioning likely to increase. With increasing interest rate scenario and effects of provisioning under IndAS, the ability of the company to improve profitability indicators remain key rating sensitivity.

Industry outlook

Over the last few years, the NBFC sector has gained systemic importance with increase in share of NBFC's total assets when compared to bank total assets. The same has resulted in the Reserve Bank of India (RBI) taking various policy actions resulting in NBFCs attracting higher support and regulatory scrutiny. The RBI has revised the regulatory framework for NBFCs which broadly focuses on strengthening the structural profile of NBFC sector. Overall the revised regulations are positive for the NBFC sector making it structurally stronger, increase transparency and improve their ability to withstand asset quality shocks in the long run.

The last three years have been challenging period for the NBFCs due to change in NPA norms resulting in higher provisioning and rising delinquencies due to demonetization and GST implementation thereby impacting profitability. However, with support from the external equity investors and lenders and the experience of the management to control the liquidity

position provides additional comfort to the credit profile of NBFCs in spite of impact on profitability. However with the increased competition prevailing in the financial sector, the ability to remain focused on target customers and improve the business without impacting their asset quality would be key rating sensitivity going forward.

Prospects

Supported by well-experienced management and the group's significant presence in the financial services industry, SCUF has grown its business significantly in the past few years. SME loans, key focus area of SCUF continues to witness healthy growth rates. With transition from 120+dpd to 90+dpd for NPA recognition coupled with moderation in asset quality, net NPA witnessed increase in FY18. In the past three years ended March 2018, despite increase in credit costs, increase in spreads supported by reduction in cost of funds, profitability continue to remain stable as reflected in ROTA. Going forward, with increase in interest rates and shift towards ECL based provisioning, the ability of the company to improve asset quality is critical to maintain profitability. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Financial Performance

As on / Year ended March 31	2016 (12m, A)	2017 (12m, A)	2018 (12m, A)
Working Results			
Interest Income	3,650	4,282	4,964
Securitization Income	66	45	25
Other operating income	56	52	47
Other Income	84	55	66
Total Income	3,856	4,434	5,102
Operating expenses	1,049	1,136	1,362
Total Provision / Write offs	616	911	1,054
Depreciation	37	35	33
Interest	1,383	1,534	1,668
PBT	807	854	1,018
PAT	530	556	665
Financial position			
Tangible Net worth	4,460	4,976	5,491
Total Borrowings	14,408	17,042	20,421
Total Loan portfolio	19,024	22,847	27,365
Total Assets (on balance sheet)	20,803	24,484	28,893
Assets Under management (AUM)	19,576	23,132	27,461

Key Ratios (%)			
Solvency			
Overall Gearing (times)	3.23	3.42	3.72
Capital Adequacy ratio (CAR) (%)	26.14	23.91	21.40
Tier I CAR (%)	23.36	22.25	20.60
Interest Coverage (times)	1.58	1.56	1.61
Profitability (%)			
Net Interest Margin	11.90	12.33	12.52
ROTA	2.73	2.46	2.49
Operating expenses / Avg. total assets	5.04	4.64	4.72
Asset Quality (%)			
Gross NPA Ratio	5.15 [#]	6.73 [*]	9.00 ^{\$}
Net NPA Ratio	1.56 [#]	1.79 [*]	3.43 ^{\$}
Net NPA to Net worth	6.54 [#]	8.24 [*]	17.08 ^{\$}

A-Audited

150 dpd NPA recognition policy; * 120 dpd NPA recognition policy; \$ 90 dpd NPA recognition policy;

Note: Ratios have been computed based on average of annual opening and closing balances

NIM has been calculated as net interest income/ average annual total asset.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CONFIDENTIAL

SHCIUNFI/211520/NCD/121804247

December 06, 2018

Ms. Krithika Doraiswamy

Assistant Vice President

Shriram City Union Finance Limited

123, Angappa Naiackon Street,

Chennai - 600001

Dear Ms. Krithika Doraiswamy,

Re: CRISIL Rating on the Rs. 3000 Crore Non Convertible Debentures of Shriram City Union Finance Limited

We refer to your request for a rating for the captioned Non Convertible Debentures.

CRISIL has, after due consideration, assigned its "CRISIL AA/Stable" (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

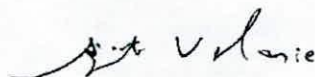
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie

Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301. Corporate Identity Number: L67120MH1987PLC042363

Details of the Rs.3000 Crore Non-Convertible Debenture Issue of
Shriram City Union Finance Limited

	1st tranche		2nd tranche		3rd tranche	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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CONFIDENTIAL

SHCIUNFI/211520/NCD/121804247/1
February 19, 2019

Ms. Krithika Doraiswamy
Assistant Vice President
Shriram City Union Finance Limited
123, Angappa Naiackon Street,
Chennai - 600001

Dear Ms. Krithika Doraiswamy,

Re: CRISIL Rating on the Rs. 3000 Crore Non Convertible Debentures of Shriram City Union Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated December 06, 2018 bearing Ref. no.: SHCIUNFI/211520/NCD/121804247

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	3000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

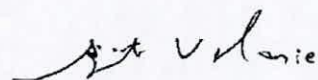
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



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SHCIUNFI/211520/NCD/121804247/2
March 19, 2019

Ms. Krithika Doraiswamy
Assistant Vice President
Shriram City Union Finance Limited
123, Angappa Naiackon Street,
Chennai - 600001

Dear Ms. Krithika Doraiswamy,

Re: CRISIL Rating on the Rs. 3000 Crore Non Convertible Debentures of Shriram City Union Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated February 19, 2019 bearing Ref. no.: SHCIUNFI/211520/NCD/121804247/1

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	3000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

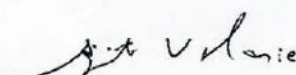
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Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



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Corporate Identity Number: L67120MH1987PLC042363

CONFIDENTIAL

SHCIUNFI/211520/NCD/121804247/3
August 09, 2019

Ms. Krithika Doraiswamy
Assistant Vice President
Shriram City Union Finance Limited
123, Angappa Nalackon Street,
Chennai - 600001

Dear Ms. Krithika Doraiswamy,

Re: CRISIL Rating on the Rs. 3000 Crore Non Convertible Debentures of Shriram City Union Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letter dated March 19, 2019 bearing Ref. no.: SHCIUNFI/211520/NCD/121804247/2

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	3000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

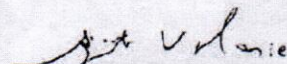
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Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie
Director - CRISIL Ratings



Nivedita Shibu
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Corporate Identity Number: L67120MH1987PLC042363

Rating Rationale

December 04, 2018 | Mumbai

Shriram City Union Finance Limited

'CRISIL AA/Stable' assigned to NCD

Rating Action

Rs.3000 Crore Non Convertible Debentures	CRISIL AA/Stable (Assigned)
Rs.100 Crore Subordinated Debt	CRISIL AA/Stable (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its '**CRISIL AA/Stable**' rating on Rs 3000 crore non-convertible debentures of Shriram City Union Finance Limited (Shriram City) and has reaffirmed its rating on subordinated debt at 'CRISIL AA/Stable'.

On July 27, 2018, CRISIL upgraded the long-term rating on debt instruments of Shriram City to 'CRISIL AA/FAA+/Stable' from 'CRISIL AA-/FAA/Positive'. The rating on commercial paper was reaffirmed at 'CRISIL A1+'. Furthermore, the rating on the non-convertible debentures was withdrawn as they were fully redeemed. The rating on the fixed deposit programme was also withdrawn as the notice period (three years from June 18, 2015) had ended. The rating factors in healthy capitalisation and adequate profitability apart from benefits derived from linkages with the Shriram group. These rating strengths are partially offset by exposure to inherent asset quality-related challenges arising from lending to borrowers with modest credit risk profiles, and high geographic concentration in revenue.

Analytical Approach

For arriving at its ratings on Shriram City, CRISIL has combined the business and financial risk profiles of Shriram City and its subsidiary, Shriram Housing Finance Ltd (Shriram Housing). This is because of common management and the financial support that the latter receives from Shriram City and the overall Shriram group. The two companies are herein together referred to as Shriram City.

Key Rating Drivers & Detailed Description

Strengths

* Established Competitive position in SME and two-wheeler segments

Shriram City has well-established market position in SME loan and two-wheeler financing segments. In the SME loan segment, Shriram City is a leading financier among retail NBFCs. The company has grown significantly in the unique space created from its legacy chit fund ecosystem. The main characteristics of SME loan portfolio are that the borrowers have limited or no documentary income proof and the ticket size is small at less than Rs 10 lakh. Shriram City is also fast expanding in SME space beyond its chit fund ecosystem, thus leading to superior growth rate in the segment. This SME portfolio, at Rs 17,114 crore as on September 30, 2018 (Rs 15472 crore as on March 31, 2018), was one of the highest among retail NBFCs. In the two-wheeler financing segment, the company is among leading players in the sector with a portfolio of Rs.5429 crore as on September 30, 2018 (Rs 5023 crore as on March 31, 2018). It finances about 90,000 vehicles per month and competes with large players including private sector banks. These two segments account for around 70% of the consolidated loan portfolio.

* Healthy capitalisation

Shriram City has healthy capitalisation underpinned by sizable absolute net worth (standalone) of Rs 5,835 crore and a tier 1 and an overall capital adequacy ratio of 20.4% and 20.8% respectively as on September 30, 2018. In addition, Shriram City's gearing (consolidated) remains comfortable at 3.9 times as on September 30, 2018 as against 3.8 times previous year and is expected to remain below 5 times over the next few years given the strong accruals to net worth. Further, the net worth to net NPA (calculated per Indian Accounting Standard or Ind-AS) remains adequate at 4.2 times as on September 30, 2018 thereby providing adequate cushion against inherent asset quality challenges arising from borrower and product profiles. CRISIL's expectation of continued healthy capitalisation of Shriram City factors in the likely support from the Shriram group if required.

Shriram City's subsidiary Shriram Housing's capitalisation is also comfortable with a networth (per IndAS) of Rs 455.4 crore and gearing of 3.6 times as on September 30, 2018 (Rs 439 crore as per IGAAP and 3.3 times as on March 31, 2018). Shriram Housing's total capital adequacy ratio (CAR) stood at 30.9% end September 2018 (32.5% end fiscal 2018). Overall, the healthy capitalisation is expected to be maintained over the medium term, driven by substantial accruals and expected support from Shriram group, if required.

* Healthy earnings profile

The company's healthy earnings profile is driven by focus on high yielding product and customer segments. Consequently, profitability has remained above the industry average over the past few years. Shriram City's return on average assets stood at 2.4% in fiscal 2018 and 3.1% end half year fiscal 2019.. Profitability has moderated over the years due to competitive pressures as well due to change in the asset classification norms from 180 days to 90 days and resulting higher provisions. CRISIL expects the moderation to continue, though at a reduced pace, as the share of lower yielding segments such as housing and SME business outside the chit ecosystem, increases in the loan book. Also, cost of borrowing may increase in the near term, in view of the rising interest rate environment. However, given the lower credit profile of majority of borrower CRISIL believes, Shriram City will continue to enjoy the pricing power and hence maintain above average industry profitability over the medium term. Further, since the first quarter of fiscal 2019, Shriram City has adopted the Indian Accounting Standards (Ind-AS). The impact on profitability on account expected credit loss provision is not high given the 60% coverage for its gross NPAs that Shriram City had maintained under GAAP.

* Benefits derived from linkages with Shriram group

The company benefits from access to the Shriram group's established branch infrastructure, clientele, management, systems and processes, and investor base. The group has been in the financing business for over three decades, with a strong market position in commercial vehicle finance (through Shriram Transport Finance Company Ltd rated 'CRISIL AA+/FAAA/Stable/CRISIL A1+'), retail finance, and chit fund businesses. Shriram City has expanded its target customer segment beyond its traditional chit ecosystem. Nevertheless, a large portion of its clientele in the small enterprise loan segment comprises the group's existing customers or referrals by its existing customers. This facilitates acquisition of customers with established track records while reducing the cost of origination. Shriram City's management is largely drawn from the Shriram group's other businesses and is experienced in the small-ticket retail-finance segment in the semi-urban and rural areas. The group's brand image with retail investors enables Shriram City to source adequate retail funds to meet its growth requirements. CRISIL believes Shriram City is strategically important to the Shriram group and will continue to benefit from its linkages with the group, given its focus on providing financial services to under-banked segments.

Weakness

* Exposure to inherent asset quality-related challenges arising from lending to borrowers with modest credit profile

The company's retail financing business remains susceptible to inherent challenges related to asset quality arising from lending to borrowers with modest credit profile and relatively under-banked customers, despite having in place good credit appraisal and monitoring practices. Primarily the focus is on offering small enterprise financing to self-employed customers in semi-urban and rural areas. The non-regular income pattern and lack of financial flexibility of these borrowers cause higher delinquencies. However, owing to good origination, underwriting and monitoring practices coupled with strong understanding of the SME borrowers, the 90+ days past due (dpd) gross non-performing loans (GNPA) remained ranged bound over last few years. End fiscal 2018, the GNPA stood at 9% as against 8.9% last year. The GNPA and NNPA (per Ind-AS) stood at 10.01% and 4.68% as on September 30, 2018 (9.85% and 5.07% as on September 30, 2017). Since the collection and borrower repayment behavior is more attuned to the 150+ dpd cycle, it will take some time for the asset quality to moderate over the medium term as Shriram City educates its borrowers on the changed regulatory norms and tighter repayment deadlines.

* High geographical concentration in lending portfolio

The company is focusing on offering small enterprise financing to customers beyond the chit fund clientele and is expanding in hitherto untapped geographies; Although the segment of borrowers has some credit history, this is an untested market for Shriram City. In view of this, CRISIL believes that asset quality performance, mainly in the small enterprise financing segment, remains susceptible and will remain a key monitorable over the medium term. While the company remains concentrated in the three states of South India namely Andhra Pradesh, Telangana and Tamil Nadu, it is working on expanding into newer geographies with the share of Northern and Western parts of the country

together constituting 39% of standalone AUM as on September 30, 2018

Outlook: Stable

CRISIL believes that Shriram City will continue to maintain its competitive position in the key business segments of SME and two-wheeler financing, with sustained growth and deeper penetration of existing customer base, geography, and product offering, while expanding the newer customer base and geography cautiously. CRISIL also believes healthy capitalisation and strong earnings profile will be maintained, which will help mitigate inherent asset quality-related challenges. The outlook may be revised to 'Positive' if there is a sustained improvement in asset quality metrics along with increase in market position. Conversely, the outlook may be revised to 'Negative' in case of significant deterioration in asset quality and consequent decline in earnings profile.

Liquidity profile

CRISIL's analysis of Shriram City's asset liability maturity profile as of September 30, 2018 shows cumulative positive mismatches across all the buckets. The company continues to receive funding from banks through term loans and securitization/direct assignment. The aggregate of such sanctions since October 2018 is ~Rs.450 crore. Also the liquidity position is further supported by cash balances of ~Rs 560 crore and fixed deposits of Rs 1400 crore as on November 30, 2018. Additionally, the company had unutilized bank lines of about ~Rs 900 crore as on that date.

About the Company

Incorporated in 1986, Shriram City is a part of Shriram group of companies. It is registered with RBI as a systemically important, deposit taking, non-banking finance company (NBFC-SI-D). It predominantly operates in the retail financing segment with a focus on small enterprise loans (54% of consolidated AUM as on September 30, 2018), two wheeler financing (17%), gold loans (10%) and others (including housing, auto and personal loans) together forming 18% of AUM. Its assets under management (including housing portfolio) stood at Rs 31,688 crore,. The standalone AUM stood at Rs 29748 crore, up 18% Y-o-Y while the housing portfolio under Shriram Housing stood at Rs 1940 crore and grew by 20.04% Y-o-Y. The company has pan India presence with 969 branches as on September 30, 2018, of which 61% are situated in South India.

In fiscal 2018, on a standalone basis, Shriram City reported net profit of Rs 665 crore on total income (net of interest expenses) of Rs 3434 crore as against net profit of Rs 556 crore on total income (net of interest expenses) of Rs 2900 crore last year. For the half year ended September 30, 2018, the company (on a standalone basis and as per Ind AS) reported net profit of Rs 479 crore on total income (net of interest expenses) of Rs 1957 crore as against net profit of Rs 435 crore on total income (net of interest expenses) of Rs 1704 crore for the corresponding period last year.

Key Financial Indicators -Shriram City (standalone and as per Ind-AS)

As on/for the half year ending Sept 30	Unit	2018	2017
Total AUM	Rs. Cr.	29748	25127
Total income (net of interest expenses)	Rs. Cr.	1957	1704
Profit after tax	Rs. Cr.	479	435
Gross NPA	%	10.01	9.85
Adjusted Gearing	Times	3.9	3.4*
Return on assets (annualized)	%	3.1	3.0*

*Per IGAAP

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (Rs. Crore)	Rating assigned with Outlook
NA	Debentures*	NA	NA	NA	3000	CRISIL AA/Stable
INE722A08057	Subordinated debt	15-Mar-12	11.85%	15-Mar-19	100	CRISIL AA/Stable

*Yet to be issued

Annexure - Rating History for last 3 Years

	Current			2018 (History)		2017		2016		2015		Start of 2015
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fixed Deposits	FD		--	27-07-18	Withdrawal	02-11-17	FAA/Positive	28-10-16	FAA/Positive	18-06-15	FAA/Stable	FAA/Stable
						31-10-17	FAA/Positive					
						11-07-17	FAA/Positive					
Non Convertible Debentures	LT	0.00 04-12-18	CRISIL AA/Stable	27-07-18	Withdrawal	02-11-17	CRISIL AA-/Positive	28-10-16	CRISIL AA-/Positive	18-06-15	CRISIL AA-/Stable	CRISIL AA-/Stable
						31-10-17	CRISIL AA-/Positive					
						11-07-17	CRISIL AA-/Positive					
Short Term Debt	ST		--	27-07-18	Withdrawal	02-11-17	CRISIL A1+	28-10-16	CRISIL A1+	18-06-15	CRISIL A1+	CRISIL A1+
						31-10-17	CRISIL A1+					
						11-07-17	CRISIL A1+					
Subordinated Debt	LT	100.00 04-12-18	CRISIL AA/Stable	27-07-18	CRISIL AA/Stable	02-11-17	CRISIL AA-/Positive	28-10-16	CRISIL AA-/Positive	18-06-15	CRISIL AA-/Stable	CRISIL AA-/Stable
						31-10-17	CRISIL AA-/Positive					
						11-07-17	CRISIL AA-/Positive					

All amounts are in Rs.Cr.

Links to related criteria

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for rating short term debt](#)

For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
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ANNEXURE B: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

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To,
The Board of Directors
Shriram City Union Finance Limited
123, Angappa Naicken Street,
Chennai, Tamil Nadu- 600 001

Dear Sir,

Sub: Proposed public issue of secured redeemable non-convertible debentures (the "NCDs") aggregating up to Rs.3000 crore by Shriram City Union Finance Limited (the "Company" and such issue, the "Issue")

We enclose a copy of our registration certificate and declaration regarding our registration with the Securities Exchange Board of India (the "SEBI") in the required format as Annexure A. We certify that our registration is valid as of the date of this letter and that we have not been prohibited by SEBI from acting as an intermediary in capital market issues.

We give our consent to act as Debenture Trustee in relation to the Issue under regulation 4(4) of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended and to our name and following details, as required, being inserted as Debenture Trustee in the issue documents:

Name : Catalyst Trusteeship Ltd. (Formerly GDA Trusteeship Limited)
Address: GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune MH 411038
Contact person: Compliance Officer
Telephone number: 020-25280081
Fax number: 020-25280275
E-mail ID: dt@ctltrustee.com
Website: www.catalysttrustee.com
SEBI registration number: IND0000000034

We authorise you to deliver a copy of this letter of consent to the Registrar of Companies, Chennai, situated at Chennai pursuant to the provisions of the Companies Act, 2013, any relevant stock exchange or any other regulatory authority.

We further confirm that the above information in relation to us is true and correct.

Further, except as disclosed below, as on the date of the draft shelf prospectus, we confirm that we and our associates do not hold any Equity Shares of the Company.

We confirm that we will immediately inform the Company and the Lead Manager(s), appointed as such for the purpose of the Issue, of any changes to the information stated in this letter till the date when the NCDs receive final listing and trading approval from the Stock Exchanges and commence trading on the Stock Exchanges. In the absence of any such communication, the information stated in this letter





should be taken as updated information until the date of commencement of listing and trading of the NCDs issued pursuant to the Issue on the Stock Exchanges.

All capitalized terms not defined herein would have the same meaning as attributed to it in the draft shelf prospectus of the Company.

Yours faithfully,

For Catalyst Trusteeship Ltd.

A handwritten signature in blue ink, appearing to read 'A. Bende', is positioned below the text 'For Catalyst Trusteeship Ltd.'.

Authorised Signatory

Name: Anurag Bende

Designation: Chief Manager

Place: Pune

Encl.: As above

CC:

A.K Capital Services Limited

30- 39, Free Press House, 3rd Floor,

Free Press Journal Marg,

215, Nariman Point, Mumbai 400 021

Edelweiss Financial Services Limited

Edelweiss House, Off CST Road

Kalina, Mumbai - 400 098

L&L Partners*

Indiabulls Finance Centre,

Tower 2, Unit A2,

20th Floor, Elphinstone Road,

Lower Parel

Mumbai - 400 013

(formerly, Luthra & Luthra Law Offices)

डिबेंचर न्यासी

फॉर्म B
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000258

(विनियम 8)

(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ तदनुसार अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Act of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

CATALYST TRUSTEESHIP LIMITED
GDA HOUSE, PLOT NO. 85,
BHUSARI COLONY (RIGHT), PAUD ROAD
PUNE - 411 038
MAHARASHTRA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदत्त किया गया है
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड
2) Registration Code for the debenture trustee is **IND0000000034**

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र
3) Unless renewed, the certificate of registration is valid from to

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board.



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place: **MUMBAI**

तारीख Date: **JULY 29, 2016**

MJ Sonparote
MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

**ANNEXURE C : ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT
CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS**

Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue.

Series I Tranche 2 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	Wednesday, August 21, 2019
Redemption Date	Saturday, Sep 25, 2021
Tenor from Deemed Date of allotment	24 months
Coupon Rate for all Category of Investors	9.55%
Frequency of the interest payment	Annual
Day count convention	Actual/actual
Frequency of the interest payment with specified dates	First interest on September 25, 2020 and subsequently on the September 25 th every year and the last interest payment will be made at the time of redemption date.
Deemed Date of Allotment	Wednesday, September 25, 2019

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of Investors
Deemed Date of allotment	Wednesday, Sep 25, 2019	Wednesday, Sep 25, 2019		-1000.00
1st Coupon	Friday, Sep 25, 2020	Friday, Sep 25, 2020	366	95.50
2nd Coupon	Saturday, Sep 25, 2021	Friday, Sep 24, 2021	364	95.24
Redemption of Principal	Saturday, Sep 25, 2021	Friday, Sep 24, 2021		1000.00
Total			730	1190.74
			Effective Yield :	9.54%

Series II Tranche 2 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	August 19, 2019
Redemption Date	September 25, 2021
Tenor from Deemed Date of allotment	24 months
Coupon Rate for all Category of Investors	NA
Frequency of the interest payment	NA
Day count convention	Actual/actual
Deemed Date of Allotment	Wednesday, September 25, 2019

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of Investors
Deemed Date of Allotment	Wednesday, Sep 25, 2019	Wednesday, Sep 25, 2019		-1000.00
Redemption of Principal	Saturday, Sep 25, 2021	Friday, Sep 24, 2021	730	1200.45
			Effective Yield :	9.55%

Series III Tranche 2

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	Wednesday, August 21, 2019
Redemption Date	Sunday, September 25, 2022
Tenor from Deemed Date of allotment	36 months
Coupon Rate for all Category of Investors	9.70%
Frequency of the interest payment	Annual
Day count convention	Actual/actual
Frequency of the interest payment with specified dates	First interest on September 25, 2020 and subsequently on the September 25th every year and the last interest payment will be made at the time of redemption of the NCDs
Deemed Date of Allotment	Wednesday, September 25, 2019

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of New Investors
Deemed Date of Allotment	Wednesday, Sep 25, 2019	Wednesday, Sep 25, 2019		-1000.00
1st Coupon	Friday, Sep 25, 2020	Friday, Sep 25, 2020	366	97.00
2nd Coupon	Saturday, Sep 25, 2021	Monday, Sep 27, 2021	365	97.00
3rd Coupon	Sunday, Sep 25, 2022	Friday, Sep 23, 2022	363	96.47
Redemption of Principal	Sunday, Sep 25, 2022	Friday, Sep 23, 2022		1000.00
Total			1094	1290.47
			Effective Yield :	9.69%

Series IV Tranche 2 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	Wednesday, August 21, 2019
Redemption Date	Sunday, September 25, 2022
Tenor from Deemed Date of allotment	36 months
Coupon Rate for all Category of New Investors	9.30%
Frequency of the interest payment	Monthly
Day count convention	Actual/actual
Frequency of the interest payment with specified dates	First interest on October 25, 2019 and subsequently on the 25th of every month. Last interest payment will be made on date of redemption of NCD
Deemed Date of Allotment	Wednesday, September 25, 2019

Cash flows	Due date	Date of payment	No. of days in coupon period	Amount (in Rs.) payable per NCD - All category of New Investors
Deemed Date of Allotment	Wednesday, Sep 25,	Wednesday, Sep		

	2019	25, 2019	-	-1,000.00
1st Coupon	Friday, Oct 25, 2019	Friday, Oct 25, 2019	30	7.62
2nd Coupon	Monday, Nov 25, 2019	Monday, Nov 25, 2019	31	7.88
3rd Coupon	Wednesday, Dec 25, 2019	Wednesday, Dec 25, 2019	30	7.62
4th Coupon	Saturday, Jan 25, 2020	Monday, Jan 27, 2020	31	7.88
5th Coupon	Tuesday, Feb 25, 2020	Tuesday, Feb 25, 2020	31	7.88
6th Coupon	Wednesday, Mar 25, 2020	Wednesday, Mar 25, 2020	29	7.37
7th Coupon	Saturday, Apr 25, 2020	Monday, Apr 27, 2020	31	7.88
8th Coupon	Monday, May 25, 2020	Monday, May 25, 2020	30	7.62
9th Coupon	Thursday, Jun 25, 2020	Thursday, Jun 25, 2020	31	7.88
10th Coupon	Saturday, Jul 25, 2020	Monday, Jul 27, 2020	30	7.62
11th Coupon	Tuesday, Aug 25, 2020	Tuesday, Aug 25, 2020	31	7.88
12th Coupon	Friday, Sep 25, 2020	Friday, Sep 25, 2020	31	7.88
13th Coupon	Sunday, Oct 25, 2020	Monday, Oct 26, 2020	30	7.64
14th Coupon	Wednesday, Nov 25, 2020	Wednesday, Nov 25, 2020	31	7.90
15th Coupon	Friday, Dec 25, 2020	Friday, Dec 25, 2020	30	7.64
16th Coupon	Monday, Jan 25, 2021	Monday, Jan 25, 2021	31	7.90
17th Coupon	Thursday, Feb 25, 2021	Thursday, Feb 25, 2021	31	7.90
18th Coupon	Thursday, Mar 25, 2021	Thursday, Mar 25, 2021	28	7.13

19th Coupon	Sunday, Apr 25, 2021	Monday, Apr 26, 2021	31	7.90
20th Coupon	Tuesday, May 25, 2021	Tuesday, May 25, 2021	30	7.64
21st Coupon	Friday, Jun 25, 2021	Friday, Jun 25, 2021	31	7.90
22nd Coupon	Sunday, Jul 25, 2021	Monday, Jul 26, 2021	30	7.64
23rd Coupon	Wednesday, Aug 25, 2021	Wednesday, Aug 25, 2021	31	7.90
24th Coupon	Saturday, Sep 25, 2021	Monday, Sep 27, 2021	31	7.90
25th Coupon	Monday, Oct 25, 2021	Monday, Oct 25, 2021	30	7.64
26th Coupon	Thursday, Nov 25, 2021	Thursday, Nov 25, 2021	31	7.90
27th Coupon	Saturday, Dec 25, 2021	Monday, Dec 27, 2021	30	7.64
28th Coupon	Tuesday, Jan 25, 2022	Tuesday, Jan 25, 2022	31	7.90
29th Coupon	Friday, Feb 25, 2022	Friday, Feb 25, 2022	31	7.90
30th Coupon	Friday, Mar 25, 2022	Friday, Mar 25, 2022	28	7.13
31st Coupon	Monday, Apr 25, 2022	Monday, Apr 25, 2022	31	7.90
32nd Coupon	Wednesday, May 25, 2022	Wednesday, May 25, 2022	30	7.64
33rd Coupon	Saturday, Jun 25, 2022	Monday, Jun 27, 2022	31	7.90
34th Coupon	Monday, Jul 25, 2022	Monday, Jul 25, 2022	30	7.64
35th Coupon	Thursday, Aug 25, 2022	Thursday, Aug 25, 2022	31	7.90
36th Coupon	Sunday, Sep 25, 2022	Friday, Sep 23, 2022	29	7.39
Redemption of Principal	Sunday, Sep 25, 2022	Friday, Sep 23, 2022		

		2022		1,000.00
Total			1,094	1,278.49
			Effective Yield :	9.70%

Series V Tranche 2 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	Wednesday, August 21, 2019
Redemption Date	Sunday, September 25, 2022
Tenor from Deemed Date of allotment	36 months
Coupon Rate for all Category of Investors	NA
Day count convention	Actual/actual
Deemed Date of Allotment	Wednesday, September 25, 2019

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of Investors
Deemed Date of Allotment	Wednesday, Sep 25, 2019	Wednesday, Sep 25, 2019		-1000.00
Redemption of Principal	Sunday, Sep 25, 2022	Friday, Sep 23, 2022	1094	1320.50
			Effective Yield :	9.70%

Series VI Tranche 2 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00

Issue Open Date	Wednesday, August 21, 2019
Redemption Date	Wednesday, September 25, 2024
Tenor from Deemed Date of allotment	60 months
Coupon Rate for all Category of Investors	9.85%
Frequency of the interest payment	Annual
Day count convention	Actual/actual
Frequency of the interest payment with specified dates	First interest on September 25, 2020 and subsequently on the September 25th every year and the last interest payment will be made at the time of redemption of the NCDs
Deemed Date of Allotment	Wednesday, September 25, 2019

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of New Investors
Deemed Date of Allotment	Wednesday, Sep 25, 2019	Wednesday, Sep 25, 2019		-1000.00
1st Coupon	Friday, Sep 25, 2020	Friday, Sep 25, 2020	366	98.50
2nd Coupon	Saturday, Sep 25, 2021	Monday, Sep 27, 2021	365	98.50
3rd Coupon	Sunday, Sep 25, 2022	Monday, Sep 26, 2022	365	98.50
4th Coupon	Monday, Sep 25, 2023	Monday, Sep 25, 2023	365	98.50
5th Coupon	Wednesday, Sep 25, 2024	Wednesday, Sep 25, 2024	366	98.50
Redemption of Principal	Wednesday, Sep 25, 2024	Wednesday, Sep 25, 2024		1000.00
Total			1827	1492.50
			Effective Yield :	9.84%

Series VII Tranche 2

Company	Shriram City Union Finance Limited
Face value (per security)	1000.00
Issue Date	Wednesday, August 21, 2019
Redemption	Wednesday, September 25, 2024
Tenor from Deemed Date of allotment	60 Months
Coupon Rate for all Category of Investors	9.45%
Frequency of the interest payment	Monthly
Day count convention	Actual/actual
Frequency of the interest payment with specified dates	First interest on October 25, 2019 and subsequently on the 25th of every month. Last interest payment will be made on date of redemption of NCD
Deemed Date of Allotment	Wednesday, September 25, 2019

Cash flows	Due date	Date of payment	No. of days in coupon period	Amount (in Rs.) payable per NCD - All category of New Investors
Deemed Date of Allotment	Wednesday, Sep 25 2019	Wednesday, Sep 25 2019	-	- 1,000.00
1st Coupon	Friday, Oct 25 2019	Friday, Oct 25 2019	30	7.75
2nd coupon	Monday, Nov 25 2019	Monday, Nov 25 2019	31	8.00
3rd Coupon	Wednesday, Dec 25 2019	Wednesday, Dec 25 2019	30	7.75
4th Coupon	Saturday, Jan 25 2020	Monday, Jan 27 2020	31	8.00
5th Coupon	Tuesday, Feb 25 2020	Tuesday, Feb 25 2020	31	8.00
6th Coupon	Wednesday, Mar 25 2020	Wednesday, Mar 25 2020	29	7.49

7th Coupon	Saturday, Apr 25 2020	Monday, Apr 27 2020	31	8.00
8th Coupon	Monday, May 25 2020	Monday, May 25 2020	30	7.75
9th Coupon	Thursday, Jun 25 2020	Thursday, Jun 25 2020	31	8.00
10th Coupon	Saturday, Jul 25 2020	Monday, Jul 27 2020	30	7.75
11th Coupon	Tuesday, Aug 25 2020	Tuesday, Aug 25 2020	31	8.00
12th Coupon	Friday, Sep 25 2020	Friday, Sep 25 2020	31	8.00
13th Coupon	Sunday, Oct 25 2020	Monday, Oct 26 2020	30	7.77
14th Coupon	Wednesday, Nov 25 2020	Wednesday, Nov 25 2020	31	8.03
15th Coupon	Friday, Dec 25 2020	Friday, Dec 25 2020	30	7.77
16th Coupon	Monday, Jan 25 2021	Monday, Jan 25 2021	31	8.03
17th Coupon	Thursday, Feb 25 2021	Thursday, Feb 25 2021	31	8.03
18th Coupon	Thursday, Mar 25 2021	Thursday, Mar 25 2021	28	7.25
19th Coupon	Sunday, Apr 25 2021	Monday, Apr 26 2021	31	8.03
20th Coupon	Tuesday, May 25 2021	Tuesday, May 25 2021	30	7.77
21st Coupon	Friday, Jun 25 2021	Friday, Jun 25 2021	31	8.03
22nd Coupon	Sunday, Jul 25 2021	Monday, Jul 26 2021	30	7.77
23rd Coupon	Wednesday, Aug 25 2021	Wednesday, Aug 25 2021	31	8.03
24th Coupon	Saturday, Sep 25 2021	Monday, Sep 27 2021	31	8.03
25th Coupon	Monday, Oct 25 2021	Monday, Oct 25		

		2021	30	7.77
26th Coupon	Thursday, Nov 25 2021	Thursday, Nov 25 2021	31	8.03
27th Coupon	Saturday, Dec 25 2021	Monday, Dec 27 2021	30	7.77
28th Coupon	Tuesday, Jan 25 2022	Tuesday, Jan 25 2022	31	8.03
29th Coupon	Friday, Feb 25 2022	Friday, Feb 25 2022	31	8.03
30th Coupon	Friday, Mar 25 2022	Friday, Mar 25 2022	28	7.25
31st Coupon	Monday, Apr 25 2022	Monday, Apr 25 2022	31	8.03
32nd Coupon	Wednesday, May 25 2022	Wednesday, May 25 2022	30	7.77
33rd Coupon	Saturday, Jun 25 2022	Monday, Jun 27 2022	31	8.03
34th Coupon	Monday, Jul 25 2022	Monday, Jul 25 2022	30	7.77
35th Coupon	Thursday, Aug 25 2022	Thursday, Aug 25 2022	31	8.03
36th Coupon	Sunday, Sep 25 2022	Monday, Sep 26 2022	31	8.03
37th Coupon	Tuesday, Oct 25 2022	Tuesday, Oct 25 2022	30	7.77
38th Coupon	Friday, Nov 25 2022	Friday, Nov 25 2022	31	8.03
39th Coupon	Sunday, Dec 25 2022	Monday, Dec 26 2022	30	7.77
40th Coupon	Wednesday, Jan 25 2023	Wednesday, Jan 25 2023	31	8.03
41st Coupon	Saturday, Feb 25 2023	Monday, Feb 27 2023	31	8.03
42nd Coupon	Saturday, Mar 25 2023	Monday, Mar 27 2023	28	7.25
43rd Coupon	Tuesday, Apr 25 2023	Tuesday, Apr 25 2023	31	8.03

44th Coupon	Thursday, May 25 2023	Thursday, May 25 2023	30	7.77
45th Coupon	Sunday, Jun 25 2023	Monday, Jun 26 2023	31	8.03
46th Coupon	Tuesday, Jul 25 2023	Tuesday, Jul 25 2023	30	7.77
47th Coupon	Friday, Aug 25 2023	Friday, Aug 25 2023	31	8.03
48th Coupon	Monday, Sep 25 2023	Monday, Sep 25 2023	31	8.03
49th Coupon	Wednesday, Oct 25 2023	Wednesday, Oct 25 2023	30	7.75
50th Coupon	Saturday, Nov 25 2023	Monday, Nov 27 2023	31	8.00
51st Coupon	Monday, Dec 25 2023	Monday, Dec 25 2023	30	7.75
52nd Coupon	Thursday, Jan 25 2024	Thursday, Jan 25 2024	31	8.00
53rd Coupon	Sunday, Feb 25 2024	Monday, Feb 26 2024	31	8.00
54th Coupon	Monday, Mar 25 2024	Monday, Mar 25 2024	29	7.49
55th Coupon	Thursday, Apr 25 2024	Thursday, Apr 25 2024	31	8.00
56th Coupon	Saturday, May 25 2024	Monday, May 27 2024	30	7.75
57th Coupon	Tuesday, Jun 25 2024	Tuesday, Jun 25 2024	31	8.00
58th Coupon	Thursday, Jul 25 2024	Thursday, Jul 25 2024	30	7.75
59th Coupon	Sunday, Aug 25 2024	Monday, Aug 26 2024	31	8.00
60th Coupon	Wednesday, Sep 25 2024	Wednesday, Sep 25 2024	31	8.00
Redemption of Principal	Wednesday, Sep 25 2024	Wednesday, Sep 25 2024		1,000.00
Total				

			1,827	1,472.50
			Effective Yield :	9.86%

Series VIII Tranche 2

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	Wednesday, August 21, 2019
Redemption Date	Wednesday, September 25, 2024
Tenor from Deemed Date of allotment	60 months
Coupon Rate for all Category of Investors	NA
Day count convention	Actual/actual
Deemed Date of Allotment	Wednesday, September 25, 2019

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of Investors
Deemed Date of Allotment	Wednesday, Sep 25, 2019	Wednesday, Sep 25, 2019		-1000.00
Redemption of Principal	Wednesday, Sep 25, 2024	Wednesday, Sep 25, 2024	1827	1600.40
			Effective Yield :	9.85%

Note

- Deemed Date of Allotment is is September 25, 2019
- For the purpose of the above illustrations, it is also assumed that Sundays and 2nd and 4th Saturday are Non-Working Days.
- Interest payable during the year starting from October 2019 to September 2020 and from October 2023 to September 2024 has been calculated for 366 days considering leap year.
- For illustration purpose, the cash flow working is on 1 NCD.

ANNEXURE D: FINANCIAL STATEMENTS

Examination report and Reformatted Standalone Financial Information under IndAS	F-1
Examination report and Reformatted Consolidated Financial Information under IndAS	F-241
Limited Review Report and Limited Review Financial Results for the quarter ended June 30, 2019.	F-361

Independent Auditor's Examination Report on the Reformatted Standalone Financial Statements

The Board of Directors
Shriram City Union Finance Limited
123, Angappa Naicken Street,
Chennai, 600 001

Dear Sir,

Sub: Auditors' Report on Reformatted Standalone Financial Information under Ind AS in relation to the proposed public issue ("Issue") of secured, redeemable, non-convertible debentures ("NCDs") by Shriram City Union Finance Limited ("**Issuer/Company**").

1. This report is issued in accordance with terms of reference of our Engagement Letter dated December 5, 2018.
2. We have examined the attached reformatted standalone financial statements of Shriram City Union Finance Limited ("the Company") which comprises of the Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2019, the Reformatted Standalone Statement of Profit and Loss, the Reformatted Standalone Statement of Changes in Equity, the Reformatted Standalone Statement of Cash Flows for the year ended March 31, 2019, and the Summary of Significant Accounting Policies, and other explanatory information (collectively referred to as 'Reformatted Standalone Financial Information under Ind AS') annexed to this report and as approved by the Banking and Securities Management Committee to the Board of Directors (committee) of the Company and have been prepared by the Management of the Company, in accordance with the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
 - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("SEBI Regulations"), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992

to be included in the Tranche 2 Prospectus, in connection with the proposed public issue of NCDs by the Company.

Management's responsibility for the Reformatted Standalone Financial Information under Ind AS

3. The preparation of the Reformatted Standalone Financial Information under Ind AS is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Reformatted Standalone Financial Information under Ind AS.

Mumbai Office: Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai-400 098
Pune Office: GDA House, Plot No.85, Right Bhusari Colony, Paud Road, Kothrud, Pune – 411 038, Phone – 020 – 25280081, Fax No. 25280275, Email – audit@gdaca.com



The Management is also responsible for identifying and ensuring that the Company complies with the Act, Rules and SEBI regulations.

Auditor's responsibilities

4. Our responsibility is to express our opinion based on the examination of such Reformatted Standalone Financial Information under Ind AS with regards to:
- a. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") and
 - b. The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which includes the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information under Ind AS. This guidance note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, covering Quality Control for firms that perform audits and reviews of historical financial information and other assurance and related service engagements.

Reformatted Standalone Financial Information under Ind AS

5. The Reformatted Standalone Financial Information under Ind AS referred to above, relating to profits, assets, liabilities, changes in equity, and cash flows of the Company are contained in the following annexures to this report:
- a. Annexure I containing the 'Reformatted Standalone Statement of Assets and Liabilities' of the Company as at March 31 2019.
 - b. Annexure II containing the 'Reformatted Standalone Statement of Profit and Loss' of the Company for the financial year ended March 31, 2019.
 - c. Annexure III containing the 'Reformatted Standalone Statement of Changes in Equity' of the Company as at and for the year ended March 31, 2019.
 - d. Annexure IV containing the 'Reformatted Standalone Statement of Cash Flow' of the Company for the financial year ended March 31, 2019.
 - e. Annexure V and Annexure VI containing Standalone Significant Accounting Policies and notes to the financial statements.

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6. This Reformatted Standalone Financial Information under Ind AS has been compiled by the Management from the audited Standalone Financial Statements of the Company as at and for the year ended March 31, 2019. No adjustments have been made for any events occurring subsequent to the date of the audit opinion specified in paragraph 10 below, in the preparation and presentation of the Reformatted Standalone Financial Information under Ind AS.
7. We have not audited any standalone financial statements of the Company as at any date or for any period subsequent to March 31, 2019. Accordingly, we express no opinion on the consolidated financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2019.

Other Standalone Financial Information:

8. At the Company's request, we have also examined the following Other Standalone Financial Information of the Company as at and for the year ended on March 31, 2019, proposed to be included in the Tranche 2 Prospectus, as approved by the Committee, annexed to this report:
 - a. Statements of Accounting Ratios (Standalone) as at and for the financial year ended March 31, 2019 (Annexure VII)
 - b. Statement of Dividends for the financial year ended March 31, 2019. (Annexure VIII)
 - c. Capitalization Statement (Annexure IX)

Opinion

9. Based on our examination of the Reformatted Standalone Statements, we state that in our opinion, the Reformatted Standalone Financial Information under Ind AS and Other Standalone Financial Information of the Company mentioned above, as at and for the year ended March 31, 2019 have been prepared in accordance the Act, the Rules and the SEBI Regulations.
10. We report that the Reformatted Standalone Financial Information under Ind AS have been extracted and prepared by the management from the audited Standalone Financial Statements of the company for the financial year ended March 31, 2019 which were approved by the Board of Directors on April 24, 2019. The Standalone Financial Statements of the Company for the financial year ended March 31, 2019 have been audited by us in respect of which we have issued unmodified audit opinion dated April 24, 2019.
11. The comparative financial information of the company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2017 included in the Standalone Reformatted Financial Information under Ind AS, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India

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audited by us vide our report for the year ended March 31, 2018 dated April 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 2, 2017 respectively expressed an unmodified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

12. We did not perform audit tests for the purposes of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon on the Reformatted Standalone Financial Information under Ind AS.
13. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports, nor should this be construed as a new opinion on any of the financial statements/information referred to herein.
14. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

Restrictions of use

15. This report is issued at the specific request of the Company for inclusion in the Tranche 2 Prospectus which as informed to us is to be filed by the Company with BSE Limited, the Securities and Exchange Board of India and the Registrar of Companies in connection with the Proposed Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. This report may not be useful for any other purpose.

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

Umesh S. Abhyankar
Partner
Membership Number: 113 053
UDIN: 19113053AAAACJ4754



Pune, August 07, 2019

Mumbai Office: Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai-400 098
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Shriram City Union Finance Limited
Annexure I
Reformatted Standalone Statement of Assets and Liabilities

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

Notes and Annexures forming part of the Reformatted Financial Statements

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Annexure II
Reformatted Standalone Statement of Profit and Loss

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

Notes and Annexures forming part of the Reformatted Financial Statements

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Annexure III
Reformatted Standalone Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

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

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

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

The accompanying notes and annexures are an integral part of the Reformatted Financial Statements

As per our report of even date

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

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

U.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited - Standalone

CIN: L65191TN1986PLC012840

Annexure IV
Reformatted Standalone Statement of Cash Flow

Particulars	Year ended March 31 , 2019	Year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxes	1,52,032.26	1,08,847.21
Adjustments for :		
Depreciation, amortization and impairment	3,119.55	3,325.93
(Profit)/Loss on sale of fixed assets (net)	50.62	27.45
Public issue expenditure for non-convertible debentures	120.01	184.89
Deferred lease rental	78.25	4.82
Bad Debts Written Off	64,737.84	62,966.96
Impairment of financial instruments	13,467.85	39,348.31
(Gain)/Loss on sale of investments	(26.16)	(1,505.31)
Financial Gurantee obligation	(15.60)	(15.60)
Premium on Govt Securities	123.60	249.39
Dividend Income	(166.76)	(144.50)
Net (Gain)/Loss on fair value changes on investments	(1,161.63)	(854.08)
Net (Gain)/Loss on fair value changes on derivatives	297.39	-
Amortisation of Transaction Cost	(359.15)	780.63
Net (gain)/Loss of derecognition of financial instruments under	(1,306.61)	978.58
Operating profit before working capital changes	2,30,991.46	2,14,194.68
Movements in Working capital:		
(Increase) / decrease in loans and advances	(1,98,386.91)	(5,16,173.05)
(Increase) / decrease in other non financial assets	(2,631.03)	(1,640.50)
(Increase) / decrease in other financial assets	(252.03)	532.78
(Increase) / decrease in Bank Deposits	(10,124.75)	1,705.58
(Increase) / decrease in Investments	8,048.05	(2,854.85)
Increase / (decrease) in other financial liabilities	10,027.44	(1,298.93)
Increase / (decrease) in other non financial liabilities	(111.11)	205.41
Increase / (decrease) in other Payables	(1,493.48)	3,952.80
Other provisions	(1,318.82)	1,106.38
Cash generated from operations	34,748.82	(3,00,269.70)
Direct taxes paid (net of refunds)	(49,355.67)	(36,687.70)
Net Cash from/(used in) operating activities (A)	(14,606.85)	(3,36,957.40)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(3,407.79)	(3,450.89)
Sale of Investment	70,026.16	2,968.52
Capital advance for assets	(19.40)	7.90
Proceeds from sale of fixed assets	45.57	23.84
Purchase of investments	(89,956.78)	-
Dividend Income	166.76	144.50
Net Cash from/(used in) investing activities (B)	(23,145.48)	(306.13)

Shriram City Union Finance Limited - Standalone

CIN: L65191TN1986PLC012840

Annexure IV**Reformatted Standalone Statement of Cash Flow**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	9.29	7.83
Increase/(Decrease) of debt securities	1,38,140.32	1,03,293.04
Increase/(Decrease) of Borrowings	26,488.80	2,88,540.22
Increase/(Decrease) of Deposits	2,680.79	(40,464.78)
Increase/(Decrease) of Subordinated liabilities	(50,447.56)	(11,255.72)
Dividend paid on equity shares including dividend tax	(11,875.90)	(10,542.37)
Tax on Dividend Paid	(2,441.00)	(2,148.15)
Net Cash from/(used in) financing activities (C)	1,02,554.74	3,27,430.07
Net increase / (decrease) in cash and cash equivalents (A+B+C)	64,802.41	(9,833.46)
Cash and cash equivalents at the beginning of the year	33,426.48	43,259.94
Cash and cash equivalents at the end of the year	98,228.89	33,426.48

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

Notes

1) The above cash- flow statement have been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

The accompanying notes and annexures are an integral part of the Reformatted Financial Statements

As per our report of even date

For G D Apte & Co

Chartered Accountants

Firm Registration No.100515W

For and on behalf of the Board of Directors of**Shriram City Union Finance Limited****Umesh.S.Abhyankar**

Partner

Membership No.113053

Yalamati Srinivasa Chakravarti

Managing Director & CEO

DIN: 00052308

Venkataraman Murali

Director

DIN: 00730218

Place: Chennai

Date: August 7, 2019

C R Dash

Company Secretary

R Chandrasekar

Chief Financial Officer

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These Standalone Reformatted financial Statements have been prepared by the company on the basis of the Audited Standalone Financial Statements of the company as at and for the year ended on March 31, 2019, for inclusion in the Tranche Prospectus with respect to the proposed public issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,000 each, (“NCDs”) aggregating up to Rs. 3,000 Crore and are not to be used or referred to for any other purpose.

1. Corporate Information

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

RBI	07-00458
Corporate Identity Number (CIN)	L65191TN1986PLC012840

Shriram Capital Limited is the promoter of the Company.

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

2. Basis of preparation

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

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

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

3. Presentation of financial statement

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

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- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

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

4. Statement of compliance

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

5. New Accounting Standards issued but not effective

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

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 on Leases. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

6. Significant accounting policies

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- ▶ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- ▶ The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- ▶ How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- ▶ The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

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

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

Debt instruments

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

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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

Equity instruments

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

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

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

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

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

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

(v) Derivatives

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

- ▶ Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- ▶ It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- ▶ It is settled at a future date.

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

(vi) Debt securities and other borrowed funds

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

(vii) Financial guarantees

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

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

(viii) Reclassification of financial assets and liabilities

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

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

- a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.
- b) Investments are initially recognised on the settlement date.
- c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.
- d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

- i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or
- ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

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

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- i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

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

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

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

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Company does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

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

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

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

Stage 1

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

Stage 2

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

Stage 3

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

Credit-impaired financial assets:

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

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

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this

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purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the company has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

ECL on Debt instruments measured at fair value through OCI

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

The mechanics of ECL:

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

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

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

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

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

Forward looking information

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

Collateral Valuation

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To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, , etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

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

(xii) Write-offs

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

(xiii) Determination of fair value

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

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

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

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- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Dividend Income

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

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

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

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

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

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

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

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 31), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of Profit and Loss.

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

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

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6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

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

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recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

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

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

Other long-term employee benefits

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

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

(iii) Rent Expense:

Identification of Lease:

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

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

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

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

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(iv) Other income and expenses

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

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

Minimum Alternate Tax (MAT)

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

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

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

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

6.5 Cash and cash equivalents

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

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

6.6 Property, plant and equipment

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

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

Depreciation

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

The estimated useful lives are as follows:

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

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

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is

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the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a

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present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

6.10 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

7. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual

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developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in *Note 6.1(xi) Overview of ECL principles*.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

7.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

8. First time adoption

These financial statements, for the year ended March 31, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the

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Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

8.1 Investment in Subsidiaries, associates

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary at the Previous GAAP carrying amount as its deemed cost on the transition date.

8.2 Lease arrangements

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the company has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on date of transition.

8.3 Property, plant, equipment & intangible assets

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at March 31, 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on April 01, 2017.

8.4 Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

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8.5 Derecognition of previously recognised financial instruments

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of “derecognition of financial assets and financial liabilities” wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past. However, for loans and advances securitised, the Company has applied the derecognition requirements retrospectively.

8.6 Fair value measurement of financial assets or financial liabilities at initial recognition

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the ‘day one’ gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the ‘day one’ gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Company has opted for this exemption to recognise the ‘day one’ gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

Following mandatory exceptions are applicable to the Company:

9.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

9.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

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Notes forming part of the Reformatted Standalone financial statement

Note 10: Cash and cash equivalents

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	8,384.79	6,134.11	5,562.57
Balances with bank in:			
-Current Account	48,007.30	27,049.78	36,662.77
-Bank deposit with maturity less than 3 months	41,744.85	150.03	951.68
On Escrow accounts			
Unclaimed dividend account	91.95	92.56	82.92
Total	98,228.89	33,426.48	43,259.94

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

Note 11: Bank balance other than cash and cash equivalents

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with original maturity for more than 12 months	2,515.16	-	-
Fixed deposits with original maturity for more than 3 months but less than 12 months*	13,051.22	16,648.84	17,482.38
Margin Money Deposit for securitisation	14,623.48	3,416.27	4,288.31
Total	30,189.86	20,065.11	21,770.69

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 500.48 lacs (March 31, 2018;;NIL April 1, 2017: NIL) as margin for foreign currency derivative contract

Note 12: Loans and advances

(Rs. in lacs)

Particulars	As at March 31, 2019					As at March 31, 2018					As at April 01, 2017				
	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)															
i) Term loans	28,91,560.11	-	-	-	28,91,560.11	27,57,911.04	-	-	-	27,57,911.04	23,04,704.95	-	-	-	23,04,704.95
ii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	28,91,560.11	-	-	-	28,91,560.11	27,57,911.04	-	-	-	27,57,911.04	23,04,704.95	-	-	-	23,04,704.95
Less: Impairment loss allowance	1,92,649.18	-	-	-	1,92,649.18	1,79,181.32	-	-	-	1,79,181.32	1,39,832.87	-	-	-	1,39,832.87
Total (A) - Net	26,98,910.93	-	-	-	26,98,910.93	25,78,729.72	-	-	-	25,78,729.72	21,64,872.08	-	-	-	21,64,872.08
(B)															
i) Secured by tangible assets	22,04,272.43	-	-	-	22,04,272.43	21,94,712.77	-	-	-	21,94,712.77	18,39,695.44	-	-	-	18,39,695.44
iv) Unsecured	6,87,287.68	-	-	-	6,87,287.68	5,63,198.27	-	-	-	5,63,198.27	4,65,009.51	-	-	-	4,65,009.51
Total (B) - Gross	28,91,560.11	-	-	-	28,91,560.11	27,57,911.04	-	-	-	27,57,911.04	23,04,704.95	-	-	-	23,04,704.95
Less : Impairment loss allowance	1,92,649.18	-	-	-	1,92,649.18	1,79,181.32	-	-	-	1,79,181.32	1,39,832.87	-	-	-	1,39,832.87
Total (B) - Net	26,98,910.93	-	-	-	26,98,910.93	25,78,729.72	-	-	-	25,78,729.72	21,64,872.08	-	-	-	21,64,872.08
(C)															
Loans in India															
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others															
Corporate	1,37,496.59	-	-	-	1,37,496.59	1,65,323.91	-	-	-	1,65,323.91	1,18,340.90	-	-	-	1,18,340.90
Retail	27,54,063.52	-	-	-	27,54,063.52	25,92,587.13	-	-	-	25,92,587.13	21,86,364.05	-	-	-	21,86,364.05
Total - Gross	28,91,560.11	-	-	-	28,91,560.11	27,57,911.04	-	-	-	27,57,911.04	23,04,704.95	-	-	-	23,04,704.95
Less: Impairment loss allowance	1,92,649.18	-	-	-	1,92,649.18	1,79,181.32	-	-	-	1,79,181.32	1,39,832.87	-	-	-	1,39,832.87
Total - Net	26,98,910.93	-	-	-	26,98,910.93	25,78,729.72	-	-	-	25,78,729.72	21,64,872.08	-	-	-	21,64,872.08
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	26,98,910.93	-	-	-	26,98,910.93	25,78,729.72	-	-	-	25,78,729.72	21,64,872.08	-	-	-	21,64,872.08

Note 12: Loans and advances**Credit Quality of Assets**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 50.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 50.2.

(Rs. in lacs)												
Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade												
Performing												
High grade	20,59,886.65	-	-	20,59,886.65	20,36,472.82	-	-	20,36,472.82	14,88,120.79	-	-	14,88,120.79
Standard grade	1,15,412.71	-	-	1,15,412.71	2,84,863.64	-	-	2,84,863.64	3,64,871.39	-	-	3,64,871.39
Sub-standard grade	-	3,82,974.59	-	3,82,974.59	-	1,09,542.47	-	1,09,542.47	-	1,49,555.00	-	1,49,555.00
Past due but not impaired	-	75,617.25	-	75,617.25	-	67,646.87	-	67,646.87	-	95,838.67	-	95,838.67
Non- performing	-	-	2,57,668.91	2,57,668.91	-	-	2,59,385.24	2,59,385.24	-	-	2,06,319.10	2,06,319.10
Total	21,75,299.36	4,58,591.84	2,57,668.91	28,91,560.11	23,21,336.46	1,77,189.34	2,59,385.24	27,57,911.04	18,52,992.18	2,45,393.67	2,06,319.10	23,04,704.95

An analysis of changes in the gross carrying amount, as follows:

(Rs. in Lacs)								
Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	23,21,336.46	1,77,189.34	2,59,385.24	27,57,911.04	18,52,992.18	2,45,393.67	2,06,319.10	23,04,704.95
New assets originated or purchased	23,01,011.28	84,116.03	22,012.80	24,07,140.11	23,96,242.52	60,202.98	35,773.57	24,92,219.07
Assets derecognised or repaid (excluding write offs)	(18,56,863.13)	(2,70,656.73)	(81,298.63)	(22,08,818.49)	(17,03,093.56)	(1,86,360.07)	(86,592.39)	(19,76,046.02)
Transfers to Stage 1	39,171.66	(21,760.63)	(17,411.03)	-	52,584.30	(47,371.52)	(5,212.78)	-
Transfers to Stage 2	(5,28,808.68)	5,31,283.35	(2,474.67)	-	(1,63,793.09)	1,68,797.08	(5,003.99)	-
Transfers to Stage 3	(96,037.17)	(38,047.92)	1,34,085.09	-	(1,05,296.21)	(61,688.97)	1,66,985.18	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(4,511.06)	(3,531.60)	(56,629.89)	(64,672.55)	(8,299.68)	(1,783.83)	(52,883.45)	(62,966.96)
Gross carrying amount closing balance	21,75,299.37	4,58,591.84	2,57,668.91	28,91,560.11	23,21,336.46	1,77,189.34	2,59,385.24	27,57,911.04

Reconciliation of ECL balance is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	49,509.40	7,331.25	1,22,340.68	1,79,181.32	31,021.85	7,363.94	1,01,447.08	1,39,832.87
New assets originated or purchased	42,680.60	5,263.21	7,920.79	55,864.60	36,612.43	2,477.07	14,911.72	54,001.22
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	9,940.48	(1,306.77)	(8,633.71)	-	4,612.85	(1,692.74)	(2,920.11)	-
Transfers to Stage 2	(11,464.63)	12,655.37	(1,190.74)	-	(3,254.85)	6,051.43	(2,796.58)	-
Transfers to Stage 3	(2,384.32)	(2,202.19)	4,586.51	-	(2,072.04)	(2,656.10)	4,728.14	-
Impact on year end ECL of exposures transferred between stages during the year	(24,854.27)	3,149.02	43,981.06	22,275.81	(9,111.16)	(2,428.52)	59,853.86	48,314.18
Unwind of discount	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Amounts written off	(4,511.06)	(3,531.60)	(56,629.89)	(64,672.55)	(8,299.68)	(1,783.83)	(52,883.44)	(62,966.95)
ECL allowance - closing balance	58,916.20	21,358.29	1,12,374.69	1,92,649.18	49,509.40	7,331.25	1,22,340.67	1,79,181.32

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Standalone financial statement
Note 13: Investments

(Rs. in lacs)

		At Fair value					
Particulars	Amortised Cost	Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account	Sub-total	Others (At Cost)	Total
As at 31 March 2019							
i) Mutual funds	-	-	20,366.72	-	20,366.72	-	20,366.72
ii) Government securities	20,800.08	-	-	-	-	-	20,800.08
iii) Equity instruments	-	-	10,684.01	-	10,684.01	-	10,684.01
iv) Subsidiary	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Treasury Bills	18,043.83	-	-	-	-	-	18,043.83
Total Investments	38,843.91	-	31,050.73	-	31,050.73	16,727.91	86,622.55
(i) Investments Outside India	-	-	10,603.97	-	10,603.97	-	10,603.97
(ii) Investments in India	38,843.91	-	20,446.76	-	20,446.76	16,727.91	76,018.58
Total Investments	38,843.91	-	31,050.73	-	31,050.73	16,727.91	86,622.55
As at 31 March 2018							
i) Mutual funds	-	-	322.29	-	322.29	-	322.29
ii) Government securities	20,800.08	-	-	-	-	-	20,800.08
iii) Equity instruments	-	-	9,566.81	-	9,566.81	-	9,566.81
iv) Subsidiaries	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Pass through certificate	43.22	-	-	-	-	-	43.22
vii) Treasury Bills	26,091.88	-	-	-	-	-	26,091.88
Total Investments	46,935.18	-	9,889.10	-	9,889.10	16,727.91	73,552.19
(i) Investments Outside India	-	-	9,516.15	-	9,516.15	-	9,516.15
(ii) Investments in India	46,935.18	-	372.95	-	372.95	16,727.91	64,036.04
Total Investments	46,935.18	-	9,889.10	-	9,889.10	16,727.91	73,552.19
As at 1 April 2017							
i) Mutual funds	-	-	294.59	-	294.59	-	294.59
ii) Government securities	21,389.79	-	-	-	-	-	21,389.79
iii) Equity instruments	-	-	9,655.68	-	9,655.68	-	9,655.68
iv) Subsidiaries	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Pass through certificate	606.92	-	-	-	-	-	606.92
vii) Treasury Bills	22,631.44	-	-	-	-	-	22,631.44
Total Investments	44,628.15	-	9,950.27	-	9,950.27	16,727.91	71,306.33
(i) Investments Outside India	-	-	8,608.01	-	8,608.01	-	8,608.01
(ii) Investments in India	44,628.15	-	1,342.26	-	1,342.26	16,727.91	62,698.32
Total Investments	44,628.15	-	9,950.27	-	9,950.27	16,727.91	71,306.33

More information regarding the valuation methodologies can be found in Note 49.7

The company received dividends of Rs.166.76 lakhs(March 31, 2018: Rs. 144.50 lakhs) from its FVTPL securities, recorded as dividend income.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Standalone financial statement

Note 13 - Investments

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Company's internal grading system are explained in note 50.2.

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Internal Grade Rating												
Performing												
High grade	86,622.55	-	-	86,622.55	73,552.19	-	-	73,552.19	71,306.33	-	-	71,306.33
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Non-performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	86,622.55	-	-	86,622.55	73,552.19	-	-	73,552.19	71,306.33	-	-	71,306.33

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(Rs. in lacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	73,552.19	-	-	73,552.19	71,306.33	-	-	71,306.33
New assets originated or purchased	1,07,850.01	-	-	1,07,850.01	73,416.02	-	-	73,416.02
Assets derecognised or matured (excluding write-offs)	(95,941.28)	-	-	(95,941.28)	(72,024.24)	-	-	(72,024.24)
Change in fair value	1,161.63	-	-	1,161.63	854.08	-	-	854.08
Closing balance	86,622.55	-	-	86,622.55	73,552.19	-	-	73,552.19

Reconciliation of ECL balance is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Unwind of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Closing balance in ECL	-	-	-	-	-	-	-	-

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Standalone financial statement

Note 14: Property, plant and equipment

(Rs. in lacs)

Particulars	Land-Freehold	Building	Office equipment	Electrical Installation	Computer Equipment	Furniture & Fixures	Vehicles	Leasehold Improvement	Total
Cost:									
As at April 01, 2017	2.31	12.94	2,976.43	2,416.65	6,309.36	2,104.07	32.71	10,009.30	23,863.77
Additions	-	-	114.18	454.44	1,226.85	266.82	24.76	1,275.61	3,362.66
Disposals	-	-	18.07	34.06	602.69	8.54	0.20	11.54	675.10
As at March 31, 2018	2.31	12.94	3,072.54	2,837.03	6,933.52	2,362.35	57.27	11,273.37	26,551.33
Additions	-	-	314.93	571.29	877.74	227.98	0.44	1,257.88	3,250.26
Disposals	-	-	156.63	102.36	551.31	13.42	0.36	66.59	890.67
As at March 31, 2019	2.31	12.94	3,230.84	3,305.96	7,259.95	2,576.91	57.35	12,464.66	28,910.92
Accumulated depreciation and impairment:									
As at April 01, 2017	-	3.50	2,177.64	892.93	4,929.52	1,089.69	14.45	7,781.08	16,888.81
Disposals	-	-	16.41	16.56	572.32	7.03	0.06	11.43	623.81
Depreciation charge for the year	-	0.18	297.86	245.21	708.15	178.22	5.36	1,273.65	2,708.63
As at March 31, 2018	-	3.68	2,459.09	1,121.58	5,065.35	1,260.88	19.75	9,043.30	18,973.63
Disposals	-	-	140.34	59.15	523.65	12.35	0.34	58.65	794.48
Depreciation charge for the year	-	0.17	237.14	285.94	890.97	189.04	5.97	1,198.07	2,807.30
As at March 31, 2019	-	3.85	2,555.89	1,348.37	5,432.67	1,437.57	25.38	10,182.72	20,986.45
Net carrying amount as at April 01, 2017	2.31	9.44	798.79	1,523.72	1,379.84	1,014.38	18.26	2,228.22	6,974.96
Net carrying amount as at March 31, 2018	2.31	9.26	613.45	1,715.45	1,868.17	1,101.47	37.52	2,230.07	7,577.70
Net carrying amount as at March 31, 2019	2.31	9.09	674.95	1,957.59	1,827.28	1,139.34	31.97	2,281.94	7,924.47

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2019 is Rs. 2.31 lacs (March 31 2018: Rs. 2.31 lacs, April 01, 2017: Rs. 2.31 lacs).

Note 15: Other intangible assets

(Rs. in lacs)	
Particulars	Computer Software
Cost:	
As at April 01, 2017	3,640.65
Additions	88.24
Disposals	-
As at March 31, 2018	3,728.89
Additions	157.53
Disposals	-
As at March 31, 2019	3,886.42
Accumulated amortisation and impairment:	
As at April 01, 2017	2,799.51
Disposals	-
Depreciation charge for the year	617.30
As at March 31, 2018	3,416.81
Disposals	-
Depreciation charge for the year	312.25
As at March 31, 2019	3,729.06
Net carrying amount as at April 01, 2017	841.14
Net carrying amount as at March 31, 2018	312.08
Net carrying amount as at March 31, 2019	157.36

Intangible assets are not internally self generated assets

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Standalone financial statement

Note 16: Other financial assets

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	2,135.88	1,870.48	1,652.26
Assignment receivable	1,306.61	2.44	573.56
Others	-	10.93	1,169.40
Total	3,442.49	1,883.85	3,395.22

Note 17: Other non-financial assets

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	409.79	120.84	305.73
Deferred lease rental	580.57	547.61	435.90
Goods and Service tax credit (input) receivable	3361.22	1,488.69	83.58
Advances recoverable in cash	966.26	1,018.41	1,907.10
Statutory duties paid under protest	608.61	507.49	156.20
Capital advances	66.64	47.24	55.14
Prepaid expenses	647.46	458.10	517.58
Amortisation of Govt. Sec Premium	342.75	466.35	-
Total	6,983.30	4,654.73	3,461.23

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 18 - Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	(Rs. in lacs)	
	As at March 31, 2019	
	Notional Amounts	Fair Value - Liabilities
(i) Currency derivatives:		
-Spots and forwards	7,098.00	297.39
-Currency futures	-	-
-Currency swaps	-	-
Sub total (i)	7,098.00	297.39
(ii) Interest rate derivatives:		
-Forward rate agreements and interest rate swaps	-	-
-Futures	-	-
Sub total (ii)	-	-
(iii) Credit derivatives:	-	-
(iv) Equity linked derivatives:	-	-
(v) Other derivatives:	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	7,098.00	297.39

There were no Derivative Financial Instruments as at April 01, 2017 and during the year 2017-18

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 50.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted financial statement****Note 19 - Other payables**

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,509.89	7,003.39	3,050.59
Total	5,509.89	7,003.39	3,050.59

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 20: Debt securities

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)												
Public issue	11,377.18	-	-	11,377.18	20,920.73	-	-	20,920.73	39,476.63	-	-	39,476.63
Privately placed	3,57,312.78	-	-	3,57,312.78	2,09,181.54	-	-	2,09,181.54	86,349.56	-	-	86,349.56
Total	3,68,689.96	-	-	3,68,689.96	2,30,102.27	-	-	2,30,102.27	1,25,826.19	-	-	1,25,826.19
Debt securities in India	3,68,689.96	-	-	3,68,689.96	2,30,102.27	-	-	2,30,102.27	1,25,826.19	-	-	1,25,826.19
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,68,689.96	-	-	3,68,689.96	2,30,102.27	-	-	2,30,102.27	1,25,826.19	-	-	1,25,826.19

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 20: Debt securities

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) of Rs. 1,000/- each - Quoted

(i) Issued in 2012

(Rs. in lacs)					
Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Option II	11.75%	-	-	7,539.12	06-Oct-17
	10.75%	-	-	107.07	06-Oct-17
Option IV	11.75%	-	-	5,781.01	06-Oct-17
	10.75%	-	-	2.83	06-Oct-17
Total		-	-	13,430.03	

Nature of security

The repayment of secured redeemable non convertible debentures of Rs.1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

(ii) Issued in 2013

(Rs. in lacs)					
Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series II	10.75%	-	-	7.18	04-Jan-18
	11.25%	-	-	318.40	04-Jan-18
Series III	10.75%	-	536.13	3.07	04-Jan-19
	11.50%	-	4,619.86	5,152.26	04-Jan-19
Series V	10.75%	-	-	83.48	04-Jan-18
	11.25%	-	-	311.56	04-Jan-18
Series VI	10.75%	-	452.02	430.39	04-Jan-19
	11.50%	-	4,076.73	3,694.04	04-Jan-19
Series VII	10.75%	-	0.14	-	04-Jan-19
	11.25%	-	67.09	134.40	04-Jan-19
Total		-	9,751.97	10,134.78	

Nature of security

The repayment of secured redeemable non convertible debentures of Rs.1 ,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

(iii) Issued in 2014

(Rs. in lacs)					
Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series III	10.85%	3,328.38	3,327.02	35.16	03-May-19
	11.75%	5,574.68	5,576.07	8,889.94	03-May-19
Series VI	10.85%	851.44	788.84	696.28	03-May-19
	11.75%	1,622.68	1,476.83	1,361.84	03-May-19
Series II	10.75%	-	-	7.77	03-May-17
	11.50%	-	-	3,868.01	03-May-17
Series V	10.75%	-	-	190.66	03-May-17
	11.50%	-	-	862.17	03-May-17
Total		11,377.18	11,168.76	15,911.83	

Nature of security

The repayment of secured redeemable non convertible debentures of Rs. 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

B. Redeemable Non-Convertible Debentures - Secured

(i) Privately Placed Redeemable Non - Convertible Debentures (NCDs) of Rs. 1,000/- each - Unquoted - Retail

Terms of repayment as at March 31,2019 : NIL

(Rs. in lacs)				
Redeemable at par within (from the date of balance sheet date)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12 months	3.47	635.60	0.53	639.60
Total	3.47	635.60	0.53	639.60

(Rs. in lacs)				
Redeemable at par within (from the date of balance sheet date)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	3.28	607.67	-	610.96
12 months	42.16	2,807.65	1,986.05	4,835.86
Total	45.44	3,415.32	1,986.05	5,446.82

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

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

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of Rs. 1,000,000/- each -
(Rs. in lacs)

Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
8.90%	11,510.30	11,508.67	-	27-Mar-23
8.09%	8,197.49	8,194.79	-	05-Dec-22
9.90%	9,032.10	-	-	29-Sep-22
9.90%	8,488.71	-	-	04-Apr-22
9.85%	62,942.76	-	-	21-Sep-21
10.75% *	200.25	298.89	396.66	04-Feb-21
9.40%	23,730.23	-	-	30-Dec-20
7.97%	30,974.81	30,970.57	-	27-Oct-20
7.97%	22,444.49	20,650.49	-	06-Oct-20
8.15%	579.26	534.75	-	30-Jun-20
9.30%	5,359.38	5,358.44	5,355.76	22-Jun-20
9.30%	5,364.13	5,364.17	5,357.27	17-Jun-20
8.15%	40,531.49	37,438.48	-	27-May-20
8.20%	13,614.06	12,499.17	11,550.54	16-Apr-20
9.52%	26,700.47	-	-	18-Mar-20
9.50%	26,704.62	-	-	18-Dec-19
8.25%	10,394.15	10,389.18	10,392.12	07-Oct-19
9.31%	10,469.76	-	-	27-Sep-19
8.33%	40,074.32	40,082.18	-	23-Jul-19
7.95%	-	13,774.45	-	24-Dec-18
8.95%	-	7,776.18	7,775.19	30-Oct-18
9.07%	-	3,701.53	3,700.28	10-Aug-18
9.10%	-	-	10,009.17	27-Mar-18
8.85%	-	-	17,535.70	22-Mar-18
10.60%	-	-	2,572.26	13-Dec-17
10.50%	-	-	690.97	23-Nov-17
10.75%	-	-	1,068.41	26-Jul-17
10.75%	-	-	2,316.53	12-Jul-17
9.18%	-	-	311.22	10-Jul-17
9.00%	-	-	1,870.65	01-Jun-17
Total	3,57,312.78	2,08,541.94	80,902.73	

* Repaid in instalments.

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 21: Borrowings (other than debt securities)

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured												
Term Loan												
from bank in foreign currency	7,103.45	-	-	7,103.45	-	-	-	-				
from bank in `	9,39,640.88	-	-	9,39,640.88	9,62,293.55	-	-	9,62,293.55	7,37,596.68	-	-	7,37,596.68
from financial institution in `	30,593.05	-	-	30,593.05	48,500.36	-	-	48,500.36	80,324.81	-	-	80,324.81
Loans repayable on demand				-				-				-
Cash credit / Overdraft facilities from banks	1,58,186.86	-	-	1,58,186.86	1,46,418.70	-	-	1,46,418.70	1,37,026.63	-	-	1,37,026.63
Working Capital demand loan from banks	76,685.16	-	-	76,685.16	80,626.03	-	-	80,626.03	33,996.94	-	-	33,996.94
Other loans	1,11,251.12	-	-	1,11,251.12	9,348.73	-	-	9,348.73	11,139.78	-	-	11,139.78
Unsecured												
Term Loan from Banks - `	9,026.93	-	-	9,026.93	19,060.38	-	-	19,060.38	-	-	-	-
Commercial Papers	1,78,583.47	-	-	1,78,583.47	2,18,831.02	-	-	2,18,831.02	1,96,446.31	-	-	1,96,446.31
Total	15,11,070.92	-	-	15,11,070.92	14,85,078.77	-	-	14,85,078.77	11,96,531.15	-	-	11,96,531.15
Borrowings in India	15,03,967.47	-	-	15,03,967.47	14,85,078.77	-	-	14,85,078.77	11,96,531.15	-	-	11,96,531.15
Borrowings outside India	7,103.45	-	-	7,103.45	-	-	-	-	-	-	-	-
Total	15,11,070.92	-	-	15,11,070.92	14,85,078.77	-	-	14,85,078.77	11,96,531.15	-	-	11,96,531.15

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 21: Borrowings (other than debt securities)

Term Loan from Bank in foreign currency-Secured
Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	9.85%	Bullet Repayment	7,103.45

Outstanding as at March 31, 2018 and April 01,2017 : Rs. Nil.

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48-60 Months	8.60% to 10.75%	1 to 60 installments of quarterly, half yearly and yearly frequency	1,54,940.24
36-48 Months	8.35% to 10.25%	1 to 48 installments of bullet, quarterly and half yearly frequency	7,45,475.25
24-36 Months	8.40% to 9.56%	1 to 36 installments of bullet, quarterly and half yearly frequency	18,214.93
12-24 Months	9.20%	Bullet Repayment	21,010.47
Total			9,39,640.88

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48-60 Months	8.10% to 9.10%	1 to 60 installments of quarterly, half yearly and yearly frequency	91,150.99
36-48 Months	8.15% to 9.70%	1 to 60 installments of quarterly, half yearly and yearly frequency	7,90,089.33
24-36 Months	8.40% to 9.15%	1 to 36 installments of bullet, quarterly and half yearly frequency	50,046.06
12-24 Months	7.9% to 8.70%	1 to 24 installments of bullet, quarterly & half yearly frequency	31,007.17
Total			9,62,293.55

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 21: Borrowings (other than debt securities)
Terms of Repayment as at April 01, 2017

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48-60 Months	8.15% to 9.80%	1 to 60 installments of quarterly, half yearly and yearly frequency	94,489.83
36-48 Months	8.30% to 10.20%	1 to 48 installments of bullet, quarterly and half yearly frequency	5,02,067.05
24-36 Months	8.60% to 9.80%	1 to 36 installments of bullet, quarterly and half yearly frequency	1,30,039.80
12-24 Months	9.65%	Bullet Repayment	11,000.00
Total			7,37,596.68

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Unsecured

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	9.10%	Bullet Repayment	9,026.93

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.76% to 7.85%	Bullet Repayment	19,060.38

Outstanding as at April 01, 2017 : Rs. Nil.

Term Loan from Institution-Secured

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48 to 60 Months	9.15%	1 to 20 installments of quarterly freequency	19,907.44
01 to 12 Months	8.35%	Bullet Repayment at the end of 1 year	10,685.61
Total			30,593.05

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48 to 60 Months	9.15%	1 to 20 installments of quarterly freequency	23,476.47
01 to 12 Months	8.85%	Bullet Repayment at the end of 1 year	15,013.09
01 to 12 Months	8.75%	Bullet Repayment at the end of 1 year	10,010.79
Total			48,500.36

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 21: Borrowings (other than debt securities)

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at April 01, 2017

(Rs. in lacs)			
Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
48-60 Months	8% to 10%	1 to 20 installments of quarterly frequency	44,674.26
01 to 12 Months	8% to 10%	1 to 12 installments of half yearly & yearly frequency	35,650.55
Total			80,324.81

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Commercial Papers-Unsecured

(Rs. in lacs)

Rate of Interest	Repayment Details	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
7.40% to 9.45%	Bullet Payment on maturity	1,78,583.47	2,18,831.02	1,96,446.31
Total		1,78,583.47	2,18,831.02	1,96,446.31

Loans repayable on demand-Secured

Cash Credit from Banks

(Rs. in lacs)

Particulars	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	8.15% to 11.25%	1,58,186.86	1,46,418.70	1,37,026.63
Total		1,58,186.86	1,46,418.70	1,37,026.63

Working capital Demand loan from Banks

(Rs. in lacs)

Particulars	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.85% to 10.45%	76,685.16	80,626.03	33,996.94
Total		76,685.16	80,626.03	33,996.94

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 21: Borrowings (other than debt securities)

Term loan from banks - ` -Securitisation

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
48 - 60 Months	7.28%	1 to 54 instalments of monthly frequency	2,836.05
Above 60 Months	10.25% to 10.30%	1 to 72 instalments of monthly frequency	1,08,415.07
Total			1,11,251.12

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
36 - 48 Months	7.99%	1 to 45 instalments of monthly frequency	1,860.03
48 - 60 Months	7.28% to 8.25%	1 to 54 instalments of monthly frequency	7,488.70
Total			9,348.73

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at April 1, 2017

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
36 - 48 Months	7.99%	1 to 45 instalments of monthly frequency	5,409.21
48 - 60 Months	7.75% to 10.74%	1 to 53 instalments of monthly frequency	5,730.57
Total			11,139.78

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 22: Deposits

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits												
Public deposits*	3,11,940.61	-	-	3,11,940.61	3,07,365.15	-	-	3,07,365.15	3,52,136.35	-	-	3,52,136.35
Total	3,11,940.61	-	-	3,11,940.61	3,07,365.15	-	-	3,07,365.15	3,52,136.35	-	-	3,52,136.35

* includes Rs.Nil (March 31, 2018: Rs.Nil, April 01, 2017: Rs. Nil) issued to directors

Details of Public Deposits - Unsecured
Terms of Repayment as at March 31,2019

(Rs. in lacs)

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
48-60 months	958.87	15,506.90	-	16,465.77
36-48 months	9,462.13	10,811.22	-	20,273.35
24-36 months	10,647.91	72,068.85	-	82,716.76
12-24 months	53,197.69	25,763.80	81.68	79,043.17
12 months	55,835.95	46,146.78	11,458.83	1,13,441.56
Total	1,30,102.55	1,70,297.55	11,540.51	3,11,940.61

Terms of Repayment as at March 31,2018

(Rs. in lacs)

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
48-60 months	8,969.75	9,796.28	-	18,766.03
36-48 months	2,430.23	10,480.19	-	12,910.42
24-36 months	45,788.24	15,629.36	81.36	61,498.96
12-24 months	29,134.65	34,067.78	10,630.79	73,833.22
12 months	46,483.35	89,526.99	4,346.18	1,40,356.52
Total	1,32,806.22	1,59,500.60	15,058.33	3,07,365.15

Terms of Repayment as at April 01,2017

(Rs. in lacs)

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
48-60 months	1,068.16	9,629.69	-	10,697.85
36-48 months	154.66	10,624.85	81.04	10,860.55
24-36 months	12,173.74	33,244.73	10,100.52	55,518.99
12-24 months	6,522.82	87,217.28	4,069.52	97,809.62
12 months	31,502.61	31,701.34	1,14,045.39	1,77,249.34
Total	51,421.99	1,72,417.89	1,28,296.47	3,52,136.35

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

Note 23: Subordinated liabilities

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts (Unsecured) - Debentures	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Total	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Subordinate liabilities in India	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Subordinate liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58

Terms of repayment as at March 31, 2019

(i) Privately Placed Subordinated Debts of Rs 1,000/- Each - Unquoted

(Rs. in lacs)

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	>= 10% < 12%	Total
12-24 months*	21,759.25	21,759.25
12 months*	35,925.82	35,925.82
Total	57,685.07	57,685.07

* Includes Rs 226.43 lakhs issued to related parties

(ii) Privately Placed Subordinated Debts of Rs. 1,000,000/ each - Quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12 months	7,685.88	7,685.88
Total	7,685.88	7,685.88

As at March 31, 2018

Terms of Repayment

(i) Privately Placed Subordinated Debts of Rs. 1,000/- Each - Unquoted

(Rs. in lacs)

Redeemable at par	Rate of interest		
(from the date of Balance Sheet Date)	< 10%	>= 10% < 12%	Total
24-36 months*	-	19,840.91	19,840.91
12-24 months*	-	32,696.59	32,696.59
12 months*	18.45	36,771.18	36,789.63
Total	18.45	89,308.68	89,327.13

* Includes Rs 282.08 lakhs issued to related parties

(ii) Privately Placed Subordinated Debts of Rs. 100,000/- each quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12 months	20,573.27	20,573.27
Total	20,573.27	20,573.27

(iii) Privately Placed Subordinated Debts of Rs. 1,000,000/ each - Quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12-24 months	7,456.07	7,456.07
12 months	205.28	205.28
Total	7,661.35	7,661.35

As at April 01, 2017

Terms of Repayment

(i) Privately Placed Subordinated Debts of Rs. 1,000/- Each - Unquoted

(Rs. in lacs)

Redeemable at par	Rate of interest			
(from the date of Balance Sheet Date)	< 10%	>= 10% < 12%	> = 12%	Total
36-48 months*	-	18,136.54	-	18,136.54
24-36 months*	-	29,829.63	-	29,829.63
12-24 months*	16.73	34,074.14	-	34,090.87
12 months*	2,229.97	14,569.21	2.02	16,801.20
Total	2,246.70	96,609.52	2.02	98,858.24

* Includes Rs 329.62 lakhs issued to related parties

(ii) Privately Placed Subordinated Debts of Rs. 100,000/- each quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12-24 months	20,292.63	20,292.63
12 months	2,690.49	2,690.49
Total	22,983.12	22,983.12

(iii) Privately Placed Subordinated Debts of Rs. 1,000,000/ each - Quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
24-36 months	7,431.23	7,431.23
12 months	202.99	202.99
Total	7,634.22	7,634.22

Shriram City Union Finance Limited
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Notes forming part of the Reformatted financial statement
Note 24: Other financial liabilities

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investor education and protection fund shall be credited by the following amounts (as and when due) #			
- Unclaimed matured deposits and interest thereon	11,582.21	13,776.77	9,092.22
- Unclaimed matured debentures and interest thereon	943.77	1,493.89	2,695.26
- Unpaid dividend	91.95	92.56	82.92
- Unclaimed matured subordinate debts and interest accrued thereon	4,329.92	2,046.55	775.00
Application money received for allotment of securities to the extent refundable and interest accrued thereon	0.27	0.96	0.09
Payable on account of Assignment	7,979.17	1,153.98	3,749.38
Royalty payable	1,552.50	1,330.52	1,029.78
Financial guarantee obligation	132.78	148.38	163.99
Creditors for Supply & Services	1,177.01	453.68	445.55
Employee related payables	7,668.93	5,411.30	4,424.57
Total	35,458.51	25,908.59	22,458.76

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

Financial Guarantee Obligation
Credit quality of exposure

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial guarantee obligation	2,500.00	2,500.00	2,500.00
Total	2,500.00	2,500.00	2,500.00

An analysis of changes in the gross carrying amount in relation to financial guarantee exposure is, as follows:

Gross exposure reconciliation

	(Rs. in lacs)	
Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance of outstanding exposure	2,500.00	2,500.00
Additions	-	-
Deletions	-	-
Closing Balance of outstanding exposure	2,500.00	2,500.00

No ECL has been provided for financial guarantee obligation based on past history

Note 25: Provisions

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Employee benefit (Refer Note 43)			
- Gratuity	134.14	796.48	427.87
- Provision for compensated absences	2,393.11	1,644.65	1,184.07
Total	2,527.25	2,441.13	1,611.94

Note 26: Other non-financial liabilities

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	1,455.02	1,550.31	1,120.77
Retention money and other sundry liabilities	72.14	87.96	312.09
Total	1,527.16	1,638.27	1,432.86

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Notes forming part of the Reformatted financial statement

Note 27: Equity Share Capital

Particulars	(Rs. in lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised:			
118,500,000 (March 31, 2018: 118,500,000, April 1, 2017: 118,500,000) equity shares of Rs. 10/- each	11,850.00	11,850.00	11,850.00
4,000,000 (March 31, 2018: 4,000,000 , April 1, 2017: 4,000,000)cumulative redeemable preference shares of Rs. 100/- each	4,000.00	4,000.00	4,000.00
Total	15,850.00	15,850.00	15,850.00
Issued share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Subscribed share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Paid up (fully paid up)			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Total Equity	6599.23	6,596.58	6,594.34
Issued, Subscribed and fully paid up Equity Shares			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Total Equity	6599.23	6,596.58	6,594.34

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	Rs. in lakhs
As at April 01, 2017	6,59,43,402	6,594.34
Issued during the year - ESOP (refer note 41)	22,360	2.24
As at March 31, 2018	6,59,65,762	6,596.58
Issued during the year - ESOP (refer note 41)	26,555	2.65
As at March 31, 2019	6,59,92,317	6,599.23

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2019, the amount of per equity share dividend proposed in total for distributions to equity shareholders is Rs. 22.00 (March 31, 2018 : Rs. 18.00). Out of the said total dividend proposed for the year ended March 31, 2019, amount of interim dividend paid during the year was Rs. 6.00 (March 31, 2018 : Rs. 6.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. 16.00 (March 31, 2018: Rs. 12.00) per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 128,045 (March 31, 2018 : 318,540 April 01, 2017 : 315,311) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,22,68,877	33.74	2,22,68,877	33.76	2,22,68,877	33.78
Dynasty Acquisition FPI Limited	1,34,21,889	20.34	1,34,21,889	20.35	1,34,21,889	20.36
Piramal Enterprises Limited	65,79,840	9.97	65,79,840	9.97	65,79,840	9.98

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

Refer note 48 - Capital for the company's objectives, policies and processes for managing capital

Shriram City Union Finance Limited
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Notes forming part of the Reformatted financial statement

Note 28: Other equity

	(Rs. in lacs)
Particulars	Amount
Securities Premium Account	
As at April 01, 2017	1,75,369.25
Add: Premium on shares issued under ESOP during the year	56.22
As at March 31, 2018	1,75,425.47
Add: Premium on shares issued under ESOP during the year	66.77
As at March 31, 2019	1,75,492.24
Share Option Outstanding	
As at April 01, 2017	164.13
Deductions during the year on exercise of ESOP	(50.63)
As at March 31, 2018	113.50
Deductions during the year on exercise of ESOP	(60.13)
As at March 31, 2019	53.37
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 01, 2017	75,135.30
Add: Transfer from surplus balance in the Statement of Profit and Loss	13,296.00
As at March 31, 2018	88,431.30
Add: Transfer from surplus balance in the Statement of Profit and Loss	19,980.00
As at March 31, 2019	1,08,411.30
Debenture Redemption Reserve	
As at April 01, 2017	6,422.54
Add: Amount transferred from surplus in the Statement of Profit and Loss	2,059.53
Less: Amount transferred to General Reserve on redemption of debentures	(3,996.04)
As at March 31, 2018	4,486.03
Add: Amount transferred from surplus in the Statement of Profit and Loss	366.14
Less: Amount transferred to General Reserve on redemption of debentures	(2,007.88)
As at March 31, 2019	2,844.29
General Reserve	
As at April 01, 2017	62,697.35
Add: Transfer from surplus in the statement of profit and loss	6,648.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	3,996.04
As at March 31, 2018	73,341.39
Add: Amount transferred from surplus in the Statement of Profit and Loss	9,990.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,007.88
As at March 31, 2019	85,339.27
Capital Reserve	
As at April 01, 2017	7,871.88
As at March 31, 2018	7,871.88
As at March 31, 2019	7,871.88
Capital Redemption Reserve	
As at April 01, 2017	2,328.98
As at March 31, 2018	2,328.98
As at March 31, 2019	2,328.98
Other Comprehensive Income	
As at April 01, 2017	-
Remeasurement gain/ (loss) on defined benefit plan	277.19
Income Tax Provision/ (Reversal) on above	95.93
As at March 31, 2018	181.26
Remeasurement gain/ (loss) on defined benefit plan	(1,404.93)
Income Tax Provision/ (Reversal) on above	(491.00)
As at March 31, 2019	(732.67)

Shriram City Union Finance Limited
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Notes forming part of the Reformatted financial statement

Retained Earnings

As at April 01, 2017	1,60,298.64
Add: Profit for the year	71,094.23
Add/(Less): Appropriations and other Adjustments	
Transfer to/(from) debenture redemption reserve	(2,059.53)
Final Dividend on Equity Shares FY 2016-17	(6,594.51)
Tax on Final Dividend FY 2016-17	(1,342.49)
Interim Dividend on Equity Shares FY 2017-18	(3,957.50)
Tax on Interim Dividend FY 2017-18	(805.65)
Transfer to Statutory Reserve	(13,296.00)
Transfer to General reserve	(6,648.00)
As at March 31, 2018	1,96,689.19
Add: Profit for the year	98,887.80
Add/(Less): Appropriations and other Adjustments	
Transfer to/(from) debenture redemption reserve	(366.14)
Final Dividend on Equity Shares FY 2017-18	(7,916.23)
Tax on Final Dividend on Equity Shares FY 2017-18	(1,627.20)
Interim Dividend on Equity Shares FY 2018-19	(3,959.06)
Tax on Interim Dividend on Equity Shares FY 2018-19	(813.80)
Transfer to Statutory Reserve	(19,980.00)
Transfer to General reserve	(9,990.00)
As at March 31, 2019	2,50,924.56
Total other equity	
As at April 01, 2017	4,90,288.07
As at March 31, 2018	5,48,869.00
As at March 31, 2019	6,32,533.22

Proposed Dividend on equity shares

(Rs. in lacs)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
The Board proposed dividend on equity shares			
Proposed dividend on equity shares for the year ended on March 31, 2019: Rs. 16.00 per share (March 31, 2018: Rs.12.00 per share)	10,558.76	7,916.23	6,594.51
Tax on Dividend Proposed	2,170.38	1,627.20	1,342.49
Total	12,729.14	9,543.43	7,937.00

Nature and purpose of reserve

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. This is not available for distribution of dividend.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

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Notes forming part of the Reformatted financial statement

Debenture Redemption Reserve: (1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

(2) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 366.14 lacs (March 31, 2018: Rs. 2,059.53 lacs; April 01, 2017: Rs. 2,247.40 lacs). The Company has deposited a sum of Rs. 1,722.00 lacs (March 31, 2018: Rs. 1,750.00 lacs, April 1, 2017: Rs. 3,400.00 lacs) with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Pursuant to Section 45-IC(1) in The Reserve Bank of India Act, 1934. (1) Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 41 for further details of these plans.

Shriram City Union Finance Limited

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Notes forming part of the Reformatted financial statement

Note 29: Interest income

(Rs. in lacs)

Particulars	For year ended March 31, 2019				For year ended March 31, 2019			
	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on securities classified at FVTPL	Total
Interest on Loans	-	5,57,251.83	-	5,57,251.83	-	5,01,306.83	-	5,01,306.83
Interest income from investments	-	3,854.19	-	3,854.19	-	3,475.04	-	3,475.04
Interest on deposits with Banks	-	4998.91	-	4,998.91	-	1,187.44	-	1,187.44
Income on long term securitisation/assignment	-	1391.69	-	1,391.69	-	2,176.93	-	2,176.93
Other interest income	-	195.01	-	195.01	-	258.13	-	258.13
Total	-	5,67,691.63	-	5,67,691.63	-	5,08,404.37	-	5,08,404.37

Shriram City Union Finance Limited
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Notes forming part of the Reformatted financial statement

Note 30: Fee and Commission Income

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Other financial services- Commission	-	212.32
Financial Guarantee Income	15.60	15.60
Total	15.60	227.92

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Type of Services or Service		
Fee and commission income	-	212.32
Total revenue from contract with customers	-	212.32
Geographical markets		
India	-	212.32
Outside India	-	-
Total revenue from contract with customers	-	212.32
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	-	212.32
Total revenue from contracts with customers	-	212.32

Contract Balance

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Total Receivables	-	-
Contract Assets	-	-
Total	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

Note 31: Net gain on fair value changes

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	1161.63	854.08
- Derivatives	(297.39)	-
Total Net gain/(loss) on fair value changes	864.24	854.08
Fair Value changes:		
- Realised	-	-
- Unrealised	864.24	854.08
Total Net gain/(loss) on fair value changes	864.24	854.08

Note 32: Gain on Sale of Investments

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Gain on sale of Investments (Measured at FVTPL)		
- on Mutual funds	26.16	14.25
- on Investment in Equity instruments	-	1,491.06
Total	26.16	1,505.31

Note 33: Other income

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Gain on sale of Property, plant & equipment	17.99	9.73
Miscellaneous income	234.26	164.33
Total	252.25	174.06

Shriram City Union Finance Limited
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Notes forming part of the Reformatted financial statement

Note 34: Finance cost

(Rs. in lacs)

Particulars	For year ended March 31, 2019			For year ended March 31, 2018		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on:-						
Fixed Deposits	-	26,461.61	26,461.61	-	31,028.79	31,028.79
Subordinated liabilities	-	12,353.22	12,353.22	-	14,557.42	14,557.42
Borrowings (other than debt securities)						
-Loans from Banks	-	86,979.69	86,979.69	-	75,556.24	75,556.24
-Loans from Financial Institution	-	5,037.85	5,037.85	-	5,633.15	5,633.15
-Working Capital Demand Loans	-	10,104.63	10,104.63	-	8,253.32	8,253.32
-Cash Credit	-	6,853.20	6,853.20	-	3,315.99	3,315.99
-Commercial Paper	-	20,399.31	20,399.31	-	13,112.21	13,112.21
Debt securities	-	28,340.53	28,340.53	-	14,955.75	14,955.75
Others	-	1,460.75	1,460.75	-	-	-
Total	-	1,97,990.79	1,97,990.79	-	1,66,412.87	1,66,412.87

Note 35: Impairment on financial instruments

(Rs. in lacs)

Particulars	For year ended March 31, 2019			For year ended March 31, 2018		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans		13,467.86	13,467.86		39,348.45	39,348.45
Total	-	13,467.86	13,467.86	-	39,348.45	39,348.45

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(Rs. in lacs)

Particulars	For year ended March 31, 2019				For year ended March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Loans and advances to customers	9,406.80	14,027.04	(9,965.98)	13,467.86	18,487.55	(32.69)	20,893.59	39,348.45
Total impairment loss	9,406.80	14,027.04	(9,965.98)	13,467.86	18,487.55	(32.69)	20,893.59	39,348.45

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Note 36: Employee benefit expenses

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Salaries, other allowances and bonus	76,587.44	64,859.93
Contribution to provident and other funds	5,775.51	4,197.11
Staff welfare expenses	1,027.51	928.46
Gratuity expenses	460.83	645.80
Total	83,851.29	70,631.30

Note 37: Depreciation, amortization and impairment

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Depreciation of tangible assets	2,807.30	2,708.63
Amortization of intangible assets	312.25	617.30
Total	3,119.55	3,325.93

Note 38: Other expenses

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Rent	5,859.50	5,307.93
Power and fuel	955.94	900.05
Repairs and maintenance		
- Buildings	1,375.50	1,201.84
- Office equipments	42.51	45.19
Office expenses	1,126.13	1,049.01
Rates and taxes	1,603.70	1,734.95
Printing and stationery	2,329.17	2,345.78
Travelling and conveyance	3,931.66	5,141.69
Advertisement	444.31	1,232.67
Business promotion	3,596.43	5,229.53
Directors' sitting fees	32.75	42.25
Insurance	393.57	386.48
Communication expenses	2,994.11	2,989.43
Bank charges	1,244.66	1,138.85
Legal and Professional Fees	1,057.07	837.23
Loss on sale of fixed assets	68.61	37.18
Public issue expenses for non-convertible debentures	120.01	184.89
CSR expenses (refer note given below)	850.00	1,400.00
Miscellaneous expenses	2,581.34	1,815.23
Auditor fees		
(a) Audit Fees	35.97	32.70
(b) Tax Audit Fees	11.45	-
(c) Certification Fees	6.00	5.45
(d) Out of Pocket	10.08	14.73
Total	30,670.47	33,073.06

Details of CSR expenditure:

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	1,803.97	1,677.14
b) Amount spent during the year	850.00	1,400.00
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above		
-In Cash	450.00	1,400.00
-Yet to be paid in Cash (Provision has been made based on committed obligations approved by the CSR Committee and The Board of Directors)	400.00	-
Total	850.00	1,400.00

Note 39: Income Tax

The components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	49,637.03	38,129.64
Deferred tax relating to origination and reversal of temporary differences	3,507.43	(376.66)
Total tax charge	53,144.46	37,752.98

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended March 31, 2019 and March 31, 2018 is, as follows:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	1,52,032.26	1,08,847.21
At India's statutory income tax rate of 34.944% (2018: 34.608%)	53,126.15	37,178.27
Tax at special rate on Rs.1420.41 lakhs @ 23.072%		327.72
Total Tax	53,126.15	37,505.99
Corporate social responsibility expenditure not allowable for tax purpose	297.02	484.51
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G,2018: section 80G and 80JJAA)	(78.62)	(391.13)
Others	(200.09)	153.60
Income tax expense reported in the statement of profit or loss	53,144.46	37,752.98

The effective income tax rate for March 31, 2019 is 34.96% (March 31, 2018: 34.68%).

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment and intangible assets	2,193.34	-	(251.07)	-
Expenses allowable for tax purpose when paid	2,766.51	490.94	39.37	(490.94)
Provision for expected credit loss	-	-	3,319.89	-
EIR impact on debt instrument measured at Amortised Cost	-	408.35	(572.98)	-
Impact of Fair valuation on Investments measured at Fair value thorough Profit and loss Account	-	298.27	404.89	
Impact of amortization of processing fees on Loans and Advances	977.72	-	728.00	-
Impact of Recognition of Interest on assignment and securitization	-	-	(54.38)	
Other temporary differences	118.89	18.15	(106.29)	-
Total	6,056.46	1,215.71	3,507.43	(490.94)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2018	As at March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018
Property, plant and equipment and intangible assets	1,942.27	-	(368.00)	-
Expenses allowable for tax purpose when paid	1,919.93	95.93	(1,577.85)	95.93
Provision for expected credit loss	3,447.09	127.20	2,795.78	-
EIR impact on debt instrument measured at Amortised Cost	-	981.33	(270.16)	-
Impact of Fair valuation on Investments measured at Fair value thorough Profit and loss Account	148.94	42.32	323.89	-
Impact of amortization of processing fees on Loans and Advances	1,705.72	-	(898.21)	-
Impact of Recognition of Interest on assignment and securitization	-	54.38	(361.12)	-
Other temporary difference	48.51	54.11	(20.99)	-
Total	9,212.46	1,355.27	(376.66)	95.93

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	As at April 01, 2017	As at April 01, 2017
Property, plant and equipment and intangible assets	1,574.27	-
Expenses allowable for tax purpose when paid	342.08	-
Provision for expected credit loss	6,115.67	-
EIR impact on debt instrument in the nature of borrowings measured at Amortised Cost	-	1,251.49
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	463.24	32.74
Impact of amortization of processing fees on Loans and Advances	807.51	-
Impact of Recognition of Interest on assignment and securitization	-	415.51
Other temporary difference	114.41	140.99
Total	9,417.18	1,840.73

Amount recognised in respect of current tax/ deferred tax directly in equity:

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-	-

Tax losses and Tax credits

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-	-
Unused Tax Credits-MAT credit entitlement	-	-	-

CURRENT TAX ASSETS (NET)

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance income tax (net of provision for tax) [net of provision for income tax March 31, 2019: Rs.2,84,041.73 lacs; March 31, 2018: Rs.2,34,404.30 lacs and April 01, 2017: Rs.1,96,274.66 lacs]	4,224.50	4,505.86	5,947.80
Total	4,224.50	4,505.86	5,947.80

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Note 40: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit after tax as per Statement of Profit and Loss (Rs. in lacs)	98,887.80	71,094.23
Weighted average number of ordinary shares for basic earnings per share (Rs. in lacs)	659.78	659.52
Effect of dilution:		
Stock options granted under ESOP (Nos.)	0.23	0.49
Weighted average number of ordinary shares adjusted for effect of dilution (Rs. in lacs)	660.01	660.01
Earnings per share		
Basic earnings per share (Rs.)	149.88	107.80
Diluted earnings per share (Rs.)	149.83	107.72

41. EMPLOYEE STOCK OPTION PLAN

41.1 The Company provides share-based payment schemes to its Employees. For the period ended March 31, 2019 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	: October 30, 2006
Date of grant	: October 19, 2007
Date of Board Approval	: October 19, 2007
Number of options granted	: 1,355,000
Method of Settlement (Cash/Equity)	: Equity
Graded vesting period :	
After 1 years of grant date	: 10% of options granted
After 2 years of grant date	: 20% of options granted
After 3 years of grant date	: 30% of options granted
After 4 years of grant date	: 40% of options granted
Exercisable period	: 10 years from vesting date
Vesting Conditions	: On achievement of pre-determined targets

The details of Series 1 have been summarised below:

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Weighted Average Exercise Price per share (in Rs.)	Number of Shares	Weighted Average Exercise Price per share (in Rs.)	Number of Shares	Weighted Average Exercise Price per share (in Rs.)
Outstanding at the beginning of the year	50,120	35.00	72,480	35.00	88,730	35.00
Add: Granted during the year	-	-	-	-	-	-
Less: Forfeited during the year	-	-	-	-	-	-
Less: Exercised during the year	26,555	35.00	22,360	35.00	16,250	35.00
Less: Expired during the year	-	-	-	-	-	-
Outstanding at the end of the period	23,565	35.00	50,120	35.00	72,480	35.00
Exercisable at the end of the period	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	1.55	-	2.55	-	3.55
Weighted average fair value of options granted	-	227.42	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

As at March 31,	Range of exercise prices per share (in Rs.)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price per share (in Rs.)
2019	35.00	23,565	1.55	35.00
2018	35.00	50,120	2.55	35.00
2017	35.00	72,480	3.55	35.00

STOCK OPTIONS GRANTED

The weighted average fair value of stock options granted was ₹ 227.42. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

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)	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	Rs. in lacs	
	Year ended March 31, 2019	Year ended March 31, 2018
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	53.36	113.50
Deferred compensation cost	-	-

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

In March 2005, the ICAI issued a guidance note on "Accounting for Employees Share Based Payments" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earnings per share would be as follows:

Particulars	Rs. in lacs	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit as reported (₹ in lacs)	98,887.75	71,095.27
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	98,887.75	71,095.27
Less: Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders (₹ in lacs)	98,887.75	71,095.27
Earnings per share		
Basic (₹)		
- As reported	149.88	107.80
- Proforma	149.88	107.80
Diluted (₹)		
- As reported	149.83	107.72
- Proforma	149.83	107.72

41.2 A new ESOP scheme "SCUF Employees Stock Option Scheme 2013" was approved at an EGM on May 31, 2013. Accordingly 2,627,000 equity shares @ ₹ 10 each have been reserved under this scheme with an exercise price of ₹ 300 per option and with a maximum vesting period of five years from the date of grant.

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Note 42: Investment in subsidiary

Subsidiary of the Company is:

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year	No of Equity	% equity interest
				ending	Shares Held (FV of ` 10 /- each)	
Shriram Housing Finance limited	India	Mumbai	Housing Finance	March 31, 2019	16,54,40,000	77.25%
				March 31, 2018	16,54,40,000	77.25%
				April 01, 2017	16,54,40,000	77.25%

Note 43: Retirement benefit plan

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company makes Provident Fund, Employee State Insurance Scheme contributions, National Pension scheme contributions and Labour welfare Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ` 4,225.08 lacs (March 31, 2018: ` 2,722.83 lacs) for Provident Fund contributions, ` 1,492.88 lacs (March 31, 2018: ` 1,463.81 lacs) for Employee State Insurance Scheme contributions, ` 10.45 lacs (March 31, 2018: ` 10.48 lacs) for Labour welfare Fund contributions and ` 47.10 lacs (March 31, 2018: ` 37.56 lacs) for National Pension scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 (the Act). Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year the level of funding in the gratuity plan is reviewed. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The contribution is decided based on the results of annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. Generally equity instruments and property should not exceed 30% of total portfolio. The Aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

Risk associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following Risks:

Interest Risk: A fall in the discount rate which is linked to the Govt. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Compensated absences

The company has a policy on compensated absences which is accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognized expense amounting ` 925.63 Lakhs (March 31, 2018: ` 479.01 Lakhs) for Leave encashment

The Following Table Summarises the components of net benefit expense recognised in statement of profit and loss and funded status and amounts recognised in balance sheet for the gratuity plan

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

		(Rs. in lacs)
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current Service Cost	400.61	493.94
Interest expense	230.21	196.77
Interest Income	(170.00)	(165.97)
Past service cost	-	121.06
Components of defined benefit costs recognised in profit or loss (A)	460.82	645.80
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(20.45)	(9.79)
Actuarial changes arising from changes in demographic assumptions	116.34	(82.94)
Actuarial changes arising from changes in financial assumptions	876.54	(127.49)
Experience adjustments	432.50	(56.96)
Components of defined benefit costs recognised in other comprehensive income (B)	1,404.93	(277.18)
Total (A+B)	1,865.75	368.62

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

Movement in the present value of the defined benefit obligation are as follows :		
		(Rs. in lacs)
Particulars	As at March 31, 2019	As at March 31, 2018
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	3,045.11	2,732.94
Expenses recognised in the statement of profit and loss:		
Current Service Cost	400.60	493.94
Interest expense/(income)	230.21	196.77
Recognised in other comprehensive income remeasurement (gains)/Loss.	1,425.38	(267.39)
Past service cost	-	121.05
Net Liabilities transferred out/ Divestments	(28.33)	-
Benefits paid from the fund	(263.94)	(232.20)
Present value of defined obligation at the end of the year	4,809.03	3,045.11

Change in the Fair value of plan assets :

Change in the Fair Value of plan assets :		
	(Rs. in lacs)	
Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the year	2,248.63	2,305.07
Interest Income	169.99	165.97
Contributions by the Employer	2,499.76	
Benefits paid from the fund	(263.94)	(232.20)
Return on plan assets excluding interest income	20.45	9.79
Fair value of plan assets at the end of the year	4,674.89	2,248.63

Calculation of benefit liability/(asset) :

(Rs. in lacs)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Defined benefit obligation	4,809.03	3,045.11	2,732.94
Fair value of plan assets	4,674.89	2,248.63	2,305.07
Benefit liability	134.14	796.48	427.87

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

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Expected return on Plan assets	7.59%	7.56%	7.20%
Rate of discounting	7.59%	7.56%	7.20%
Expected rate of salary increase	7.00%	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 31.00% p.a & For service 5 years and above 4.00% p.a	For service 4 years and below 31.00% p.a. & For service 5 years and above 3.00% p.a	For service 4 years and below 13.00% p.a. & For service 5 years and above 2.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA	NA

Investments quoted in active markets:

(Rs in Lacs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Investment Funds	4,674.89	2,248.63	2,305.07
Total	4,674.89	2,248.63	2,305.07

Sensitivity Analysis

(Rs in Lacs)

Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation for FY 18-19	(477.08)	571.82	565.14	(479.48)	17.73	(22.19)
Impact on defined benefit obligation for FY 17-18	(313.29)	376.43	376.28	(317.14)	92.01	(107.28)
Impact on defined benefit obligation for FY 16-17	(348.00)	427.01	432.38	(357.64)	89.41	(106.31)

Maturity Analysis of Benefit Payments from the fund

(Rs in Lacs)

Expected payment for future years	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	486.28	220.99
2nd following Year	216.82	133.97
3rd following Year	276.80	170.08
4th following Year	266.73	196.69
5th following Year	317.05	180.15
sum of years 6 to 10	1,504.15	1,029.43
sum of years 11 and above	11,035.45	7,268.73
Total expected payments (Undiscounted)	14,103.28	9,200.04

The Company expects to contribute INR.134.14 lakhs to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 13 years (March 31 2018: 13 years)

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year(subject to sufficiency of funds under the policy). The policy thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Note 44: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in lacs)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	98,228.89	-	98,228.89	33,426.48	-	33,426.48	43,259.94	-	43,259.94
Bank Balance other than above	27,674.70	2,515.16	30,189.86	20,065.11	-	20,065.11	21,770.69	-	21,770.69
Loans	13,70,940.12	13,27,970.81	26,98,910.93	13,77,159.70	12,01,570.02	25,78,729.72	12,79,397.87	8,85,474.21	21,64,872.08
Investments	39,010.63	47,611.92	86,622.55	27,055.14	46,497.05	73,552.19	24,071.15	47,235.18	71,306.33
Other financial assets	2,948.52	493.97	3,442.49	499.82	1,384.03	1,883.85	2,255.11	1,140.11	3,395.22
Non-financial Assets									
Current tax asset	-	4,224.50	4,224.50	-	4,505.86	4,505.86	-	5,947.80	5,947.80
Deferred tax assets (net)	4,840.74	-	4,840.74	7,857.18	-	7,857.18	7,576.44	-	7,576.44
Property, plant and equipment	-	7,924.47	7,924.47	-	7,577.70	7,577.70	-	6,974.96	6,974.96
Other intangible assets	-	157.36	157.36	-	312.08	312.08	-	841.14	841.14
Other non financial assets	1,193.61	5,789.69	6,983.30	2,723.83	1,930.90	4,654.73	1,545.18	1,916.05	3,461.23
Total assets	15,44,837.21	13,96,687.88	29,41,525.09	14,68,787.26	12,63,777.64	27,32,564.90	13,79,876.38	9,49,529.45	23,29,405.83
Liabilities									
Financial Liabilities									
Derivative financial liabilities	297.39	-	297.39	-	-	-			-
Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,509.89	-	5,509.89	7,003.39	-	7,003.39	3,050.59	-	3,050.59
Debt Securities	1,32,129.99	2,36,559.97	3,68,689.96	39,014.31	1,91,087.96	2,30,102.27	63,065.33	62,760.86	1,25,826.19
Borrowings (other than debt security)	8,26,236.05	6,84,834.87	15,11,070.92	7,10,117.25	7,74,961.52	14,85,078.77	5,26,293.67	6,70,237.48	11,96,531.15
Deposits	1,12,993.25	1,98,947.36	3,11,940.61	1,39,944.38	1,67,420.77	3,07,365.15	1,77,389.57	1,74,746.78	3,52,136.35
Subordinated Liabilities	43,541.66	21,829.29	65,370.95	57,413.70	60,148.05	1,17,561.75	19,694.68	1,09,780.90	1,29,475.58
Other Financial liabilities	35,325.73	132.78	35,458.51	25,908.59	-	25,908.59	22,458.76	-	22,458.76
Non-financial Liabilities									
Provisions	134.14	2,393.11	2,527.25	1,209.21	1,231.92	2,441.13	1,515.22	96.72	1,611.94
Other non-financial liabilities	1,454.17	72.99	1,527.16	1,638.27	-	1,638.27	1,427.00	5.79	1,432.79
									-
Total Liabilities	11,57,622.27	11,44,770.37	23,02,392.64	9,82,249.10	11,94,850.22	21,77,099.32	8,14,894.82	10,17,628.53	18,32,523.35
Net	3,87,214.94	2,51,917.51	6,39,132.45	4,86,538.16	68,927.42	5,55,465.58	5,64,981.56	(68,099.08)	4,96,882.48

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Note 45: Change in liabilities arising from financing activities

Changes in liabilities arising from financing activities during FY 2018-19

Rs. In lacs					
Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Other *	As at March 31, 2019
At Amortised Cost					
Debt Securities					
-NCD Public Issue	20,920.73	(9,543.56)	-	-	11,377.17
-NCD Retail	639.59	(640.29)	-	0.69	(0.01)
-NCD Institutional	2,08,541.94	1,48,874.28	-	(103.44)	3,57,312.78
-Unclaimed Matured Portion	1,493.89	(550.12)	-	-	943.77
Subordinated Liabilities					
- Sub Debt Retail	89,327.13	(32,049.87)	-	407.81	57,685.07
- Subdebt Institutional	28,234.63	(20,681.07)	-	132.32	7,685.88
-Unclaimed Matured Portion	2,046.55	2,283.37	-	-	4,329.92
Borrowings other than debt securities					
- Term Loan from Banks	9,81,353.93	(25,085.47)	165.46	(662.66)	9,55,771.26
- Term Loan from Institution	48,500.36	(17,907.84)	-	0.54	30,593.06
- Commercial paper	2,18,831.02	(40,247.55)	-	-	1,78,583.47
- Cash Credit form Banks	1,46,418.70	11,768.16	-	-	1,58,186.86
- Working Capital Demand Loans	80,626.03	(3,940.87)	-	-	76,685.16
- Other loans	9,348.73	1,01,902.39	-	-	1,11,251.12
Deposits	3,07,365.14	4,875.35	-	(299.89)	3,11,940.60
-Unclaimed Matured Deposits	13,776.77	(2,194.56)	-	-	11,582.21
Total	21,57,425.14	1,16,862.36	165.46	(524.64)	22,73,928.32

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Changes in liabilities arising from financing activities during FY 2017-18

Rs. In lacs					
Particulars	As at April 01, 2017	Cash Flows	Exchange difference	Other *	As at March 31, 2018
At Amortised Cost					
Debt Securities					
-NCD Public Issue	39,476.63	(18,555.90)	-	-	20,920.73
-NCD Retail	5,446.82	(4,818.95)	-	1.72	629.59
-NCD Institutional	80,902.74	1,27,869.26	-	(230.06)	2,08,541.94
-Unclaimed Matured Portion	2,695.26	(1,201.37)	-	-	1,493.89
Subordinated Liabilities					
- Sub Debt Retail	98,858.24	(9,993.02)	-	461.91	89,327.13
- Subdebt Institutional	30,617.34	(2,534.24)	-	151.53	28,234.63
-Unclaimed Matured Portion	775.00	1,271.55	-	-	2,046.55
Borrowings other than debt securities					
-Term Loan from Banks	7,37,596.68	2,43,750.41	-	6.85	9,81,353.94
-Term Loan from Institution	80,324.81	(31,825.00)	-	0.54	48,500.35
- Commercial paper	1,96,446.31	22,384.71	-	-	2,18,831.02
- Cash Credit form Banks	1,37,026.63	9,392.07	-	-	1,46,418.70
- Working Capital Demand Loans	33,996.64	46,629.39	-	-	80,626.03
- Other loans	11,139.78	(1,791.05)	-	-	9,348.73
Deposits	3,52,136.35	(45,149.33)	-	378.13	3,07,365.15
-Unclaimed Matured Deposits	9,092.22	4,684.55	-	-	13,776.77
Total	18,16,531.47	3,40,113.07	-	770.61	21,57,415.15

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Note 46: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

(Rs. in lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	In respect of Income tax demands where the	1,468.18	2,990.65	2,990.65
b.	VAT demand where the Company has filed appeal	266.45	137.52	131.02
c.	Service tax demand	3,802.12	3,802.12	-
d.	Guarantees given for subsidiary	2,500.00	2,500.00	2,500.00
	Total	8,036.75	9,430.29	5,621.67

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

The company has issued a guarantee for Rs.2,500.00 lacs against refinance obtained by subsidiary, Shriram Housing Finance Limited for NHB.

(B) Commitments not provided for

(Rs. in lacs)

	Commitments not provided for	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	233.37	305.32	119.35
b.	Commitments related to loans sanctioned but undrawn	NIL	NIL	NIL

(C) Lease Disclosures

As a lessee

Operating Lease :

The Company has taken various office premises under operating lease. The lease expenses recognised in the Statement of Profit and Loss are ` 5,859.50 lakhs (March 31, 2018: ` 5,307.93 lakhs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

Future minimum lease payments under non-cancellable operating leases as at March 31, 2019 are as follows:

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Within one year	843.82	428.43	403.83
After one year but not more than five years	2,355.11	1,061.59	1081.11
More than five years	582.38	261.75	349.03

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Related party disclosures

Relationship	Name of the party
(i) Enterprises having significant influence over the Company	: Shriram Capital Limited (SCL) Shriram Ownership Trust (SOT) Dynasty Acquisition FPI Limited-DAFL Piramal Enterprises Limited-PEL
(ii) Subsidiary	: Shriram Housing Finance Limited (SHFL)
(iii) Associates*	Insight Commodities and Futures Private Limited (ICFPL) Shriram Asset Management Company Limited (SAMCL) Shriram Credit Company Limited (SCCL) Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL) Shriram Financial Ventures (Chennai) Private Limited (SFVPL) Shriram Fortune Solutions Limited (SFSL) Shriram General Insurance Company Limited (SGICL) Shriram Insight Share Brokers Limited (SISBL) Shriram Life Insurance Company Limited (SLICL) Shriram Overseas Investments Private Limited (SOIPL) Shriram Wealth Advisors Limited (SWAL) Shriram Value Services Limited (SVSL) Bharath Investments Pte. Ltd., Singapore (BIPL) SGI Philippines General Insurance Co. Inc. (SGIPGICI) Novac Technology Solutions Pvt. Ltd (NTSPL) Tech Factory Services Pvt. Ltd. (TFSPL)
(iv) Key Management Personnel	: Mr. R Duruvasan, Managing Director & CEO Mr. Debendranath Sarangi, Chairperson Mr. Gerrit Lodewyk Van Heerde, Director Mr. Khushru Burjor Jijina, Director (Ceased w.e.f 07.05.18) Ms. Maya S Sinha , Director Mr. Sri Pranab Prakash Pattanayak, Director Mr. Ranvir Dewan, Director Mr. Shashank Singh, Director Mr. Subramaniam Krishnamurthy, Director Mr. Venkataraman Murali, Director Mr. Vipen Kapur , Director Mr. Ramakrishnan Subramanian, Additional Director (Ceased w.e.f 28.07.17) Mr. R Chandrasekar, Chief Financial Officer Mr. C R Dash, Company Secretary
(v) Relatives of Key Management Personnel	: Relatives of Mr. R Duruvasan, Managing Director & CEO (SCUF) Late Mr. Ayneni Ramachandra Naidu (Father) Late Ms. Ayneni Ammayamma (Mother) Ms. A Komaleeswari (Spouse) Mr. Ayneni Vamshi Krishna (Son) Mr. R Perumal (Brother) Ms. P Padmaja (Brother's Wife) Ms. S Usha Rani (Sister) Mr. R Selvam (Sister's Husband)

*- The Company neither holds any shares in the following entities nor these entities hold any shares in the Company. However these entities are “subsidiaries” of Shriram Capital Limited and hence these entities are treated as “associates” as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31 2019, March 31 2018 and April 01 2017

Shriram City Union Finance Limited
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Note 47: Related party disclosures

Related party transactions during the year:

Rs. In Lacs

Particulars	Subsidiary Company			Enterprises having significant influence over the Company			Associates			Key Management Personnel			Total		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Payments/Expenses															
Royalty to SOT	-	-	-	6,301.60	5,583.92	-	-	-	-	-	-	-	6,301.60	5,583.92	-
Commission & Other expenses- SFPSPL	-	-	-	-	-	-	1,943.61	1,756.14	-	-	-	-	1,943.61	1,756.14	-
Commission & Other expenses- SFSL	-	-	-	-	-	-	1,271.60	1,204.80	-	-	-	-	1,271.60	1,204.80	-
Insurance - SGICL	-	-	-	-	-	-	414.04	384.93	-	-	-	-	414.04	384.93	-
Insurance & Other expenses SLICL	-	-	-	-	-	-	461.59	249.10	-	-	-	-	461.59	249.10	-
Commission & Other expenses- SISBL	-	-	-	-	-	-	39.63	39.60	-	-	-	-	39.63	39.60	-
IT Services & Other expenses- SVSL	-	-	-	-	-	-	4,194.57	4,057.15	-	-	-	-	4,194.57	4,057.15	-
Reimbursement of rent and other expenses-SCL	-	-	-	195.09	518.00	-	-	-	-	-	-	-	195.09	518.00	-
License Fees to SCL	-	-	-	1,754.52	1,693.97	-	-	-	-	-	-	-	1,754.52	1,693.97	-
Rent and other expenses to SHFL	326.96	298.26	-	-	-	-	-	-	-	-	-	-	326.96	298.26	-
Payments to Key Managerial Personnel (MD, CFO & CS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term employee benefits	-	-	-	-	-	-	-	-	-	148.62	139.32	-	148.62	139.32	-
Post-employment pension (defined contribution)	-	-	-	-	-	-	-	-	-	29.61	11.24	-	29.61	11.24	-
Other long term employee benefits	-	-	-	-	-	-	-	-	-	9.39	35.93	-	9.39	35.93	-
Directors Sitting Fees	-	-	-	-	-	-	-	-	-	30.05	37.25	-	30.05	37.25	-
Security Deposits to SHFL	-	157.94	-	-	-	-	-	-	-	-	-	-	-	157.94	-
Equity dividend to SCL	-	-	-	4,008.40	3,563.02	-	-	-	-	-	-	-	4,008.40	3,563.02	-
Equity dividend to DAFL	-	-	-	2,415.94	2,147.50	-	-	-	-	-	-	-	2,415.94	2,147.50	-
Equity dividend to PEL	-	-	-	1,184.37	1,052.77	-	-	-	-	-	-	-	1,184.37	1,052.77	-
Receipts/Income															
Reimbursement of expenses from SHFL	154.69	92.08	-	-	-	-	-	-	-	-	-	-	154.69	92.08	-
Interest on loan from SHFL	255.92	-	-	-	-	-	-	-	-	-	-	-	255.92	-	-
Interest income from Financial Guarantee-SHFL	15.60	15.60	-	-	-	-	-	-	-	-	-	-	15.60	15.60	-
Rent Income - SFSL	-	-	-	-	-	-	18.29	12.20	-	-	-	-	18.29	12.20	-
Rent Income - SISBL	-	-	-	-	-	-	12.77	40.12	-	-	-	-	12.77	40.12	-
Rent Income - SLIC	-	-	-	-	-	-	19.25	13.01	-	-	-	-	19.25	13.01	-
Electricity, Telephone and other charges Received															
Expenses reimbursement -SFSL	-	-	-	-	-	-	11.23	7.44	-	-	-	-	11.23	7.44	-
Expenses reimbursement -SISBL	-	-	-	-	-	-	1.83	0.85	-	-	-	-	1.83	0.85	-
Expenses reimbursement -SLIC	-	-	-	-	-	-	27.29	11.73	-	-	-	-	27.29	11.73	-
Balance outstanding as at															
Share Capital held by SCL	-	-	-	2,226.89	2,226.89	2,226.89	-	-	-	-	-	-	2,226.89	2,226.89	2,226.89
Share Capital held by DAFL	-	-	-	1,342.19	1,342.19	1,342.19	-	-	-	-	-	-	1,342.19	1,342.19	1,342.19
Share Capital held by PEL	-	-	-	657.98	657.98	657.98	-	-	-	-	-	-	657.98	657.98	657.98
Investment of SCL	-	-	-	226.43	282.08	329.62	-	-	-	-	-	-	226.43	282.08	329.62
Investment in Shares of SHFL	16,544.00	16,544.00	16,544.00	-	-	-	-	-	-	-	-	-	16,544.00	16,544.00	16,544.00
Deemed Investment in SHFL	183.91	183.91	183.91	-	-	-	-	-	-	-	-	-	183.91	183.91	183.91
Security deposits with SHFL	275.32	275.32	117.38	-	-	-	-	-	-	-	-	-	275.32	275.32	117.38
Outstanding Expenses to SHFL	32.64	-	25.04	-	-	-	-	-	-	-	-	-	32.64	-	25.04
Outstanding Receivable from SHFL	16.57	11.40	-	-	-	-	-	-	-	-	-	-	16.57	11.40	-
Outstanding Expenses to SCL	-	-	-	183.17	170.86	155.43	-	-	-	-	-	-	183.17	170.86	155.43
Outstanding Expenses to SOT	-	-	-	1,552.50	1,330.52	1,029.79	-	-	-	-	-	-	1,552.50	1,330.52	1,029.79
Outstanding Expenses to SFPSPL	-	-	-	-	-	-	-	-	94.78	-	-	-	-	-	94.78
Outstanding Expenses to SFSL	-	-	-	-	-	-	-	-	52.39	-	-	-	-	-	52.39
Outstanding receivable from SFSL	-	-	-	-	-	-	6.07	8.89	-	-	-	-	6.07	8.89	-
Outstanding Expenses to SISBL	-	-	-	-	-	-	0.08	2.08	2.59	-	-	-	0.08	2.08	2.59
Outstanding Receivable from SLIC	-	-	-	-	-	-	2.05	26.25	-	-	-	-	2.05	26.25	-
Outstanding Expenses to SVS	-	-	-	-	-	-	5.40	-	-	-	-	-	5.40	-	-

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Note 48: Capital

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

	(Rs. in Lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Regulatory capital			
Tier 1 Capital	6,14,038.04	5,41,268.98	4,92,377.75
Tier 2 Capital	10,081.44	20,814.14	36,094.37
Total capital funds	6,24,119.48	5,62,083.12	5,28,472.12
Risk weighted assets (Rs. in Lacs)	26,99,007.39	26,30,717.17	22,20,176.11
Tier 1 capital ratio	22.75%	20.58%	22.18%
Other Tier 2 capital ratio	0.37%	0.79%	1.63%
Total capital ratio	23.12%	21.37%	23.81%
Amount of subordinated debt raised as Tier - II capital (Rs. in Lacs)	-	10,853.74	29,485.91
Amount raised by issue of Perpetual Debt Instruments (Rs. in Lacs)	-	-	-

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments, which includes contingent convertible bonds.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

Consequent to the transition of the company to the Indian Accounting Standards (Ind AS) with effect from 1st April 2018, the books of account of the company are being maintained under Ind AS as required by the Companies Act, 2013. In the absence of any clarification from the Reserve Bank Of India (RBI) the company has continued filing various Returns to RBI based on directions issued by RBI which are in accordance with the previous Indian GAAP. This has been communicated by the company to RBI vide its letter dated 9th July, 2018.

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Note 49: Fair value measurement

49.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 49.3.

49.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2019

	(Rs. in lacs)			
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	20,366.72	-	20,366.72
Equity instruments	10,603.97	-	80.04	10,684.01
Total financial assets held for trading	10,603.97	20,366.72	80.04	31,050.73
Total assets measured at fair value on a recurring basis	10,603.97	20,366.72	80.04	31,050.73
<i>Liabilities measured at fair value on a recurring basis</i>				
<i>Derivative financial instruments</i>				
Currency Forward	297.39	-	-	297.39
Total derivative financial instruments	297.39	-	-	297.39
Total financial liabilities measured at fair value on a recurring basis	297.39	-	-	297.39

As at March 31, 2018

	(Rs. in lacs)			
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	322.29	-	322.29
Equity instruments	9,516.15	-	50.67	9,566.82
Total financial assets held for trading	9,516.15	322.29	50.67	9,889.11
Total assets measured at fair value on a recurring basis	9,516.15	322.29	50.67	9,889.11

As at April 01, 2017

	(Rs. in lacs)			
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	294.59	-	294.59
Equity instruments	8,608.01	-	1,047.67	9,655.68
	8,608.01	294.59	1,047.67	9,950.27
Total assets measured at fair value on a recurring basis	8,608.01	294.59	1,047.67	9,950.27

49.3 Valuation techniques

Equity instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the networth of the investee company

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	Rs. in Lacs	
	Equity instruments	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	50.67	1,047.67
Purchases	-	-
Sales	-	997.00
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Closing Balance	80.04	50.67
Unrelaised gains and losses related to balances held at the end of the year	29.37	-

49.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	As at March 31, 2019	As at March 31, 2019		
Equity Instruments	80.04	-	Based on the networth of the investee company	networth of the investee company

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	As at March 31, 2018	As at March 31, 2018		
Equity Instruments	50.67	-	Based on the networth of the investee company	networth of the investee company

49.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

	As at March 31, 2019		As at March 31, 2018	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	29.37	-	-	-

49.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non financial liabilities.

(Rs. in lacs)					
As at March 31, 2019	CarryingAmount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	98,228.89	98,228.89	-	-	98,228.89
Bank balance other than cash and cash equivalents	30,189.86	-	30,196.64	-	30,196.64
Loans	26,98,910.93	-	-	26,95,565.82	26,95,565.82
Investments	55,571.82	-	16,727.91	38,843.91	55,571.82
Other financial assets	3,442.49	-	-	3,443.19	3,443.19
Total financial assets	28,86,343.99	98,228.89	46,924.55	27,37,852.92	28,83,006.36
Financial liabilities:					
Derivative financial instruments	297.39	-	297.39	-	297.39
Other Payables	5,509.89	-	-	5,509.89	5,509.89
Debt securities	3,68,689.96	-	3,69,937.76	-	3,69,937.76
Borrowings (other than debt securities)	15,11,070.92	-	15,10,901.92	-	15,10,901.92
Deposits	3,11,940.61	-	-	3,07,777.37	3,07,777.37
Subordinated liabilities	65,370.95	-	-	83,617.95	83,617.95
Other financial liabilities	35,458.51	-	-	35,458.51	35,458.51
Total financial liabilities	22,98,338.23	-	18,81,137.07	4,32,363.72	23,13,500.79

(Rs. in lacs)					
As at March 31, 2018	CarryingAmount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	33,426.48	33,426.48	-	-	33,426.48
Bank balance other than cash and cash equivalents	20,065.11	-	20,066.31	-	20,066.31
Loans	25,78,729.72	-	-	26,24,120.52	26,24,120.52
Investments	63,663.09	-	16,727.91	46,935.18	63,663.09
Other financial assets	1,883.85	-	-	1,883.85	1,883.85
Total financial assets	26,97,768.25	33,426.48	36,794.22	26,72,939.55	27,43,160.25
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	7,003.39	-	-	7,003.39	7,003.39
Debt securities	2,30,102.27	-	2,31,463.15	-	2,31,463.15
Borrowings (other than debt securities)	14,85,078.77	-	14,85,065.43	-	14,85,065.43
Deposits	3,07,365.15	-	-	3,53,171.97	3,53,171.97
Subordinated liabilities	1,17,561.75	-	-	1,65,263.78	1,65,263.78
Other financial liabilities	25,908.59	-	-	25,908.59	25,908.59
Total financial liabilities	21,73,019.92	-	17,16,528.58	5,51,347.73	22,67,876.31

					(Rs. in lacs)
As at April 01, 2017	CarryingAmount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	43,259.94	43,259.94	-	-	43,259.94
Bank balance other than cash and cash equivalents	21,770.69	-	-	21,757.76	21,757.76
Loans	21,64,872.08	-	-	21,75,090.14	21,75,090.14
Investments at ammortised cost	61,356.06	-	16,727.91	44,628.15	61,356.06
Other financial assets	3,395.22	-	-	3,395.22	3,395.22
Total financial assets	22,94,653.99	43,259.94	16,727.91	22,44,871.27	23,04,859.12
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	3,050.59	-	-	3,050.59	3,050.59
Debt securities	1,25,826.19	-	1,27,829.23	-	1,27,829.23
Borrowings (other than debt securities)	11,96,531.15	-	11,96,395.44	-	11,96,395.44
Deposits	3,52,136.35	-	-	4,06,127.20	4,06,127.20
Subordinated liabilities	1,29,475.58	-	-	1,81,368.08	1,81,368.08
Other financial liabilities	22,458.76	-	-	22,458.76	22,458.76
Total financial liabilities	18,29,478.62	-	13,24,224.67	6,13,004.63	19,37,229.30

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

49.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields..

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted financial statement****Note 50 Risk Management**

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

50.1 Introduction and Risk Profile**50.1.1 Risk management structure**

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

50.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

50.1.3 Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department. The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

50.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company’s policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

50.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performin	90+ dpd

50.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

50.2.2 Impairment assessment

50.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the company
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Company
- The debtor (or any legal entity within the debtor’s Company) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 when one of his facility when one of his facility becomes 90 days past due i.e. credit impaired.

50.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

50.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

50.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any security.

50.2.2.5 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 50.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 50.2.2.6), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

50.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note 6.1.xi dependant on the factors below, the Company calculates ECLs only on a collective basis

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans

50.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2019 was Rs. 4500.00 lakhs (March 31, 2018: Rs. 25000.00 lakhs)

Credit risk exposure analysis

(Rs. in lacs)

Particulars	March 31, 2019				
	Stage 1 Collective	Stage 2 Collective	Stage 3	POCI	Total
Normal	21,75,299.36	4,58,591.84	2,56,487.39	-	28,90,378.59
Repossessed	-	-	1,181.52	-	1,181.52
Total	21,75,299.36	4,58,591.84	2,57,668.91	-	28,91,560.11

50.3 Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

50.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2019:

(Rs. in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	98,377.90	4.91	15,332.41	17,138.64	-	-	1,30,853.86
Loans	5,05,180.17	4,93,208.86	8,07,735.05	11,68,667.75	3,95,782.31	2,98,975.65	36,69,549.79
Financial investments at amortised cost	1,386.33	89.74	20,069.81	13,709.37	9,248.64	125.61	44,629.50
Financial investments at FVTPL	-	-	31,050.73	-	-	-	31,050.73
Other Financial Assets	-	-	3,442.49	-	-	-	3,442.49
Total undiscounted financial assets	6,04,944.40	4,93,303.51	8,77,630.49	11,99,515.76	4,05,030.95	2,99,101.26	38,79,526.37
Financial liabilities							
Derivative Financial Instruments	-	-	297.39	-	-	-	297.39
Deposits	32,591.37	27,196.30	53,575.91	1,94,413.60	51,741.61	-	3,59,518.79
Debt securities	15,184.77	73,152.11	71,173.93	2,38,399.09	45,810.44	-	4,43,720.34
Borrowings (other than debt securities)	4,51,623.95	1,47,255.83	3,30,396.30	6,90,096.65	95,647.53	1,158.42	17,16,178.68
Subordinated Liabilities	8,425.13	6,630.37	30,419.33	25,975.26	-	-	71,450.09
Other Financial Liabilities	-	-	35,458.51	-	-	-	35,458.51
Total undiscounted financial liabilities	5,07,825.22	2,54,234.61	5,21,321.37	11,48,884.60	1,93,199.58	1,158.42	26,26,623.80
Net undiscounted financial assets/(liabilities)	97,119.18	2,39,068.90	3,56,309.12	50,631.16	2,11,831.37	2,97,942.84	12,52,902.58

Maturity pattern of assets and liabilities as on March 31, 2018:

(Rs. in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	33,505.79	-	18,222.78	3,416.27	-	-	55,144.84
Loans	5,02,005.82	4,52,395.52	8,66,209.64	10,73,428.48	4,31,217.52	2,19,456.31	35,44,713.29
Financial investments at amortised cost	1,396.74	100.02	28,630.68	14,701.77	9,621.48	514.67	54,965.36
Financial investments at FVTPL	-	-	9,889.10	-	-	-	9,889.10
Other Financial Assets	-	-	1,883.85	-	-	-	1,883.85
Total undiscounted financial assets	5,36,908.35	4,52,495.54	9,24,836.05	10,91,546.52	4,40,839.00	2,19,970.98	36,66,596.44
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	-
Deposits	38,413.58	35,896.88	71,766.07	1,57,929.16	43,244.86	-	3,47,250.55
Debt securities	3,870.94	4,209.08	46,640.50	2,02,256.61	22,815.45	-	2,79,792.58
Borrowings (other than debt securities)	2,11,668.31	87,054.75	5,03,665.52	6,98,870.93	1,75,314.38	-	16,76,573.89
Subordinated Liabilities	4,313.62	7,698.37	51,410.74	72,240.60	-	-	1,35,663.33
Other Financial Liabilities	-	-	25,908.59	-	-	-	25,908.59
Total undiscounted financial liabilities	2,58,266.45	1,34,859.08	6,99,391.42	11,31,297.30	2,41,374.69	-	24,65,188.94
Net undiscounted financial assets/(liabilities)	2,78,641.89	3,17,636.46	2,25,444.63	(39,750.78)	1,99,464.31	2,19,970.98	12,01,407.50

Maturity pattern of assets and liabilities as on April 01, 2017:

(Rs. in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	43,267.21	3,005.18	15,751.92	4,572.13	-	-	66,596.44
Loans	4,47,478.75	3,92,647.54	8,01,965.12	8,32,523.15	3,30,728.04	1,04,592.05	29,09,934.65
Financial investments at amortised cost	8,970.41	303.07	17,505.36	3,503.96	13,931.56	9,803.66	54,018.02
Financial investments at FVTPL	-	-	9,950.27	-	-	-	9,950.27
Other Financial Assets	-	-	3,395.22	-	-	-	3,395.22
Total undiscounted financial assets	4,99,716.37	3,95,955.79	8,48,567.89	8,40,599.24	3,44,659.60	1,14,395.71	30,43,894.60
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	-
Deposits	44,088.02	41,418.27	83,134.70	1,81,832.09	45,240.33	-	3,95,713.41
Debt securities	14,491.49	5,287.78	52,097.97	62,456.80	14,481.30	-	1,48,815.34
Borrowings (other than debt securities)	1,83,212.20	1,04,212.38	3,15,273.05	6,02,522.27	1,65,865.16	-	13,71,085.06
Subordinated Liabilities	590.20	9,145.77	14,387.97	1,11,562.03	25,846.89	-	1,61,532.86
Other Financial Liabilities	-	-	22,458.76	-	-	-	22,458.76
Total undiscounted financial liabilities	2,42,381.91	1,60,064.20	4,87,352.45	9,58,373.19	2,51,433.68	-	20,99,605.43
Net undiscounted financial assets/(liabilities)	2,57,334.47	2,35,891.60	3,61,215.44	(1,17,773.95)	93,225.92	1,14,395.71	9,44,289.17

The table below shows the contractual expiry by maturity of the company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	(Rs. in lacs)		
	Over 6 months & upto 1 year	Over 5 years	Total
As at March 31, 2019			
In respect of Income tax demands where the Company has filed appeal before various authorities	-	1,468.18	1,468.18
VAT demand where the Company has filed appeal before various Appellates	-	266.45	266.45
Service tax demand	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	233.57	-	233.57
Total commitments	233.57	8,036.75	8,270.32
As at March 31, 2018			
In respect of Income tax demands where the Company has filed appeal before various authorities	-	2,990.65	2,990.65
VAT demand where the Company has filed appeal before various Appellates	-	137.52	137.52
Service tax demand	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	305.32	-	305.32
Total commitments	305.32	9,430.29	9,735.61
As at April 01, 2017			
In respect of Income tax demands where the Company has filed appeal before various authorities	-	2,990.65	2,990.65
VAT demand where the Company has filed appeal before various Appellates	-	131.02	131.02
Service tax demand	-	-	-
Guarantees and counter guarantees	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	119.35	-	119.35
Total commitments	119.35	5,621.67	5,741.02

50.4 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

50.4.1 Total market risk exposure

(Rs. in lacs)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Assets										
Cash and cash equivalents and other bank balances	1,28,418.75	-	1,28,418.75	53,491.59	-	53,491.59	65,030.63	-	65,030.63	interest rate
Loans	26,98,910.93	-	26,98,910.93	25,78,729.72	-	25,78,729.72	21,64,872.08	-	21,64,872.08	interest rate
Financial investments at ammortised cost	38,843.91	-	38,843.91	46,935.18	-	46,935.18	44,628.15	-	44,628.15	interest rate
Financial investments at FVTPL	31,050.73	31,050.73	-	9,889.10	9,889.10	-	9,950.27	9,950.27	-	interest rate and equity price
Other financial assets	3,442.49		3,442.49	1,883.85	-	1,883.85	3,395.22	-	3,395.22	interest rate
Total	29,00,666.81	31,050.73	28,69,616.08	26,90,929.44	9,889.10	26,81,040.34	22,87,876.35	9,950.27	22,77,926.08	
Liabilities										
Derivative financial instruments	297.39	-	297.39	-	-	-	-	-	-	interest rate/FX
Other Payables	5,509.89	-	5,509.89	7,003.39	-	7,003.39	3,050.59	-	3,050.59	interest rate
Debt securities	3,68,689.96	-	3,68,689.96	2,30,102.27	-	2,30,102.27	1,25,826.19	-	1,25,826.19	interest rate
Borrowings (other than debt securities)	15,11,070.92	-	15,11,070.92	14,85,078.77	-	14,85,078.77	11,96,531.15	-	11,96,531.15	interest rate
Deposits	3,11,940.61	-	3,11,940.61	3,07,365.15	-	3,07,365.15	3,52,136.35	-	3,52,136.35	interest rate
Subordinated liabilities	65,370.95	-	65,370.95	1,17,561.75	-	1,17,561.75	1,29,475.58	-	1,29,475.58	interest rate
Other financial liabilities	35,458.51	-	35,458.51	25,908.59	-	25,908.59	22,458.76	-	22,458.76	interest rate
Total	22,98,338.23	-	22,98,338.23	21,73,019.92	-	21,73,019.92	18,29,478.62	-	18,29,478.62	

Note 51: First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2019, are the first financial statements the Company and have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

> Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

> The Company has not designated any investments held at 1 April 2017 as fair value through OCI investments.

> A first-time adopter may opt to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date. However, it makes necessary adjustments for decommissioning liabilities to be included in the carrying value of PPE. The Company has used Ind AS 101 exemption and continued with the carrying value as recognised in previous GAAP as deemed cost on the transition date.

> In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture.

Accordingly, the Company has opted to measure its investment in associate at previous GAAP carrying amount which is considered to be the deemed cost.

> Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS.

The Company has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

> Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract.

The Company has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.

> As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "Derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the Derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event).

The Company has opted not to re-evaluate financial assets derecognized in the past including those sold to asset restructuring companies.

Estimates:

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVPTL / FVOCI – equity and debt instrument

> Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

Equity reconciliation for 1 April 2017

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		43,259.94	-	43,259.94
Bank Balance other than above		21,770.69	-	21,770.69
Loans		22,86,427.00	(1,21,554.92)	21,64,872.08
Investments		72,574.13	(1,267.80)	71,306.33
Other financial assets		4,854.01	(1,458.79)	3,395.22
Total (A)		24,28,885.77	(1,24,281.51)	23,04,604.26
Non-financial assets				
Current tax assets (net)		5,947.80	-	5,947.80
Deferred tax assets (net)		4,422.47	3,153.97	7,576.44
Property, plant and equipment		6,974.96	-	6,974.96
Other Intangible assets		841.14	-	841.14
Other non-financial assets		3,020.36	440.88	3,461.23
Total (B)		21,206.73	3,594.85	24,801.57
Total Assets (A+B)		24,50,092.50	(1,20,686.66)	23,29,405.83
Liabilities and equity				
Liabilities				
Financial liabilities				
Derivative financial instruments				-
Other Payables				-
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,050.59	-	3,050.59
Debt securities		1,25,905.35	(79.16)	1,25,826.19
Borrowings (other than debt securities)		11,85,486.77	11,044.38	11,96,531.15
Deposits		3,54,095.36	(1,959.01)	3,52,136.35
Subordinated Liabilities		1,30,958.20	(1,482.62)	1,29,475.58
Other financial liabilities		24,479.10	(2,020.34)	22,458.76
Total (C)		18,23,975.36	5,503.26	18,29,478.62
Non-financial liabilities				
Provisions		1,21,842.41	(1,20,230.47)	1,611.94
Other non-financial liabilities		1,433.83	-	1,432.86
Total (D)		1,23,276.24	(1,20,230.47)	3,044.80
Total Liabilities (C+D)		19,47,251.61	(1,14,727.21)	18,32,523.42

Equity	6,594.34	-	6,594.34
Other Equity	4,96,246.51	(5,958.44)	4,90,288.07
Total equity	5,02,840.85	(5,958.44)	4,96,882.41
Total liabilities and equity	24,50,092.46	(1,20,685.65)	23,29,405.83

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Equity reconciliation for 31 March 2018

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		33,426.48		33,426.48
Bank Balance other than above		20,065.11		20,065.11
Loans		27,36,494.48	(1,57,764.76)	25,78,729.72
Investments		73,676.35	(124.16)	73,552.19
Other financial assets		3,392.90	(1,509.05)	1,883.85
Total (A)		28,67,055.32	(1,59,397.97)	27,07,657.35
Non-financial assets				
Current tax assets (net)		4,505.86		4,505.86
Deferred tax assets (net)		7,245.89	611.29	7,857.18
Property, plant and equipment		7,577.70		7,577.70
Other Intangible assets		312.08		312.08
Other non-financial assets		3,986.28	668.45	4,654.73
Total (B)		23,627.81	1,279.74	24,907.55
Total Assets (A+B)		28,90,683.13	(1,58,118.23)	27,32,564.90
Liabilities and equity				
Liabilities				
Financial liabilities				
Other Payables				-
(i) total outstanding dues of micro enterprises and small enterprises				
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7,003.39		7,003.39
Debt securities		2,30,399.77	(297.50)	2,30,102.27
Borrowings (other than debt securities)		14,75,818.05	9,260.72	14,85,078.77
Deposits		3,08,946.02	(1,580.87)	3,07,365.15
Subordinated liabilities		1,18,430.94	(869.19)	1,17,561.75
Other financial liabilities		26,832.61	(924.02)	25,908.59
Total (C)		21,67,430.78	5,589.14	21,73,019.92
Non-financial liabilities				
Provisions		1,64,973.17	(1,62,532.04)	2,441.13
Other non-financial liabilities		1,658.60	(20.32)	1,638.27
Total (D)		1,66,631.77	(1,62,552.36)	4,079.40
Total Liabilities (C+D)		23,34,062.55	(1,56,963.22)	21,77,099.32
Equity		6,596.58		6,596.58
Other Equity		5,50,024.00	(1,155.00)	5,48,869.00
Total equity		5,56,620.58	(1,155.00)	5,55,465.58
Total liabilities and equity		28,90,683.13	(1,58,118.22)	27,32,564.90
		(0.00)		

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Profit reconciliation for the year ended 31 March 2018

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Revenue from operations				
Interest income		5,03,331.94	5,072.43	5,08,404.37
Dividend income		144.50		144.50
Fee and commission income		212.32	15.60	227.92
Net gain on fair value changes		-	854.08	854.08
Net gain on derecognition of financial instruments under amortised category				-
Bad debts Recovery		4,536.51		4,536.51
Gain on sale of Investment		1,505.31		1,505.31
Total revenue from operations		5,09,730.58	5,942.11	5,15,672.69
Other income		176.26	(2.20)	174.06
Total Income		5,09,906.84	5,939.91	5,15,846.75
Expenses				
Finance costs		1,65,632.23	780.64	1,66,412.87
Net loss on derecognition of financial instruments under amortised category		-	978.58	978.58
Fees and commission expense		13,035.81	-	13,035.81
Impairment on financial instruments		42,383.33	(3,034.88)	39,348.45
Bad Debts Written Off		62,987.28	(20.32)	62,966.96
Employee benefits expenses		70,354.11	277.19	70,631.30
Depreciation, amortisation and impairment		3,325.93	-	3,325.93
Royalty		5,583.92	-	5,583.92
Professional Charges		11,642.66	-	11,642.66
Other expenses		33,183.31	(111.07)	33,073.06
Total expenses		4,08,128.57	(1,129.86)	4,06,999.54
Profit /(loss) before exceptional items and tax		1,01,778.27	7,069.77	1,08,847.21
Exceptional items		-	-	-
Profit/(loss) before tax		1,01,778.27	7,069.77	1,08,847.21
Tax Expense:				
(1) Current tax		38,129.64	-	38,129.64
(2) Deferred tax (credit)		(2,823.42)	2,446.76	(376.66)
(3) Earlier years adjustments				-
Profit/(loss) for the period from continuing operations		66,472.05	4,623.01	71,094.23
Other comprehensive income				
(i) Items that will not be classified to profit or loss			277.19	277.19
(ii) Income tax relating to items that will not be reclassified to profit or loss			95.93	95.93
Subtotal (A)		-	181.26	181.26
(i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Subtotal (B)		-	-	-
Other Comprehensive Income		-	181.26	181.26
Total comprehensive income		66,472.05	4,804.26	71,275.49

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Equity Reconciliation for 31 March 2018

Particulars	Note Reference	Reconciliation of Equity		Reconciliation of Profit
		March 31, 2018	April 1, 2017	
Equity after tax as per IGAAP		5,50,024.00	4,96,246.51	
Profit after tax as per IGAAP		-	-	66,472.05
EIR Impact on Financial Assets ("Loan to customers")	1	(4,928.69)	(2,333.29)	(2,595.40)
EIR impact on Borrowings	1	2,835.96	3,616.60	(780.64)
Public issue Expenses NCD		120.84	4.98	115.86
ECL on Financial Assets	2	(1,79,181.32)	(1,39,832.87)	(39,348.45)
Recognition of Interest on NPA	3	14,170.95	7,250.89	6,920.06
Fair value of investment	4	(308.07)	(1,162.18)	854.11
Reversal of Provision of standard & Non-performing assets	6	1,62,552.35	1,20,148.71	42,403.64
Fair valuation of Security deposits	8	343.00	345.20	(2.20)
Amortisation of Lease rental	8	(389.18)	(384.36)	(4.82)
Unrealised gain on securitisation	8	143.62	208.50	(64.88)
Retirement Benefit	8	(277.19)	-	(277.19)
Others		2,874.25	3,025.49	(151.24)
Deferred tax impact on above adjustments	5	707.22	3,153.90	(2,446.68)
Other comprehensive income Net of Tax		181.26	-	181.26
Total		5,48,869.00	4,90,288.07	71,275.49

Notes:

1. Effective Interest Rate ("EIR")

a. Under Indian GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently loan to customers on date of transition date have decreased by ` 2,333.29 lacs. The impact of ` 2,595.40 lacs for the ended 31 March 2018 has been taken to Profit and loss.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial liabilities and recognised as interest expense using the effective interest method. Consequently retained earnings on date of transition date have increased by ` 3,616.60 lacs. The finance costs for the year ended March 31, 2018 increased by ` 780.64 lacs and has been taken to Profit and loss.

c. Unamortised expense on borrowing was recorded as an asset in the balance sheet under Indian GAAP. The same is reversed under Ind AS. As a result, the retained earnings as on the transition date has increased by ` 4.98 lacs. Impact for the year ended March 31, 2018 was ` 115.86 lacs has been taken to the Profit and loss account.

2. Recording of impairment as per Expected Credit Loss ("ECL")

Under IGAAP, NPA provisioning was computed based on the RBI guidelines. Under Ind AS, the impairment is computed based on Expected Credit Loss model. Under ECL, the Company impaired its loans to customers by ` 139,832.87 lacs which has been eliminated against retained earnings. Impact for the year ended 31 March 2018 was ` 39,348.45 lacs has been taken to the Profit and loss account.

3. Interest income on NPA

Under IGAAP, interest income on NPA was recognised on cash basis. However, under Ind AS the interest income on NPA is recorded based on EIR and ECL provision is provided on the same. As a result of recording interest income on NPA, the retained earnings as on transition date has decreased by Rs. 7,251.06 lakhs. The impact for the year was Rs. 6,920.06 lakhs has been taken to Profit and loss.

4. Fair valuation of Investment

Under Indian GAAP, the investments were carried at cost whereas under Ind AS, investments are measured based on the Company's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The investments that meet the business model and contractual cash flow characteristics are measured at amortised cost and interest is recognised as per the EIR method. Those that do not meet these tests are measured at fair value. Consequently, retained earning as on date of transition have decreased by ` 1,162.18 lacs. Impact for the year ended March 31, 2018 was ` 854.11 lacs has been taken to the Statement of Profit and loss.

5. Deferred Tax

Under Indian GAAP, deferred tax accounting was under the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 "Income-Taxes" approach has resulted in recognition of deferred taxes on temporary differences that were not required to be recorded under Previous GAAP.

In addition, the various transitional adjustments have led to deferred tax implications that the Company has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction in either retained earnings or other comprehensive income, on the date of transition. As a result of Ind AS adjustments, the deferred tax credit/charge as on April 01, 2017 has increased by ` 3,153.97 lacs leading to increase in retained earnings. The impact for the year is ` 2,446.68 lacs which has been taken to the Profit and loss.

6. Reversal of Provision of standard/non-performing assets (NPA)

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPA's amounting to ` 120,148.71 lacs and ` 162,552.35 Lacs as on 1 April 2017 and 31 March 2018 respectively.

7. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. The Company has reconciled Indian GAAP profit or loss to Total Comprehensive Income as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

8. Others

a. The Company has given interest free security deposit in the form of rental advance for branches taken on lease. Such deposits have been fair valued under Ind AS. As a result of the fair valuation, there has been an increase of Rs.345.20 lacs in retained earnings as on April 01, 2017. The impact of Rs.2.20 lacs for the year ended March 31, 2018 has been taken in Profit and loss. Also the Company has amortised deferred lease rental as on April 01, 2017 to the extent of Rs. 384.36 lacs, the impact of which was taken to retained earnings as on April 01, 2017. The impact of Rs.4.82 lacs for the year ended March 31, 2018 has been taken in Profit and loss.

b. Due to reversal of unrealised gain of securitisation there has been an increase of ` 208.50 lacs in retained earnings as on April 01, 2017 and impact of ` 64.88 lacs taken to profit and loss.

c. Retirement benefits of ` NIL taken to other comprehensive income (OCI) in other equity on the transition date and ` 277.19 lacs taken to other comprehensive income (OCI) in profit and loss.

9. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is reduced by Rs. NIL lacs (net of tax).

Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018

(Rs. in lacs)				
Particulars	Note Reference	Previous GAAP as at March 31, 2018	Adjustments	Ind AS as at March 31, 2018
Net cash from/(used in) operating activities	1,2	(2,57,097.85)	(79,859.55)	(3,36,957.40)
Net cash from/(used in) investing activities		(306.13)	-	(306.13)
Net cash from/(used in) financing activities	1,2	2,47,572.17	79,857.90	3,27,430.07
Net increase/(decrease) in cash and cash equivalents		(9,831.81)	(1.65)	(9,833.46)
Cash and cash equivalents at the beginning of the year		43,258.26	-	43,259.94
Cash and cash equivalents at the end of the year		33,426.45	-	33,426.49

1. Movement in unclaimed matured borrowing considered as Financing activities which was previously considered as Operating activities

2. Movement in current maturities of borrowing considered as Financing activities which was previously considered as Operating activities

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

52	Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:		
	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
The principal amount remaining unpaid to supplier as at the end of the year	-	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-	-

53	The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

54 Expenditure in foreign currency : Nil (March 31, 2018: Nil)

55. The company had no discontinuing operations during the year ended March 31, 2018.

56	Events after reporting date There have been no events after the reporting date that require disclosure in these financial statements.

57	In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs.20,200 lacs (March 31, 2018: Rs.20,200 lacs and April 01, 2017: Rs. 20,997.51 lacs) in favour of trustees representing the public deposit holders of the Company.

58	Transferred financial assets that are not derecognised in their entirety		
	The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities		
	(Rs. in lacs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018	
Securitisations			
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	1,11,251.12	9,348.73	
Carrying amount of associated liabilities (Debt Securities-measured at amortised cost)	1,11,251.12	9,348.73	
Fair value of assets	1,20,323.84	9,279.26	
Fair value of associated liabilities	1,11,082.12	9,335.39	
Net position at FV	9,241.72	(56.13)	

59 **Assignment**

	(Rs. in lacs)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
No. of accounts	2,80,648.00	-
Aggregate value (net of provisions) of accounts sold	10,40,750.55	-
Aggregate consideration	88,204.33	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	2,253.20	-

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

60 Investments

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(1) Value of investments		
(i) Gross value of investments		
(a) In India	76,018.58	64,036.04
(b) Outside India,	10,603.97	9,516.15
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	76,018.58	64,036.04
(b) Outside India,	10,603.97	9,516.15
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

61 Derivatives

61.1 Forward rate agreement/Interest rate swap

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) The notional principal of forward agreements	7,098.00	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into forwards	500.00	-
(iv) Concentration of credit risk arising from the forward	-	-
(v) The fair value of the forward book	7,098.00	0.00

61.2 Exchange Traded interest rate (IR) derivatives : Nil

61.3 Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Quantitative Disclosures

(Rs. in lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	7,098.00	-	-	-
(ii) Marked to market positions [1]				
a) Asset (+)	-	-	-	-
b) Liability (-)	297.39	-	-	-
(iii) Credit exposure [2]	-	-	-	-
(iv) Unhedged exposures	-	-	-	-

Shriram City Union Finance Limited - Standalone**Annexure VI****Notes forming part of the Reformatted financial statement****62. Rating assigned by credit rating agencies and migration of ratings during the year**

Rating Agency	Rating Instrument	As at March 31,2019	As at March 31,2018
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA / Stable
	Short-Term (CP)	IND A1+	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ / Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	CARE AA+ /Stable	CARE AA+ / Stable
	Fixed deposit	CARE AA+ (FD) /Stable	CARE AA+ (FD) /Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MA++ / Stable	MAA+/ Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA-/Positive
	Short-Term (CP)	NA	CRISIL A1+
	Subordinate Debt	CRISIL AA / Stable	CRISIL AA-/ Positive
	Fixed deposit	NA	FAA /Positive

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

63 Exposure to real estate sector

Rs. in lacs			
S.no	Particulars	As at March 31, 2019	As at March 31, 2018
i)	Residential Mortgages -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	41,607.66	35,684.30
ii)	Commercial Real Estate -Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	51,929.37	63,497.29
iii)	Investments in Mortgage Backed Securities(MBS) and other securitised exposures -		
	Residential	-	-
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	93,537.03	99,181.58

64 Exposure to capital market

(Rs. in lacs)			
Particulars		As at March 31, 2019	As at March 31, 2018
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	47,778.64	26,660.23
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	4,014.92	43,171.29
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances; *	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	51,793.56	69,831.52

65 Details of financing of parent company products

The Company does not have any Parent Company, hence not applicable.

66 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

67 Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

68 Provisions and contingencies

(Rs. in lacs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2019	Year ended March 31, 2018
Provisions for depreciation on investments	-	-
Provision towards NPA#	(9,965.98)	20,893.59
Provision made towards income tax	53,144.47	37,752.98
Provision for Standard Assets##	-	-
Provision towards impairment of financial instruments other than provision for stage 3 assets	23,433.84	18,454.86

Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

69 Draw down from reserves

The draw down from reserves was Rs. Nil.

70.1 Concentration of deposits, advances, exposures and NPAs

a. Concentration of deposits (for deposit taking NBFCs)

(Rs. in lacs)

	As at March 31, 2019
Total deposits of twenty largest depositors	7,992.67
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.75%

b. Concentration of advances

(Rs. in lacs)

	As at March 31, 2019
Total advances to twenty largest borrowers	45,831.51
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.59%

c. Concentration of exposures

(Rs. in lacs)

	As at March 31, 2019
Total exposure to twenty largest borrowers/customers	39,148.78
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	1.35%

d. Concentration of NPAs #

(Rs. in lacs)

Total Exposure to top four NPA accounts	5,387.04

Provision for stage 3 assets

e. Sector-wise NPAs #

S.no	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-
2	MSME / Corporate borrowers	9.24%
3	Services	-
4	Unsecured personal loans	11.17%
5	Auto loans	
	i) Auto Loans	11.63%
	ii) Two wheeler	9.61%
6	Other personal loans	
	i) Consumer Durable	-
	ii) Pledged Jewel	2.34%
7	Others	1.94%

Provision for stage 3 assets

70.2 Movement of NPAs #

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Net NPAs to Net Advances (%)	5.02%	4.97%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,59,384.94	2,06,318.93
(b) Additions during the year	1,31,196.11	1,65,306.82
(c) Reductions during the year	1,32,912.14	1,12,240.81
(d) Closing balance	2,57,668.91	2,59,384.94
(iii) Movement of Net NPAs		
(a) Opening balance	1,37,044.91	1,04,872.02
(b) Additions during the year	74,039.67	87,440.85
(c) Reductions during the year	65,790.02	55,267.95
(d) Closing balance	1,45,294.56	1,37,044.91
(iv) Movement of provisions for NPAs (excluding provisions)		
(a) Opening balance	1,22,340.03	1,01,446.92
(b) Provisions made during the year	57,156.44	77,865.97
(c) Write-off / write-back of excess provisions	67,122.12	56,972.86
(d) Closing balance	1,12,374.35	1,22,340.03

Provision for stage 3 assets

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted financial statement****71 Overseas assets (for those with joint ventures and subsidiaries abroad)**

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

72 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

73 Customer complaints

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a)	Number of complaints pending at the beginning of the	223	35
(b)	Number of complaints received during the year	3,396	3,063
(c)	Number of complaints redressed during the year	3,599	2,875
(d)	Number of complaints pending at the end of the year	20	223

74. Auction Details

The Company Auctioned 3,304 loan accounts (March 31,2018: 9,910 accounts) during the financial year and the outstanding dues on these loan accounts were Rs. 1,077.39 lacs (March 31, 2018: Rs.3,297.26 lacs) till the respective dates of auction. The company realized Rs.1,042.24 lacs (March 31, 2018 : Rs. 3248.22 lacs) on auctioning of gold jewellery taken as security on these loans. The company confirms that none of its sister concerns participated in the above auctions.

75 Penalties:

No penalties have been levied by any regulator on the Company.

76 Restructured Accounts

Restructured Accounts : Nil (March 31, 2018: Nil)

77. Disclosure of frauds reported during the year ended March 31, 2019

Annexure VI

Notes forming part of the Reformatted financial statement

Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

Instances of fraud for the year ended March 31, 2019:

Rs in lacs

Particulars		Less than ` 1 lakhs		` 1 to 25 lakhs		Greater than ` 25 lakhs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	Person involved								
	Staff	-	-	-	-	-	-	-	-
	Customer	-	-	-	-	-	-	-	-
	Customer & Outsider	-	-	-	-	-	-	-	-
	Staff, Customer & Outsider	-	-	1	12.40	-	-	-	-
	Total	-	-	1	12.40	-	-	-	-
B)	Type of Fraud								
	Misappropriation and Criminal breach of trust	-	-	1	12.40	-	-	-	-
	Fraudulent encashment/manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	-	-	-	-	-	-
	Total	-	-	1	12.40	-	-	-	-

"- "represents Nil

Shriram City Union Finance Limited - Standalone
Annexure VI
Notes forming part of the Reformatted financial statement

78. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2019

Rs. in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	24,026.98	10,967.57	11,039.25	27,697.66	50,850.49	1,62,052.31	36,888.56	-	3,23,522.82
Advances	1,48,235.68	1,13,446.88	1,15,257.82	3,73,781.32	6,20,218.44	8,92,286.87	2,45,507.61	1,90,176.31	26,98,910.93
Investments	20,647.50	-	310.74	8.57	18,043.82	12,000.00	8,100.00	27,511.92	86,622.55
Borrowings	1,79,097.83	88,473.91	1,77,455.21	1,84,383.30	3,77,771.13	8,15,459.17	1,24,995.46	(4,333.94)	19,43,302.07
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	7,103.45	-	-	7,103.45

As at March 31, 2018

Rs. in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	27,348.91	11,394.55	12,933.33	34,683.95	67,360.42	1,35,567.17	31,853.59	-	3,21,141.92
Advances	1,56,937.72	1,08,932.00	1,04,793.00	3,37,949.00	6,68,547.00	8,07,899.00	2,52,517.00	1,41,155.00	25,78,729.72
Investments	601.92	-	-	18.85	36,001.19	20,202.32	-	16,727.91	73,552.19
Borrowings	22,802.38	89,250.00	80,250.55	76,250.32	5,38,807.21	8,38,284.12	1,87,098.21	-	18,32,742.79
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet
(Rs. in lacs)

	Particulars	As at March 31, 2019	
	Liabilities side :		
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	(a) Debenture : Secured	3,68,689.96	943.77 #
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	9,86,364.31	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	1,78,583.47	-
	(f) Public Deposits* @	3,11,940.61	11,582.21 #
	(g) Other Loans - Subordinated debts	65,370.95	4,329.92 #
	- Cash Credit/WCDL	2,34,872.02	-
	- Securitisation Loan	1,11,251.12	-
	@ excludes deposits from corporates		
	*Please see note 1 below		
	# Represent amounts unclaimed		
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	Amount outstanding	Amount overdue
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits @	3,11,940.61	11,582.21 #
	@ excludes deposits from corporates		
	*Please see note 1 below		
	# Represent amounts unclaimed		
	Assets side :		
		Amount outstanding	
(3)	Break-up of loans and advances including bills receivables (other than those included in (4) below) :		
	(a) Secured		20,52,545.31
	(b) Unsecured		6,46,365.62

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement
(Rs. in lacs)

(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	Amount outstanding	
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards asset financing activities : €		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-

€ The Company has not furnished the asset financing activities details under loans and advances as the RBI has merged asset finance companies, loan companies and investment companies vide its circular number DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019.

(Rs. in lacs)

(5)	Break-up of investments :	Amount outstanding	
	Current investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debenture and bonds	-	-
	(iii) Units of mutual funds	20,366.72	-
	(iv) Government securities	-	-
	(v) Others (Please specify)	-	-
	Treasury Bills	18,043.83	-
	2. Unquoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (Please specify)	-	-
	(b) Debentures	-	-
	(c) Mutual Funds	-	-
	Long term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	10,603.97	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	20,800.08	-
	(v) Others (Please specify)	-	-
	2. Unquoted :		
	(i) Shares: (a) Equity	16,624.04	-
	(b) Preference	-	-

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted financial statement

(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others -Venture capital fund	-	-
Investment in PTC	-	-
Certificate of deposits	-	-
Pass through certificates (unquoted)	-	-
Investment in subordinated debts		

(Rs. in lacs)

(6)	Borrower group-wise classification of assets, financed as in (3) and (4) above :		
	Please see note 2 below		
	Category	Amount (Net of provisions)	
		Secured	Unsecured
	1. Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	20,52,545.31	6,46,365.62

(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		
		(Rs. in lacs)	
	Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	16,544.00	16,544.00
	(c) Other related parties	-	-
	2. Other than related parties	70,078.55	70,078.55
		86,622.55	86,622.55

* Disclosure is made in respect of available information.

** As per Indian Accounting Standard issued by MCA (Please see note 3)

(Rs. in lacs)

(8)	Other information	
	Particulars	Amount
(i)	Gross non-performing assets **	
	(a) Related parties	-
	(b) Other than related parties	2,57,668.91
(ii)	Net non-performing assets **	
	(a) Related parties	-
	(b) Other than related parties	1,45,294.56
(iii)	Assets acquired in satisfaction of debt	-

** NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets

Notes :

- As defined in point xxvi of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company -
- Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA..
- All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

Shriram City Union Finance Limited
Annexure VI
Form AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries

Part A: Subsidiaries

		(Rs. in lacs)
Sr. No.	Particulars	Shriram Housing Finance Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3	Capital	21,416.00
4	Reserves	25,164.37
5	Total assets	2,17,546.79
6	Total liabilities	2,17,546.79
7	Investment included in total assets	21,855.01
8	Turnover	29,088.62
9	Profit before taxation	2,507.27
10	Provision for taxation	(842.14)
11	Profit after taxation	1,665.13
12	Dividend including dividend distribution tax	-
13	% of shareholding	77.25%

Shriram City Union Finance Limited

Accounting Ratios

Annexure -VII to Reformatted Financials - Standalone - March 2019

S.no	Particular	For the year ended March 31,	
		2019	2018
	Number of equity shares at the beginning of the year	65,965,762	65,943,402
	Number of equity Shares at the end of the year	65,992,317	65,965,762
	Weighted average number of shares Rs. 10/-each	65,977,572	65,951,962
	Dilutive effect on weighted average number of shares	66,000,691	66,001,259
	Net Profit after tax available for equity shares (Rs. in lacs)	98,887.80	71,094.23
	Shareholders Fund at the end of the year (Rs. in lacs)*	631,260.57	547,593.70
	Average Shareholders Fund during the year (Opening + Closing)/2 (Rs. in lacs)	589,427.13	518,302.11
A	Basic Earnings Per Share (EPS) Rs.	149.88	107.80
B	Dilutive Earnings Per Share (EPS) Rs.	149.83	107.72
	Return on Shareholders Fund (%)		
C	Considering Shareholders Fund at the end of the year	15.67%	12.98%
D	Considering Average Shareholders Fund during the year	16.78%	13.72%
E	Net Asset value Per Share Rs.	956.78	830.29
	Borrowings (Rs. in lacs)	2,257,369.83	2,140,107.94
F	Debt Equity Ratio	3.58	3.91

Shriram City Union Finance Limited

Accounting Ratios

Annexure -VII to Reformatted Financials - Standalone - March 2019

Notes :

A. Basic Earnings per share (EPS) Rs.	$\frac{\text{Net Profit Shareholder to Equity Shareholder}}{\text{Weighted Average Number equity shares outstanding during the year}}$
B. Dilutive Earning Per Share (EPS) Rs.	$\frac{\text{Net Profit available to Equity Shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$
C .Return on Shareholders Fund considering shareholders Fund at the end of the year(%)	$\frac{\text{Net Profit After Tax}}{\text{Shareholder's Fund at the end of the year}}$
D. Return on Shareholders Fund considering average Shareholders Fund during the year (%)	$\frac{\text{Net Profit After Tax}}{\text{Average Shareholder Fund during the year}}$
E. Net Asset value of shares	$\frac{\text{Shareholder's Fund at the end of the year}}{\text{Weighted Average Number of equity shares outstanding at the end of the year}}$
F. Debt Equity	$\frac{\text{Long Term Borrowings+Short Term Borrowings+Current maturities of Long Term Borrowings+Temporary Credit Balance in bank accounts+Interest accrued but not due on borrowings}}{\text{Shareholders Fund}}$
Surplus- Miscellaneous expenditure (to the extent not written off or adjusted)	

Shriram City Union Finance Limited**Statement of Dividend in respect of Equity Shares Paid in Fiscal 2019****Annexure - VIII Reformatted Financials - Standalone - March 2019**

Particulars	For the year ended March 31	
	2019	2018
Interim Dividend		
Rate of Dividend	60%	60%
Number of Equity Shares on which Interim Dividend paid	65,984,382	65,958,377
Amount of Interim Dividend (Rs. In Lacs)	3959.06	3,957.50
Dividend Distribution Tax (Rs. In Lacs)	813.80	805.65
Final Dividend for the previous year*		
Rate of Dividend	120%	100%
Number of Equity Shares on which Final Dividend paid	65,968,562	65,945,127
Amount of Final Dividend (Rs. In Lacs)	7916.23	6,594.51
Dividend Distribution Tax (Rs. In Lacs)	1627.20	1,342.49

#- As per Revised "IND AS 10- Events after the reporting period, the final dividend proposed by the Board of Directors has been disclosed by way of notes and accounted for in the year in which the same has been

* Final Dividend represents final dividend on equity shares issued after the end of previous financial year 2017-18 till the record date.

Shriram City Union Finance Limited**Capitalisation statement****Annexure - IX - Reformatted Financials - Standalone - March 2019**

The debt equity ratio prior to this Issue 3.58 is based on a total outstanding consolidated debt of Rs. 22,57,369.83 lacs and shareholder funds (net of Miscellaneous expenditure to the extent not written off or adjusted) amounting to Rs.6,31,260.57 lacs as on March 31, 2019. The debt equity ratio post the Issue (assuming subscription of Rs. 300000 lacs) is 4.05 times, based on a total outstanding debt of Rs. 25,57,369.83 lacs and shareholders fund (net of Miscellaneous expenditure to the extent not written off or adjusted) of Rs. 6,31,260.57 lacs

Particulars	Prior to the Issue	Post the Issue
Secured loans as on March 31, 2019	1,692,447.87	1,992,447.87
Unsecured loans as on March 31, 2019	564,921.96	564,921.96
Total Debt	2,257,369.83	2,557,369.83
Equity Share capital as on March 31, 2019	6,599.23	6,599.23
Other Equity as on March 31, 2019	624,661.34	624,661.34
Miscellaneous Expenses	-	-
Total Shareholders Fund	631,260.57	631,260.57
Debt Equity Ratio (Number of times)	3.58	4.05

Independent Auditor's Examination Report on the Reformatted Standalone Financial Statements

The Board of Directors
Shriram City Union Finance Limited
123, Angappa Naicken Street,
Chennai, 600 001

Dear Sir,

Sub: Auditors' Report on Reformatted Standalone Financial Information under Ind AS in relation to the proposed public issue ("Issue") of secured, redeemable, non-convertible debentures ("NCDs") by Shriram City Union Finance Limited ("**Issuer/Company**").

1. This report is issued in accordance with terms of reference of our Engagement Letter dated December 5, 2018.
2. We have examined the attached reformatted standalone financial statements of Shriram City Union Finance Limited ("the Company") which comprises of the Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2019, the Reformatted Standalone Statement of Profit and Loss, the Reformatted Standalone Statement of Changes in Equity, the Reformatted Standalone Statement of Cash Flows for the year ended March 31, 2019, and the Summary of Significant Accounting Policies, and other explanatory information (collectively referred to as 'Reformatted Standalone Financial Information under Ind AS') annexed to this report and as approved by the Banking and Securities Management Committee to the Board of Directors (committee) of the Company and have been prepared by the Management of the Company, in accordance with the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
 - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("SEBI Regulations"), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992

to be included in the Tranche 2 Prospectus, in connection with the proposed public issue of NCDs by the Company.

Management's responsibility for the Reformatted Standalone Financial Information under Ind AS

3. The preparation of the Reformatted Standalone Financial Information under Ind AS is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Reformatted Standalone Financial Information under Ind AS.

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The Management is also responsible for identifying and ensuring that the Company complies with the Act, Rules and SEBI regulations.

Auditor's responsibilities

4. Our responsibility is to express our opinion based on the examination of such Reformatted Standalone Financial Information under Ind AS with regards to:
 - a. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") and
 - b. The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which includes the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information under Ind AS. This guidance note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, covering Quality Control for firms that perform audits and reviews of historical financial information and other assurance and related service engagements.

Reformatted Standalone Financial Information under Ind AS

5. The Reformatted Standalone Financial Information under Ind AS referred to above, relating to profits, assets, liabilities, changes in equity, and cash flows of the Company are contained in the following annexures to this report:
 - a. Annexure I containing the 'Reformatted Standalone Statement of Assets and Liabilities' of the Company as at March 31 2019.
 - b. Annexure II containing the 'Reformatted Standalone Statement of Profit and Loss' of the Company for the financial year ended March 31, 2019.
 - c. Annexure III containing the 'Reformatted Standalone Statement of Changes in Equity' of the Company as at and for the year ended March 31, 2019.
 - d. Annexure IV containing the 'Reformatted Standalone Statement of Cash Flow' of the Company for the financial year ended March 31, 2019.
 - e. Annexure V and Annexure VI containing Standalone Significant Accounting Policies and notes to the financial statements.

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6. This Reformatted Standalone Financial Information under Ind AS has been compiled by the Management from the audited Standalone Financial Statements of the Company as at and for the year ended March 31, 2019. No adjustments have been made for any events occurring subsequent to the date of the audit opinion specified in paragraph 10 below, in the preparation and presentation of the Reformatted Standalone Financial Information under Ind AS.
7. We have not audited any standalone financial statements of the Company as at any date or for any period subsequent to March 31, 2019. Accordingly, we express no opinion on the consolidated financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2019.

Other Standalone Financial Information:

8. At the Company's request, we have also examined the following Other Standalone Financial Information of the Company as at and for the year ended on March 31, 2019, proposed to be included in the Tranche 2 Prospectus, as approved by the Committee, annexed to this report:
 - a. Statements of Accounting Ratios (Standalone) as at and for the financial year ended March 31, 2019 (Annexure VII)
 - b. Statement of Dividends for the financial year ended March 31, 2019. (Annexure VIII)
 - c. Capitalization Statement (Annexure IX)

Opinion

9. Based on our examination of the Reformatted Standalone Statements, we state that in our opinion, the Reformatted Standalone Financial Information under Ind AS and Other Standalone Financial Information of the Company mentioned above, as at and for the year ended March 31, 2019 have been prepared in accordance the Act, the Rules and the SEBI Regulations.
10. We report that the Reformatted Standalone Financial Information under Ind AS have been extracted and prepared by the management from the audited Standalone Financial Statements of the company for the financial year ended March 31, 2019 which were approved by the Board of Directors on April 24, 2019. The Standalone Financial Statements of the Company for the financial year ended March 31, 2019 have been audited by us in respect of which we have issued unmodified audit opinion dated April 24, 2019.
11. The comparative financial information of the company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2017 included in the Standalone Reformatted Financial Information under Ind AS, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India

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audited by us vide our report for the year ended March 31, 2018 dated April 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 2, 2017 respectively expressed an unmodified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

12. We did not perform audit tests for the purposes of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon on the Reformatted Standalone Financial Information under Ind AS.
13. This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports, nor should this be construed as a new opinion on any of the financial statements/information referred to herein.
14. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

Restrictions of use

15. This report is issued at the specific request of the Company for inclusion in the Tranche 2 Prospectus which as informed to us is to be filed by the Company with BSE Limited, the Securities and Exchange Board of India and the Registrar of Companies in connection with the Proposed Issue of NCDs and is not to be used, referred to or distributed for any other purpose without our prior written consent. This report may not be useful for any other purpose.

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

Umesh S. Abhyankar
Partner
Membership Number: 113 053
UDIN: 19113053AAAACJ4754



Pune, August 07, 2019

Mumbai Office: Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai-400 098
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Shriram City Union Finance Limited
Annexure I
Reformatted Consolidated Statement of Assets and Liabilities

(Rs. in lacs)				
Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I ASSETS				
1 Financial assets				
Cash and cash equivalents	10	99,676.01	33,963.42	43,751.06
Bank balance other than above	11	30,327.51	20,201.06	21,770.69
Loans	12	2,881,075.06	2,753,368.51	2,337,911.98
Investments	13	91,749.65	66,745.10	63,498.34
Other financial assets	16	3,799.49	2,241.50	6,762.77
2 Non-financial assets				
Current tax assets (net)	39	5,629.57	4,961.97	6,388.72
Deferred tax assets (net)	39	4,723.51	8,184.82	8,362.15
Property, plant and equipment	14	8,622.48	8,328.93	7,485.04
Other intangible assets	15	487.40	441.75	844.48
Other non-financial assets	17	15,743.87	11,128.48	4,493.64
Total assets		3,141,834.55	2,909,565.54	2,501,268.87
II LIABILITIES AND EQUITY				
Liabilities				
1 Financial liabilities				
Derivative financial instruments	18	297.39	-	-
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(II) Other Payables	19			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,764.54	7,969.48	3,925.68
Debt securities	20	426,704.75	297,060.12	202,443.79
Borrowings (other than debt securities)	21	1,621,939.32	1,565,776.52	1,265,894.11
Deposits	22	311,940.61	307,365.15	352,136.35
Subordinated liabilities	23	65,370.95	117,561.75	129,475.58
Other financial liabilities	24	35,521.51	25,919.51	22,429.19
2 Non-financial liabilities				
Provisions	25	2,664.40	2,557.16	1,798.53
Other non-financial liabilities	26	1,646.51	1,771.41	2,009.48
Total liabilities		2,472,849.98	2,325,981.10	1,980,112.71
3 Equity				
Equity share capital	27	6,599.23	6,596.58	6,594.34
Other equity	28	651,830.49	566,827.52	505,276.33
Equity attributable to equity holders of the parent		658,429.72	573,424.10	511,870.67
Non-controlling interest		10,554.85	10,160.34	9,285.49
Total equity				
Total liabilities and equity		3,141,834.55	2,909,565.54	2,501,268.87

Notes and Annexures forming part of the Reformatted Consolidated Financial Statements

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No.123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2019

Rs in lacs

S. no.	Particulars	Quarter Ended			Year Ended
		June 30, 2019 (Unaudited)	March 31, 2019 (Audited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations				
	Interest income	145,025	140,287	138,889	567,692
	Dividend Income	171	-	167	167
	Fee and commission income	4	4	4	16
	Net gain on fair value changes	-	802	-	864
	Net gain of derecognition of financial instruments under amortised cost category	-	28	-	1,307
	Bad debts recovery	3,928	2,595	1,199	7,806
	Gain on sale of Investment	219	-	-	26
	Total Revenue from operations	149,347	143,716	140,259	577,878
2	Other Income	88	80	44	252
3	Total Income (1)+(2)	149,435	143,796	140,303	578,130
4	Expenses				
	- Finance costs	53,158	49,933	46,145	197,991
	- Net loss on fair value changes	1,073	-	321	-
	- Net loss of derecognition of financial instruments under amortised cost category	510	-	-	-
	- Fee and commission expenses	4,027	2,992	4,843	15,481
	- Impairment of financial instruments	1,787	892	4,368	13,468
	- Bad Debts Written Off	17,545	17,410	17,133	64,738
	- Employee benefit expenses	20,900	21,474	20,467	83,851
	- Depreciation, amortization and impairment	2,030	755	740	3,120
	- Royalty	1,629	1,567	1,517	6,302
	- Professional Charges	2,802	2,616	2,271	10,477
	- Other expenses	5,563	7,064	7,183	30,670
	Total expenses	111,024	104,703	104,988	426,098
5	Profit/(loss) before exceptional items	38,411	39,093	35,315	152,032
6	Exceptional items	-	-	-	-
7	Profit/(loss) before tax	38,411	39,093	35,315	152,032
8	Tax expenses				
	- Current tax	12,897	10,739	12,288	49,637
	- Income tax of earlier years	1,324	-	-	-
	- Deferred tax	(1,128)	3,227	69	3,507
	Total tax expenses	13,093	13,966	12,357	53,144
9	Profit/(Loss) for the period from continuing operations	25,318	25,127	22,958	98,888
	Profit/(Loss) for the period from discontinued operations	-	-	-	-
	Tax expense of discontinued operations	-	-	-	-
10	Profit/(Loss) for the period from discontinued operations (after tax)	-	-	-	-
11	Profit/(Loss) for the period	25,318	25,127	22,958	98,888
12	Other Comprehensive Income				
	A Items that will not be reclassified to profit or loss				
	Remeasurement gain/(loss) on defined benefit plan	(515)	(7)	(205)	(1,405)
	Income tax provision/(reversal) on above	(180)	(2)	(72)	(491)
	Total (A)	(335)	(5)	(133)	(914)
	B Items that will be reclassified to profit or loss				
	Income tax provision/(reversal) on above	-	-	-	-
	Total (B)	-	-	-	-
	Other comprehensive income (A + B)	(335)	(5)	(133)	(914)
13	Total Comprehensive Income for the period (Comprising profit/(Loss) and Other comprehensive Income for the period)	24,983	25,122	22,825	97,974
14	Paid Up Equity Share Capital (Face Value of Rs.10 each)	6,599	6,599	6,597	6,599
15	Earning per equity share (for continuing operation) (Face Value of Rs.10/- each):				
	(i) Basic	38.36	38.08	34.80	149.88
	(ii) Diluted	38.35	38.07	34.78	149.83
16	Earning per equity share (for discontinued operation) (Face Value of Rs.10/- each):				
	(i) Basic	-	-	-	-
	(ii) Diluted	-	-	-	-
17	Earning per equity share (for discontinued & continuing operation) (Face Value of Rs.10/- each) :				
	(i) Basic	38.36	38.08	34.80	149.88
	(ii) Diluted	38.35	38.07	34.78	149.83

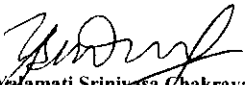
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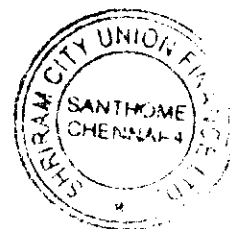
- 1 The above financial results for the quarter ended June 30, 2019 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on July 29, 2019.
- 2 The above financial results for the quarter ended June 30, 2019 have been subjected to limited review by the Statutory Auditors of the Company.
- 3 During the quarter ended June 30, 2019, the Company allotted 2,205 equity shares of Rs.10/- each, fully paid up to its employees under the Employees Stock Option Scheme 2006.
- 4 Effective April 1, 2019, the Company adopted Ind AS 116 'Leases' and applied the same to the lease contracts existing on April 1, 2019; using the modified retrospective approach recognizing right-of-use asset and corresponding lease liability. Accordingly, comparatives for the year ended March 31, 2019 and other periods disclosed have not been retrospectively adjusted. The effect of the adoption is not significant to the profit for the period.
- 5 The principal business of the Company is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Ind AS 108 - 'Operating Segments'.
- 6 The Company's Secured Non-Convertible Debentures (NCD) are secured by specific movable assets such as book debts and loans receivable and by way of a mortgage on the specified immovable properties with a cover of 100% and above as per the terms of issue.
- 7 The Company made an allotment of 66,69,278 NCDs aggregating to Rs.66,692.78 lacs on April 30, 2019. The proceeds of the issue have been utilised towards the Objects of the Issue mentioned in the Shelf Prospectus and Tranche 1 Prospectus.
- 8 The figures for the previous quarter/ period have been regrouped/ rearranged; wherever necessary to conform to the current period presentation.

Place: Chennai
Date: July 29, 2019



By order of the Board
For Shriraam City Union Finance Limited


Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308



Limited Review Report

Review Report to
The Board of Directors
Shriram City Union Finance Limited

1. We have reviewed the accompanying statement of unaudited financial results (the statement) of Shriram City Union Finance Limited for the quarter ended June 30, 2019. This statement which is the responsibility of the Company's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with aforesaid Indian Accounting Standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 19113053AAAABW5513



Umesh S. Abhyankar
Partner
Membership Number: 113053
Chennai, July 29, 2019



SHRIRAM CITY UNION FINANCE LIMITED

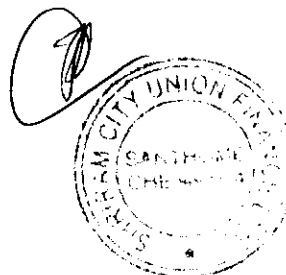
CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2019

S. no.	Particulars	Quarter Ended			Rs in lacs
		June 30, 2019 (Unaudited)	March 31, 2019 (Unaudited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations				
	Interest income	152,433	147,098	146,046	596,059
	Dividend Income	171	-	167	167
	Fee and commission income	-	-	-	-
	Net gain on fair value changes	-	1,051	-	1,152
	Net gain of derecognition of financial instruments under amortised cost category	-	28	-	1,307
	Bad debts recovery	3,998	2,595	1,269	7,984
	Gain on sale of Investment	527	-	11	26
	Total Revenue from operations	157,129	150,772	147,493	606,695
2	Other Income	159	90	52	291
3	Total Income (1)+(2)	157,288	150,862	147,545	606,986
4	Expenses				
	- Finance costs	56,962	53,212	49,140	210,583
	- Net loss on fair value changes	1,086	-	321	-
	- Net loss of derecognition of financial instruments under amortised cost category	510	-	-	3,916
	- Fee and commission expenses	4,129	2,992	4,843	15,481
	- Impairment of financial instruments	1,921	590	4,821	11,669
	- Bad Debts Written Off	18,115	17,410	17,140	65,198
	- Employee benefit expenses	22,271	22,955	21,984	89,747
	- Depreciation, amortization and impairment	2,217	818	791	3,353
	- Royalty	1,679	1,567	1,517	6,302
	- Professional Charges	3,046	2,616	2,271	10,477
	- Other expenses	6,022	8,358	8,388	35,721
	Total expenses	117,958	110,518	111,216	452,447
5	Profit/(loss) before exceptional items	39,330	40,344	36,329	154,539
6	Exceptional items	-	-	-	-
7	Profit/(loss) before tax	39,330	40,344	36,329	154,539
8	Tax expenses				
	- Current tax	13,149	10,739	12,562	49,544
	- Income tax of earlier years	1,324	-	-	-
	- Deferred tax	(1,147)	3,555	124	4,442
	Total tax expenses	13,326	14,294	12,686	53,986
9	Profit/(Loss) for the period from continuing operations	26,004	26,050	23,643	100,553
	Profit/(Loss) for the period from discontinued operations	-	-	-	-
	Tax expense of discontinued operations	-	-	-	-
10	Profit/(Loss) for the period from discontinued operations (after tax)	-	-	-	-
11	Profit/(Loss) for the period	26,004	26,050	23,643	100,553



SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

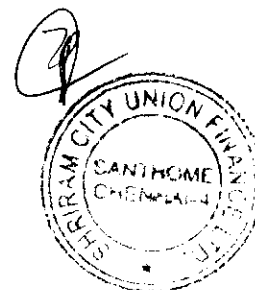
Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2019

Rs in lacs

S. no.	Particulars	Quarter Ended			Year Ended
		June 30, 2019 (Unaudited)	March 31,2019 (Unaudited)	June 30, 2018 (Unaudited)	March 31,2019 (Audited)
12	Other Comprehensive Income				
	A Items that will not be reclassified to profit or loss				
	Remeasurement gain/(loss) on defined benefit plan	(497)	14	(171)	(1,316)
	Income tax provision/(reversal) on above	(175)	6	(60)	(461)
	Total (A)	(322)	8	(111)	(855)
	B Items that will be reclassified to profit or loss				
	Income tax provision/(reversal) on above	-	-	-	-
	Total (B)	-	-	-	-
	Other comprehensive income (A + B)	(322)	8	(111)	(855)
13	Total Comprehensive Income for the period (Comprising profit /(Loss) and Other comprehensive Income for the period)	25,682	26,058	23,532	99,698
14	Profit/ (Loss) for the period attributable to				
	- Owners of the Company	25,848	25,840	23,487	100,174
	- Non - Controlling Interests	156	210	156	379
15	Other Comprehensive Income/ (Loss) for the period attributable to				
	- Owners of the Company	(325)	5	(116)	(868)
	- Non - Controlling Interests	3	3	5	13
16	Total Comprehensive Income/ (Loss) for the period attributable to				
	- Owners of the Company	25,523	25,845	23,371	99,306
	- Non - Controlling Interests	159	213	161	392
17	Paid Up Equity Share Capital (Face Value of Rs.10 each)	6,599	6,599	6,597	6,599
18	Earning per equity share (for continuing operation) (Face Value of Rs.10 /- each):				
	(i) Basic	39.17	39.16	35.60	151.83
	(ii) Diluted	39.16	39.15	35.58	151.78
19	Earning per equity share (for discontinued operation) (Face Value of Rs.10 /- each):				
	(i) Basic	-	-	-	-
	(ii) Diluted	-	-	-	-
20	Earning per equity share (for discontinued & continuing operation) (Face Value of Rs.10 /- each) :				
	(i) Basic	39.17	39.16	35.60	151.83
	(ii) Diluted	39.16	39.15	35.58	151.78



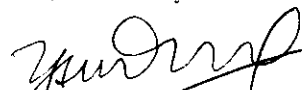
Notes

- 1 The above financial results for the quarter ended June 30, 2019 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on July 29, 2019.
- 2 In accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Statutory Auditors have carried out a limited review of the consolidated financial results for the quarter ended 30th June, 2019. The Consolidated results for quarter ended 30th June, 2018 and 31st March, 2019 have not been reviewed by the Statutory Auditors.
- 3 During the quarter ended June 30, 2019, the Group allotted 2,205 equity shares of Rs.10/- each, fully paid up to its employees under the Employees Stock Option Scheme 2006.
- 4 Effective April 1, 2019, the Group adopted Ind AS 116 'Leases' and applied the same to the lease contracts existing on April 1, 2019, using the modified retrospective approach recognizing right-of-use asset and corresponding lease liability. Accordingly, comparatives for the year ended March 31, 2019 and other periods disclosed have not been retrospectively adjusted. The effect of the adoption is not significant to the profit for the period.
- 5 The principal business of the Group is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Ind AS 108 - 'Operating Segments'.
- 6 The Group's Secured Non-Convertible Debentures (NCD) are secured by specific movable assets such as book debts and loans receivable and by way of a mortgage on the specified immovable properties with a cover of 100% and above as per the terms of issue.
- 7 The Group's made an allotment of 66,69,278 NCDs aggregating to Rs.66,692.78 lacs on April 30, 2019. The proceeds of the issue have been utilised towards the Objects of the Issue mentioned in the Shelf Prospectus and Tranche 1 Prospectus.
- 8 The figures for the previous quarter/ period have been regrouped/ rearranged; wherever necessary to conform to the current period presentation.

Place: Chennai
Date: July 29, 2019



By order of the Board
For Shriram City Union Finance Limited


Valamati Srinivasa Chakravarti
Managing Director & CEO

DIN: 00052308



Limited Review Report

Review Report to
The Board of Directors
Shriram City Union Finance Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Shriram City Union Finance Limited ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018 and for the quarter ended March 31, 2019, as reported in the statement have been approved by the Parent's Board of Directors, but have not been subjected to review.
3. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

5. The Statement includes the results of the subsidiary, Shriram Housing Finance Limited.
6. Based on our review conducted and procedures performed as stated in paragraph 4 above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the



G. D. Apte & Co.
Chartered Accountants

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We did not review the financial results of the subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 7,844 lakhs, total net profit after tax of Rs. 693 lakhs and total comprehensive income of Rs. 706 lakhs for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 4 above.

Our conclusion on the Statement is not modified in respect of the above matter.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 19113053AAAABX4748



Umesh S. Abhyankar
Partner
Membership Number: 113 053
Chennai, July 29, 2019



Shriram City Union Finance Limited
Annexure II
Reformatted Consolidated Statement of Profit and Loss

(Rs. in lacs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
(i) Interest income	29	596,058.51	536,316.49
(ii) Dividend income		166.76	144.50
(iii) Fee and commission income	30	-	212.32
(iv) Net gain on fair value changes	31	1,152.48	956.69
(v) Net gain on derecognition of financial instruments under amortised cost category		1,306.61	-
(vi) Bad debts recovery		7,984.01	4,536.71
(vii) Gain on sale of Investment	32	26.16	1,505.31
(I) Total revenue from operations		606,694.53	543,672.02
(II) Other income	33	290.99	224.62
(III) Total income (I + II)		606,985.52	543,896.64
Expenses			
(i) Finance costs	34	210,582.87	177,962.39
(ii) Net loss on derecognition of financial instruments under amortised cost category		3,916.17	978.58
(iii) Fees and commission expenses		15,480.81	13,035.81
(iv) Impairment on financial instruments	35	11,669.22	39,530.98
(v) Bad Debts Written Off		65,198.09	63,946.03
(vi) Employee benefit expenses	36	89,746.95	74,887.49
(vii) Depreciation, amortization and impairment	37	3,352.51	3,519.03
(viii) Royalty		6,301.61	5,583.92
(ix) Professional Charges		10,477.00	11,642.66
(x) Other expenses	38	35,721.28	38,161.62
(IV) Total expenses (IV)		452,446.51	429,248.51
(V) Profit/(loss) before exceptional items and tax (III - IV)		154,539.01	114,648.13
(VI) Exceptional items		-	-
(VII) Profit/(loss) before tax (V - VI)		154,539.01	114,648.13
(VIII) Tax expense:			
(1) Current tax	39	49,544.09	39,639.64
(2) Deferred tax (credit)	39	4,442.23	78.49
(IX) Profit/(loss) for the period from continuing operations		100,552.69	74,930.00
(X) Profit/(loss) from discontinued operations		-	-
(XI) Tax expense of discontinued operations		-	-
(XII) Profit/(loss) from discontinued operations (after tax)		-	-
(XIII) Profit/(loss) for the period (IX+XII)		100,552.69	74,930.00
(XIV) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(1,315.85)	285.06
(ii) Income tax relating to items that will not be reclassified to profit or loss		(461.23)	98.81
Subtotal (A)		(854.62)	186.25
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		(854.62)	186.25
(XV) Total comprehensive income (XIII + XIV)		99,698.07	75,116.25

Shriram City Union Finance Limited
Annexure II
Reformatted Consolidated Statement of Profit and Loss

(Rs. in lacs)

Particulars		Notes	Year ended March 31, 2019	Year ended March 31, 2018
(XVI)	Profit/ (Loss) for the year attributable to			
	Owners of the Company		100,173.93	74,057.37
	Non-controlling interest		378.76	872.63
(XVII)	Other Comprehensive Income/ (Loss) for the year attributable to			
	Owners of the Company		(868.14)	185.02
	Non-controlling interest		13.52	1.23
(XVIII)	Total comprehensive income/ (Loss) for the year attributable to			
	Owners of the Company		99,305.79	74,242.39
	Non-controlling interest		392.28	873.86
(XIX)	Earnings per equity share			
	Basic (Rs.)	40	151.83	112.29
	Diluted (Rs.)	40	151.78	112.21

Notes and Annexures forming part of the Reformatted Consolidated Financial Statements

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Annexure III
Reformatted Consolidated Statement of changes in Equity

A. Equity Share Capital

	No. of shares	Rs. In lacs
As at April 01, 2017	65,943,402	6,594.34
Issued during the year - ESOP	22,360	2.24
As at March 31, 2018	65,965,762	6,596.58
Issued during the year - ESOP	26,555	2.66
As at March 31, 2019	65,992,317	6,599.23

B. Other Equity

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

Rs. in lacs

Particulars	Reserves and Surplus								Other items of other comprehensive income-	Total Other Equity	Non-Controlling Interest	Total
	Statutory reserve	Share options outstanding	Securities premium account	Debenture redemption reserve	Capital Redemption Reserve	General Reserve	Capital reserve	Retained Earnings				
Balance as at April 1, 2017	76,589.68	173.02	184,778.30	6,422.54	2,328.98	62,697.35	7,871.88	164,414.58	-	505,276.33	9,285.49	514,561.82
Profit/ (Loss) for the period	-	-	-	-	-	-	-	74,057.37	-	74,057.37	872.63	74,929.99
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	283.17	283.17	1.89	285.06
Transferred from Surplus in the statement of Profit & Loss	13,742.51	-	-	2,059.53	-	6,648.00	-	(22,450.04)	-	-	-	-
Amount transferred to General Reserve on Redemption of debentures	-	-	-	(3,996.04)	-	3,996.04	-	-	-	-	-	-
Employee Stock Options Expenses	-	3.36	-	-	-	-	-	-	-	3.36	0.99	4.35
Share Premium received during the year on exercise of ESOPs	-	-	56.22	-	-	-	-	-	-	56.22	-	56.22
Adjustment on Exercise of ESOPs	-	(50.63)	-	-	-	-	-	-	-	(50.63)	-	(50.63)
Final Equity Dividend FY 2016-17	-	-	-	-	-	-	-	(6,594.51)	-	(6,594.51)	-	(6,594.51)
Tax on Final Equity Dividend FY 2016-17	-	-	-	-	-	-	-	(1,342.49)	-	(1,342.49)	-	(1,342.49)
Interim Dividend FY 2017-2018	-	-	-	-	-	-	-	(3,957.50)	-	(3,957.50)	-	(3,957.50)
Tax on Interim Dividend FY 2017-18	-	-	-	-	-	-	-	(805.65)	-	(805.65)	-	(805.65)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(98.15)	(98.15)	(0.66)	(98.81)
Balance as at March 31, 2018	90,332.19	125.75	184,834.52	4,486.03	2,328.98	73,341.39	7,871.88	203,321.75	185.02	566,827.52	10,160.34	576,987.85
Profit/ (Loss) for the period	-	-	-	-	-	-	-	100,173.93	-	100,173.93	378.76	100,552.69
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(1,336.14)	(1,336.14)	20.29	(1,315.85)
Transferred from Surplus in the statement of Profit & Loss	20,241.10	-	-	366.14	-	9,990.00	-	(30,597.24)	-	-	-	-
Employee Stock Options Expenses	-	0.24	-	-	-	-	-	6.59	-	6.83	2.23	9.06
Amount transferred to General Reserve on Redemption	-	-	-	(2,007.88)	-	2,007.88	-	-	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	66.77	-	-	-	-	-	-	66.77	-	66.77
Adjustment on Exercise of ESOPs	-	(60.13)	-	-	-	-	-	-	-	(60.13)	-	(60.13)
Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(7,916.23)	-	(7,916.23)	-	(7,916.23)
Tax on Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(1,627.20)	-	(1,627.20)	-	(1,627.20)
Interim Dividend FY 2018-2019	-	-	-	-	-	-	-	(3,959.06)	-	(3,959.06)	-	(3,959.06)
Tax on Interim Dividend FY 2018-19	-	-	-	-	-	-	-	(813.80)	-	(813.80)	-	(813.80)
Income Tax on Remeasurement Gain/ (loss) on defined benefit	-	-	-	-	-	-	-	-	468.00	468.00	(6.77)	461.23
Balance as at March 31, 2019	110,573.29	65.86	184,901.29	2,844.29	2,328.98	85,339.27	7,871.88	258,588.75	(683.12)	651,830.49	10,554.85	662,385.33

The accompanying notes and annexures are an integral part of the Reformatted Consolidated Financial Statements

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Annexure IV
Reformatted Consolidated Statement of Cash Flow

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxes	154,539.01	114,648.13
Adjustments for :		
Depreciation, amortization and impairment	3,352.04	3,519.03
(Profit)/Loss on sale of fixed assets (net)	73.14	27.99
Public issue expenditure for non-convertible debentures	212.67	307.75
Bad Debts Written Off / Impairment of financial instruments	80,783.45	103,476.98
(Gain)/Loss on sale of investments	(291.48)	(1,608.40)
Dividend Income	(166.76)	(144.50)
Interest received	(11.73)	(115.79)
Net (Gain)/Loss on fair value changes on investments/ derivatives	(877.39)	(849.25)
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(1,306.61)	978.58
EIR Impact on Fixed Loans & Advances & Related Cost	(356.51)	777.56
Operating profit before working capital changes	235,949.83	221,018.08
Movements in Working capital:		
(Increase) / decrease in loans and advances	(207,576.32)	(519,016.66)
(Increase) / decrease in other non financial assets	(4,794.19)	(6,752.24)
(Increase) / decrease in other financial assets	(175.78)	3,343.36
(Increase) / decrease in Bank Deposits	(10,126.31)	1,680.58
(Increase) / decrease in Earmarked Investments	8,048.05	(2,854.85)
Increase / (decrease) in other financial liabilities	9,280.10	(1,874.91)
Increase / (decrease) in other non financial liabilities	(123.08)	272.53
Increase / (decrease) in other Payables	(1,468.57)	3,985.73
Other provisions	(1,229.63)	1,114.70
Cash generated from operations	27,784.10	(299,083.68)
Direct taxes paid (net of refunds)	(51,679.93)	(38,228.08)
Net Cash from/(used in) operating activities (A)	(23,895.83)	(337,311.76)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(3,817.52)	(4,012.25)
(Increase) / decrease in Investments	(32,008.42)	7,618.07
Capital advance for assets	(19.40)	7.90
Proceeds from sale of fixed assets	52.14	24.06
Dividend Income	166.76	144.50
Investment in PTC	-	(3,249.51)
Investment in security receipts	-	(2,303.10)
Proceeds from sale of security receipts	444.66	-
Interest received (others)	11.73	115.79
Net Cash from/(used in) investing activities (B)	(35,170.05)	(1,654.54)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	9.29	7.83
Increase/(Decrease) of debt securities	130,140.32	93,793.04
Increase/(Decrease) of Borrowings	56,721.96	299,805.68
Increase/(Decrease) of Deposits	2,680.79	(40,464.78)
Increase/(Decrease) of Subordinated liabilities	(50,447.56)	(11,255.72)
Private placement expenses for non-convertible debentures paid	(9.43)	(16.87)
Dividend paid corporate dividend tax (Mar 2018 & Sep 2018- Final dividend)	(11,875.90)	(10,542.37)
Tax on Dividend Paid	(2,441.00)	(2,148.15)
Net Cash from/(used in) financing activities (C)	124,778.47	329,178.66
Net increase / (decrease) in cash and cash equivalents (A+B+C)	65,712.59	(9,787.64)
Cash and cash equivalents at the beginning of the year	33,963.42	43,751.06
Cash and cash equivalents at the end of the year	99,676.01	33,963.42

Shriram City Union Finance Limited
Annexure IV
Reformatted Consolidated Statement of Cash Flow

(Rs. in lacs)

Particulars	Year ended March 31 , 2019	Year ended March 31, 2018

Components of cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Cash on hand	8,387.55	6,137.67
Cheques on hand		
Balances with Banks		
- in unclaimed dividend accounts	91.95	92.56
- in current accounts	49,451.66	27,583.16
- in deposit accounts having original maturity less than three months	41,744.86	150.03
	-	-
Total	99,676.01	33,963.42

Notes

1) The above cash- flow statement has been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

The accompanying notes and annexures are an integral part of the Reformatted Consolidated Financial Statements

As per our report of even date

For G D Apte & Co

Chartered Accountants

Firm Registration No.100515W

Umesh.S.Abhyankar

Partner

Membership No.113053

Yalamati Srinivasa Chakravarti

Managing Director & CEO

DIN: 00052308

Venkataraman Murali

Director

DIN: 00730218

Place: Chennai

Date: August 7, 2019

C R Dash

Company Secretary

R Chandrasekar

Chief Financial Officer

Shriram City Union Finance Limited
Annexure V
Consolidated Significant Accounting Policies

These Consolidated Reformatted financial Statements have been prepared by the company on the basis of the Audited Consolidated Financial Statements of the company as at and for the year ended on March 31, 2019, for inclusion in the Tranche Prospectus with respect to the proposed public issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,000 each, ("NCDs") aggregating up to Rs. 3,000 Crore and are not to be used or referred to for any other purpose.

1. Basis of preparation

The Consolidated financial statements relates to M/s. Shriram City Union Finance Limited (the "Company") and its subsidiary (together hereinafter referred to as "Group"). The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

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

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

2. Basis of consolidation

(i) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2019 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Group have been prepared in accordance with the Ind AS 110 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The excess of cost to the Company of its investments in the subsidiary over its share of equity of the subsidiary, at the dates on which the investments in the subsidiary is made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary as on the date of investment is in excess of cost of

Shriram City Union Finance Limited
Annexure V
Consolidated Significant Accounting Policies

investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of subsidiary.

d) Minority interest, if any, in the net assets of subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.

e)

(iv) The subsidiary considered in the consolidated financial statements are as below:

Name of the subsidiary/		Country of incorporation	Share of ownership interest as at March 31, 2019	Share of ownership interest as at March 31, 2018	Share of ownership interest as at April 01, 2017
Shriram Finance (SHFL)	Housing Limited	India	77.25%	77.25%	77.25%

3. Presentation of financial statement

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

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

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

4. Statement of compliance

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

5. New Accounting Standards issued but not effective

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

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

Shriram City Union Finance Limited
Annexure V
Consolidated Significant Accounting Policies

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

6. Significant accounting policies

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- ▶ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- ▶ The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- ▶ How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- ▶ The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

Shriram City Union Finance Limited
Annexure V
Consolidated Significant Accounting Policies

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

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

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

Debt instruments

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

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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

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Equity instruments

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

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

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

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

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

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

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

(v) Derivatives

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

- ▶ Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- ▶ It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- ▶ It is settled at a future date.

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

(vi) Debt securities and other borrowed funds

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

(vii) Financial guarantees

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

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

(viii) Reclassification of financial assets and liabilities

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

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

- a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.
- b) Investments are initially recognised on the settlement date.
- c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.
- d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

- i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or
- ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

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

- i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- i. The Group has transferred substantially all the risks and rewards of the asset, or
- ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Group does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

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

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

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

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Stage 1

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

Stage 2

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

Stage 3

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

Credit-impaired financial assets:

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

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

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- or
- e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

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

ECL on Debt instruments measured at fair value through OCI

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

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in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

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

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

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

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

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

Forward looking information

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

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, , etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

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

(xii) Write-offs

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

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

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

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

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

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

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

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

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

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

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted

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prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

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

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

Difference between transaction price and fair value at initial recognition

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Dividend Income

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

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

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

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

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

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

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

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 31), held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

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

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

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

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

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

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

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

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

Other long-term employee benefits

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

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

(iii) Rent Expense:

Identification of Lease:

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

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

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

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

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

Minimum Alternate Tax (MAT)

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

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

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

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

6.5 Cash and cash equivalents

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

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

6.6 Property, plant and equipment

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

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

Depreciation

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

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Group
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years

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Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

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

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

6.7 Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Group's intangible assets consist of computer software with definite life.

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Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

6.10 Earnings per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.11 Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS . The Group has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS .

7. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in *Note 6.1(xi) Overview of ECL principles*.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

7.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

8. First time adoption

These financial statements, for the year ended March 31, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

8.1 Lease arrangements

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the Group has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on date of transition.

8.2 Property, plant, equipment & intangible assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at March 31, 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on April 01, 2017.

8.3 Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

8.4 Derecognition of previously recognised financial instruments

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of “derecognition of financial assets and financial liabilities” wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event). The Group has opted not to re-evaluate financial assets derecognised in the past. However, for loans and advances securitised, the Group has applied the derecognition requirements retrospectively.

8.5 Fair value measurement of financial assets or financial liabilities at initial recognition

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the ‘day one’ gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the ‘day one’ gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Group has opted for this exemption to recognise the ‘day one’ gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

Following mandatory exceptions are applicable to the Group:

9.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

9.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

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Notes forming part of the Reformatted Consolidated financial statement

Note 10: Cash and cash equivalents

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	8,387.55	6,137.67	5,752.94
Balances with bank in:			
-Current Accounts	49,451.66	27,583.16	36,963.52
-Bank deposits with maturity less than 3 months	41,744.85	150.03	951.68
On Escrow accounts			
Unclaimed dividend accounts	91.95	92.56	82.92
Total	99,676.01	33,963.42	43,751.06

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

Note 11: Bank balances other than cash and cash equivalents

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with original maturity for more than 12 months*	2,625.16	110.00	-
Fixed deposits with original maturity for more than 3 months but less than 12 months**	13,078.87	16,674.79	17,482.38
Margin Money Deposit for securitisation	14,623.48	3,416.27	4,288.31
Total	30,327.51	20,201.06	21,770.69

Fixed deposit and other balances with banks earns interest at fixed rate.

*Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of Rs. 110 lacs

**Includes deposits Rs. 500.48 lacs (March 31, 2018::NIL April 1, 2017: NIL) as margin for foreign currency derivative contract and deposits lien as Bank Guarantee to the tune Rs.25 lacs

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Notes forming part of the Reformatted Consolidated financial statement

Note 12: Loans and advances

(Rs. in lacs)

Particulars	As at March 31, 2019					As at March 31, 2018					As at April 01, 2017				
	At Amortised Cost	At fair value			Total	At Amortised Cost	At fair value			Total	At Amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)															
i) Term loans	30,76,326.30	-	-	-	30,76,326.30	29,36,918.22	-	-	-	29,36,918.22	24,81,829.28	-	-	-	24,81,829.28
ii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	30,76,326.30	-	-	-	30,76,326.30	29,36,918.22	-	-	-	29,36,918.22	24,81,829.28	-	-	-	24,81,829.28
Less: Impairment loss allowance	1,95,251.24	-	-	-	1,95,251.24	1,83,549.71	-	-	-	1,83,549.71	1,43,917.30	-	-	-	1,43,917.30
Total (A) - Net	28,81,075.06	-	-	-	28,81,075.06	27,53,368.51	-	-	-	27,53,368.51	23,37,911.98	-	-	-	23,37,911.98
(B)															
i) Secured by tangible assets	23,89,038.62	-	-	-	23,89,038.62	23,73,719.95	-	-	-	23,73,719.95	20,16,819.77	-	-	-	20,16,819.77
iv) Unsecured	6,87,287.68	-	-	-	6,87,287.68	5,63,198.27	-	-	-	5,63,198.27	4,65,009.51	-	-	-	4,65,009.51
Total (B) - Gross	30,76,326.30	-	-	-	30,76,326.30	29,36,918.22	-	-	-	29,36,918.22	24,81,829.28	-	-	-	24,81,829.28
Less : Impairment loss allowance	1,95,251.24	-	-	-	1,95,251.24	1,83,549.71	-	-	-	1,83,549.71	1,43,917.30	-	-	-	1,43,917.30
Total (B) - Net	28,81,075.06	-	-	-	28,81,075.06	27,53,368.51	-	-	-	27,53,368.51	23,37,911.98	-	-	-	23,37,911.98
(C)															
Loans in India															
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others (to be specified)															
Corporate	1,64,943.94	-	-	-	1,64,943.94	1,86,692.15	-	-	-	1,86,692.15	1,47,375.44	-	-	-	1,47,375.44
Retail	29,11,382.36	-	-	-	29,11,382.36	27,50,226.07	-	-	-	27,50,226.07	23,34,453.84	-	-	-	23,34,453.84
Total - Gross	30,76,326.30	-	-	-	30,76,326.30	29,36,918.22	-	-	-	29,36,918.22	24,81,829.28	-	-	-	24,81,829.28
Less: Impairment loss allowance	1,95,251.24	-	-	-	1,95,251.24	1,83,549.71	-	-	-	1,83,549.71	1,43,917.30	-	-	-	1,43,917.30
Total - Net	28,81,075.06	-	-	-	28,81,075.06	27,53,368.51	-	-	-	27,53,368.51	23,37,911.98	-	-	-	23,37,911.98
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	28,81,075.06	-	-	-	28,81,075.06	27,53,368.51	-	-	-	27,53,368.51	23,37,911.98	-	-	-	23,37,911.98

Note 12: Loans and advances

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 50.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 50.2.

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade												
Performing												
High grade	22,05,567.82	-	-	22,05,567.82	21,74,659.72	-	-	21,74,659.72	16,11,374.49	-	-	16,11,374.49
Standard grade	1,28,998.90	-	-	1,28,998.90	2,93,976.49	-	-	2,93,976.49	3,87,590.34	-	-	3,87,590.34
Sub-standard grade	-	3,90,397.90	-	3,90,397.90	-	1,16,182.19	-	1,16,182.19	-	1,59,311.99	-	1,59,311.99
Past due but not impaired	-	88,527.92	-	88,527.92	-	82,665.16	-	82,665.16	-	1,12,245.47	-	1,12,245.47
Non-performing	-	-	2,62,833.76	2,62,833.76	-	-	2,69,434.66	2,69,434.66	-	-	2,11,307.00	2,11,307.00
Total	23,34,566.72	4,78,925.82	2,62,833.76	30,76,326.30	24,68,636.21	1,98,847.35	2,69,434.66	29,36,918.22	19,98,964.83	2,71,557.46	2,11,307.00	24,81,829.29

An analysis of changes in the gross carrying amount, as follows:

(Rs. in lacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	24,68,636.21	1,98,847.35	2,69,434.66	29,36,918.22	19,98,964.83	2,71,557.46	2,11,307.01	24,81,829.30
New assets originated or purchased	23,62,403.11	84,903.72	22,082.32	24,69,389.15	24,64,102.97	60,752.93	35,862.91	25,60,718.81
Assets derecognised or repaid (excluding write offs)	(18,99,666.23)	(2,77,103.09)	(88,650.34)	(22,65,419.66)	(17,60,942.96)	(1,92,530.27)	(88,837.44)	(20,42,310.67)
Transfers to Stage 1	32,550.56	(21,760.63)	(17,411.03)	(6,621.10)	43,900.32	(47,371.52)	(5,212.78)	(8,683.98)
Transfers to Stage 2	(5,28,808.68)	5,35,617.98	(2,474.67)	4,334.63	(1,63,793.09)	1,69,911.54	(5,003.99)	1,114.46
Transfers to Stage 3	(96,037.20)	(38,047.91)	1,36,513.00	2,427.89	(1,05,296.18)	(61,688.96)	1,74,282.21	7,297.08
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(4,511.05)	(3,531.60)	(56,660.18)	(64,702.83)	(8,299.68)	(1,783.83)	(52,963.26)	(63,046.77)
Gross carrying amount closing balance	23,34,566.72	4,78,925.82	2,62,833.76	30,76,326.30	24,68,636.21	1,98,847.35	2,69,434.66	29,36,918.22

Reconciliation of ECL balance is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	50,465.47	8,237.34	1,24,846.90	1,83,549.71	32,106.96	8,631.32	1,03,179.02	1,43,917.30
New assets originated or purchased	43,064.65	5,295.51	7,935.94	56,296.10	37,058.31	2,506.69	14,937.44	54,502.44
Assets derecognised or repaid (excluding write offs)	(390.84)	(416.56)	(1,891.05)	(2,698.45)	(499.32)	(375.52)	(941.87)	(1,816.71)
Transfers to Stage 1	9,890.55	(1,306.77)	(8,633.71)	(49.93)	4,537.25	(1,692.74)	(2,920.11)	(75.60)
Transfers to Stage 2	(11,464.63)	12,720.68	(1,190.74)	65.31	(3,254.85)	6,036.04	(2,796.58)	(15.39)
Transfers to Stage 3	(2,384.32)	(2,202.19)	5,078.19	491.68	(2,072.04)	(2,656.10)	6,441.58	1,713.44
Impact on year end ECL of exposures transferred between stages during the year	(24,854.26)	3,149.02	43,981.06	22,275.82	(9,111.16)	(2,428.52)	59,853.86	48,314.18
Unwind of discount	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Amounts written off	(4,511.06)	(3,531.60)	(56,636.34)	(64,679.00)	(8,299.68)	(1,783.83)	(52,906.44)	(62,989.95)
ECL allowance - closing balance	59,815.56	21,945.42	1,13,490.26	1,95,251.24	50,465.47	8,237.34	1,24,846.90	1,83,549.71

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

Note 13: Investments

(Rs. in lacs)

Particulars	Amortised Cost	At Fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account	
As at 31 March 2019					
i) Mutual funds	-	-	36,389.75	-	36,389.75
ii) Government securities	20,800.08	-	-	-	20,800.08
iii) Equity instruments	-	-	10,684.01	-	10,684.01
iv) Pass through certificate	-	3,978.28	-	-	3,978.28
v) Security Receipts	-	-	1,858.44	-	1,858.44
vi) Treasury Bills	18,043.83	-	-	-	18,043.83
Total Investments	38,843.91	3,978.28	48,932.20	-	91,754.39
(i) Investments Outside India	-	-	10,603.97	-	10,603.97
(ii) Investments in India	38,843.91	3,978.28	38,328.23	-	81,150.42
Total Investments	38,843.91	3,978.28	48,932.20	-	91,754.39
Less : Impairment loss allowance	-	(4.74)	-	-	(4.74)
Total - Net	38,843.91	3,973.54	48,932.20	-	91,749.65
As at 31 March 2018					
i) Mutual funds	-	-	322.29	-	322.29
ii) Government securities	20,800.08	-	-	-	20,800.08
iii) Equity instruments	-	-	9,566.81	-	9,566.81
iv) Pass through certificate	43.22	7,637.60	-	-	7,680.82
v) Security Receipts	-	-	2,303.10	-	2,303.10
vi) Treasury Bills	26,091.88	-	-	-	26,091.88
Total Investments	46,935.18	7,637.60	12,192.20	-	66,764.98
(i) Investments Outside India	-	-	9,516.15	-	9,516.15
(ii) Investments in India	46,935.18	7,637.60	2,676.05	-	57,248.83
Total Investments	46,935.18	7,637.60	12,192.20	-	66,764.98
Less : Allowance for impairment loss	-	(19.88)	-	-	(19.88)
Total - Net	46,935.18	7,617.72	12,192.20	-	66,745.10
As at 1 April 2017					
i) Mutual funds	-	-	2,095.07	-	2,095.07
ii) Government securities	21,389.79	-	-	-	21,389.79
iii) Equity instruments	-	-	9,655.68	-	9,655.68
iv) Pass through certificate	606.92	7,137.68	-	-	7,744.60
v) Treasury Bills	22,631.44	-	-	-	22,631.44
Total Investments	44,628.15	7,137.68	11,750.75	-	63,516.58
(i) Investments Outside India	-	-	8,608.01	-	8,608.01
(ii) Investments in India	44,628.15	7,137.68	3,142.74	-	54,908.57
Total Investments	44,628.15	7,137.68	11,750.75	-	63,516.58
Less : Allowance for impairment loss	-	(18.24)	-	-	(18.24)
Total - Net	44,628.15	7,119.44	11,750.75	-	63,498.34

Out of the Group's FVOCI debt portfolio (PTC), instruments with a principal of Rs. 3,656.88 Lacs (2018: Rs. 2,746.46 Lacs; 2017: Rs. 1,611.50 Lacs) paid during the year.

More information regarding the valuation methodologies can be found in Note 49.7

The Group received dividends of Rs.166.76 lakhs(March 31, 2018: Rs. 144.50 lakhs) from its FVTPL securities, recorded as dividend income.

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Note 13 - Investments

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Company's internal grading system are explained in note 50.2.

(Rs. in lacs)

Internal Grade Rating	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
Performing												
High grade	87,776.11	-	-	87,776.11	59,127.38	-	-	59,127.38	56,378.90	-	-	56,378.90
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Non-performing												
Individually impaired	3,973.54	-	-	3,973.54	7,617.72	-	-	7,617.72	7,119.44	-	-	7,119.44
Total	91,749.65	-	-	91,749.65	66,745.10	-	-	66,745.10	63,498.34	-	-	63,498.34

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(Rs. in lacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	66,745.10	-	-	66,745.10	56,378.90	-	-	56,378.90
New assets originated or purchased	6,38,982.01	-	-	6,38,982.01	2,94,908.61	-	-	2,94,908.61
Assets derecognised or matured (excluding write-offs)	(6,15,427.33)	-	-	(6,15,427.33)	(2,85,499.10)	-	-	(2,85,499.10)
Change in fair value	1,449.87	-	-	1,449.87	956.69	-	-	956.69
Closing balance	91,749.65	-	-	91,749.65	66,745.10	-	-	66,745.10

Reconciliation of ECL balance is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance in ECL	19.88	18.24
New assets originated or purchased	-	8.30
Assets derecognised or matured (excluding write offs)	(9.46)	(6.66)
ECL assumption changes	(5.68)	-
Closing balance in ECL	4.74	19.88

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Note 14: Property, plant and equipment

(Rs. in lacs)

Particulars	Land- Freehold	Building	Office equipment	Electrical Installation	Computer Equipment	Furniture & Fixures	Vehicles	Leasehold Improvement	Total
Cost:									
As at April 01, 2017	2.59	12.94	2,980.25	2,562.39	6,583.61	2,163.71	32.71	10,313.31	24,651.51
Additions	-	-	114.65	509.38	1,315.60	292.18	24.76	1,535.85	3,792.42
Disposals	-	-	18.07	34.20	602.69	9.35	0.20	11.54	676.05
As at March 31, 2018	2.59	12.94	3,076.83	3,037.57	7,296.52	2,446.54	57.27	11,837.62	27,767.88
Additions	-	-	315.37	596.31	919.78	236.99	0.44	1,346.22	3,415.11
Disposals	-	-	156.63	112.32	553.94	18.95	0.36	91.22	933.42
As at March 31, 2019	2.59	12.94	3,235.57	3,521.56	7,662.36	2,664.58	57.35	13,092.62	30,249.57
Accumulated depreciation and impairment:									
As at April 01, 2017	-	3.50	2,177.95	908.23	5,080.50	1,096.83	14.45	7,885.01	17,166.47
Disposals	-	-	16.41	16.63	572.32	7.14	0.06	11.43	623.99
Depreciation charge for the year	-	0.18	298.23	263.89	774.31	185.49	5.36	1,369.01	2,896.47
As at March 31, 2018	-	3.68	2,459.77	1,155.49	5,282.49	1,275.18	19.75	9,242.59	19,438.95
Disposals	-	-	140.34	60.66	525.44	13.38	0.34	67.98	808.14
Depreciation charge for the year	-	0.17	237.56	307.61	929.77	197.51	5.97	1,317.69	2,996.28
As at March 31, 2019	-	3.85	2,556.99	1,402.44	5,686.82	1,459.31	25.38	10,492.30	21,627.09
Net carrying amount as at April 01, 2017	2.59	9.44	802.30	1,654.16	1,503.11	1,066.88	18.26	2,428.30	7,485.04
Net carrying amount as at March 31, 2018	2.59	9.26	617.06	1,882.08	2,014.03	1,171.36	37.52	2,595.03	8,328.93
Net carrying amount as at March 31, 2019	2.59	9.09	678.58	2,119.12	1,975.54	1,205.27	31.97	2,600.32	8,622.48

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2019 is Rs. 2.31 lacs (March 31 2018: Rs. 2.31 lacs, April 01, 2017: Rs. 2.31 lacs).

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 15: Other intangible assets**

(Rs. in lacs)

Particulars	Computer Software
Cost:	
As at April 01, 2017	3,760.49
Additions	219.83
Disposals	-
As at March 31, 2018	3,980.32
Additions	401.87
Disposals	-
As at March 31, 2019	4,382.19
Accumulated amortisation and impairment:	
As at April 01, 2017	2,916.01
Disposals	-
Depreciation charge for the year	622.56
As at March 31, 2018	3,538.57
Disposals	-
Depreciation charge for the year	356.22
As at March 31, 2019	3,894.79
Net carrying amount as at April 01, 2017	844.48
Net carrying amount as at March 31, 2018	441.75
Net carrying amount as at March 31, 2019	487.40

Intangible assets are not internally self generated assets

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 16: Other financial assets

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	2,467.85	2,197.60	1,965.77
Assignment receivable	1,306.61	2.44	573.56
Application Money - Security Receipts	-	-	3,008.15
Interest receivable on Pass through certificates	21.68	28.56	43.01
Less : Allowance for impairment against interest receivable on PTC	(0.03)	(0.07)	(0.11)
Others	3.38	12.97	1,172.39
Total	3,799.49	2,241.50	6,762.77

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

Note 17: Other non-financial assets

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	409.79	120.84	305.73
IMGC Guarantee Fee not written off	550.19	717.21	-
Unamortized expenses	114.12	55.71	79.07
Deferred lease rental	665.08	659.93	466.09
Goods and Service tax credit (input) receivable	3,591.50	1,663.36	89.22
Advances recoverable in cash	620.88	655.89	1,638.90
Statutory duties paid under protest	608.61	507.49	156.20
Capital advances	66.64	58.29	153.78
Prepaid expenses	832.25	665.45	715.86
Reposessed House Property #	7927.96	5,557.96	888.79
Fair Value of Assets in Excess of Gratuity Provision	14.1	-	-
Unamortized premium in Govt. Securities	342.75	466.35	-
Total	15,743.87	11,128.48	4,493.64

Reposessed House Property

During the year, Company has taken physical and legal possession of house/ Apartments/vacant land (Collateral securities) with (fair value) of Rs 4,047.95 Lacs. These properties are readily available for sale and management regularly conducts auctions to sell these assets.

Impairment loss:

In respect of properties classified as “Reposessed House Property” during the year an impairment loss of Rs.191.52 Lacs for write-down of these properties to lower of its carrying amount and its fair value less costs to sell have been included in “Impairment of Financial instruments”.

Measurement:

The non-recurring fair value measurement for the Reposessed House Property has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as “Reposessed House Property” during the year valuation has been determined by Independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy.

In respect of the Reposessed House Property for more than 1-year management continues its efforts to sell these assets. These assets are continued at fair value determined on initial recognition as management believe these fair values to be recoverable due to no major changes in the market condition. Some of the indicators which the management uses to assess change in real estate market condition are changes in local municipal values, prices of similar properties available online, demand for houses, etc.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 18 - Derivative financial instruments

The Group enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in lacs)

Particulars	As at March 31, 2019	
	Notional Amounts	Fair Value - Liabilities
(i) Currency derivatives:		
-Spots and forwards	7,098.00	297.39
-Currency futures	-	-
-Currency swaps	-	-
Sub total (i)	7,098.00	297.39
(ii) Interest rate derivatives:		
-Forward rate agreements and interest rate swaps	-	-
-Futures	-	-
Sub total (ii)	-	-
(iii) Credit derivatives:	-	-
(iv) Equity linked derivatives:	-	-
(v) Other derivatives:	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	7,098.00	297.39

There were no Derivative Financial Instruments as at April 01, 2017 and during the year 2017-18

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 50.

Derivatives designated as hedging instruments

The Group has not designated any derivatives as hedging instruments.

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 19 - Other payables**

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,764.54	7,969.48	3,925.68
Total	6,764.54	7,969.48	3,925.68

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

Note 20: Debt securities

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)												
Public issue	11,377.18	-	-	11,377.18	20,920.73	-	-	20,920.73	39,476.63	-	-	39,476.63
Privately placed	4,15,327.57	-	-	4,15,327.57	2,76,139.39	-	-	2,76,139.39	1,62,967.16	-	-	1,62,967.16
Total	4,26,704.75	-	-	4,26,704.75	2,97,060.12	-	-	2,97,060.12	2,02,443.79	-	-	2,02,443.79
Debt securities in India	4,26,704.75	-	-	4,26,704.75	2,97,060.12	-	-	2,97,060.12	2,02,443.79	-	-	2,02,443.79
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,26,704.75	-	-	4,26,704.75	2,97,060.12	-	-	2,97,060.12	2,02,443.79	-	-	2,02,443.79

Shriram City Union Finance Limited

Annexure VI

Notes forming part of the Reformatted Consolidated financial statement

Note 20: Debt securities

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) of Rs. 1,000/- each - Quoted

(i) Issued in 2012

(Rs. in lacs)					
Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Option II	11.75%	-	-	7,539.12	06-Oct-17
	10.75%	-	-	107.07	06-Oct-17
Option IV	11.75%	-	-	5,781.01	06-Oct-17
	10.75%	-	-	2.82	06-Oct-17
Total		-	-	13,430.03	

Nature of security

The repayment of secured redeemable non convertible debentures of Rs.1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

(ii) Issued in 2013

(Rs. in lacs)					
Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series II	10.75%	-	-	7.18	04-Jan-18
	11.25%	-	-	318.40	04-Jan-18
Series III	10.75%	-	536.13	3.07	04-Jan-19
	11.50%	-	4,619.86	5,152.26	04-Jan-19
Series V	10.75%	-	-	83.48	04-Jan-18
	11.25%	-	-	311.56	04-Jan-18
Series VI	10.75%	-	452.02	430.39	04-Jan-19
	11.50%	-	4,076.73	3,694.04	04-Jan-19
Series VII	10.75%	-	0.14		04-Jan-19
	11.25%	-	67.09	134.40	04-Jan-19
Total		-	9,751.97	10,134.78	

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Nature of security

The repayment of secured redeemable non convertible debentures of Rs.1 ,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

(iii) Issued in 2014

(Rs. in lacs)					
Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series III	10.85%	3,328.38	3,327.02	35.16	03-May-19
	11.75%	5,574.68	5,576.07	8,889.94	03-May-19
Series VI	10.85%	851.44	788.84	696.28	03-May-19
	11.75%	1,622.68	1,476.83	1,361.84	03-May-19
Series II	10.75%	-	-	7.77	03-May-17
	11.50%	-	-	3,868.01	03-May-17
Series V	10.75%	-	-	190.66	03-May-17
	11.50%	-	-	862.17	03-May-17
Total		11,377.18	11,168.76	15,911.83	

Nature of security

The repayment of secured redeemable non convertible debentures of Rs. 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

B. Redeemable Non-Convertible Debentures - Secured
(i) Privately Placed Redeemable Non - Convertible Debentures (NCDs) of Rs. 1,000/- each - Unquoted - Retail

Terms of repayment as at March 31,2019 : NIL

(Rs. in lacs)				
Redeemable at par within (from the date of balance sheet date)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12 months	3.47	635.60	0.53	639.60
Total	3.47	635.60	0.53	639.60

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Terms of repayment as at April 01, 2017				(Rs. in lacs)
Redeemable at par within (from the date of balance sheet date)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	3.28	607.67	-	610.95
12 months	42.16	2,807.65	1,986.05	4,835.86
Total	45.44	3,415.32	1,986.05	5,446.81

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

(ii) Privately Placed Redeemable Non-Convertible Debenture -Institutional
Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of Rs. 1,000,000/- each -
(Rs. in lacs)

Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
8.90%	11,510.30	11,508.67	-	27-Mar-23
8.09%	8,197.48	8,194.78	-	05-Dec-22
9.90%	9,032.10	-	-	29-Sep-22
9.90%	8,488.71	-	-	04-Apr-22
9.85%	62,942.76	-	-	21-Sep-21
10.75% *	200.25	298.89	396.66	04-Feb-21
9.40%	23,730.23	-	-	30-Dec-20
7.97%	30,974.81	30,970.57	-	27-Oct-20
7.97%	22,444.49	20,650.49	-	06-Oct-20
8.15%	579.26	534.75	-	30-Jun-20
9.30%	-	-	4,996.54	01-Dec-17
9.30%	-	-	4,594.60	26-Dec-17
9.30%	5,359.38	5,358.44	5,355.76	22-Jun-20
9.30%	5,364.13	5,364.17	5,357.27	17-Jun-20
8.15%	40,531.49	37,438.48	-	27-May-20
8.20%	13,614.06	12,499.17	11,550.54	16-Apr-20
9.52%	26,700.47	-	-	18-Mar-20
9.50%	-	5,359.46	5,355.22	28-Jun-18
9.50%	26,704.62	-	-	18-Dec-19
9.50%	2,140.58	2,140.43	2,139.75	01-Jul-21
8.25%	10,394.15	10,389.18	10,392.12	07-Oct-19
9.31%	10,469.77	-	-	27-Sep-19
8.33%	40,074.32	40,082.18	-	23-Jul-19

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7.95%	-	13,774.45	-	24-Dec-18
8.95%	-	7,776.19	7,775.19	30-Oct-18
9.07%	-	3,701.53	3,700.28	10-Aug-18
9.10%	-	-	10,009.17	27-Mar-18
8.85%	-	-	17,535.70	22-Mar-18
10.30%	4,129.85	4,118.43	4,107.01	10-Oct-24
10.60%	-	-	2,572.26	13-Dec-17
10.50%	-	-	690.98	23-Nov-17
10.75%	-	-	1,068.41	26-Jul-17
10.75%	-	-	2,316.54	12-Jul-17
9.18%	-	-	311.22	10-Jul-17
10.25%	1,554.95	1,549.55	1,543.31	13-Oct-21
10.25%	4,671.32	4,652.59	4,633.86	10-Oct-21
8.76%	-	-	10,558.32	12-Feb-18
8.45%	1,440.13	1,438.39	1,437.99	25-Nov-19
Zero Coupon Bond	-	2,509.70	2,303.55	08-Oct-18
Zero Coupon Bond	-	1,152.38	1,058.34	25-Apr-18
8.97%	5,053.98	5,053.11	-	12-Aug-21
8.97%	9,442.65	9,438.38	9,434.11	12-Sep-19
8.97%	10,468.76	10,462.17	10,455.58	19-Sep-19
9.25%	4,089.06	4,077.86	4,066.67	26-Dec-19
9.35%	1,528.24	1,525.50	1,522.55	26-Dec-21
9.00%	5,053.97	5,053.32	-	12-Feb-21
9.00%	4,138.43	4,128.61	4,118.79	27-Oct-20
9.00%	1,613.70	1,611.04	1,608.58	02-May-23
9.00%	2,689.17	2,686.94	2,682.83	29-Apr-23
9.00%	-	-	1,870.65	01-Jun-17
Total	4,15,327.57	#####	1,57,520.35	

* Repaid in installments.

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

Secured redeemable non-convertible debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company

Shriram City Union Finance Limited

Annexure VI

Notes forming part of the Reformatted Consolidated financial statement

Note 21: Borrowings (other than debt securities)

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured												
Term Loan												
from bank in foreign currency	7,103.45	-	-	7,103.45	-	-	-	-	-	-	-	-
from bank in `	10,30,113.22	-	-	10,30,113.22	10,15,806.16	-	-	10,15,806.16	8,00,903.88	-	-	8,00,903.88
from financial institution in `	31,412.90	-	-	31,412.90	49,782.31	-	-	49,782.31	82,123.06	-	-	82,123.06
Loans repayable on demand												
Cash credit / Overdraft facilities from banks	1,72,804.60	-	-	1,72,804.60	1,61,961.46	-	-	1,61,961.46	1,41,284.14	-	-	1,41,284.14
Working Capital demand loan from banks	76,685.16	-	-	76,685.16	81,126.03	-	-	81,126.03	33,996.94	-	-	33,996.94
Other loans	1,11,251.12	-	-	1,11,251.12	9,348.73	-	-	9,348.73	11,139.78	-	-	11,139.78
Unsecured												
Term Loan from Banks - `	9,026.93	-	-	9,026.93	19,060.38	-	-	19,060.38	-	-	-	-
Commercial Papers	1,83,541.94	-	-	1,83,541.94	2,28,691.45	-	-	2,28,691.45	1,96,446.31	-	-	1,96,446.31
Total	16,21,939.32	-	-	16,21,939.32	15,65,776.52	-	-	15,65,776.52	12,65,894.11	-	-	12,65,894.11
Borrowings in India	16,14,835.87	-	-	16,14,835.87	15,65,776.52	-	-	15,65,776.52	12,65,894.11	-	-	12,65,894.11
Borrowings outside India	7,103.45	-	-	7,103.45	-	-	-	-	-	-	-	-
Total	16,21,939.32	-	-	16,21,939.32	15,65,776.52	-	-	15,65,776.52	12,65,894.11	-	-	12,65,894.11

Shriram City Union Finance Limited

Annexure VI

Notes forming part of the Reformatted Consolidated financial statement

Note 21: Borrowings (other than debt securities)

Term Loan from Bank in foreign currency-Secured

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	9.85%	Bullet Repayment	7,103.45

Outstanding as at March 31, 2018 and April 01,2017 : Rs. Nil.

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	9.05% to 9.80%	1 to 14 instalments of half yearly frequency	7,444.50
48-60 Months	8.60% to 10.75%	1 to 60 installments of quarterly, half yearly and yearly frequency	2,16,498.98
36-48 Months	8.35% to 10.25%	1 to 48 installments of bullet, quarterly and half yearly frequency	7,55,443.77
24-36 Months	8.40% to 9.56%	1 to 36 installments of bullet, quarterly and half yearly frequency	19,715.50
12-24 Months	9.20%	Bullet Repayment	21,010.47
0-12 months	9.10%	Bullet Repayment	10,000.00
Total			10,30,113.22

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	8.05% to 8.80%	1 to 14 instalments of half yearly frequency	3,198.08
48-60 Months	7.65% to 9.10%	1 to 60 installments of quarterly, half yearly and yearly frequency	1,40,366.26
36-48 Months	8.15% to 10.00%	1 to 60 installments of quarterly, half yearly and yearly frequency	7,90,089.33
24-36 Months	8.40% to 9.15%	1 to 36 installments of bullet, quarterly and half yearly frequency	51,145.33
12-24 Months	7.9% to 9.00%	1 to 24 installments of bullet, quarterly & half yearly frequency	31,007.16
Total			10,15,806.16

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 21: Borrowings (other than debt securities)****Nature of Security**

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at April 01, 2017

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	9.05% to 9.65%	1 to 14 instalments of half yearly frequency	14,788.39
48-60 Months	8.15% to 9.90%	1 to 60 installments of quarterly, half yearly and yearly frequency	1,37,011.04
36-48 Months	8.30% to 10.20%	1 to 48 installments of bullet, quarterly and half yearly frequency	5,08,064.65
24-36 Months	8.60% to 9.80%	1 to 36 installments of bullet, quarterly and half yearly frequency	1,30,039.80
12-24 Months	9.65%	Bullet Repayment	11,000.00
Total			8,00,903.88

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Unsecured**Terms of Repayment as at March 31, 2019**

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	9.10%	Bullet Repayment	9,026.93

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.76% to 7.85%	Bullet Repayment	19,060.38

Terms of Repayment as at April 01, 2017 : Rs. Nil.

Term Loan from Institution-Secured**Terms of Repayment as at March 31, 2019**

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	8.50% to 9.00 %	47 instalments of quarterly frequency	819.85
48 to 60 months	9.15%	1 to 20 installments of quarterly frequency	19,907.44
Upto 12 months	8.35%	Bullet Repayment at the end of 1 year	10,685.61
Total			31,412.90

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
Note 21: Borrowings (other than debt securities)
Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	8.50% to 9.00 %	47 instalments of quarterly frequency	1,281.96
48 to 60 months	9.15%	1 to 20 installments of quarterly frequency	23,476.47
Upto 12 months	8.85%	Bullet Repayment at the end of 1 year	15,013.09
Upto 12 months	8.75%	Bullet Repayment at the end of 1 year	10,010.79
Total			49,782.31

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at April 01, 2017

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	8.50% to 9.00 %	47 instalments of quarterly frequency	1,798.25
48-60 Months	8% to 10%	1 to 20 installments of quarterly frequency	44,674.26
Upto 12 months	8% to 10%	1 to 12 installments of half yearly & yearly frequency	35,650.55
Total			82,123.06

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Commercial Papers-Unsecured

(Rs. in lacs)

Rate of Interest	Repayment Details	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
7.40% to 9.45%	Bullet Payment on maturity	1,83,541.94	2,28,691.45	1,96,446.31
Total		1,83,541.94	2,28,691.45	1,96,446.31

Loans repayable on demand-Secured
Cash Credit from Banks

(Rs. in lacs)

Particulars	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	8.15% to 11.25%	1,72,804.60	1,61,961.46	1,41,284.14
Total		1,72,804.60	1,61,961.46	1,41,284.14

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 21: Borrowings (other than debt securities)

Working capital Demand loan from Banks

(Rs. in lacs)

Particulars	Rate of Interest	As at March 31,2019	As at March 31,2018	As at April 01,2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.85% to 10.45%	76,685.16	81,126.03	33,996.94
Total		76,685.16	81,126.03	33,996.94

Term loan from banks - ` -Securitisation

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
48 - 60 months	7.28%	1 to 54 instalments of monthly frequency	2,836.05
Above 60 months	10.25% to 10.30%	1 to 72 instalments of monthly frequency	1,08,415.07
Total			1,11,251.12

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
36 - 48 months	7.99%	1 to 45 instalments of monthly frequency	1,860.03
48 - 60 months	7.28% to 8.25%	1 to 54 instalments of monthly frequency	7,488.70
Total			9,348.73

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at April 1, 2017

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
36 - 48 months	7.99%	1 to 45 instalments of monthly frequency	5,409.21
48 - 60 months	7.75% to 10.74%	1 to 53 instalments of monthly frequency	5,730.57
Total			11,139.78

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 22: Deposits

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits												
Public deposits*	3,11,940.61	-	-	3,11,940.61	3,07,365.15	-	-	3,07,365.15	3,52,136.35	-	-	3,52,136.35
Total	3,11,940.61	-	-	3,11,940.61	3,07,365.15	-	-	3,07,365.15	3,52,136.35	-	-	3,52,136.35

* includes Rs.Nil (March 31, 2018: Rs.Nil, April 01, 2017: Rs. Nil) issued to directors

Details of Public Deposits - Unsecured
Terms of Repayment as at March 31,2019

(Rs. in lacs)

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
48-60 months	958.87	15,506.90	-	16,465.77
36-48 months	9,462.13	10,811.22	-	20,273.35
24-36 months	10,647.91	72,068.85	-	82,716.76
12-24 months	53,197.69	25,763.80	81.68	79,043.17
12 months	55,835.95	46,146.78	11,458.83	1,13,441.56
Total	1,30,102.55	1,70,297.55	11,540.51	3,11,940.61

Terms of Repayment as at March 31,2018

(Rs. in lacs)

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
48-60 months	8,969.75	9,796.28	-	18,766.03
36-48 months	2,430.23	10,480.19	-	12,910.42
24-36 months	45,788.24	15,629.36	81.36	61,498.96
12-24 months	29,134.65	34,067.78	10,630.79	73,833.21
12 months	46,483.35	89,526.99	4,346.18	1,40,356.52
Total	1,32,806.22	1,59,500.60	15,058.33	3,07,365.15

Terms of Repayment as at April 01,2017

(Rs. in lacs)

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
48-60 months	1,068.16	9,629.70	-	10,697.86
36-48 months	154.66	10,624.85	81.04	10,860.55
24-36 months	12,173.74	33,244.73	10,100.52	55,518.99
12-24 months	6,522.82	87,217.28	4,069.52	97,809.61
12 months	31,502.61	31,701.34	1,14,045.39	1,77,249.34
Total	51,421.99	1,72,417.89	1,28,296.47	3,52,136.35

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 23: Subordinated liabilities

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts - Unsecured - Debentures	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Total	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Subordinate liabilities in India	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Subordinate liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58

Terms of repayment as at March 31, 2019

(i) Privately Placed Subordinated Debts of ` 1,000/- Each - Unquoted

(Rs. in lacs)

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	>= 10% < 12%	Total
12-24 months*	21,759.25	21,759.25
12 months*	35,925.82	35,925.82
Total	57,685.07	57,685.07

* Includes Rs 226.43 lakhs issued to related parties

(ii) Privately Placed Subordinated Debts of ` 1,000,000/ each - Quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12 months	7,685.88	7,685.88
Total	7,685.88	7,685.88

As at March 31, 2018

Terms of Repayment

(i) Privately Placed Subordinated Debts of ` 1,000/- Each - Unquoted

(Rs. in lacs)

Redeemable at par	Rate of interest		
(from the date of Balance Sheet Date)	< 10%	>= 10% < 12%	Total
24-36 months*	-	19,840.91	19,840.91
12-24 months*	-	32,696.59	32,696.59
12 months*	18.45	36,771.18	36,789.63
Total	18.45	89,308.68	89,327.13

* Includes Rs 282.08 lakhs issued to related parties

(ii) Privately Placed Subordinated Debts of ` 100,000/- each quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12 months	20,573.27	20,573.27
Total	20,573.27	20,573.27

(iii) Privately Placed Subordinated Debts of ` 1,000,000/ each - Quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12-24 months	7,456.07	7,456.07
12 months	205.28	205.28
Total	7,661.35	7,661.35

As at April 01, 2017

Terms of Repayment

(i) Privately Placed Subordinated Debts of ` 1,000/- Each - Unquoted

(Rs. in lacs)

Redeemable at par	Rate of interest			
(from the date of Balance Sheet Date)	< 10%	>= 10% < 12%	> = 12%	Total
36-48 months*	-	18,136.53	-	18,136.53
24-36 months*	-	29,829.64	-	29,829.64
12-24 months*	16.73	34,074.14	-	34,090.87
12 months*	2,229.97	14,569.21	2.02	16,801.20
Total	2,246.70	96,609.52	2.02	98,858.24

* Includes Rs 329.62 lakhs issued to related parties

(ii) Privately Placed Subordinated Debts of ` 100,000/- each quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12-24 months	20,292.63	20,292.63
12 months	2,690.49	2,690.49
Total	22,983.12	22,983.12

(iii) Privately Placed Subordinated Debts of ` 1,000,000/ each - Quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
24-36 months	7,431.23	7,431.23
12 months	202.99	202.99
Total	7,634.22	7,634.22

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
Note 24: Other financial liabilities

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investor education and protection fund shall be credited by the following amounts (as and when due) #			
- Unclaimed matured deposits and interest thereon	11,582.21	13,776.77	9,092.22
- Unclaimed matured debentures and interest thereon	943.77	1,493.89	2,695.26
- Unpaid dividend	91.95	92.56	82.92
- Unclaimed matured subordinate debts and interest accrued thereon	4,329.92	2,046.55	775.00
Application money received for allotment of securities to the extent refundable and interest accrued thereon	0.27	0.96	0.09
Payable on account of Assignment	7,979.17	1,153.98	3,749.38
Royalty payable	1,552.50	1,330.52	1,029.78
Creditors for Supply & Services	1,198.99	453.78	420.51
Employee related payables	7,842.73	5,570.50	4,584.03
Total	35,521.51	25,919.51	22,429.19

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

Note 25: Provisions

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For non funded exposure	39.43	56.59	159.43
Employee benefit (Refer Note 43)			
- Gratuity	134.14	807.51	427.87
- Provision for compensated absences	2,490.83	1,693.06	1,211.23
Total	2,664.40	2,557.16	1,798.53

Note 26: Other non-financial liabilities

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	1,569.10	1,676.36	1,179.69
Retention money and other sundry liabilities	77.41	95.05	829.79
Total	1,646.51	1,771.41	2,009.48

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 27: Equity Share Capital

(Rs. in lacs)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised:			
118,500,000 (March 31, 2018: 118,500,000, April 1, 2017: 118,500,000) equity shares of Rs. 10/- each	11,850.00	11,850.00	11,850.00
4,000,000 (March 31, 2018: 4,000,000 , April 1, 2017: 4,000,000)cumulative redeemable preference shares of Rs. 100/- each	4,000.00	4,000.00	4,000.00
Total	15,850.00	15,850.00	15,850.00
Issued share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Subscribed share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Paid up (fully paid up)			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Total Equity	6599.23	6,596.58	6,594.34
Issued, Subscribed and fully paid up Equity Shares			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Total Equity	6599.23	6,596.58	6,594.34

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	Rs. in lakhs
As at April 01, 2017	6,59,43,402	6,594.34
Issued during the year - ESOP (refer note 41)	22,360	2.24
As at March 31, 2018	6,59,65,762	6,596.58
Issued during the year - ESOP (refer note 41)	26,555	2.65
As at March 31, 2019	6,59,92,317	6,599.23

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2019, the amount of per equity share dividend proposed in total for distributions to equity shareholders is Rs. 22.00 (March 31, 2018 : Rs. 18.00). Out of the said total dividend proposed for the year ended March 31, 2019, amount of interim dividend paid during the year was Rs. 6.00 (March 31, 2018 : Rs. 6.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. 16.00 (March 31, 2018: Rs. 12.00) per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 128,045 (March 31, 2018 : 318,540 April 01, 2017 : 315,311) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,22,68,877	33.74	2,22,68,877	33.76	2,22,68,877	33.78
Dynasty Acquisition FPI Limited	1,34,21,889	20.34	1,34,21,889	20.35	1,34,21,889	20.36
Piramal Enterprises Limited	65,79,840	9.97	65,79,840	9.97	65,79,840	9.98

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

Refer note 48 - Capital for the company's objectives, policies and processes for managing capital

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement
Note 28: Other equity

	(Rs. in lacs)
Particulars	Amount
Securities Premium Account	
As at April 01, 2017	1,84,778.30
Add: Premium on shares issued under ESOP during the year	56.22
As at March 31, 2018	1,84,834.52
Add: Premium on shares issued under ESOP during the year	66.77
As at March 31, 2019	1,84,901.29
Share Option Outstanding	
As at April 01, 2017	173.02
Adjustment on exercise of ESOP	(50.63)
Employee Stock Options Expenses	3.36
As at March 31, 2018	125.75
Adjustment on exercise of ESOP	(60.13)
Employee Stock Options Expenses	0.24
As at March 31, 2019	65.86
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 01, 2017	76,589.68
Add: Transfer from surplus balance in the Statement of Profit and Loss	13,742.51
As at March 31, 2018	90,332.19
Add: Transfer from surplus balance in the Statement of Profit and Loss	20,241.10
As at March 31, 2019	1,10,573.29
Debenture Redemption Reserve	
As at April 01, 2017	6,422.54
Add: Amount transferred from surplus in the Statement of Profit and Loss	2,059.53
Less: Amount transferred to General Reserve on redemption of debentures	(3,996.04)
As at March 31, 2018	4,486.03
Add: Amount transferred from surplus in the Statement of Profit and Loss	366.14
Less: Amount transferred to General Reserve on redemption of debentures	(2,007.88)
As at March 31, 2019	2,844.29
General Reserve	
As at April 01, 2017	62,697.35
Add: Transfer from surplus in the statement of profit and loss	6,648.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	3,996.04
As at March 31, 2018	73,341.39
Add: Amount transferred from surplus in the Statement of Profit and Loss	9,990.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,007.88
As at March 31, 2019	85,339.27
Capital Reserve	
As at April 01, 2017	7,871.88
As at March 31, 2018	7,871.88
As at March 31, 2019	7,871.88
Capital Redemption Reserve	
As at April 01, 2017	2,328.98
As at March 31, 2018	2,328.98
As at March 31, 2019	2,328.98

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Other Comprehensive Income****As at April 01, 2017**

Remeasurement gain/ (loss) on defined benefit plan	283.17
Income Tax Provision/ (Reversal) on above	98.15

As at March 31, 2018

Remeasurement gain/ (loss) on defined benefit plan	(1,336.14)
Income Tax Provision/ (Reversal) on above	(468.00)

As at March 31, 2019

(683.12)

Retained Earnings**As at April 01, 2017**

1,64,414.58

Add: Profit for the year	74,057.37

Add/(Less): Appropriations and other Adjustments

Transfer to/(from) debenture redemption reserve	(2,059.53)

Final Dividend on Equity Shares FY 2016-17	(6,594.51)

Tax on Final Dividend FY 2016-17	(1,342.49)

Interim Dividend on Equity Shares FY 2017-18	(3,957.50)

Tax on Interim Dividend FY 2017-18	(805.65)

Transfer to Statutory Reserve	(13,742.51)

Transfer to General reserve	(6,648.00)

As at March 31, 2018**2,03,321.76**

Add: Profit for the year	1,00,173.93

Add/(Less): Appropriations and other Adjustments

Share Based Payments - Expenses	6.59

Transfer to/(from) debenture redemption reserve	(366.14)

Final Dividend on Equity Shares FY 2017-18	(7,916.23)

Tax on Final Dividend on Equity Shares FY 2017-18	(1,627.20)

Interim Dividend on Equity Shares FY 2018-19	(3,959.06)

Tax on Interim Dividend on Equity Shares FY 2018-19	(813.80)

Transfer to Statutory Reserve	(20,241.10)

Transfer to General reserve	(9,990.00)

As at March 31, 2019**2,58,588.75****Total other equity**

As at April 01, 2017	5,05,276.33

As at March 31, 2018	5,66,827.52

As at March 31, 2019	6,51,830.49

Proposed Dividend on equity shares

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
The Board proposed dividend on equity shares			
Proposed dividend on equity shares for the year ended on			
March 31, 2019: Rs. 16.00 per share (March 31, 2018: Rs.12.00 per share)	10,558.76	7,916.23	6,594.51
Tax on Dividend Proposed	2,170.38	1,627.20	1,342.49
Total	12,729.14	9,543.43	7,937.00

Shriram City Union Finance Limited

Annexure VI

Notes forming part of the Reformatted Consolidated financial statement

Nature and purpose of reserve

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. This is not available for distribution of dividend.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Debenture Redemption Reserve: (1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

(2) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 366.14 lacs (March 31, 2018: Rs. 2,059.53 lacs; April 01, 2017: Rs.2,247.40 lacs). The Company has deposited a sum of Rs.1,722.00 lacs (March 31, 2018: Rs.1,750.00 lacs , April 1, 2017: Rs.3,400.00 lacs) with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Pursuant to Section 45-IC(1) in The Reserve Bank of India Act, 1934. (1) Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 41 for further details of these plans.

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

Note 29: Interest income

(Rs. in lacs)

Particulars	For year ended March 31, 2019				For year ended March 31, 2018			
	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on securities classified at FVTPL	Total
Interest on Loans	-	5,84,980.09	-	5,84,980.09	-	5,28,533.58	-	5,28,533.58
Interest income from investments								
Financial investments - Debt	-	3854.19	-	3,854.19	-	3,475.04	-	3,475.04
Other financial assets	-	-	626.89	626.89	-	-	679.71	679.71
Interest on deposits with Banks	-	5010.64	-	5,010.64	-	1,193.10	-	1,193.10
Income on long term securitisation/assignment	-	1391.69	-	1,391.69	-	2,176.93	-	2,176.93
Other interest income	-	195.01	-	195.01	-	258.13	-	258.13
Total	-	5,95,431.62	626.89	5,96,058.51	-	5,35,636.78	679.71	5,36,316.49

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

Note 30: Fee and Commission Income

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Other financial services- Commission	-	212.32
Total	-	212.32

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Type of Services or Service		
Fee and commission income	-	212.32
Total revenue from contract with customers	-	212.32
Geographical markets		
India	-	212.32
Outside India	-	-
Total revenue from contract with customers	-	212.32
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	-	212.32
Total revenue from contracts with customers	-	212.32

Contract Balance

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Total Receivables	-	-
Contract Assets	-	-
Total	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

Note 31: Net gain on fair value changes

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	1449.87	956.69
- Derivatives	(297.39)	-
Total Net gain/(loss) on fair value changes	1,152.48	956.69
Fair Value changes:		
- Realised	265.32	103.09
- Unrealised	887.16	853.60
Total Net gain/(loss) on fair value changes	1,152.48	956.69

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

Note 32: Gain on Sale of Investments

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Gain on sale of Investments (Measured at FVTPL)		
- on Mutual funds	26.16	14.25
- on Investment in Equity instruments	-	1,491.06
Total	26.16	1,505.31

Note 33: Other income

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Gain on sale of Property, plant & equipment	17.99	9.73
Miscellaneous income	273.00	214.89
Total	290.99	224.62

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

Note 34: Finance cost

(Rs. in lacs)

Particulars	For year ended March 31, 2019			For year ended March 31, 2018		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on:-						
Fixed Deposits	-	26,461.61	26,461.61	-	31,028.79	31,028.79
Subordinated liabilities	-	12,353.22	12,353.22	-	14,557.42	14,557.42
Borrowings (other than debt securities)	-	-	-	-	-	-
-Loans from Banks	-	92,845.51	92,845.51	-	80,092.46	80,092.46
-Loans from Financial Institution	-	5,132.09	5,132.09	-	5,766.60	5,766.60
-Working Capital Demand Loans	-	10,190.66	10,190.66	-	8,260.09	8,260.09
-Cash Credit	-	7,016.96	7,016.96	-	3,360.58	3,360.58
-Commercial Paper	-	21,293.10	21,293.10	-	13,259.73	13,259.73
Debt securities	-	33,828.97	33,828.97	-	21,636.72	21,636.72
Others	-	1,460.75	1,460.75	-	-	-
Total	-	2,10,582.87	2,10,582.87	-	1,77,962.39	1,77,962.39

Note 35: Impairment on financial instruments

(Rs. in lacs)

Particulars	For year ended March 31, 2019			For year ended March 31, 2018		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans	-	11,684.40	11,684.40	-	39,529.38	39,529.38
Investments	-	(15.18)	(15.18)	-	1.60	1.60
Total	-	11,669.22	11,669.22	-	39,530.98	39,530.98

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(Rs. in lacs)

Particulars	For year ended March 31, 2019				For year ended March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Loans and advances to customers	10,681.52	12,453.86	(11,450.98)	11,684.40	18,289.23	(432.48)	21,672.63	39,529.38
Debt instruments measured at FVOCI	(15.18)	-	-	(15.18)	1.60	-	-	1.60
Total impairment loss	10,666.34	12,453.86	(11,450.98)	11,669.22	18,290.83	(432.48)	21,672.63	39,530.98

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement
Note 36: Employee benefit expenses

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Salaries, other allowances and bonus	82,068.17	68,712.36
Contribution to provident and other funds	5,963.08	4,369.30
Share based payments to employees	9.87	4.35
Staff welfare expenses	1,199.70	1,101.30
Gratuity expenses	506.13	700.18
Total	89,746.95	74,887.49

Note 37: Depreciation, amortization and impairment

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Depreciation of tangible assets	2,996.29	2,896.47
Amortization of intangible assets	356.22	622.56
Total	3,352.51	3,519.03

Note 38: Other expenses

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Rent	6,489.08	5,819.83
Power and fuel	1,045.35	995.55
Repairs and maintenance		
- Buildings	1,375.50	1,201.84
-Office equipments	42.51	45.19
Office expenses	1,408.46	1,294.72
Rates and taxes	1,617.42	1,744.58
Printing and stationery	2,417.55	2,435.05
Travelling and conveyance	4,428.65	5,524.10
Advertisement	450.79	1,259.52
Business promotion	5,057.78	6,700.23
Directors' sitting fees	38.40	48.19
Insurance	409.77	401.03
Communication expenses	3,178.11	3,165.42
Bank charges	1,264.72	1,158.97
Legal and Professional Fees	2,438.73	2,778.25
Loss on sale of fixed assets	91.14	37.72
Public issue expenses for non-convertible debentures	120.01	184.89
CSR expenses (refer note given below)	851.15	1,403.60
Miscellaneous expenses	2,912.72	1,890.64
Auditor fees		
(a) Audit Fees	54.10	49.19
(b)Tax Audit Fees	11.45	-
(c)Certification Fees	6.00	5.45
(d) Out of Pocket	11.89	17.66
Total	35,721.28	38,161.62

Details of CSR expenditure:

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	1,888.54	1,753.50
b) Amount spent during the year	851.15	1,403.60
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above		
-In Cash	451.15	1,403.60
-Yet to be paid in Cash (Provision has been made based on committed obligations approved by the CSR Committee and The Board of Directors)	400.00	-
Total	851.15	1,403.60

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

Note 39: Income Tax

The components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	49,544.09	39,639.64
Deferred tax relating to origination and reversal of temporary differences	4,442.23	78.49
Total tax charge	53,986.32	39,718.13

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended March 31, 2019 and March 31, 2018 is, as follows:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	1,54,539.01	1,14,648.13
At India's statutory income tax rate		
For Shriram City, 2019: 34.944% (2018: 34.608%)		
For Shriram Housing, 2019: 33.384% (2018:34.608%)	53,963.17	39,186.08
Tax at special rate for Shriram City on Rs.1420.41 lakhs @ 23.072%	-	327.72
Total Tax	53,963.17	39,513.80
Corporate social responsibility expenditure not allowable for tax purpose	297.40	485.13
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G,2018: section 80G and 80JJAA)	(78.62)	(391.13)
Others	(195.63)	110.33
Income tax expense reported in the statement of profit or loss	53,986.32	39,718.13

The effective income tax rate for March 31, 2019 is 34.93% (March 31, 2018: 34.64%).

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment and intangible assets	2,206.70	-	(255.39)	-
Expenses allowable for tax purpose when paid	2,813.92	490.94	5.63	(461.23)
Provision for expected credit loss	14.75	-	4,403.16	-
EIR impact on debt instrument measured at Amortised Cost	-	474.99	(604.35)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	-	298.27	404.89	-
Impact of amortization of processing fees on Loans and Advances	1,114.17	-	821.98	-
Impact of Recognition of Interest on assignment and securitization	-	-	(54.38)	-
MAT Entitlement Credit	519.89	-	-	-
Special Reserve u/s 36 1(viii) of Income Tax Act	-	671.73	(36.27)	-
Other temporary differences	188.35	198.33	(243.04)	-
Total	6,857.78	2,134.26	4,442.23	(461.23)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2018	As at March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018
Property, plant and equipment and intangible assets	1,951.31	-	(379.42)	-
Expenses allowable for tax purpose when paid	1,963.38	95.93	(1,594.28)	98.81
Provision for expected credit loss	4,940.71	522.80	2,962.58	-
EIR impact on debt instrument measured at Amortised Cost	-	1,079.34	(305.64)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	148.94	42.32	323.89	-
Special Reserve u/s 36 1(viii) of Income Tax Act	-	708.01	118.76	-
Impact of amortization of processing fees on Loans and Advances	1,936.15	-	(860.72)	-
Impact of Recognition of Interest on assignment and securitization	-	54.38	(361.12)	-
Other temporary difference	86.91	339.80	174.44	-
Total	11,027.40	2,842.58	78.49	98.81

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	As at April 01, 2017	As at April 01, 2017
Property, plant and equipment and intangible assets	1,574.27	2.38
Expenses allowable for tax purpose when paid	371.98	-
Provision for expected credit loss	7,519.78	139.29
EIR impact on debt instrument in the nature of borrowings measured at Amortised Cost	-	1,384.98
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	463.24	32.74
Impact of amortization of processing fees on Loans and Advances	1,075.43	-
Impact of Recognition of Interest on assignment and securitization	-	415.51
Special Reserve u/s 36 1(viii) of Income Tax Act	-	589.26
Other temporary difference	140.87	219.26
Total	11,145.57	2,783.42

Amount recognised in respect of current tax/ deferred tax directly in equity:

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-	-

Tax losses and Tax credits

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-	-
Unused Tax Credits-MAT credit entitlement	-	-	-

CURRENT TAX ASSETS (NET)

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance income tax (net of provision for tax) [net of provision for income tax March 31, 2019: Rs.2,89,943.43 lacs; March 31, 2018: Rs.2,39,879.05 lacs and April 01, 2017: Rs.2,00,239.41 lacs]	5,629.57	4,961.97	6,388.72
Total	5,629.57	4,961.97	6,388.72

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Notes forming part of the Reformatted Consolidated financial statement

Note 40: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit after tax as per Statement of Profit and Loss attributable to Owners of the Company (Rs. in lacs)	1,00,173.93	74,057.37
Weighted average number of ordinary shares for basic earnings per share (Rs. in lacs)	659.78	659.52
Effect of dilution:		
Stock options granted under ESOP (Nos.)	0.23	0.49
Weighted average number of ordinary shares adjusted for effect of dilution (Rs. in lacs)	660.01	660.01
Earnings per share		
Basic earnings per share (Rs.)	151.83	112.29
Diluted earnings per share (Rs.)	151.78	112.21

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Notes forming part of the Reformatted Consolidated financial statement

41. EMPLOYEE STOCK OPTION PLAN

41.1 The Company provides share-based payment schemes to its Employees. For the period ended March 31, 2019 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	: October 30, 2006
Date of grant	: October 19, 2007
Date of Board Approval	: October 19, 2007
Number of options granted	: 1,355,000
Method of Settlement (Cash/Equity)	: Equity
Graded vesting period :	
After 1 years of grant date	: 10% of options granted
After 2 years of grant date	: 20% of options granted
After 3 years of grant date	: 30% of options granted
After 4 years of grant date	: 40% of options granted
Exercisable period	: 10 years from vesting date
Vesting Conditions	: On achievement of pre-determined targets

The details of Series 1 have been summarised below:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	Weighted Average Exercise Price per share (in Rs.)	Number of Shares	Weighted Average Exercise Price per share (in Rs.)	Number of Shares	Weighted Average Exercise Price per share (in Rs.)
Outstanding at the beginning of the year	50,120	35.00	72,480	35.00	88,730	35.00
Add: Granted during the year	-	-	-	-	-	-
Less: Forfeited during the year	-	-	-	-	-	-
Less: Exercised during the year	26,555	35.00	22,360	35.00	16,250	35.00
Less: Expired during the year	-	-	-	-	-	-
Outstanding at the end of the period	23,565	35.00	50,120	35.00	72,480	35.00
Exercisable at the end of the period	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	1.55	-	2.55	-	3.55
Weighted average fair value of options granted	-	227.42	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

As at March 31,	Range of exercise prices per share (in Rs.)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price per share (in Rs.)
2019	35.00	23,565	1.55	35.00
2018	35.00	50,120	2.55	35.00
2017	35.00	72,480	3.55	35.00

STOCK OPTIONS GRANTED

The weighted average fair value of stock options granted was Rs.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	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	Rs. in lacs	
	Year ended March 31, 2019	Year ended March 31, 2018
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	53.36	113.50
Deferred compensation cost	Nil	Nil

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

In March 2005, the ICAI issued a guidance note on "Accounting for Employees Share Based Payments" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earnings per share would be as follows:

Particulars	Rs. in lacs	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit as reported (₹ in lacs)	98,887.75	71,095.27
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	98,887.75	71,095.27
Less: Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders (₹ in lacs)	98,887.75	71,095.27
Earnings per share		
Basic (₹)		
- As reported	149.88	107.80
- Proforma	149.88	107.80
Diluted (₹)		
- As reported	149.83	107.72
- Proforma	149.83	107.72

41.2 A new ESOP scheme "SCUF Employees Stock Option Scheme 2013" was approved at an EGM on May 31, 2013. Accordingly 2,627,000 equity shares @ ₹ 10 each have been reserved under this scheme with an exercise price of ₹ 300 per option and with a maximum vesting period of five years from the date of grant.

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Note 41: Employee Stock Option Scheme (ESOS)

41.2. Shriram Housing Finance Limited

The company provides share-based payment schemes to its employees. For the year ended March 31, 2019 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Date of Shareholder's approval of plan	December 13, 2016	March 28, 2013	March 28, 2013
Date of grant	December 22, 2016	August 28, 2013 &	December 19, 2018
Number of options granted	3,35,000	3,50,000	25,00,000
Method of settlement	Equity	Equity	Equity
Vesting Period	1 - 3 years	3 - 5 years	3 - 10 years
Exercise Price	35.00	10.00	10.00
Exercise Period	Not later than 5 years from the date of vesting of options		
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period		

Details of Vesting

Vesting period from the grant date	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Completion of 1 year	33.33%	-	-
Completion of 2 year	33.33%	-	-
Completion of 3 year	33.33%	-	12.50%
Completion of 4 year		50%	12.50%
Completion of 5 year		50%	12.50%
Completion of 6 year			12.50%
Completion of 7 year			12.50%
Completion of 8 year			12.50%
Completion of 9 year			12.50%
Completion of 10 year			12.50%

Details of activity under each plan

Assumptions	ESOP Scheme 2016		ESOP Scheme 2013		ESOP Scheme 2013	
Sensitivity Level	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at 1 April 2017	3,35,000	35.00	4,00,000	10.00	-	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	(50,000)	-	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March 2018	3,35,000	35.00	3,50,000	10.00	-	-
Vested and exercisable as at 31 March 2018	1,11,667	35.00	1,25,000	10.00	-	-
Weighted average remaining contractual life (in years)		5.73 Years		5.38 Years		-
Outstanding as at 1 April 2018	3,35,000	35.00	3,50,000	10.00	-	-
Granted during the year	-	-	-	-	25,00,000	10.00
Forfeited during the year	(3,35,000)	35.00	(1,70,000)	10.00	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March 2019	-	-	1,80,000	10.00	25,00,000	10.00
Vested and exercisable as at 31 March 2019	-	-	1,50,000	10.00	-	-
Weighted average remaining contractual life (in years)	-			4.19 Years		11.22 Years

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The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of

Vesting Period from the grant date	Year ended March 31, 2019
Risk-free interest rate	7.08% - 7.68%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	5.5 - 12.5 Years
Expected volatility (%)	36.58% - 42.21%
Dividend yield	0%

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility

The expense recognised for employee services received during the year is shown in the following table:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expense arising from equity-settled share based payment transactions	9.87	4.35
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	9.87	4.35

Shriram City Union Finance Limited

Notes forming part of the Reformatted Consolidated financial statement

Note 42: Investment in subsidiary

Name of the subsidiary	Country of incorporation	Principal place of business	Principal activities	For the year ending	No of Equity Shares Held (FV of Rs. 10 /- each)	% equity interest
Shriram Housing Finance limited	India	Mumbai	Housing Finance	March 31, 2019	16,54,40,000	77.25%
				March 31, 2018	16,54,40,000	77.25%
				April 01, 2017	16,54,40,000	77.25%

B. Statement of Net Assets, Profit and Loss and Other Comprehensive Income attributable to owners and Non Controlling Interest as on March 31, 2019

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits / (loss)		Share in Other Comprehensive Income/ (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	92.94%	6,21,741.48	98.07%	98,616.28	106.94%	(913.93)	98.00%	97,702.35
Indian Subsidiary - Shriram Housing Finance Limited	5.48%	36,688.24	1.55%	1,557.65	-5.36%	45.79	1.61%	1,603.44
Non Controlling Interest	1.58%	10,554.85	0.38%	378.76	-1.58%	13.52	0.39%	392.28
Total	100%	6,68,984.57	100%	1,00,552.69	100%	(854.62)	100%	99,698.07

Note 43: Retirement benefit plan

43.1 : Shriram City Union Finance Limited

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company makes Provident Fund, Employee State Insurance Scheme contributions, National Pension scheme contributions and Labour welfare Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ` 4,225.08 lacs (March 31, 2018: ` 2,722.83 lacs) for Provident Fund contributions, ` 1,492.88 lacs (March 31, 2018: ` 1,463.81 lacs) for Employee State Insurance Scheme contributions, ` 10.45 lacs (March 31, 2018: ` 10.48 lacs) for Labour welfare Fund contributions and ` 47.10 lacs (March 31, 2018: ` 37.56 lacs) for National Pension scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 (the Act). Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year the level of funding in the gratuity plan is reviewed. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The contribution is decided based on the results of annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. Generally equity instruments and property should not exceed 30% of total portfolio. The Aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

Risk associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following Risks:

Interest Risk: A fall in the discount rate which is linked to the Govt. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit pain liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Assest Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Compensated absences

The company has a policy on compensated absences which is accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognized expense amounting Rs. 925.63 Lakhs (March 31, 2018: Rs.479.01 Lakhs) for Leave encashment

The Following Table Summarises the components of net benefit expense recognised in statement of profit and loss and funded status and amounts recognised in balance sheet for the gratuity plan

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

Particulars	(Rs. in lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current Service Cost	400.61	493.94
Interest expense	230.21	196.77
Interest Income	(170.00)	(165.97)
Past service cost	-	121.06
Components of defined benefit costs recognised in profit or loss (A)	460.82	645.80
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(20.45)	(9.79)
Actuarial changes arising from changes in demographic assumptions	116.34	(82.94)
Actuarial changes arising from changes in financial assumptions	876.54	(127.49)
Experience adjustments	432.50	(56.96)
Components of defined benefit costs recognised in other comprehensive income (B)	1,404.93	(277.18)
Total (A+B)	1,865.75	368.62

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

Particulars	(Rs. in lacs)	
	As at March 31, 2019	As at March 31, 2018
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	3,045.11	2,732.94
Expenses recognised in the statement of profit and loss:		
Current Service Cost	400.60	493.94
Interest expense/(income)	230.21	196.77
Recognised in other comprehensive income remeasurement (gains)/Loss.	1,425.38	(267.39)
Past service cost	-	121.05
Net Liabilities transferred out/ Divestments	(28.33)	-
Benefits paid from the fund	(263.94)	(232.20)
Present value of defined obligation at the end of the year	4,809.03	3,045.11

Change in the Fair value of plan assets :

Particulars	(Rs. in lacs)	
	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the year	2,248.63	2,305.07
Interest Income	169.99	165.97
Contributions by the Employer	2,499.76	
Benefits paid from the fund	(263.94)	(232.20)
Return on plan assets excluding interest income	20.45	9.79
Fair value of plan assets at the end of the year	4,674.89	2,248.63

Calculation of benefit liability/(asset) :

Particulars	(Rs. in lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Defined benefit obligation	4,809.03	3,045.11	2,732.94
Fair value of plan assets	4,674.89	2,248.63	2,305.07
Benefit liability	134.14	796.48	427.87

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

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Expected return on Plan assets	7.59%	7.56%	7.20%
Rate of discounting	7.59%	7.56%	7.20%
Expected rate of salary increase	7.00%	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 31.00% p.a & For service 5 years and above 4.00% p.a	For service 4 years and below 31.00% p.a. & For service 5 years and above 3.00% p.a	For service 4 years and below 13.00% p.a. & For service 5 years and above 2.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA	NA

Investments quoted in active markets:

Particulars	(Rs in Lacs)		
	March 31, 2019	March 31, 2018	April 1, 2017
Investment Funds	4,674.89	2,248.63	2,305.07
Total	4,674.89	2,248.63	2,305.07

Sensitivity Analysis (Rs in Lacs)						
Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation for FY 18-19	(477.08)	571.82	565.14	(479.48)	17.73	(22.19)
Impact on defined benefit obligation for FY 17-18	(313.29)	376.43	376.28	(317.14)	92.01	(107.28)
Impact on defined benefit obligation for FY 16-17	(348.00)	427.01	432.38	(357.64)	89.41	(106.31)

Maturity Analysis of Benefit Payments from the fund

(Rs in Lacs)		
Expected payment for future years	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)		
	486.28	220.99
2nd following Year	216.82	133.97
3rd following Year	276.80	170.08
4th following Year	266.73	196.69
5th following Year	317.05	180.15
sum of years 6 to 10	1,504.15	1,029.43
sum of years 11 and above	11,035.45	7,268.73
Total expected payments (Undiscounted)	14,103.28	9,200.04

The Company expects to contribute INR.134.14 lakhs to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 13 years (March 31 2018: 13 years)

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year(subject to sufficiency of funds under the policy). The policy thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

43.2 : Shriram Housing Finance Limited

Defined Contribution Plan

The company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognized ` 170.98 Lacs for year ended March 31, 2019 (Y.E. 31 March 2018 ` 150.94 Lacs) for Provident Fund contributions and ` 16.58 Lacs for the year ended March 31, 2019 (Y.E. 31 March 2018 ` 21.25 Lacs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2015-16 the company created "Shriram Housing Finance Company Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through Trustees. Contributions to the

Trust are invested in a scheme with a insurance company as permitted by law in India. The Company has contributed `Nil to the Trust during the financial year 2018-19. (F.Y 2017 -18 ` 35.02 Lacs)

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	43.85	36.13
Interest cost on benefit obligation	13.87	13.15
Expected return on plan assets	(12.42)	-
Net (benefit) / expense	45.30	49.28

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	(144.44)	(191.06)
Fair value of plan assets	158.54	180.03
Asset/(liability) recognized in the balance sheet	14.10	(11.03)

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

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	191.06	150.42
Transfer in/Out	20.10	-
Interest cost	13.87	13.15
Current service cost	43.85	36.13
Liability transferred in/on account of transfer of employees		
Benefits paid	(35.25)	(0.32)
Actuarial loss / (gain) on obligation	(89.19)	(8.32)
Closing defined benefit obligation	144.44	191.06

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	180.03	150.42
Interest Income	12.42	-
Expected return	1.34	10.19
Contributions by employer	-	35.02
Benefits paid	(35.25)	(15.60)
Closing fair value of plan assets	158.54	180.03

The company intends to contribute to the trust the amount as per the actuarial valuation in the next year

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Investments with insurer	100%	100%

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

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.65%	8.00%
increase in compensation cost	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation are on account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous four years are as follows:

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Define benefit obligation	144.44	191.06	150.42	103.09	37.79
Plan assets	158.54	180.03	150.42	-	-
Surplus/(deficit)	14.10	(11.03)	-	(103.09)	(37.79)

Assumptions	March 31, 2019		March 31, 2019		March 31, 2018		March 31, 2018	
	Discount rate		Future salary increases		Discount rate		Future salary increases	
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligation	(13.35)	15.50	15.69	(13.64)	(16.43)	19.21	20.69	(17.94)

Expected payment for future years	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	5.75	29.40
Between 2 and 5 years	36.94	42.56
Between 5 and 10 years	72.82	74.32
Total expected payments	115.51	146.29

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 14.74 Years (31 March 2018: 14.44 Years)

The fund is administered by "Shriram Housing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.65%	8.00%
Attrition rate	5.00%	5.00%
Salary escalation	5.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

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Note 44: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in lacs)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	99,676.01	-	99,676.01	33,963.42	-	33,963.42	43,751.06	-	43,751.06
Bank Balance other than above	27,702.35	2,625.16	30,327.51	20,091.06	110.00	20,201.06	21,770.69	-	21,770.69
Loans	13,85,798.20	14,95,276.86	28,81,075.06	13,89,773.92	13,63,594.59	27,53,368.51	12,90,275.09	10,47,636.89	23,37,911.98
Investments	56,751.92	34,997.73	91,749.65	29,652.40	37,092.70	66,745.10	27,194.22	36,304.12	63,498.34
Other financial assets	3,003.78	795.71	3,799.49	540.11	1,701.38	2,241.50	5,542.94	1,219.83	6,762.77
Non-financial Assets									
Current tax asset	-	5,629.57	5,629.57	-	4,961.97	4,961.97	-	6,388.72	6,388.72
Deferred tax assets (net)	4,723.51	-	4,723.51	7,857.19	327.63	8,184.82	7,576.45	785.70	8,362.15
Property, plant and equipment	-	8,622.48	8,622.48	-	8,328.93	8,328.93	-	7,485.04	7,485.04
Other intangible assets	-	487.40	487.40	-	441.75	441.75	-	844.48	844.48
Other non financial assets	9,723.00	6,020.87	15,743.87	8,773.34	2,355.14	11,128.48	2,601.73	1,891.92	4,493.64
Total assets	15,87,378.77	15,54,455.78	31,41,834.55	14,90,651.44	14,18,914.09	29,09,565.54	13,98,712.18	11,02,556.69	25,01,268.87
Liabilities									
Financial Liabilities									
Derivative financial liabilities	297.39	-	297.39	-	-	-	-	-	-
Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,764.54	-	6,764.54	7,969.48	-	7,969.48	3,925.68	-	3,925.68
Debt Securities	1,58,771.08	2,67,933.67	4,26,704.75	50,269.72	2,46,790.40	2,97,060.12	85,695.04	1,16,748.75	2,02,443.79
Borrowings (other than debt security)	8,70,336.41	7,51,602.91	16,21,939.32	7,42,238.80	8,23,537.72	15,65,776.52	5,37,348.30	7,28,545.81	12,65,894.11
Deposits	1,12,993.25	1,98,947.36	3,11,940.61	1,39,944.38	1,67,420.77	3,07,365.15	1,77,389.57	1,74,746.78	3,52,136.35
Subordinated Liabilities	43,541.66	21,829.29	65,370.95	57,413.70	60,148.05	1,17,561.75	19,694.68	1,09,780.90	1,29,475.58
Other Financial liabilities	35,388.73	132.78	35,521.51	25,919.51	-	25,919.51	22,429.19	-	22,429.19
Non-financial Liabilities									
Provisions	377.80	2,286.60	2,664.40	1,451.52	1,105.63	2,557.16	1,715.33	83.21	1,798.53
Other non-financial liabilities	1,573.52	72.99	1,646.51	1,771.41	-	1,771.41	2,003.69	5.79	2,009.48
Total Liabilities	12,30,044.38	12,42,805.60	24,72,849.98	10,26,978.52	12,99,002.57	23,25,981.10	8,50,201.48	11,29,911.24	19,80,112.72
Net	3,57,334.39	3,11,650.18	6,68,984.57	4,63,672.92	1,19,911.52	5,83,584.44	5,48,510.70	(27,354.54)	5,21,156.15

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
Note 45: Change in liabilities arising from financing activities
Changes in liabilities arising from financing activities during FY 2018-19

Rs. In lacs					
Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Other *	As at March 31, 2019
At Amortised Cost					
Debt Securities					
-NCD Public Issue	20,920.73	(9,543.56)	-	-	11,377.17
-NCD Retail	67,597.45	(9,666.58)	-	83.93	58,014.80
-NCD Institutional	2,08,541.94	1,48,874.28	-	(103.44)	3,57,312.78
-Unclaimed Matured Portion	1,493.89	(550.12)	-		943.77
Subordinated Liabilities					
- Sub Debt Retail	89,327.13	(32,049.87)	-	407.81	57,685.07
- Subdebt Institutional	28,234.63	(20,681.07)	-	132.32	7,685.88
-Unclaimed Matured Portion	2,046.55	2,283.37	-	-	4,329.92
Borrowings other than debt securities					
- Term Loan from Banks	10,34,866.55	11,933.63	165.46	(723.04)	10,46,242.60
- Term Loan from Institution	49,782.31	(18,369.95)	-	0.54	31,412.90
- Commercial paper	2,28,691.45	(45,149.51)	-	-	1,83,541.94
- Cash Credit form Banks	1,61,961.46	10,844.14	-	-	1,72,805.60
- Working Capital Demand Loans	81,126.03	(4,440.87)	-	-	76,685.16
- Other loans	9,348.73	1,01,902.39	-	-	1,11,251.12
Deposits	3,07,365.15	4,875.35	-	(299.89)	3,11,940.61
-Unclaimed Matured Deposits	13,776.77	(2,194.56)	-	-	11,582.21
Total	23,05,080.77	1,38,067.07	165.46	(501.77)	24,42,811.53

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Changes in liabilities arising from financing activities during FY 2017-18

Rs. In lacs					
Particulars	As at April 01, 2017	Cash Flows	Exchange difference	Other *	As at March 31, 2018
At Amortised Cost					
Debt Securities					
-NCD Public Issue	39,476.63	(18,555.90)	-	-	20,920.73
-NCD Retail	82,064.42	(14,574.67)	-	107.70	67,597.45
-NCD Institutional	80,902.74	1,27,869.26	-	(230.06)	2,08,541.94
-Unclaimed Matured Portion	2,695.26	(1,201.37)	-	-	1,493.89
Subordinated Liabilities					
- Sub Debt Retail	98,858.24	(9,993.02)	-	461.91	89,327.13
- Subdebt Institutional	30,617.34	(2,534.24)	-	151.53	28,234.63
-Unclaimed Matured Portion	775.00	1,271.55	-	-	2,046.55
Borrowings other than debt securities					
-Term Loan from Banks	8,00,904.18	2,33,869.22	-	93.15	10,34,866.55
-Term Loan from Institution	82,123.06	(32,341.29)	-	0.54	49,782.31
- Commercial paper	1,96,446.31	32,245.14	-	-	2,28,691.45
- Cash Credit from Banks	1,41,284.14	20,677.32	-	-	1,61,961.46
- Working Capital Demand Loans	33,996.64	47,129.39	-	-	81,126.03
- Other loans	11,139.78	(1,791.05)	-	-	9,348.73
Deposits	3,52,136.35	(45,149.33)	-	378.13	3,07,365.15
-Unclaimed Matured Deposits	9,092.22	4,684.55	-	-	13,776.77
Total	19,62,512.31	3,41,605.57	-	962.90	23,05,080.77

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 46: Contingent liabilities, commitments and leasing arrangements****(A) Contingent Liabilities**

(Rs. in lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	1,517.38	2,990.65	2,990.65
b.	VAT demand where the Company has filed appeal before various Appellates	266.45	137.52	131.02
c.	Service tax demand	3,802.12	3,802.12	-
d.	Guarantees given for subsidiary	2,500.00	2,500.00	2,500.00
	Total	8,085.95	9,430.29	5,621.67

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities.

The company has issued a guarantee for ` 2,500.00 lacs against refinance obtained by Shriram Housing Finance Limited for NHB.

(B) Commitments not provided for

(Rs. in lacs)

	Commitments not provided for	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	233.37	310.10	166.14
b.	Commitments related to loans sanctioned but undrawn	6,707.40	8,526.45	14,349.82

(C) Lease Disclosures**As a lessee****Operating Lease :**

The Company has taken various office premises under operating lease. The lease expenses recognised in the Statement of Profit and Loss are ` 6,489.08 lakhs (March 31, 2018: ` 5,819.83 lakhs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

Future minimum lease payments under non-cancellable operating leases as at March 31, 2019 are as follows:

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Within one year	1,386.50	929.81	827.1
After one year but not more than five years	2,762.17	1,983.74	2435.81
More than five years	590.22	297.18	453.28

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Related party disclosures****Relationship****Name of the party**

(i) Enterprises having significant influence over the Company

: Shriram Capital Limited (SCL)
Shriram Ownership Trust (SOT)
Dynasty Acquisition FPI Limited (DAFL)
Piramal Enterprises Limited (PEL)
Valiant Mauritius Partners FDI Ltd. (VMPL)

(ii) Subsidiary

: Shriram Housing Finance Limited (SHFL)

(iii) Associates

Insight Commodities and Futures Private Limited (ICFPL)
Shriram Asset Management Company Limited (SAMCL)
Shriram Credit Company Limited (SCCL)
Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
Shriram Fortune Solutions Limited (SFSL)
Shriram General Insurance Company Limited (SGICL)
Shriram Insight Share Brokers Limited (SISBL)
Shriram Life Insurance Company Limited (SLICL)
Shriram Overseas Investments Private Limited (SOIPL)
Shriram Wealth Advisors Limited (SWAL)
Shriram Value Services Limited (SVSL)
Bharath Investments Pte. Ltd., Singapore (BIPL)
SGI Philippines General Insurance Co. Inc. (SGIPGICI)
Novac Technology Solutions Pvt. Ltd (NTSPL)
Tech Factory Services Pvt. Ltd. (TFSPL)

(iv) Key Management Personnel

: Mr. R Duruvasan. Managing Director & CEO
Mr. Debendranath Sarangi, Chairperson
Mr. Gerrit Lodewyk Van Heerde, Director
Mr. Khushru Burjor Jijina, Director (Ceased w.e.f 07.05.18)
Ms. Maya S Sinha , Director
Mr. Sri Pranab Prakash Pattanayak, Director
Mr. Ranvir Dewan, Director
Mr. Shashank Singh, Director
Mr. Subramaniam Krishnamurthy, Director
Mr. Venkataraman Murali, Director (SCUF & SHFL)
Mr. Vipen Kapur , Director
Mr. Ramakrishnan Subramanian, Additional Director (Ceased w.e.f 28.07.17)
Mr. R Chandrasekar, Chief Financial Officer
Mr. C R Dash, Company Secretary
Mr. Subramanian Jambunathan, Managing Director and CEO (SHFL) (Appointed w.e.f. 20.11.2018)
Mr. Sujana Sinha , Managing Director and CEO (SHFL) (Ceased w.e.f. 31.08.2018)
Ms. Quadsia Gandhi, Director (SHFL) (Ceased w.e.f. 23.05.2018)
Ms. Lakshminaryanan Priyadarshini, Director (SHFL) (Appointed w.e.f.16.10.2018)
Mr. Kunal Karnani , Chief Financial Officer (SHFL) (Appointed w.e.f. 21.01.2019)
Mr. Kankshit Munshi, Chief Financial Officer (SHFL) (Ceased w.e.f 19.11.2018)
Mr. Kunal Shah, Chief Financial Officer (SHFL) (Ceased w.e.f 23.04.2017)
Mrs. Nikita Hule , Company Secretary (SHFL)
Mrs. Mageswari Pasupathy , Company Secretary (SHFL) (Ceased w.e.f 12.07.2016)

(v) Relatives of Key Management Personnel

: Relatives of Mr. R Duruvasan. Managing Director & CEO
Late Mr. Ayneni Ramachandra Naidu (Father)
Late Mrs. Ayneni Ammayamma (Mother)
Ms. A Komaleeswari (Spouse)
Mr. Ayneni Vamshi Krishna (Son)
Mr. R Perumal (Brother)
Ms. P Padmaja (Brother's Wife)
Ms. S Usha Rani (Sister)
Mr. R Selvam (Sister's Husband)
Relatives of Mr. Subramanian Jambunathan, Managing Director & CEO (SHFL)
Late Mr. Krishnawamy Jambunathan (Father)
Ms. Padmavathi Jambunathan (Mother)
Ms. Dharini Mani Subramanian (Spouse)
Ms. Anusha Subramanian (Daughter)
Mr. Jambunathan Krishnan (Brother)

*- The Group neither holds any shares in the following entities nor these entities hold any shares in the Group. However these entities are “subsidiaries” of Shriram Capital Limited and hence these entities are treated as “associates” as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31 2019, March 31 2018 and April 01 2017

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 47: Related party disclosures

Related party transactions during the year:

Rs. In Lacs

Particulars	Enterprises having significant influence over the Company			Associates			Key Management Personnel			Relatives of Key Management Personnel			Total		
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017
Payments/Expenses															
Royalty to SOT	6,450.12	5,841.10	-	-	-	-	-	-	-	-	-	-	6,450.12	5,841.10	-
Commission & Other expenses- SFPSP	-	-	-	1,944.86	1,756.14	-	-	-	-	-	-	-	1,944.86	1,756.14	-
Commission & Other expenses- SFSL	-	-	-	1,272.35	1,205.40	-	-	-	-	-	-	-	1,272.35	1,205.40	-
Insurance - SGICL	-	-	-	431.23	400.39	-	-	-	-	-	-	-	431.23	400.39	-
Insurance & Other expenses SLICL	-	-	-	477.00	260.40	-	-	-	-	-	-	-	477.00	260.40	-
Commission & Other expenses- SISBL	-	-	-	40.66	41.05	-	-	-	-	-	-	-	40.66	41.05	-
IT Services & Other expenses- SVSL	-	-	-	5,404.70	4,997.84	-	-	-	-	-	-	-	5,404.70	4,997.84	-
Reimbursement of rent and other expenses-SCL	195.09	592.43	-	-	-	-	-	-	-	-	-	-	195.09	592.43	-
License Fees to SCL	1,754.52	1,693.97	-	-	-	-	-	-	-	-	-	-	1,754.52	1,693.97	-
Purchase of Fixed Assets from SCL	-	53.75	-	-	-	-	-	-	-	-	-	-	-	53.75	-
Payments to Key Managerial Personnel (MD, CFO & CS)															
Short-term employee benefits	-	-	-	-	-	-	321.83	281.00	-	-	-	-	321.83	281.00	-
Post-employment pension (defined contribution)	-	-	-	-	-	-	29.61	11.24	-	-	-	-	29.61	11.24	-
Other long term employee benefits	-	-	-	-	-	-	9.39	35.93	-	-	-	-	9.39	35.93	-
Shared Based Payments	-	-	-	-	-	-	12.61	1.74	-	-	-	-	12.61	1.74	-
Directors Sitting Fees	-	-	-	-	-	-	35.25	43.19	-	-	-	-	35.25	43.19	-
Equity dividend to SCL	4,008.40	3,563.02	-	-	-	-	-	-	-	-	-	-	4,008.40	3,563.02	-
Equity dividend to DAFL	2,415.94	2,147.50	-	-	-	-	-	-	-	-	-	-	2,415.94	2,147.50	-
Equity dividend to PEL	1,184.37	1,052.77	-	-	-	-	-	-	-	-	-	-	1,184.37	1,052.77	-
Receipts/Income															
Rent Income - SFSL	-	-	-	21.76	14.41	-	-	-	-	-	-	-	21.76	14.41	-
Rent Income - SISBL	-	-	-	13.34	41.27	-	-	-	-	-	-	-	13.34	41.27	-
Rent Income - SLIC	-	-	-	19.25	13.01	-	-	-	-	-	-	-	19.25	13.01	-
Electricity, Telephone and other charges Received															
Expenses reimbursement -SFSL	-	-	-	11.23	9.44	-	-	-	-	-	-	-	11.23	9.44	-
Expenses reimbursement -SISBL	-	-	-	1.92	1.09	-	-	-	-	-	-	-	1.92	1.09	-
Expenses reimbursement -SLIC	-	-	-	27.29	11.73	-	-	-	-	-	-	-	27.29	11.73	-
Balance outstanding as at															
Share Capital held by SCL	2,226.89	2,226.89	2,226.89	-	-	-	-	-	-	-	-	-	2,226.89	2,226.89	2,226.89
Share Capital held by DAFL	1,342.19	1,342.19	1,342.19	-	-	-	-	-	-	-	-	-	1,342.19	1,342.19	1,342.19
Share Capital held by PEL	657.98	657.98	657.98	-	-	-	-	-	-	-	-	-	657.98	657.98	657.98
Share Capital held by VML in SHFL	4,872.00	4,872.00	4,872.00	-	-	-	-	-	-	-	-	-	4,872.00	4,872.00	4,872.00
Investment of SCL	226.43	282.08	329.62	-	-	-	-	-	-	-	-	-	226.43	282.08	329.62
Outstanding Expenses to SCL	183.17	170.86	155.43	-	-	-	-	-	-	-	-	-	183.17	170.86	155.43
Outstanding Expenses to SOT	1,688.43	1,420.23	1,048.59	-	-	-	-	-	-	-	-	-	1,688.43	1,420.23	1,048.59
Outstanding Expenses to SFPSP	-	-	-	0.14	-	94.78	-	-	-	-	-	-	0.14	-	94.78
Outstanding Expenses to SFSL	-	-	-	-	-	52.39	-	-	-	-	-	-	-	-	52.39
Outstanding receivable from SFSL	-	-	-	6.32	10.42	-	-	-	-	-	-	-	6.32	10.42	-
Outstanding Expenses to SISBL	-	-	-	1.27	1.03	2.59	-	-	-	-	-	-	1.27	1.03	2.59
Outstanding Receivable from SLIC	-	-	-	2.05	26.25	-	-	-	-	-	-	-	2.05	26.25	-
Outstanding Expenses to SVS	-	-	-	7.13	141.86	1.00	-	-	-	-	-	-	7.13	141.86	1.00

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 48: Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

A. Shriram City Union Finance Limited

	(Rs. in Lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Regulatory capital			
Tier 1 Capital	6,14,038.04	5,41,268.98	4,92,377.75
Tier 2 Capital	10,081.44	20,814.14	36,094.37
Total capital funds	6,24,119.48	5,62,083.12	5,28,472.12
Risk weighted assets (Rs. in Lacs)	26,99,007.39	26,30,717.17	22,20,176.11
Tier 1 capital ratio	22.75%	20.58%	22.18%
Other Tier 2 capital ratio	0.37%	0.79%	1.63%
Total capital ratio	23.12%	21.37%	23.81%
Amount of subordinated debt raised as Tier - II capital (Rs. in Lacs)	-	10,853.74	29,485.91
Amount raised by issue of Perpetual Debt Instruments (Rs. in Lacs)	-	-	-

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments, which includes contingent convertible bonds.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

Consequent to the transition of the company to the Indian Accounting Standards (Ind AS) with effect from 1st April 2018, the books of account of the company are being maintained under Ind AS as required by the Companies Act, 2013. In the absence of any clarification from the Reserve Bank Of India (RBI) the company has continued filing various Returns to RBI based on directions issued by RBI which are in accordance with the previous Indian GAAP. This has been communicated by the company to RBI vide its letter dated 9th July, 2018.

B. Shriram Housing Finance Limited

	(Rs. in Lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Regulatory capital			
Tier 1 Capital	45,400.79	43,408.45	39,933.45
Tier 2 Capital	1,486.47	1,862.11	2,352.49
Total capital funds	46,887.26	45,270.56	42,285.94
Risk weighted assets (Rs. in Lacs)	1,56,629.53	1,37,117.92	1,46,055.97
Tier 1 capital ratio	28.99%	31.66%	27.34%
Other Tier 2 capital ratio	0.95%	1.36%	1.61%
Total capital ratio	29.94%	33.02%	28.95%
Amount of subordinated debt raised as Tier - II capital (Rs. in Lacs)	-	-	-
Amount raised by issue of Perpetual Debt Instruments (Rs. in Lacs)	-	-	-

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is other Tier 2 Capital, which includes provision for standard assets

The Company is meeting the capital adequacy requirements of National Housing Bank.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 49: Fair value measurement

49.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 49.3.

49.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2019

				(Rs. in lacs)
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	36,389.75	-	36,389.75
Equity instruments	10,603.97	-	80.04	10,684.01
Security Receipts	-	1,858.44	-	1,858.44
Pass through Certificate	-	3,973.54	-	3,973.54
Total financial assets held for trading	10,603.97	42,221.73	80.04	52,905.74
Total assets measured at fair value on a recurring basis	10,603.97	42,221.73	80.04	52,905.74
Liabilities measured at fair value on a recurring basis				
<i>Derivative financial instruments</i>				
Currency Forward	297.39	-	-	297.39
Total derivative financial instruments	297.39	-	-	297.39
Total financial liabilities measured at fair value on a recurring basis	297.39	-	-	297.39

As at March 31, 2018

				(Rs. in lacs)
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	322.29	-	322.29
Equity instruments	9,516.15	-	50.67	9,566.82
Security Receipts	-	2,303.10	-	2,303.10
Pass through Certificate	-	7,617.72	-	7,617.72
Total financial assets held for trading	9,516.15	10,243.11	50.67	19,809.93
Total assets measured at fair value on a recurring basis	9,516.15	10,243.11	50.67	19,809.93

As at April 01, 2017

				(Rs. in lacs)
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	2,095.07	-	2,095.07
Equity instruments	8,608.01	-	1,047.67	9,655.68
Pass through Certificate	-	7,119.44	-	7,119.44
	8,608.01	9,214.51	1,047.67	18,870.19
Total assets measured at fair value on a recurring basis	8,608.01	9,214.51	1,047.67	18,870.19

49.3 Valuation techniques

Equity instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the networth of the investee Company

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

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Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	Rs. in Lacs	
	Equity instruments	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	50.67	1,047.67
Purchases	-	-
Sales	-	997.00
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Closing Balance	80.04	50.67
Unrealised gains and losses related to balances held at the end of the year	29.37	-

49.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	'As at March 31, 2019	'As at March 31, 2019		
Equity Instruments	80.04	-	Based on the networth of the investee Group	networth of the investee Group

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	As at March 31, 2018	As at March 31, 2018		
Equity Instruments	50.67	-	Based on the networth of the investee Group	networth of the investee Group

49.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Group is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

	As at March 31, 2019		As at March 31, 2018	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	29.37	-	-	-

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49.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non financial liabilities.

(Rs. in lacs)					
As at March 31, 2019	CarryingAmount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	99,676.01	99,676.01	-	-	99,676.01
Bank balance other than cash and cash equivalents	30,327.51	-	30,334.27	-	30,334.27
Loans	28,81,075.06	2,188.66	-	28,75,519.41	28,77,708.07
Investments at amortised cost	38,843.90	-	-	38,843.91	38,843.91
Other financial assets	3,799.49	-	-	3,799.49	3,799.49
Total financial assets	30,53,721.98	1,01,864.67	30,334.27	29,18,162.81	30,50,361.75
Financial liabilities:					
Derivative financial instruments	297.39	-	297.39	-	297.39
Other Payables	6,764.54	-	-	6,764.54	6,764.54
Debt securities	4,26,704.75	-	4,27,952.55	-	4,27,952.55
Borrowings (other than debt securities)	16,21,939.32	-	16,21,770.32	-	16,21,770.32
Deposits	3,11,940.61	-	-	3,07,777.37	3,07,777.37
Subordinated liabilities	65,370.95	-	-	83,617.95	83,617.95
Other financial liabilities	35,521.51	-	-	35,521.51	35,521.51
Total financial liabilities	24,68,539.07	-	20,50,020.26	4,33,681.37	24,83,701.63
Off balance sheet items					
Other commitments	6,707.4	-	-	6,707.4	6,707.4
Total off-balance sheet items	6,707.4	-	-	6,707.4	6,707.4
(Rs. in lacs)					
As at March 31, 2018	CarryingAmount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	33,963.42	33,963.42	-	-	33,963.42
Bank balance other than cash and cash equivalents	20,201.06	-	20,202.26	-	20,202.26
Loans	27,53,368.51	2,604.09	-	27,95,826.19	27,98,430.28
Investments	46,935.18	-	-	46,935.18	46,935.18
Other financial assets	2,241.50	-	-	2,241.50	2,241.50
Total financial assets	28,56,709.67	36,567.51	20,202.26	28,45,002.87	29,01,772.64
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	7,969.48	-	-	7,969.48	7,969.48
Debt securities	2,97,060.12	-	2,98,421.00	-	2,98,421.00
Borrowings (other than debt securities)	15,65,776.52	-	15,65,763.18	-	15,65,763.18
Deposits	3,07,365.15	-	-	3,53,171.97	3,53,171.97
Subordinated liabilities	1,17,561.75	-	-	1,65,263.78	1,65,263.78
Other financial liabilities	25,919.51	-	-	25,919.51	25,919.51
Total financial liabilities	23,21,652.53	-	18,64,184.18	5,52,324.74	24,16,508.92
Other commitments	8,531.2	-	-	8,531.2	8,531.2
Total off-balance sheet items	8,531.2	-	-	8,531.2	8,531.2

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As at April 01, 2017	CarryingAmount	(Rs. in lacs)			
		Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	43,751.06	43,751.06	-	-	43,751.06
Bank balance other than cash and cash equivalents	21,770.69	-	-	21,757.76	21,757.76
Loans	23,37,911.98	-	-	23,48,130.05	23,48,130.05
Investments at ammortised cost	44,628.14	-	-	44,628.15	44,628.15
Other financial assets	6,762.77	-	-	6,762.77	6,762.77
Total financial assets	24,54,824.65	43,751.06	-	24,21,278.73	24,65,029.79
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	3,925.68	-	-	3,925.68	3,925.68
Debt securities	2,02,443.79	-	2,04,446.83	-	2,04,446.83
Borrowings (other than debt securities)	12,65,894.11	-	12,65,758.40	-	12,65,758.40
Deposits	3,52,136.35	-	-	4,06,127.20	4,06,127.20
Subordinated liabilities	1,29,475.58	-	-	1,81,368.08	1,81,368.08
Other financial liabilities	22,429.19	-	-	22,429.19	22,429.19
Total financial liabilities	19,76,304.70	-	14,70,205.23	6,13,850.15	20,84,055.38
Other commitments	14,396.6			14,396.6	14,396.6
Total off-balance sheet items	14,396.6	-	-	14,396.6	14,396.6

Note:

The management assessed that cash and cash equivalents, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

49.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields..

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

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Fair Value Measurement - Non-Financial assets

Reposessed House Property are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets Reposessed House Property has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used.

Particulars	(Rs. in Lacs)		
	Fair Value Hierarchy - Level 2		
	As at 31 March		
	As at 31 March 2019	2018	As at 01 April 2017
Non-Financial assets at fair value through profit or loss:			
Reposessed House Property	7,927.96	5,557.96	888.79
Total	7,927.96	5,557.96	888.79

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Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

50.1 Introduction and Risk Profile**50.1.1 Risk management structure**

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee. The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

50.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

50.1.3 Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department. The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

50.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

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In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

50.2 Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performin	90+ dpd

50.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

50.2.2 Impairment assessment**50.2.2.1 Definition of default**

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Group
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

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It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

50.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

50.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realization of any security.

50.2.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 50.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 50.2.2.6), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

50.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note 6.1.xi dependant on the factors below, the Group calculates ECLs only on a collective basis

The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans
6. Home Loans

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50.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2019 was Rs. 4500.00 lakhs (March 31, 2018: Rs. 25000.00 lakhs)

Credit risk exposure analysis
(Rs. in lacs)

Particulars	March 31, 2019				
	Stage 1 Collective	Stage 2 Collective	Stage 3	POCI	Total
Normal	23,34,566.73	4,78,925.81	2,61,652.24		30,75,144.78
Reposessed			1,181.52		1,181.52
Total	23,34,566.73	4,78,925.81	2,62,833.76	-	30,76,326.30

50.3 Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

50.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2019:
(Rs. in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	99,825.02	32.84	15,332.41	17,138.64	129.42	-	1,32,458.33
Financial assets at fair value through profit and loss	16,023.03			619.48	619.48	619.48	17,881.47
Loans	5,16,949.93	5,01,545.07	8,24,411.05	12,35,981.16	4,55,474.26	4,80,273.26	40,14,634.73
Financial investments at amortised cost	1,386.33	89.74	20,069.81	13,709.37	9,248.64	125.61	44,629.50
Financial investments at FVOCI	667.00	470.10	829.23	780.60	652.97	1,788.60	5,188.50
Financial investments at FVTPL	-	-	31,050.73	-	-	-	31,050.73
Other Financial Assets	-	-	3,442.49	-	-	-	3,442.49
Total undiscounted financial assets	6,34,851.31	5,02,137.75	8,95,135.72	12,68,229.25	4,66,124.77	4,82,806.95	42,49,285.75

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Financial liabilities							
Derivative Financial Instruments	-	-	297.39	-	-	-	297.39
Deposits	32,591.37	27,196.30	53,575.91	1,94,413.60	51,741.61	-	3,59,518.79
Debt securities	15,542.92	94,040.97	79,486.81	2,66,809.58	51,354.44	4,412.00	5,11,646.72
Borrowings (other than debt securities)	4,61,745.48	1,70,102.58	3,49,111.05	7,39,774.96	1,23,217.97	1,682.72	18,45,634.76
Subordinated Liabilities	8,425.13	6,630.37	30,419.33	25,975.26	-	-	71,450.09
Other Financial Liabilities	-	-	35,458.51	-	-	-	35,458.51
Trade Payables	6,764.54	-	-	-	-	-	6,764.54
Total undiscounted financial liabilities	5,25,069.44	2,97,970.22	5,48,349.00	12,26,973.40	2,26,314.02	6,094.72	28,30,770.80
Net undiscounted financial assets/(liabilities)	1,09,781.87	2,04,167.53	3,46,786.72	41,255.85	2,39,810.75	4,76,712.23	14,18,514.95

Maturity pattern of assets and liabilities as on March 31, 2018:
(Rs. in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	34,069.46	-	18,222.78	3,416.27	135.44	-	55,843.95
Financial assets at fair value through profit and loss	-	-	-	767.70	767.70	767.70	2,303.10
Loans	5,13,484.94	4,61,446.85	8,82,971.01	11,34,676.48	4,90,492.75	4,05,768.57	38,88,840.60
Financial investments at amortised cost	1,396.74	100.02	28,630.68	14,701.77	9,621.48	514.67	54,965.36
Financial investments at FVOCI	777.91	820.46	1,683.52	3,016.74	1,099.16	2,741.28	10,139.07
Financial investments at FVTPL	-	-	9,889.10	-	-	-	9,889.10
Other Financial Assets	-	-	1,883.85	-	-	-	1,883.85
Total undiscounted financial assets	5,49,729.05	4,62,367.33	9,43,280.94	11,56,578.96	5,02,116.53	4,09,792.22	40,23,865.04
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	-
Deposits	38,413.58	35,896.88	71,766.07	1,57,929.16	43,244.86	-	3,47,250.55
Debt securities	10,864.76	6,103.38	52,170.91	2,43,793.34	40,024.65	9,184.00	3,62,141.04
Borrowings (other than debt securities)	2,24,167.36	89,390.98	5,25,358.41	7,32,946.40	1,97,156.01	286.22	17,69,305.38
Subordinated Liabilities	4,313.62	7,698.37	51,410.74	72,240.60	-	-	1,35,663.33
Other Financial Liabilities	-	-	25,908.59	-	-	-	25,908.59
Trade Payables	7,969.48	-	-	-	-	-	7,969.48
Total undiscounted financial liabilities	2,85,728.80	1,39,089.61	7,26,614.72	12,06,909.50	2,80,425.52	9,470.22	26,48,238.36
Net undiscounted financial assets/(liabilities)	2,64,000.25	3,23,277.72	2,16,666.22	(50,330.56)	2,21,691.01	4,00,322.00	13,75,626.68

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
Maturity pattern of assets and liabilities as on April 01, 2017:

							(Rs. in lacs)
Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	43,758.33	3,005.18	15,751.92	4,572.13	-	-	67,087.56
Financial assets at fair value through profit and loss	1,800.48	-	-	-	-	-	1,800.48
Loans	4,57,146.68	3,96,780.38	8,09,485.56	8,77,926.87	3,87,855.39	3,29,488.24	32,58,683.12
Financial investments at amortised cost	8,970.41	303.07	17,505.36	3,503.96	13,931.56	9,803.66	54,018.02
Financial investments at FVOCI	522.32	524.05	1,030.86	5,996.89	497.79	97.64	8,669.55
Financial investments at FVTPL	-	-	9,950.27	-	-	-	9,950.27
Other Financial Assets	-	-	3,395.22	-	-	-	3,395.22
Total undiscounted financial assets	5,12,198.22	4,00,612.68	8,57,119.19	8,91,999.85	4,02,284.74	3,39,389.54	34,03,604.22
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	-
Deposits	44,088.02	41,418.27	83,134.70	1,81,832.09	45,240.33	-	3,95,713.41
Debt securities	15,404.20	8,204.31	74,594.34	1,04,642.41	31,775.80	9,956.00	2,44,577.06
Borrowings (other than debt securities)	1,85,708.51	1,07,508.73	3,22,073.79	6,50,204.89	1,83,331.34	4,173.79	14,53,001.05
Subordinated Liabilities	590.20	9,145.77	14,387.97	1,11,562.03	25,846.89	-	1,61,532.86
Other Financial Liabilities	-	-	22,458.76	-	-	-	22,458.76
Trade Payables	3,925.68	-	-	-	-	-	3,925.68
Total undiscounted financial liabilities	2,49,716.61	1,66,277.08	5,16,649.56	10,48,241.42	2,86,194.36	14,129.79	22,81,208.83
Net undiscounted financial assets/(liabilities)	2,62,481.61	2,34,335.61	3,40,469.63	(1,56,241.57)	1,16,090.37	3,25,259.75	11,22,395.40

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

(Rs. in lacs)					
Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 5 years	Total
As at March 31, 2019	-	-			
In respect of Income tax demands where the Group has filed	-	-	-	1,517.38	1,517.38
VAT demand where the Group has filed appeal before various	-	-	-	266.45	266.45
Service tax demand	-	-	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on	-	-	233.57	-	233.57
Commitments related to loans sanctioned but undrawn	1676.85	2,347.59	2,682.96	-	6,707.40
Total commitments	1676.85	2347.59	2916.53	8085.95	15026.92

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Notes forming part of the Reformatted Consolidated financial statement

As at March 31, 2018	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 5 years	Total
In respect of Income tax demands where the Group has filed	-	-	-	2,990.65	2,990.65
VAT demand where the Group has filed appeal before various	-	-	-	137.52	137.52
Service tax demand	-	-	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on	-	4.78	305.32	-	310.10
Commitments related to loans sanctioned but undrawn	2131.61	2984.26	3,410.58	-	8,526.45
Total commitments	2131.61	2989.04	3715.9	9430.29	18266.84
As at April 01, 2017	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 5 years	Total
In respect of Income tax demands where the Group has filed	-	-	-	2,990.65	2,990.65
VAT demand where the Group has filed appeal before various	-	-	-	131.02	131.02
Service tax demand	-	-	-	-	-
Guarantees and counter guarantees	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on	-	-	119.35	-	119.35
Uncalled amount in investment in ICICI Investment	-	46.79	-	-	46.79
Commitments related to loans sanctioned but undrawn	3587.45	5022.44	5,739.93	-	14,349.82
Total commitments	3587.45	5069.23	5859.28	5621.67	20137.63

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
50.4 Market Risk

Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

50.4.1 Total market risk exposure

(Rs. in lacs)									
Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets									
Cash and cash equivalents and other bank balances	1,30,003.52	-	1,30,003.52	54,164.48	-	54,164.48	65,521.75	-	65,521.75
Loans	28,81,075.06	-	28,81,075.06	27,53,368.51	-	27,53,368.51	23,37,911.98	-	23,37,911.98
Financial investments at amortised cost	42,817.45	-	42,817.45	54,552.90	-	54,552.90	51,747.59	-	51,747.59
Financial investments at FVTPL	48,932.20	48,932.20	-	12,192.20	12,192.20	-	11,750.75	11,750.75	-
Other financial assets	3,799.49		3,799.49	2,241.50	-	2,241.50	6,762.77	-	6,762.77
Total	31,06,627.72	48,932.20	30,57,695.52	28,76,519.59	12,192.20	28,64,327.39	24,73,694.84	11,750.75	24,61,944.09
Liabilities									
Derivative financial instruments	297.39	-	297.39	-	-	-	-	-	-
Other Payables	6,764.54	-	6,764.54	7,969.48	-	7,969.48	3,925.68	-	3,925.68
Debt securities	4,26,704.75	-	4,26,704.75	2,97,060.12	-	2,97,060.12	2,02,443.79	-	2,02,443.79
Borrowings (other than debt securities)	16,21,939.32	-	16,21,939.32	15,65,776.52	-	15,65,776.52	12,65,894.11	-	12,65,894.11
Deposits	3,11,940.61	-	3,11,940.61	3,07,365.15	-	3,07,365.15	3,52,136.35	-	3,52,136.35
Subordinated liabilities	65,370.95	-	65,370.95	1,17,561.75	-	1,17,561.75	1,29,475.58	-	1,29,475.58
Other financial liabilities	35,521.51	-	35,521.51	25,919.51	-	25,919.51	22,429.19	-	22,429.19
Total	24,68,539.07	-	24,68,539.07	23,21,652.53	-	23,21,652.53	19,76,304.70	-	19,76,304.70

Note 51: First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2019, are the first financial statements the Group and have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

> Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

> A first-time adopter may opt to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date. However, it makes necessary adjustments for decommissioning liabilities to be included in the carrying value of PPE. The Group has used Ind AS 101 exemption and continued with the carrying value as recognised in previous GAAP as deemed cost on the transition date.

> In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture.

Accordingly, the Group has opted to measure its investment in subsidiary at previous GAAP carrying amount which is considered to be the deemed cost.

> Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Group has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

> Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract.

The Group has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.

> As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "Derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the Derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event).

The Group has opted not to re-evaluate financial assets derecognized in the past including those sold to asset restructuring companies.

Estimates:

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVPTL / FVOCI – equity and debt instrument

> Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

Non-controlling interests

The following requirements of Ind AS 110 are applied prospectively from the date of transition to Ind AS (provided that Ind AS 103 is not applied retrospectively to past business combinations):

> To attribute total comprehensive income to non-controlling interests irrespective of whether this results in a deficit balance

> To treat changes in a parents ownership interest as equity transactions

> To apply Ind AS 110 to loss of control of a subsidiary

Equity reconciliation for 1 April 2017

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	43,751.06	-	43,751.06
Bank Balance other than above	21,770.69	-	21,770.69
Loans	24,63,923.04	(1,26,011.05)	23,37,911.98
Investments	64,959.62	(1,461.28)	63,498.34
Other financial assets	8,254.12	(1,491.35)	6,762.77
Total (A)	26,02,658.53	(1,28,963.68)	24,73,694.84
Non-financial assets			
Current tax assets (net)	6,388.72	-	6,388.72
Deferred tax assets (net)	4,392.21	3,969.93	8,362.15
Property, plant and equipment	7,485.04	-	7,485.04
Other Intangible assets	844.48	-	844.48
Other non-financial assets	4,724.21	(230.57)	4,493.64
Total (B)	23,834.66	3,739.36	27,574.03
Total Assets (A+B)	26,26,493.19	(1,25,224.32)	25,01,268.87
Liabilities and equity			
Liabilities			
Financial liabilities			
Derivative financial instruments	-	-	-
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,925.68	-	3,925.68
Debt securities	1,99,305.35	3,138.44	2,02,443.79
Borrowings (other than debt securities)	12,54,963.38	10,930.73	12,65,894.11
Deposits	3,54,095.36	(1,959.01)	3,52,136.35
Subordinated Liabilities	1,30,958.20	(1,482.62)	1,29,475.58
Other financial liabilities	28,358.93	(5,929.74)	22,429.19
Total (C)	19,71,606.90	4,697.80	19,76,304.70
Non-financial liabilities			
Provisions	1,24,210.98	(1,22,412.45)	1,798.53
Other non-financial liabilities	2,009.48	-	2,009.48
Total (D)	1,26,220.46	(1,22,412.45)	3,808.01
Total Liabilities (C+D)	20,97,827.36	(1,17,714.65)	19,80,112.71
Equity			
Equity	6,594.34	-	6,594.34
Other Equity	5,12,433.19	(7,156.86)	5,05,276.33
Non controlling interest	9,638.30	(352.81)	9,285.49
Total equity	5,28,665.83	(7,509.67)	5,21,156.16
Total liabilities and equity	26,26,493.19	(1,25,224.32)	25,01,268.87

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Equity reconciliation for 31 March 2018

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	33,963.42	-	33,963.42
Bank Balance other than above	20,201.06	-	20,201.06
Loans	29,15,024.40	(1,61,655.89)	27,53,368.51
Investments	67,066.80	(321.70)	66,745.10
Other financial assets	3,867.99	(1,626.49)	2,241.50
Total (A)	30,40,123.67	(1,63,604.08)	28,76,519.59
Non-financial assets			
Current tax assets (net)	4,961.97	-	4,961.97
Deferred tax assets (net)	7,274.69	910.13	8,184.82
Property, plant and equipment	8,328.93	-	8,328.93
Other Intangible assets	441.75	-	441.75
Other non-financial assets	10,695.56	432.92	11,128.48
Total (B)	31,702.90	1,343.05	33,045.95
Total Assets (A+B)	30,71,826.57	(1,62,261.03)	29,09,565.54
Liabilities and equity			
Liabilities			
Financial liabilities			
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,969.58	(0.10)	7,969.48
Debt securities	2,97,640.81	(580.69)	2,97,060.12
Borrowings (other than debt securities)	15,56,518.82	9,257.70	15,65,776.52
Deposits	3,08,946.02	(1,580.87)	3,07,365.15
Subordinated liabilities	1,18,430.94	(869.19)	1,17,561.75
Other financial liabilities	26,991.81	(1,072.30)	25,919.51
Total (C)	23,16,497.98	5,154.55	23,21,652.53
Non-financial liabilities			
Provisions	1,68,205.68	(1,65,648.52)	2,557.16
Other non-financial liabilities	1,791.65	(20.24)	1,771.41
Total (D)	1,69,997.33	(1,65,668.76)	4,328.57
Total Liabilities (C+D)	24,86,495.31	(1,60,514.21)	23,25,981.10
Equity			
Equity	6,596.58	-	6,596.58
Other Equity	5,68,439.24	(1,611.72)	5,66,827.52
Non controlling interest	10,295.44	(135.10)	10,160.34
Total equity	5,85,331.26	(1,746.82)	5,83,584.44
Total liabilities and equity	30,71,826.57	(1,62,261.03)	29,09,565.54

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Profit reconciliation for the year ended 31 March 2018

Particulars	Previous GAAP	Adjustments	Ind AS
Revenue from operations			
Interest income	5,30,400.51	5,915.98	5,36,316.49
Dividend income	144.50	-	144.50
Fee and commission income	212.32	-	212.32
Net gain on fair value changes	103.09	853.60	956.69
Net gain on derecognition of financial instruments under amortised category	-	-	-
Bad debts Recovery	4,536.71	-	4,536.71
Gain on sale of Investment	1,505.31	-	1,505.31
Total revenue from operations	5,36,902.44	6,769.58	5,43,672.02
Other income	201.75	22.87	224.62
Total Income	5,37,104.19	6,792.45	5,43,896.64
Expenses			
Finance costs	1,77,178.91	783.48	1,77,962.39
Net loss on derecognition of financial instruments under amortised category	-	978.58	978.58
Fees and commission expense	13,035.81	-	13,035.81
Impairment on financial instruments	43,215.13	(3,684.15)	39,530.98
Bad Debts Written Off	63,966.35	(20.32)	63,946.03
Employee benefits expenses	74,597.77	289.72	74,887.49
Depreciation, amortisation and impairment	3,519.03	-	3,519.03
Royalty	5,583.92	-	5,583.92
Professional Charges	11,642.66	-	11,642.66
Other expenses	38,237.45	(75.83)	38,161.62
Total expenses	4,30,977.03	(1,728.52)	4,29,248.51
Profit /(loss) before exceptional items and tax	1,06,127.16	8,520.97	1,14,648.13
Exceptional items	-	-	-
Profit/(loss) before tax	1,06,127.16	8,520.97	1,14,648.13
Tax Expense:			
(1) Current tax	39,467.20	-	39,467.20
(2) Deferred tax (credit)	(2,882.66)	2,961.15	78.49
(3) Earlier years adjustments	172.44	-	172.44
Profit/(loss) for the period from continuing operations	69,370.18	5,559.82	74,930.00
Other comprehensive income			
(i) Items that will not be classified to profit or loss	-	285.06	285.06
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	98.81	98.81
Subtotal (A)	-	186.25	186.25
(i) Items that will be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
Subtotal (B)	-	-	-
Other Comprehensive Income	-	-	-
Total comprehensive income	69,370.18	5,746.07	75,116.25

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018

(Rs. in lacs)

Particulars	Note Reference	Previous GAAP as at March 31, 2018	Adjustments	Ind AS as at March 31, 2018
Net cash from/(used in) operating activities	1, 2, 3	(2,57,444.08)	(79,867.68)	(3,37,311.76)
Net cash from/(used in) investing activities	3	(1,679.54)	25.00	(1,654.54)
Net cash from/(used in) financing activities	1, 2	2,49,337.63	79,841.03	3,29,178.66
Net increase/(decrease) in cash and cash equivalents		(9,785.99)	(1.65)	(9,787.64)
Cash and cash equivalents at the beginning of the year		43,749.38		43,751.06
Cash and cash equivalents at the end of the year		33,963.39		33,963.42

1. Movement in unclaimed matured borrowing considered as Financing activities which was previously considered as Operating activities
2. Movement in current maturities of borrowing considered as Financing activities which was previously considered as Operating activities
3. Movement in Pass through certificates and Security Receipts of borrowing considered as Operating activities which was previously considered as Investment Activities

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

52	Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:		
	(Rs. in lacs)		
	Particulars	As at March 31, 2019	As at March 31, 2018
	The principal amount remaining unpaid to supplier as at the end of the year	-	-
	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

53	The Group is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

54	Expenditure in foreign currency : Nil (March 31, 2018: Nil)

55.	The Group had no discontinuing operations during the year ended March 31, 2018.

56	Events after reporting date There have been no events after the reporting date that require disclosure in these financial statements.

57	In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Group has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs.20,200 lacs (March 31, 2018: Rs.20,200 lacs and April 01, 2017: Rs. 20,997.51 lacs) in favour of trustees representing the public deposit holders of the Group.

58 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

	(Rs. in lacs)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	1,11,251.12	9,348.73
Carrying amount of associated liabilities (Debt Securities-measured at amortised cost)	1,11,251.12	9,348.73
Fair value of assets	1,20,323.84	9,279.26
Fair value of associated liabilities	1,11,082.12	9,335.39
Net position at FV	9,241.72	(56.13)

59 Assignment

	(Rs. in lacs)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
No. of accounts	2,80,648.00	-
Aggregate value (net of provisions) of accounts sold	10,40,750.55	-
Aggregate consideration	88,204.33	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	2,253.20	-

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

60 Investments

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(1) Value of investments		
(i) Gross value of investments		
(a) In India	81,150.42	57,248.83
(b) Outside India,	10,603.97	9,516.15
(ii) Provisions for depreciation		
(a) In India	(4.74)	(19.88)
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	81,145.68	57,228.95
(b) Outside India,	10,603.97	9,516.15
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	19.88	18.24
(ii) Add : Provisions made during the year	-	1.64
(iii) Less : Write-off/write-back of excess provisions during the year	15.14	-
(iv) Closing balance	4.74	19.88

61 Derivatives

61.1 Forward rate agreement/Interest rate swap

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) The notional principal of forward agreements	7,098.00	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into forwards	500.00	-
(iv) Concentration of credit risk arising from the forward	-	-
(v) The fair value of the forward book	7,098.00	-

61.2 Exchange Traded interest rate (IR) derivatives : Nil

61.3 Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange

Quantitative Disclosures

(Rs. in lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	7,098.00	-	-	-
(ii) Marked to market positions [1]				
a) Asset (+)	-	-	-	-
b) Liability (-)	297.39	-	-	-
(iii) Credit exposure [2]	-	-	-	-
(iv) Unhedged exposures	-	-	-	-

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****62. Rating assigned by credit rating agencies and migration of ratings during the year****62.1 Shriram City Union Finance Limited**

Rating Agency	Rating Instrument	As at March 31,2019	As at March 31,2018
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA / Stable
	Short-Term (CP)	IND A1+	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ / Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	CARE AA+ /Stable	CARE AA+ / Stable
	Fixed deposit	CARE AA+ (FD) /Stable	CARE AA+ (FD) /Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MA++ / Stable	MAA+/ Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA-/Positive
	Short-Term (CP)	NA	CRISIL A1+
	Subordinate Debt	CRISIL AA / Stable	CRISIL AA-/ Positive
	Fixed deposit	NA	FAA /Positive

62.2. Shriram Housing Finance Limited

Rating Agency	Rating Instrument	As at March 31,2019	As at March 31,2018
India Ratings	Long-Term (NCDs)	IND AA / Stable	IND AA / Stable
	Bank Loan Ratings	IND AA / Stable	IND AA / Stable
CARE	Long-Term (NCDs)	CARE AA+	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

63 Exposure to real estate sector

Rs. in lacs			
S.no	Particulars	As at March 31, 2019	As at March 31, 2018
i)	Residential Mortgages -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	2,02,793.12	1,84,903.83
ii)	Commercial Real Estate -Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	72,908.04	88,916.52
iii)	Investments in Mortgage Backed Securities(MBS) and other securitised exposures -		
	Residential	144.28	253.07
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	2,75,845.44	2,74,073.42

64 Exposure to capital market

(Rs. in lacs)			
Particulars		As at March 31, 2019	As at March 31, 2018
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	47,073.76	9,889.10
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	4,014.92	43,171.29
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market		51,088.68	53,060.39

65 Details of financing of parent company products

The Group does not have any Parent Company, hence not applicable.

66 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Group has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

67 Unsecured advances

The Group has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

68 Provisions and contingencies

A. Shriram City Union Finance Limited

(Rs. in lacs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Yeas ended Mar 31, 2019	Yeas ended Mar 31, 2018
Provisions for depreciation on investments	-	-
Provision towards NPA#	(9,965.98)	20,893.59
Provision made towards income tax	53,144.47	37,752.98
Provision for Standard Assets##	-	-
Provision towards impairment of financial instruments other than provision for stage 3 assets	23,433.84	18,454.86

Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

B. Shriram Housing Finance Limited

(Rs. in lacs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Yeas ended Mar 31, 2019	Yeas ended Mar 31, 2018
Provisions for depreciation on investments	(15.19)	1.60
Provision towards NPA#	(92.94)	1,510.00
Provision made towards income tax	(1,390.64)	774.29
Provision for Standard Assets	(375.68)	(490.38)
Other Provision and Contingencies		
Provision for Gratuity	(43.88)	46.05
Provision for Leave benefits	89.87	49.12
Provision for Non funded exposures	(17.16)	(102.85)

Provision for stage 3 assets

69 Draw down from reserves

The draw down from reserves was Rs. Nil.

70.1 Concentration of deposits, advances, exposures and NPAs

I. Shriram City Union Finance Limited

a. Concentration of deposits (for deposit taking NBFCs)

(Rs. in lacs)

Particulars	As at March 31, 2019
Total deposits of twenty largest depositors	7992.67
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.75%

b. Concentration of advances

(Rs. in lacs)

Particulars	As at March 31, 2019
Total advances to twenty largest borrowers	45,831.51
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.59%

c. Concentration of exposures

(Rs. in lacs)

Particulars	As at March 31, 2019
Total exposure to twenty largest borrowers/customers	39,148.78
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	1.35%

d. Concentration of NPAs #

(Rs. in lacs)

Total Exposure to top four NPA accounts	5,387.04
# Provision for stage 3 assets	

e. Sector-wise NPAs #

S.no	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-
2	MSME / Corporate borrowers	9.24%
3	Services	-
4	Unsecured personal loans	11.17%
5	Auto loans	
	i) Auto Loans	11.63%
	ii) Two wheeler	9.61%
6	Other personal loans	
	i) Consumer Durable	-
	ii) Pledged Jewel	2.34%
7	Others	1.94%

Provision for stage 3 assets

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

II. Shriram Housing Finance Limited

(i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

	(Rs. in Lacs)
Particulars	As at March 31, 2019
Total Deposits of twenty largest depositors	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	

(ii) Concentration of Loans & Advances

	(Rs. in Lacs)
Particulars	As at March 31, 2019
Total Loans & Advances to twenty largest borrowers	22,451.60
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	12.32%

(iii) Concentration of all Exposure (including off-balance sheet exposure)

	(Rs. in Lacs)
Particulars	As at March 31, 2019
Total Exposure to twenty largest borrowers /customers	23,801.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	12.60%

(iv) Concentration of NPAs

	(Rs. in Lacs)
Particulars	As at March 31, 2019
Total Exposure to top ten NPA accounts	1,345.24

Provision for stage 3 assets

(v) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	1.47%
2	Builders/Project Loan	0.01%
3	Corporates	-
4	Others (specify)	-
B.	Non-Housing Loans:	
1	Individuals	2.53%
2	Builders/Project Loan	0.02%
3	Corporates	0.75%
4	Others (specify)	-

Provision for stage 3 assets

Details of non- performing financial assets sold :

		(Rs. in Lacs)	
Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	No. of accounts sold	355.00	-
2	Aggregate outstanding (Rs. in lacs)	7,692.17	-
3	Aggregate consideration received (Rs. in lacs)	3,776.00	-

Provision for stage 3 assets

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

70.2 Movement of NPAs #

A. Shriram City Union Finance Limited

(Rs. in lacs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Net NPAs to Net Advances (%)	5.02%	4.97%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,59,384.94	2,06,318.93
(b) Additions during the year	1,31,196.11	1,65,306.82
(c) Reductions during the year	1,32,912.14	1,12,240.81
(d) Closing balance	2,57,668.91	2,59,384.94
(iii) Movement of Net NPAs		
(a) Opening balance	1,37,044.91	1,04,872.02
(b) Additions during the year	74,039.67	87,440.85
(c) Reductions during the year	65,790.02	55,267.95
(d) Closing balance	1,45,294.56	1,37,044.92
(iv) Movement of provisions for NPAs (excluding provisions		
(a) Opening balance	1,22,340.03	1,01,446.92
(b) Provisions made during the year	57,156.44	77,865.97
(c) Write-off / write-back of excess provisions	67,122.12	56,972.86
(d) Closing balance	1,12,374.35	1,22,340.03

Provision for stage 3 assets

B. Shriram Housing Finance Limited

			(Rs. in Lacs)
Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(I)	Net NPAs to Net Advances (%)	2.20%	4.27%
(II)	Movement of NPAs (Gross)		
	a) Opening balance	10,049.42	4,987.89
	b) Additions during the year	3,476.79	8,004.95
	c) Reductions during the year	8,361.37	2,943.42
	d) Closing balance	5,164.84	10,049.42
(III)	Movement of Net NPAs		
	a) Opening balance	7,543.18	3,255.95
	b) Additions during the year	2,773.12	6,203.27
	c) Reductions during the year	6,267.06	1,916.04
	d) Closing balance	4,049.24	7,543.18
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	2,506.24	1,731.94
	b) Provisions made during the year	750.57	1,961.98
	c) Write-off/write-back of excess provisions	2,141.21	1,187.68
	d) Closing balance	1,115.60	2,506.24

Provision for stage 3 assets

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****71 Overseas assets (for those with joint ventures and subsidiaries abroad)**

The Group does not have any joint venture or subsidiary abroad, hence not applicable.

72 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Group has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

73 Customer complaints

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a)	Number of complaints pending at the beginning of the year	223	35
(b)	Number of complaints received during the year	4,286	3,588
(c)	Number of complaints redressed during the year	4,489	3,400
(d)	Number of complaints pending at the end of the year	20	223

74. Auction Details

The Group Auctioned 3304 loan accounts (March 31,2018: 9910 accounts) during the financial year and the outstanding dues on these loan accounts were ` 1,077.39 lacs (March 31, 2018: ` 3,297.26 lacs) till the respective dates of auction. The Group realized `1,042.24 lacs (March 31, 2018 : ` 3248.22 lacs) on auctioning of gold jewellery taken as security on these loans. The Group confirms that none of its sister concerns participated in the above auctions.

75 Penalties:

No penalties have been levied by any regulator on the Group.

76 Restructured Accounts

Restructured Accounts : Nil (March 31, 2018: Nil)

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

77. Disclosure of frauds reported during the year ended March 31, 2019
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

I. Shriram City Union Finance Limited

Instances of fraud for the year ended March 31, 2019:

Rs in lacs

Particulars		Less than Rs. 1 lakhs		Rs. 1 to 25 lakhs		Greater than Rs. 25 lakhs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	Person involved								
	Staff	-	-	-	-	-	-	-	-
	Customer	-	-	-	-	-	-	-	-
	Customer & Outsider	-	-	-	-	-	-	-	-
	Staff, Customer & Outsider	-	-	1	12.40	-	-	-	-
	Total	-	-	1	12.40	-	-	-	-
B)	Type of Fraud								
	Misappropriation and Criminal breach of trust	-	-	1	12.40	-	-	-	-
	Fraudulent encashment/manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	-	-	-	-	-	-
	Total	-	-	1	12.40	-	-	-	-

II. Shriram Housing Finance Limited

Instances of fraud for the year ended March 31, 2019: Nil

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

78. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2019

Rs. in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits (includes unclaimed matured deposits and interest thereon)	24,026.98	10,967.57	11,039.25	27,697.66	50,850.49	1,62,052.31	36,888.56	-	3,23,522.82
Advances	1,52,335.48	1,14,406.54	1,16,302.89	3,76,607.41	6,26,105.15	9,19,751.22	2,71,341.02	3,04,225.35	28,81,075.06
Investments	36,864.42	197.80	509.71	413.83	18,766.20	13,083.54	9,113.50	12,800.64	91,749.64
Borrowings (includes unclaimed matured debentures & subordinated debts and interest thereon)	1,83,805.99	91,773.07	1,77,841.38	2,10,694.37	4,13,814.83	8,79,378.67	1,54,722.60	154.35	21,12,185.26
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	7,103.45	-	-	7,103.45

As at March 31, 2018

Rs. in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	3 months & up to 6 months	6 Months & up to 1 year	1 year & up to 3 years	3 years & up to 5 years	Over 5 years	Total
Deposits (includes unclaimed matured deposits and interest thereon)	27,348.91	11,394.55	12,933.33	34,683.95	67,360.42	1,35,567.17	31,853.59	-	3,21,141.92
Advances	1,59,726.98	1,09,893.70	1,06,004.17	3,40,550.55	6,73,590.53	8,29,400.47	2,77,423.11	2,56,779.00	27,53,368.51
Investments	784.15	199.78	204.74	654.33	39,679.26	23,301.12	1,396.76	524.96	66,745.10
Borrowings (includes unclaimed matured debentures & subordinated debts and interest thereon)	24,779.62	89,802.52	95,915.04	78,493.40	5,61,747.77	8,99,669.87	2,21,740.77	8,249.40	19,80,398.39
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

-

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 79.Transfer to reserve fund:

As per Section 29C of the National Housing Bank Act, 1987, the Subsidiary is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of ` 337.99 Lacs (Previous Year ` 578.00 Lacs).

	(Rs. in Lacs)	
Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	2,460.70	1,882.70
c) Total	2,460.70	1,882.70
Addition / Appropriation / Withdrawal during the period		
Add: a) Amount transferred 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.	337.99	578.00
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve 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	2798.69	2460.70
c) Total	2,798.69	2,460.70

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Accounting Ratios
Annexure - VII Reformatted Financials - Consolidated - March 2019

S.no	Particular	For the year ended March 31,	
		2019	2018
	Number of equity shares at the beginning of the year	65,965,762	65,943,402
	Number of equity Shares at the end of the year	65,992,317	65,965,762
	Weighted average number of shares Rs. 10/-each	65,977,572	65,951,962
	Dilutive effect on weighted average number of shares	66,000,691	66,001,259
	Net Profit after tax available for equity shares (Rs. in lacs)	100,173.93	74,057.37
	Shareholders Fund at the end of the year (Rs. in lacs)*	650,557.84	565,552.22
	Average Shareholders Fund during the year (Opening + Closing)/2 (Rs. in lacs)	608,055.03	534,775.51
A	Basic Earnings Per Share (EPS) Rs.	151.83	112.29
B	Dilutive Earnings Per Share (EPS) Rs.	151.78	112.21
	Return on Shareholders Fund (%)		
C	Considering Shareholders Fund at the end of the year	15.40%	13.09%
D	Considering Average Shareholders Fund during the year	16.47%	13.85%
E	Net Asset value Per Share Rs.	986.03	857.52
	Borrowings (Rs. in lacs)	2,426,253.02	2,287,763.54
F	Debt Equity Ratio	3.73	4.05

Shriram City Union Finance Limited

Accounting Ratios

Annexure -VII to Reformatted Financials - Standalone - March 2019

Notes :

A. Basic Earnings per share (EPS) Rs.	$\frac{\text{Net Profit Shareholder to Equity Shareholder}}{\text{Weighted Average Number equity shares outstanding during the year}}$
B. Dilutive Earning Per Share (EPS) Rs.	$\frac{\text{Net Profit available to Equity Shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$
C .Return on Shareholders Fund considering shareholders Fund at the end of the year(%)	$\frac{\text{Net Profit After Tax}}{\text{Shareholder's Fund at the end of the year}}$
D. Return on Shareholders Fund considering average Shareholders Fund during the year (%)	$\frac{\text{Net Profit After Tax}}{\text{Average Shareholder Fund during the year}}$
E. Net Asset value of shares	$\frac{\text{Shareholder's Fund at the end of the year}}{\text{Weighted Average Number of equity shares outstanding at the end of the year}}$
F. Debt Equity	$\frac{\text{Long Term Borrowings+Short Term Borrowings+Current maturities of Long Term Borrowings+Temporary Credit Balance in bank accounts+Interest accrued but not due on borrowings}}{\text{Shareholders Fund}}$

*-Shareholders Fund=Share capital + Reserves & Surplus- Miscellaneous expenditure (to the extent not written off or adjusted)

Shriram City Union Finance Limited**Capitalisation statement****Annexure - VIII - Reformatted Financials - Consolidated March 2019**

The debt equity ratio prior to this Issue 3.73 is based on a total outstanding consolidated debt of Rs. 24,26,253.02 lacs and shareholder funds (net of Miscellaneous expenditure to the extent not written off or adjusted) amounting to Rs.6,50,557.84 lacs as on March 31, 2019. The debt equity ratio post the Issue (assuming subscription of Rs. 3,00,000 lacs) is 4.19 times, based on a total outstanding debt of Rs. 27,26,253.02 lacs and shareholders fund (net of Miscellaneous expenditure to the extent not written off or adjusted) of Rs. 6,50,557.84 lacs

Particulars	Prior to the Issue	Post the Issue
Secured loans as on March 31, 2019	1,856,372.59	2,156,372.59
Unsecured loans as on March 31, 2019	569,880.43	569,880.43
Total Debt	2,426,253.02	2,726,253.02
Equity Share capital as on March 31, 2019	6,599.23	6,599.23
Other Equity as on March 31, 2019	643,958.61	643,958.61
Miscellaneous Expenses	-	-
Total Shareholders Fund	650,557.84	650,557.84
Debt Equity Ratio (Number of times)	3.73	4.19

Independent Auditor's Examination Report on the Reformatted Consolidated Financial Statements

The Board of Directors
Shriram City Union Finance Limited
123, Angappa Naicken Street,
Chennai – 600 001

Dear Sir,

Sub: Auditor's Report on Reformatted Consolidated Financial Information under Ind AS in relation to Proposed public ("Issue") of secured, redeemable, non-convertible debentures ("NCDs") by Shriram City Union Finance Limited ("Issuer/Company")

1. This report is issued in accordance with terms of reference of our Engagement Letter dated December 5, 2018.
2. We have examined the attached reformatted consolidated financial statements of Shriram City Union Finance Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprises of the Reformatted Consolidated Statement of Assets and Liabilities as at March 31, 2019, the Reformatted Consolidated Statement of Profit and Loss, the Reformatted Consolidated Statement of Changes in Equity, the Reformatted Consolidated Statement of Cash Flows for the year ended March 31, 2019, and Significant Accounting Policies, and other explanatory information (collectively referred to as 'Reformatted Consolidated Financial Information under Ind AS') annexed to this report and as approved by the Banking and Securities Management Committee to the Board of Directors (committee) of the Company and have been prepared by the Management of the Company, in accordance with the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
 - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("SEBI Regulations"), issued by the Securities and Exchange Board of India, in pursuance of the Securities and Exchange Board of India Act, 1992.

to be included in the Tranche 2 Prospectus, in connection with the proposed public issue of NCDs by the Company.

Mumbai Office: Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai-400 098
Pune Office: GDA House, Plot No.85, Right Bhusari Colony, Paud Road, Kothrud, Pune – 411 038, Phone – 020 – 25280081, Fax No. 25280275, Email – audit@gdaca.com



Management's responsibility for the Reformatted Consolidated Financial Statements Information under Ind AS

3. The preparation of the Reformatted Consolidated Financial Information under Ind AS is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Reformatted Consolidated Financial Information under Ind AS. The management is also responsible for identifying and ensuring that the Company complies with the Act, Rules and SEBI regulations.

Auditor's Responsibilities

4. Our responsibility is to express our opinion based on the examination of such Reformatted Consolidated Financial Information under Ind AS with regards to:
- a. The Guidance note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") and
 - b. The Guidance note on reports or Certificates for Special Purposes (Revised 2019) issued by the ICAI which includes the concepts of test checks and materiality. This Guidance note requires us to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information under Ind AS. This guidance note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, covering Quality Control for firms that perform audits and reviews of historical financial information and other assurance and related service engagements.

Reformatted Consolidated Financial Information under Ind AS

5. The Reformatted Consolidated Financial Information under Ind AS referred to above, relating to profits, assets, liabilities, changes in equity, and cash flows of the Company are contained in the following annexures to this report:
- a. Annexure I containing the 'Reformatted Consolidated Statement of Assets and Liabilities' of the Company as at March 31, 2019.

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- b. Annexure II containing the 'Reformatted Consolidated Statement of Profit and Loss' of the Company for the financial year ended March 31, 2019.
 - c. Annexure III containing the 'Reformatted Consolidated Statement of Changes in Equity' of the Company as at and for the year ended March 31, 2019.
 - d. Annexure IV containing the 'Reformatted Consolidated Statement of Cash Flow' of the Company for the financial year ended March 31, 2019.
 - e. Annexure V and Annexure VI containing Consolidated Significant Accounting Policies and notes to the financial statements.
6. These Reformatted Consolidated Financial Information under Ind AS have been compiled by the Management from the audited Ind AS Consolidated Financial Statements of the Company as at and for the year ended March 31, 2019. No adjustments have been made for any events occurring subsequent to the dates of the audit opinion specified in paragraph 10 below, in the preparation and presentation of the Reformatted Consolidated Financial Information under Ind AS.
7. We have not audited any consolidated financial statements of the Company as at any date or for any period subsequent to March 31, 2019. Accordingly, we express no opinion on the consolidated financial position, results of operations or cash flows of the Company as at any date or for any period subsequent to March 31, 2019.

Other Consolidated Financial Information:

8. At the Company's request, we have also examined the following Other Consolidated Financial Information of the Company as at and for the year ended on March 31, 2019 proposed to be included in the Tranche 2 Prospectus as approved by the Committee, annexed to this report:
- a. Statement of Accounting Ratios (Consolidated) as at and for the financial year ended March 31, 2019. (Annexure VII)
 - b. Capitalization Statement (Annexure VIII)

Opinion

9. Based on our examination of the Reformatted Consolidated Financial Information under Ind AS, we state that in our opinion, the Reformatted Consolidated Financial Information under Ind AS and Other Consolidated Financial Information of the Company mentioned above, as at and for the year

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ended March 31, 2019 have been prepared in accordance with the Act, the Rules and the SEBI Regulations.

10. We report that the Reformatted Consolidated Financial Information under Ind AS have been extracted and prepared by the Management from the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 which were approved by the Board of Directors on April 24, 2019. The Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 have been audited by us in respect of which we have issued unmodified audit opinion dated April 24, 2019.
11. We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited whose financial statements reflect total assets of Rs. 2,17,397 lakhs as at March 31, 2019, total revenues of Rs. 29,127 lakhs and net cash flows amounting to Rs. 910 lakhs for the year ended on that date, as considered in the Reformatted Consolidated Financial Information under Ind AS. These financial statements have been audited by the other auditor, Pijush Gupta & Co, Chartered Accountants (predecessor auditors), whose report has been furnished to us by the Management and our opinion on the Reformatted Consolidated Financial Information under Ind AS, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the predecessor auditor.
12. The comparative financial information of the Group for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2017 included in the Consolidated Reformatted Financial Information under Ind AS, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us vide our report for the year ended March 31, 2018 dated April 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 2, 2017 respectively expressed an unmodified opinion on those Consolidated Financial Statements, as adjusted for the differences in the accounting principles adopted by the Holding Company and its subsidiary on transition to the Ind AS, which have been audited by us.
13. We did not perform audit tests for the purposes of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon on the Reformatted Consolidated Financial Information under Ind AS.
14. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports, nor should this be construed as a new opinion on any of the financial statements/information referred to herein.

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15. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

Restrictions of Use

16. This report is issued at the specific request of the Company for inclusion in the Tranche 2 Prospectus which as informed to us is to be filed by the Company with BSE Limited, the Securities and Exchange Board of India and Registrar of Companies in connection with the Proposed Issue of NCD and is not to be used, referred to or distributed for any other purpose without our prior written consent. This report may not be useful for any other purpose.

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

Umesh S. Abhyankar
Partner
Membership Number: 113053
UDIN: 19113053AAAACK1392
Pune, August 07, 2019



Mumbai Office: Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai-400 098
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Shriram City Union Finance Limited
Annexure I
Reformatted Consolidated Statement of Assets and Liabilities

(Rs. in lacs)				
Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I ASSETS				
1 Financial assets				
Cash and cash equivalents	10	99,676.01	33,963.42	43,751.06
Bank balance other than above	11	30,327.51	20,201.06	21,770.69
Loans	12	2,881,075.06	2,753,368.51	2,337,911.98
Investments	13	91,749.65	66,745.10	63,498.34
Other financial assets	16	3,799.49	2,241.50	6,762.77
2 Non-financial assets				
Current tax assets (net)	39	5,629.57	4,961.97	6,388.72
Deferred tax assets (net)	39	4,723.51	8,184.82	8,362.15
Property, plant and equipment	14	8,622.48	8,328.93	7,485.04
Other intangible assets	15	487.40	441.75	844.48
Other non-financial assets	17	15,743.87	11,128.48	4,493.64
Total assets		3,141,834.55	2,909,565.54	2,501,268.87
II LIABILITIES AND EQUITY				
Liabilities				
1 Financial liabilities				
Derivative financial instruments	18	297.39	-	-
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(II) Other Payables	19			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,764.54	7,969.48	3,925.68
Debt securities	20	426,704.75	297,060.12	202,443.79
Borrowings (other than debt securities)	21	1,621,939.32	1,565,776.52	1,265,894.11
Deposits	22	311,940.61	307,365.15	352,136.35
Subordinated liabilities	23	65,370.95	117,561.75	129,475.58
Other financial liabilities	24	35,521.51	25,919.51	22,429.19
2 Non-financial liabilities				
Provisions	25	2,664.40	2,557.16	1,798.53
Other non-financial liabilities	26	1,646.51	1,771.41	2,009.48
Total liabilities		2,472,849.98	2,325,981.10	1,980,112.71
3 Equity				
Equity share capital	27	6,599.23	6,596.58	6,594.34
Other equity	28	651,830.49	566,827.52	505,276.33
Equity attributable to equity holders of the parent		658,429.72	573,424.10	511,870.67
Non-controlling interest		10,554.85	10,160.34	9,285.49
Total equity				
Total liabilities and equity		3,141,834.55	2,909,565.54	2,501,268.87

Notes and Annexures forming part of the Reformatted Consolidated Financial Statements

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Annexure II
Reformatted Consolidated Statement of Profit and Loss

(Rs. in lacs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
(i) Interest income	29	596,058.51	536,316.49
(ii) Dividend income		166.76	144.50
(iii) Fee and commission income	30	-	212.32
(iv) Net gain on fair value changes	31	1,152.48	956.69
(v) Net gain on derecognition of financial instruments under amortised cost category		1,306.61	-
(vi) Bad debts recovery		7,984.01	4,536.71
(vii) Gain on sale of Investment	32	26.16	1,505.31
(I) Total revenue from operations		606,694.53	543,672.02
(II) Other income	33	290.99	224.62
(III) Total income (I + II)		606,985.52	543,896.64
Expenses			
(i) Finance costs	34	210,582.87	177,962.39
(ii) Net loss on derecognition of financial instruments under amortised cost category		3,916.17	978.58
(iii) Fees and commission expenses		15,480.81	13,035.81
(iv) Impairment on financial instruments	35	11,669.22	39,530.98
(v) Bad Debts Written Off		65,198.09	63,946.03
(vi) Employee benefit expenses	36	89,746.95	74,887.49
(vii) Depreciation, amortization and impairment	37	3,352.51	3,519.03
(viii) Royalty		6,301.61	5,583.92
(ix) Professional Charges		10,477.00	11,642.66
(x) Other expenses	38	35,721.28	38,161.62
(IV) Total expenses (IV)		452,446.51	429,248.51
(V) Profit/(loss) before exceptional items and tax (III - IV)		154,539.01	114,648.13
(VI) Exceptional items		-	-
(VII) Profit/(loss) before tax (V - VI)		154,539.01	114,648.13
(VIII) Tax expense:			
(1) Current tax	39	49,544.09	39,639.64
(2) Deferred tax (credit)	39	4,442.23	78.49
(IX) Profit/(loss) for the period from continuing operations		100,552.69	74,930.00
(X) Profit/(loss) from discontinued operations		-	-
(XI) Tax expense of discontinued operations		-	-
(XII) Profit/(loss) from discontinued operations (after tax)		-	-
(XIII) Profit/(loss) for the period (IX+XII)		100,552.69	74,930.00
(XIV) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(1,315.85)	285.06
(ii) Income tax relating to items that will not be reclassified to profit or loss		(461.23)	98.81
Subtotal (A)		(854.62)	186.25
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		(854.62)	186.25
(XV) Total comprehensive income (XIII + XIV)		99,698.07	75,116.25

Shriram City Union Finance Limited
Annexure II
Reformatted Consolidated Statement of Profit and Loss

(Rs. in lacs)

Particulars		Notes	Year ended March 31, 2019	Year ended March 31, 2018
(XVI)	Profit/ (Loss) for the year attributable to			
	Owners of the Company		100,173.93	74,057.37
	Non-controlling interest		378.76	872.63
(XVII)	Other Comprehensive Income/ (Loss) for the year attributable to			
	Owners of the Company		(868.14)	185.02
	Non-controlling interest		13.52	1.23
(XVIII)	Total comprehensive income/ (Loss) for the year attributable to			
	Owners of the Company		99,305.79	74,242.39
	Non-controlling interest		392.28	873.86
(XIX)	Earnings per equity share			
	Basic (Rs.)	40	151.83	112.29
	Diluted (Rs.)	40	151.78	112.21

Notes and Annexures forming part of the Reformatted Consolidated Financial Statements

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Annexure III
Reformatted Consolidated Statement of changes in Equity

A. Equity Share Capital

	No. of shares	Rs. In lacs
As at April 01, 2017	65,943,402	6,594.34
Issued during the year - ESOP	22,360	2.24
As at March 31, 2018	65,965,762	6,596.58
Issued during the year - ESOP	26,555	2.66
As at March 31, 2019	65,992,317	6,599.23

B. Other Equity

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

Rs. in lacs

Particulars	Reserves and Surplus								Other items of other comprehensive income-	Total Other Equity	Non-Controlling Interest	Total
	Statutory reserve	Share options outstanding	Securities premium account	Debenture redemption reserve	Capital Redemption Reserve	General Reserve	Capital reserve	Retained Earnings				
Balance as at April 1, 2017	76,589.68	173.02	184,778.30	6,422.54	2,328.98	62,697.35	7,871.88	164,414.58	-	505,276.33	9,285.49	514,561.82
Profit/ (Loss) for the period	-	-	-	-	-	-	-	74,057.37	-	74,057.37	872.63	74,929.99
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	283.17	283.17	1.89	285.06
Transferred from Surplus in the statement of Profit & Loss	13,742.51	-	-	2,059.53	-	6,648.00	-	(22,450.04)	-	-	-	-
Amount transferred to General Reserve on Redemption of debentures	-	-	-	(3,996.04)	-	3,996.04	-	-	-	-	-	-
Employee Stock Options Expenses	-	3.36	-	-	-	-	-	-	-	3.36	0.99	4.35
Share Premium received during the year on exercise of ESOPs	-	-	56.22	-	-	-	-	-	-	56.22	-	56.22
Adjustment on Exercise of ESOPs	-	(50.63)	-	-	-	-	-	-	-	(50.63)	-	(50.63)
Final Equity Dividend FY 2016-17	-	-	-	-	-	-	-	(6,594.51)	-	(6,594.51)	-	(6,594.51)
Tax on Final Equity Dividend FY 2016-17	-	-	-	-	-	-	-	(1,342.49)	-	(1,342.49)	-	(1,342.49)
Interim Dividend FY 2017-2018	-	-	-	-	-	-	-	(3,957.50)	-	(3,957.50)	-	(3,957.50)
Tax on Interim Dividend FY 2017-18	-	-	-	-	-	-	-	(805.65)	-	(805.65)	-	(805.65)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(98.15)	(98.15)	(0.66)	(98.81)
Balance as at March 31, 2018	90,332.19	125.75	184,834.52	4,486.03	2,328.98	73,341.39	7,871.88	203,321.75	185.02	566,827.52	10,160.34	576,987.85
Profit/ (Loss) for the period	-	-	-	-	-	-	-	100,173.93	-	100,173.93	378.76	100,552.69
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(1,336.14)	(1,336.14)	20.29	(1,315.85)
Transferred from Surplus in the statement of Profit & Loss	20,241.10	-	-	366.14	-	9,990.00	-	(30,597.24)	-	-	-	-
Employee Stock Options Expenses	-	0.24	-	-	-	-	-	6.59	-	6.83	2.23	9.06
Amount transferred to General Reserve on Redemption	-	-	-	(2,007.88)	-	2,007.88	-	-	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	66.77	-	-	-	-	-	-	66.77	-	66.77
Adjustment on Exercise of ESOPs	-	(60.13)	-	-	-	-	-	-	-	(60.13)	-	(60.13)
Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(7,916.23)	-	(7,916.23)	-	(7,916.23)
Tax on Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(1,627.20)	-	(1,627.20)	-	(1,627.20)
Interim Dividend FY 2018-2019	-	-	-	-	-	-	-	(3,959.06)	-	(3,959.06)	-	(3,959.06)
Tax on Interim Dividend FY 2018-19	-	-	-	-	-	-	-	(813.80)	-	(813.80)	-	(813.80)
Income Tax on Remeasurement Gain/ (loss) on defined benefit	-	-	-	-	-	-	-	-	468.00	468.00	(6.77)	461.23
Balance as at March 31, 2019	110,573.29	65.86	184,901.29	2,844.29	2,328.98	85,339.27	7,871.88	258,588.75	(683.12)	651,830.49	10,554.85	662,385.33

The accompanying notes and annexures are an integral part of the Reformatted Consolidated Financial Statements

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Annexure IV
Reformatted Consolidated Statement of Cash Flow

(Rs. in lacs)

Particulars	Year ended March 31 , 2019	Year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxes	154,539.01	114,648.13
Adjustments for :		
Depreciation, amortization and impairment	3,352.04	3,519.03
(Profit)/Loss on sale of fixed assets (net)	73.14	27.99
Public issue expenditure for non-convertible debentures	212.67	307.75
Bad Debts Written Off / Impairment of financial instruments	80,783.45	103,476.98
(Gain)/Loss on sale of investments	(291.48)	(1,608.40)
Dividend Income	(166.76)	(144.50)
Interest received	(11.73)	(115.79)
Net (Gain)/Loss on fair value changes on investments/ derivatives	(877.39)	(849.25)
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(1,306.61)	978.58
EIR Impact on Fixed Loans & Advances & Related Cost	(356.51)	777.56
Operating profit before working capital changes	235,949.83	221,018.08
Movements in Working capital:		
(Increase) / decrease in loans and advances	(207,576.32)	(519,016.66)
(Increase) / decrease in other non financial assets	(4,794.19)	(6,752.24)
(Increase) / decrease in other financial assets	(175.78)	3,343.36
(Increase) / decrease in Bank Deposits	(10,126.31)	1,680.58
(Increase) / decrease in Earmarked Investments	8,048.05	(2,854.85)
Increase / (decrease) in other financial liabilities	9,280.10	(1,874.91)
Increase / (decrease) in other non financial liabilities	(123.08)	272.53
Increase / (decrease) in other Payables	(1,468.57)	3,985.73
Other provisions	(1,229.63)	1,114.70
Cash generated from operations	27,784.10	(299,083.68)
Direct taxes paid (net of refunds)	(51,679.93)	(38,228.08)
Net Cash from/(used in) operating activities (A)	(23,895.83)	(337,311.76)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(3,817.52)	(4,012.25)
(Increase) / decrease in Investments	(32,008.42)	7,618.07
Capital advance for assets	(19.40)	7.90
Proceeds from sale of fixed assets	52.14	24.06
Dividend Income	166.76	144.50
Investment in PTC	-	(3,249.51)
Investment in security receipts	-	(2,303.10)
Proceeds from sale of security receipts	444.66	-
Interest received (others)	11.73	115.79
Net Cash from/(used in) investing activities (B)	(35,170.05)	(1,654.54)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	9.29	7.83
Increase/(Decrease) of debt securities	130,140.32	93,793.04
Increase/(Decrease) of Borrowings	56,721.96	299,805.68
Increase/(Decrease) of Deposits	2,680.79	(40,464.78)
Increase/(Decrease) of Subordinated liabilities	(50,447.56)	(11,255.72)
Private placement expenses for non-convertible debentures paid	(9.43)	(16.87)
Dividend paid corporate dividend tax (Mar 2018 & Sep 2018- Final dividend)	(11,875.90)	(10,542.37)
Tax on Dividend Paid	(2,441.00)	(2,148.15)
Net Cash from/(used in) financing activities (C)	124,778.47	329,178.66
Net increase / (decrease) in cash and cash equivalents (A+B+C)	65,712.59	(9,787.64)
Cash and cash equivalents at the beginning of the year	33,963.42	43,751.06
Cash and cash equivalents at the end of the year	99,676.01	33,963.42

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Reformatted Consolidated Statement of Cash Flow

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018

Components of cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Cash on hand	8,387.55	6,137.67
Cheques on hand		
Balances with Banks		
- in unclaimed dividend accounts	91.95	92.56
- in current accounts	49,451.66	27,583.16
- in deposit accounts having original maturity less than three months	41,744.86	150.03
	-	-
Total	99,676.01	33,963.42

Notes

1) The above cash- flow statement has been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

The accompanying notes and annexures are an integral part of the Reformatted Consolidated Financial Statements

As per our report of even date

For G D Apte & Co

Chartered Accountants

Firm Registration No.100515W

Umesh.S.Abhyankar

Partner

Membership No.113053

Yalamati Srinivasa Chakravarti

Managing Director & CEO

DIN: 00052308

Venkataraman Murali

Director

DIN: 00730218

Place: Chennai

Date: August 7, 2019

C R Dash

Company Secretary

R Chandrasekar

Chief Financial Officer

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These Consolidated Reformatted financial Statements have been prepared by the company on the basis of the Audited Consolidated Financial Statements of the company as at and for the year ended on March 31, 2019, for inclusion in the Tranche Prospectus with respect to the proposed public issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,000 each, ("NCDs") aggregating up to Rs. 3,000 Crore and are not to be used or referred to for any other purpose.

1. Basis of preparation

The Consolidated financial statements relates to M/s. Shriram City Union Finance Limited (the "Company") and its subsidiary (together hereinafter referred to as "Group"). The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

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

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

2. Basis of consolidation

(i) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2019 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Group have been prepared in accordance with the Ind AS 110 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The excess of cost to the Company of its investments in the subsidiary over its share of equity of the subsidiary, at the dates on which the investments in the subsidiary is made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary as on the date of investment is in excess of cost of

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investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of subsidiary.

d) Minority interest, if any, in the net assets of subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.

e)

(iv) The subsidiary considered in the consolidated financial statements are as below:

Name of the subsidiary/		Country of incorporation	Share of ownership interest as at March 31, 2019	Share of ownership interest as at March 31, 2018	Share of ownership interest as at April 01, 2017
Shriram Finance (SHFL)	Housing Limited	India	77.25%	77.25%	77.25%

3. Presentation of financial statement

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

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

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

4. Statement of compliance

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

5. New Accounting Standards issued but not effective

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

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

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

6. Significant accounting policies

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- ▶ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- ▶ The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- ▶ How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- ▶ The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

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

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

Debt instruments

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

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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

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Equity instruments

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

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

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

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

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

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

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

(v) Derivatives

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

- ▶ Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- ▶ It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- ▶ It is settled at a future date.

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

(vi) Debt securities and other borrowed funds

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

(vii) Financial guarantees

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

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

(viii) Reclassification of financial assets and liabilities

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

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

- a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.
- b) Investments are initially recognised on the settlement date.
- c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.
- d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

- i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or
- ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

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

- i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- i. The Group has transferred substantially all the risks and rewards of the asset, or
- ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Group does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

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

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

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

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Stage 1

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

Stage 2

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

Stage 3

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

Credit-impaired financial assets:

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

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

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- or
- e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

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

ECL on Debt instruments measured at fair value through OCI

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

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in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

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

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

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

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

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

Forward looking information

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

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, , etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

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

(xii) Write-offs

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

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

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

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

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

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

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

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

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

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

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted

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prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

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

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

Difference between transaction price and fair value at initial recognition

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Dividend Income

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

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

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

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

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

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

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

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 31), held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

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

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

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

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

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

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

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

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

Other long-term employee benefits

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

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

(iii) Rent Expense:

Identification of Lease:

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

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

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

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

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

Minimum Alternate Tax (MAT)

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

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

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

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

6.5 Cash and cash equivalents

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

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

6.6 Property, plant and equipment

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

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

Depreciation

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

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Group
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years

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Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

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

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

6.7 Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Group's intangible assets consist of computer software with definite life.

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Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

6.10 Earnings per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.11 Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS . The Group has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS .

7. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in *Note 6.1(xi) Overview of ECL principles*.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

7.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

8. First time adoption

These financial statements, for the year ended March 31, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

8.1 Lease arrangements

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the Group has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on date of transition.

8.2 Property, plant, equipment & intangible assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at March 31, 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on April 01, 2017.

8.3 Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

8.4 Derecognition of previously recognised financial instruments

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of “derecognition of financial assets and financial liabilities” wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event). The Group has opted not to re-evaluate financial assets derecognised in the past. However, for loans and advances securitised, the Group has applied the derecognition requirements retrospectively.

8.5 Fair value measurement of financial assets or financial liabilities at initial recognition

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the ‘day one’ gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the ‘day one’ gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Group has opted for this exemption to recognise the ‘day one’ gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

Following mandatory exceptions are applicable to the Group:

9.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

9.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

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Notes forming part of the Reformatted Consolidated financial statement

Note 10: Cash and cash equivalents

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	8,387.55	6,137.67	5,752.94
Balances with bank in:			
-Current Accounts	49,451.66	27,583.16	36,963.52
-Bank deposits with maturity less than 3 months	41,744.85	150.03	951.68
On Escrow accounts			
Unclaimed dividend accounts	91.95	92.56	82.92
Total	99,676.01	33,963.42	43,751.06

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

Note 11: Bank balances other than cash and cash equivalents

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with original maturity for more than 12 months*	2,625.16	110.00	-
Fixed deposits with original maturity for more than 3 months but less than 12 months**	13,078.87	16,674.79	17,482.38
Margin Money Deposit for securitisation	14,623.48	3,416.27	4,288.31
Total	30,327.51	20,201.06	21,770.69

Fixed deposit and other balances with banks earns interest at fixed rate.

*Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of Rs. 110 lacs

**Includes deposits Rs. 500.48 lacs (March 31, 2018::NIL April 1, 2017: NIL) as margin for foreign currency derivative contract and deposits liened as Bank Guarantee to the tune Rs.25 lacs

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 12: Loans and advances

(Rs. in lacs)

Particulars	As at March 31, 2019					As at March 31, 2018					As at April 01, 2017				
	At Amortised Cost	At fair value			Total	At Amortised Cost	At fair value			Total	At Amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)															
i) Term loans	30,76,326.30	-	-	-	30,76,326.30	29,36,918.22	-	-	-	29,36,918.22	24,81,829.28	-	-	-	24,81,829.28
ii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	30,76,326.30	-	-	-	30,76,326.30	29,36,918.22	-	-	-	29,36,918.22	24,81,829.28	-	-	-	24,81,829.28
Less: Impairment loss allowance	1,95,251.24	-	-	-	1,95,251.24	1,83,549.71	-	-	-	1,83,549.71	1,43,917.30	-	-	-	1,43,917.30
Total (A) - Net	28,81,075.06	-	-	-	28,81,075.06	27,53,368.51	-	-	-	27,53,368.51	23,37,911.98	-	-	-	23,37,911.98
(B)															
i) Secured by tangible assets	23,89,038.62	-	-	-	23,89,038.62	23,73,719.95	-	-	-	23,73,719.95	20,16,819.77	-	-	-	20,16,819.77
iv) Unsecured	6,87,287.68	-	-	-	6,87,287.68	5,63,198.27	-	-	-	5,63,198.27	4,65,009.51	-	-	-	4,65,009.51
Total (B) - Gross	30,76,326.30	-	-	-	30,76,326.30	29,36,918.22	-	-	-	29,36,918.22	24,81,829.28	-	-	-	24,81,829.28
Less : Impairment loss allowance	1,95,251.24	-	-	-	1,95,251.24	1,83,549.71	-	-	-	1,83,549.71	1,43,917.30	-	-	-	1,43,917.30
Total (B) - Net	28,81,075.06	-	-	-	28,81,075.06	27,53,368.51	-	-	-	27,53,368.51	23,37,911.98	-	-	-	23,37,911.98
(C)															
Loans in India															
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others (to be specified)															
Corporate	1,64,943.94	-	-	-	1,64,943.94	1,86,692.15	-	-	-	1,86,692.15	1,47,375.44	-	-	-	1,47,375.44
Retail	29,11,382.36	-	-	-	29,11,382.36	27,50,226.07	-	-	-	27,50,226.07	23,34,453.84	-	-	-	23,34,453.84
Total - Gross	30,76,326.30	-	-	-	30,76,326.30	29,36,918.22	-	-	-	29,36,918.22	24,81,829.28	-	-	-	24,81,829.28
Less: Impairment loss allowance	1,95,251.24	-	-	-	1,95,251.24	1,83,549.71	-	-	-	1,83,549.71	1,43,917.30	-	-	-	1,43,917.30
Total - Net	28,81,075.06	-	-	-	28,81,075.06	27,53,368.51	-	-	-	27,53,368.51	23,37,911.98	-	-	-	23,37,911.98
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	28,81,075.06	-	-	-	28,81,075.06	27,53,368.51	-	-	-	27,53,368.51	23,37,911.98	-	-	-	23,37,911.98

Note 12: Loans and advances

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 50.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 50.2.

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade												
Performing												
High grade	22,05,567.82	-	-	22,05,567.82	21,74,659.72	-	-	21,74,659.72	16,11,374.49	-	-	16,11,374.49
Standard grade	1,28,998.90	-	-	1,28,998.90	2,93,976.49	-	-	2,93,976.49	3,87,590.34	-	-	3,87,590.34
Sub-standard grade	-	3,90,397.90	-	3,90,397.90	-	1,16,182.19	-	1,16,182.19	-	1,59,311.99	-	1,59,311.99
Past due but not impaired	-	88,527.92	-	88,527.92	-	82,665.16	-	82,665.16	-	1,12,245.47	-	1,12,245.47
Non-performing	-	-	2,62,833.76	2,62,833.76	-	-	2,69,434.66	2,69,434.66	-	-	2,11,307.00	2,11,307.00
Total	23,34,566.72	4,78,925.82	2,62,833.76	30,76,326.30	24,68,636.21	1,98,847.35	2,69,434.66	29,36,918.22	19,98,964.83	2,71,557.46	2,11,307.00	24,81,829.29

An analysis of changes in the gross carrying amount, as follows:

(Rs. in lacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	24,68,636.21	1,98,847.35	2,69,434.66	29,36,918.22	19,98,964.83	2,71,557.46	2,11,307.01	24,81,829.30
New assets originated or purchased	23,62,403.11	84,903.72	22,082.32	24,69,389.15	24,64,102.97	60,752.93	35,862.91	25,60,718.81
Assets derecognised or repaid (excluding write offs)	(18,99,666.23)	(2,77,103.09)	(88,650.34)	(22,65,419.66)	(17,60,942.96)	(1,92,530.27)	(88,837.44)	(20,42,310.67)
Transfers to Stage 1	32,550.56	(21,760.63)	(17,411.03)	(6,621.10)	43,900.32	(47,371.52)	(5,212.78)	(8,683.98)
Transfers to Stage 2	(5,28,808.68)	5,35,617.98	(2,474.67)	4,334.63	(1,63,793.09)	1,69,911.54	(5,003.99)	1,114.46
Transfers to Stage 3	(96,037.20)	(38,047.91)	1,36,513.00	2,427.89	(1,05,296.18)	(61,688.96)	1,74,282.21	7,297.08
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(4,511.05)	(3,531.60)	(56,660.18)	(64,702.83)	(8,299.68)	(1,783.83)	(52,963.26)	(63,046.77)
Gross carrying amount closing balance	23,34,566.72	4,78,925.82	2,62,833.76	30,76,326.30	24,68,636.21	1,98,847.35	2,69,434.66	29,36,918.22

Reconciliation of ECL balance is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	50,465.47	8,237.34	1,24,846.90	1,83,549.71	32,106.96	8,631.32	1,03,179.02	1,43,917.30
New assets originated or purchased	43,064.65	5,295.51	7,935.94	56,296.10	37,058.31	2,506.69	14,937.44	54,502.44
Assets derecognised or repaid (excluding write offs)	(390.84)	(416.56)	(1,891.05)	(2,698.45)	(499.32)	(375.52)	(941.87)	(1,816.71)
Transfers to Stage 1	9,890.55	(1,306.77)	(8,633.71)	(49.93)	4,537.25	(1,692.74)	(2,920.11)	(75.60)
Transfers to Stage 2	(11,464.63)	12,720.68	(1,190.74)	65.31	(3,254.85)	6,036.04	(2,796.58)	(15.39)
Transfers to Stage 3	(2,384.32)	(2,202.19)	5,078.19	491.68	(2,072.04)	(2,656.10)	6,441.58	1,713.44
Impact on year end ECL of exposures transferred between stages during the year	(24,854.26)	3,149.02	43,981.06	22,275.82	(9,111.16)	(2,428.52)	59,853.86	48,314.18
Unwind of discount	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Amounts written off	(4,511.06)	(3,531.60)	(56,636.34)	(64,679.00)	(8,299.68)	(1,783.83)	(52,906.44)	(62,989.95)
ECL allowance - closing balance	59,815.56	21,945.42	1,13,490.26	1,95,251.24	50,465.47	8,237.34	1,24,846.90	1,83,549.71

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 13: Investments

(Rs. in lacs)

Particulars	Amortised Cost	At Fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account	
As at 31 March 2019					
i) Mutual funds	-	-	36,389.75	-	36,389.75
ii) Government securities	20,800.08	-	-	-	20,800.08
iii) Equity instruments	-	-	10,684.01	-	10,684.01
iv) Pass through certificate	-	3,978.28	-	-	3,978.28
v) Security Receipts	-	-	1,858.44	-	1,858.44
vi) Treasury Bills	18,043.83	-	-	-	18,043.83
Total Investments	38,843.91	3,978.28	48,932.20	-	91,754.39
(i) Investments Outside India	-	-	10,603.97	-	10,603.97
(ii) Investments in India	38,843.91	3,978.28	38,328.23	-	81,150.42
Total Investments	38,843.91	3,978.28	48,932.20	-	91,754.39
Less : Impairment loss allowance	-	(4.74)	-	-	(4.74)
Total - Net	38,843.91	3,973.54	48,932.20	-	91,749.65
As at 31 March 2018					
i) Mutual funds	-	-	322.29	-	322.29
ii) Government securities	20,800.08	-	-	-	20,800.08
iii) Equity instruments	-	-	9,566.81	-	9,566.81
iv) Pass through certificate	43.22	7,637.60	-	-	7,680.82
v) Security Receipts	-	-	2,303.10	-	2,303.10
vi) Treasury Bills	26,091.88	-	-	-	26,091.88
Total Investments	46,935.18	7,637.60	12,192.20	-	66,764.98
(i) Investments Outside India	-	-	9,516.15	-	9,516.15
(ii) Investments in India	46,935.18	7,637.60	2,676.05	-	57,248.83
Total Investments	46,935.18	7,637.60	12,192.20	-	66,764.98
Less : Allowance for impairment loss	-	(19.88)	-	-	(19.88)
Total - Net	46,935.18	7,617.72	12,192.20	-	66,745.10
As at 1 April 2017					
i) Mutual funds	-	-	2,095.07	-	2,095.07
ii) Government securities	21,389.79	-	-	-	21,389.79
iii) Equity instruments	-	-	9,655.68	-	9,655.68
iv) Pass through certificate	606.92	7,137.68	-	-	7,744.60
v) Treasury Bills	22,631.44	-	-	-	22,631.44
Total Investments	44,628.15	7,137.68	11,750.75	-	63,516.58
(i) Investments Outside India	-	-	8,608.01	-	8,608.01
(ii) Investments in India	44,628.15	7,137.68	3,142.74	-	54,908.57
Total Investments	44,628.15	7,137.68	11,750.75	-	63,516.58
Less : Allowance for impairment loss	-	(18.24)	-	-	(18.24)
Total - Net	44,628.15	7,119.44	11,750.75	-	63,498.34

Out of the Group's FVOCI debt portfolio (PTC), instruments with a principal of Rs. 3,656.88 Lacs (2018: Rs. 2,746.46 Lacs; 2017: Rs. 1,611.50 Lacs) paid during the year.

More information regarding the valuation methodologies can be found in Note 49.7

The Group received dividends of Rs.166.76 lakhs(March 31, 2018: Rs. 144.50 lakhs) from its FVTPL securities, recorded as dividend income.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 13 - Investments

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Company's internal grading system are explained in note 50.2.

(Rs. in lacs)

Internal Grade Rating	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
Performing												
High grade	87,776.11	-	-	87,776.11	59,127.38	-	-	59,127.38	56,378.90	-	-	56,378.90
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Non-performing												
Individually impaired	3,973.54	-	-	3,973.54	7,617.72	-	-	7,617.72	7,119.44	-	-	7,119.44
Total	91,749.65	-	-	91,749.65	66,745.10	-	-	66,745.10	63,498.34	-	-	63,498.34

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(Rs. in lacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	66,745.10	-	-	66,745.10	56,378.90	-	-	56,378.90
New assets originated or purchased	6,38,982.01	-	-	6,38,982.01	2,94,908.61	-	-	2,94,908.61
Assets derecognised or matured (excluding write-offs)	(6,15,427.33)	-	-	(6,15,427.33)	(2,85,499.10)	-	-	(2,85,499.10)
Change in fair value	1,449.87	-	-	1,449.87	956.69	-	-	956.69
Closing balance	91,749.65	-	-	91,749.65	66,745.10	-	-	66,745.10

Reconciliation of ECL balance is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance in ECL	19.88	18.24
New assets originated or purchased	-	8.30
Assets derecognised or matured (excluding write offs)	(9.46)	(6.66)
ECL assumption changes	(5.68)	-
Closing balance in ECL	4.74	19.88

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 14: Property, plant and equipment

(Rs. in lacs)

Particulars	Land- Freehold	Building	Office equipment	Electrical Installation	Computer Equipment	Furniture & Fixures	Vehicles	Leasehold Improvement	Total
Cost:									
As at April 01, 2017	2.59	12.94	2,980.25	2,562.39	6,583.61	2,163.71	32.71	10,313.31	24,651.51
Additions	-	-	114.65	509.38	1,315.60	292.18	24.76	1,535.85	3,792.42
Disposals	-	-	18.07	34.20	602.69	9.35	0.20	11.54	676.05
As at March 31, 2018	2.59	12.94	3,076.83	3,037.57	7,296.52	2,446.54	57.27	11,837.62	27,767.88
Additions	-	-	315.37	596.31	919.78	236.99	0.44	1,346.22	3,415.11
Disposals	-	-	156.63	112.32	553.94	18.95	0.36	91.22	933.42
As at March 31, 2019	2.59	12.94	3,235.57	3,521.56	7,662.36	2,664.58	57.35	13,092.62	30,249.57
Accumulated depreciation and impairment:									
As at April 01, 2017	-	3.50	2,177.95	908.23	5,080.50	1,096.83	14.45	7,885.01	17,166.47
Disposals	-	-	16.41	16.63	572.32	7.14	0.06	11.43	623.99
Depreciation charge for the year	-	0.18	298.23	263.89	774.31	185.49	5.36	1,369.01	2,896.47
As at March 31, 2018	-	3.68	2,459.77	1,155.49	5,282.49	1,275.18	19.75	9,242.59	19,438.95
Disposals	-	-	140.34	60.66	525.44	13.38	0.34	67.98	808.14
Depreciation charge for the year	-	0.17	237.56	307.61	929.77	197.51	5.97	1,317.69	2,996.28
As at March 31, 2019	-	3.85	2,556.99	1,402.44	5,686.82	1,459.31	25.38	10,492.30	21,627.09
Net carrying amount as at April 01, 2017	2.59	9.44	802.30	1,654.16	1,503.11	1,066.88	18.26	2,428.30	7,485.04
Net carrying amount as at March 31, 2018	2.59	9.26	617.06	1,882.08	2,014.03	1,171.36	37.52	2,595.03	8,328.93
Net carrying amount as at March 31, 2019	2.59	9.09	678.58	2,119.12	1,975.54	1,205.27	31.97	2,600.32	8,622.48

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2019 is Rs. 2.31 lacs (March 31 2018: Rs. 2.31 lacs, April 01, 2017: Rs. 2.31 lacs).

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 15: Other intangible assets**

(Rs. in lacs)

Particulars	Computer Software
Cost:	
As at April 01, 2017	3,760.49
Additions	219.83
Disposals	-
As at March 31, 2018	3,980.32
Additions	401.87
Disposals	-
As at March 31, 2019	4,382.19
Accumulated amortisation and impairment:	
As at April 01, 2017	2,916.01
Disposals	-
Depreciation charge for the year	622.56
As at March 31, 2018	3,538.57
Disposals	-
Depreciation charge for the year	356.22
As at March 31, 2019	3,894.79
Net carrying amount as at April 01, 2017	844.48
Net carrying amount as at March 31, 2018	441.75
Net carrying amount as at March 31, 2019	487.40

Intangible assets are not internally self generated assets

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 16: Other financial assets

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	2,467.85	2,197.60	1,965.77
Assignment receivable	1,306.61	2.44	573.56
Application Money - Security Receipts	-	-	3,008.15
Interest receivable on Pass through certificates	21.68	28.56	43.01
Less : Allowance for impairment against interest receivable on PTC	(0.03)	(0.07)	(0.11)
Others	3.38	12.97	1,172.39
Total	3,799.49	2,241.50	6,762.77

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 17: Other non-financial assets

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	409.79	120.84	305.73
IMGC Guarantee Fee not written off	550.19	717.21	-
Unamortized expenses	114.12	55.71	79.07
Deferred lease rental	665.08	659.93	466.09
Goods and Service tax credit (input) receivable	3,591.50	1,663.36	89.22
Advances recoverable in cash	620.88	655.89	1,638.90
Statutory duties paid under protest	608.61	507.49	156.20
Capital advances	66.64	58.29	153.78
Prepaid expenses	832.25	665.45	715.86
Reposessed House Property #	7927.96	5,557.96	888.79
Fair Value of Assets in Excess of Gratuity Provision	14.1	-	-
Unamortized premium in Govt. Securities	342.75	466.35	-
Total	15,743.87	11,128.48	4,493.64

Reposessed House Property

During the year, Company has taken physical and legal possession of house/ Apartments/vacant land (Collateral securities) with (fair value) of Rs 4,047.95 Lacs. These properties are readily available for sale and management regularly conducts auctions to sell these assets.

Impairment loss:

In respect of properties classified as “Reposessed House Property” during the year an impairment loss of Rs.191.52 Lacs for write-down of these properties to lower of its carrying amount and its fair value less costs to sell have been included in “Impairment of Financial instruments”.

Measurement:

The non-recurring fair value measurement for the Reposessed House Property has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as “Reposessed House Property” during the year valuation has been determined by Independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy.

In respect of the Reposessed House Property for more than 1-year management continues its efforts to sell these assets. These assets are continued at fair value determined on initial recognition as management believe these fair values to be recoverable due to no major changes in the market condition. Some of the indicators which the management uses to assess change in real estate market condition are changes in local municipal values, prices of similar properties available online, demand for houses, etc.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 18 - Derivative financial instruments

The Group enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in lacs)

Particulars	As at March 31, 2019	
	Notional Amounts	Fair Value - Liabilities
(i) Currency derivatives:		
-Spots and forwards	7,098.00	297.39
-Currency futures	-	-
-Currency swaps	-	-
Sub total (i)	7,098.00	297.39
(ii) Interest rate derivatives:		
-Forward rate agreements and interest rate swaps	-	-
-Futures	-	-
Sub total (ii)	-	-
(iii) Credit derivatives:	-	-
(iv) Equity linked derivatives:	-	-
(v) Other derivatives:	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	7,098.00	297.39

There were no Derivative Financial Instruments as at April 01, 2017 and during the year 2017-18

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 50.

Derivatives designated as hedging instruments

The Group has not designated any derivatives as hedging instruments.

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 19 - Other payables**

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,764.54	7,969.48	3,925.68
Total	6,764.54	7,969.48	3,925.68

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 20: Debt securities

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)												
Public issue	11,377.18	-	-	11,377.18	20,920.73	-	-	20,920.73	39,476.63	-	-	39,476.63
Privately placed	4,15,327.57	-	-	4,15,327.57	2,76,139.39	-	-	2,76,139.39	1,62,967.16	-	-	1,62,967.16
Total	4,26,704.75	-	-	4,26,704.75	2,97,060.12	-	-	2,97,060.12	2,02,443.79	-	-	2,02,443.79
Debt securities in India	4,26,704.75	-	-	4,26,704.75	2,97,060.12	-	-	2,97,060.12	2,02,443.79	-	-	2,02,443.79
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,26,704.75	-	-	4,26,704.75	2,97,060.12	-	-	2,97,060.12	2,02,443.79	-	-	2,02,443.79

Shriram City Union Finance Limited

Annexure VI

Notes forming part of the Reformatted Consolidated financial statement

Note 20: Debt securities

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) of Rs. 1,000/- each - Quoted

(i) Issued in 2012

(Rs. in lacs)					
Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Option II	11.75%	-	-	7,539.12	06-Oct-17
	10.75%	-	-	107.07	06-Oct-17
Option IV	11.75%	-	-	5,781.01	06-Oct-17
	10.75%	-	-	2.82	06-Oct-17
Total		-	-	13,430.03	

Nature of security

The repayment of secured redeemable non convertible debentures of Rs.1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

(ii) Issued in 2013

(Rs. in lacs)					
Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series II	10.75%	-	-	7.18	04-Jan-18
	11.25%	-	-	318.40	04-Jan-18
Series III	10.75%	-	536.13	3.07	04-Jan-19
	11.50%	-	4,619.86	5,152.26	04-Jan-19
Series V	10.75%	-	-	83.48	04-Jan-18
	11.25%	-	-	311.56	04-Jan-18
Series VI	10.75%	-	452.02	430.39	04-Jan-19
	11.50%	-	4,076.73	3,694.04	04-Jan-19
Series VII	10.75%	-	0.14		04-Jan-19
	11.25%	-	67.09	134.40	04-Jan-19
Total		-	9,751.97	10,134.78	

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
Nature of security

The repayment of secured redeemable non convertible debentures of Rs.1 ,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

(iii) Issued in 2014

(Rs. in lacs)					
Option Detail	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
Series III	10.85%	3,328.38	3,327.02	35.16	03-May-19
	11.75%	5,574.68	5,576.07	8,889.94	03-May-19
Series VI	10.85%	851.44	788.84	696.28	03-May-19
	11.75%	1,622.68	1,476.83	1,361.84	03-May-19
Series II	10.75%	-	-	7.77	03-May-17
	11.50%	-	-	3,868.01	03-May-17
Series V	10.75%	-	-	190.66	03-May-17
	11.50%	-	-	862.17	03-May-17
Total		11,377.18	11,168.76	15,911.83	

Nature of security

The repayment of secured redeemable non convertible debentures of Rs. 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

B. Redeemable Non-Convertible Debentures - Secured
(i) Privately Placed Redeemable Non - Convertible Debentures (NCDs) of Rs. 1,000/- each - Unquoted - Retail

Terms of repayment as at March 31,2019 : NIL

(Rs. in lacs)				
Redeemable at par within (from the date of balance sheet date)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12 months	3.47	635.60	0.53	639.60
Total	3.47	635.60	0.53	639.60

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
Terms of repayment as at April 01, 2017 (Rs. in lacs)

Redeemable at par within (from the date of balance sheet date)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	3.28	607.67	-	610.95
12 months	42.16	2,807.65	1,986.05	4,835.86
Total	45.44	3,415.32	1,986.05	5,446.81

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

(ii) Privately Placed Redeemable Non-Convertible Debenture -Institutional
Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of Rs. 1,000,000/- each -

(Rs. in lacs)

Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Date
8.90%	11,510.30	11,508.67	-	27-Mar-23
8.09%	8,197.48	8,194.78	-	05-Dec-22
9.90%	9,032.10	-	-	29-Sep-22
9.90%	8,488.71	-	-	04-Apr-22
9.85%	62,942.76	-	-	21-Sep-21
10.75% *	200.25	298.89	396.66	04-Feb-21
9.40%	23,730.23	-	-	30-Dec-20
7.97%	30,974.81	30,970.57	-	27-Oct-20
7.97%	22,444.49	20,650.49	-	06-Oct-20
8.15%	579.26	534.75	-	30-Jun-20
9.30%	-	-	4,996.54	01-Dec-17
9.30%	-	-	4,594.60	26-Dec-17
9.30%	5,359.38	5,358.44	5,355.76	22-Jun-20
9.30%	5,364.13	5,364.17	5,357.27	17-Jun-20
8.15%	40,531.49	37,438.48	-	27-May-20
8.20%	13,614.06	12,499.17	11,550.54	16-Apr-20
9.52%	26,700.47	-	-	18-Mar-20
9.50%	-	5,359.46	5,355.22	28-Jun-18
9.50%	26,704.62	-	-	18-Dec-19
9.50%	2,140.58	2,140.43	2,139.75	01-Jul-21
8.25%	10,394.15	10,389.18	10,392.12	07-Oct-19
9.31%	10,469.77	-	-	27-Sep-19
8.33%	40,074.32	40,082.18	-	23-Jul-19

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

7.95%	-	13,774.45	-	24-Dec-18
8.95%	-	7,776.19	7,775.19	30-Oct-18
9.07%	-	3,701.53	3,700.28	10-Aug-18
9.10%	-	-	10,009.17	27-Mar-18
8.85%	-	-	17,535.70	22-Mar-18
10.30%	4,129.85	4,118.43	4,107.01	10-Oct-24
10.60%	-	-	2,572.26	13-Dec-17
10.50%	-	-	690.98	23-Nov-17
10.75%	-	-	1,068.41	26-Jul-17
10.75%	-	-	2,316.54	12-Jul-17
9.18%	-	-	311.22	10-Jul-17
10.25%	1,554.95	1,549.55	1,543.31	13-Oct-21
10.25%	4,671.32	4,652.59	4,633.86	10-Oct-21
8.76%	-	-	10,558.32	12-Feb-18
8.45%	1,440.13	1,438.39	1,437.99	25-Nov-19
Zero Coupon Bond	-	2,509.70	2,303.55	08-Oct-18
Zero Coupon Bond	-	1,152.38	1,058.34	25-Apr-18
8.97%	5,053.98	5,053.11	-	12-Aug-21
8.97%	9,442.65	9,438.38	9,434.11	12-Sep-19
8.97%	10,468.76	10,462.17	10,455.58	19-Sep-19
9.25%	4,089.06	4,077.86	4,066.67	26-Dec-19
9.35%	1,528.24	1,525.50	1,522.55	26-Dec-21
9.00%	5,053.97	5,053.32	-	12-Feb-21
9.00%	4,138.43	4,128.61	4,118.79	27-Oct-20
9.00%	1,613.70	1,611.04	1,608.58	02-May-23
9.00%	2,689.17	2,686.94	2,682.83	29-Apr-23
9.00%	-	-	1,870.65	01-Jun-17
Total	4,15,327.57	#####	1,57,520.35	

* Repaid in installments.

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

Secured redeemable non-convertible debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company

Shriram City Union Finance Limited

Annexure VI

Notes forming part of the Reformatted Consolidated financial statement

Note 21: Borrowings (other than debt securities)

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured												
Term Loan												
from bank in foreign currency	7,103.45	-	-	7,103.45	-	-	-	-	-	-	-	-
from bank in `	10,30,113.22	-	-	10,30,113.22	10,15,806.16	-	-	10,15,806.16	8,00,903.88	-	-	8,00,903.88
from financial institution in `	31,412.90	-	-	31,412.90	49,782.31	-	-	49,782.31	82,123.06	-	-	82,123.06
Loans repayable on demand								-				
Cash credit / Overdraft facilities from banks	1,72,804.60	-	-	1,72,804.60	1,61,961.46	-	-	1,61,961.46	1,41,284.14	-	-	1,41,284.14
Working Capital demand loan from banks	76,685.16	-	-	76,685.16	81,126.03	-	-	81,126.03	33,996.94	-	-	33,996.94
Other loans	1,11,251.12	-	-	1,11,251.12	9,348.73	-	-	9,348.73	11,139.78	-	-	11,139.78
Unsecured												
Term Loan from Banks - `	9,026.93	-	-	9,026.93	19,060.38	-	-	19,060.38	-	-	-	-
Commercial Papers	1,83,541.94	-	-	1,83,541.94	2,28,691.45	-	-	2,28,691.45	1,96,446.31	-	-	1,96,446.31
Total	16,21,939.32	-	-	16,21,939.32	15,65,776.52	-	-	15,65,776.52	12,65,894.11	-	-	12,65,894.11
Borrowings in India	16,14,835.87	-	-	16,14,835.87	15,65,776.52	-	-	15,65,776.52	12,65,894.11	-	-	12,65,894.11
Borrowings outside India	7,103.45	-	-	7,103.45	-	-	-	-	-	-	-	-
Total	16,21,939.32	-	-	16,21,939.32	15,65,776.52	-	-	15,65,776.52	12,65,894.11	-	-	12,65,894.11

Shriram City Union Finance Limited

Annexure VI

Notes forming part of the Reformatted Consolidated financial statement

Note 21: Borrowings (other than debt securities)

Term Loan from Bank in foreign currency-Secured

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	9.85%	Bullet Repayment	7,103.45

Outstanding as at March 31, 2018 and April 01,2017 : Rs. Nil.

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	9.05% to 9.80%	1 to 14 instalments of half yearly frequency	7,444.50
48-60 Months	8.60% to 10.75%	1 to 60 installments of quarterly, half yearly and yearly frequency	2,16,498.98
36-48 Months	8.35% to 10.25%	1 to 48 installments of bullet, quarterly and half yearly frequency	7,55,443.77
24-36 Months	8.40% to 9.56%	1 to 36 installments of bullet, quarterly and half yearly frequency	19,715.50
12-24 Months	9.20%	Bullet Repayment	21,010.47
0-12 months	9.10%	Bullet Repayment	10,000.00
Total			10,30,113.22

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	8.05% to 8.80%	1 to 14 instalments of half yearly frequency	3,198.08
48-60 Months	7.65% to 9.10%	1 to 60 installments of quarterly, half yearly and yearly frequency	1,40,366.26
36-48 Months	8.15% to 10.00%	1 to 60 installments of quarterly, half yearly and yearly frequency	7,90,089.33
24-36 Months	8.40% to 9.15%	1 to 36 installments of bullet, quarterly and half yearly frequency	51,145.33
12-24 Months	7.9% to 9.00%	1 to 24 installments of bullet, quarterly & half yearly frequency	31,007.16
Total			10,15,806.16

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 21: Borrowings (other than debt securities)****Nature of Security**

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at April 01, 2017

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	9.05% to 9.65%	1 to 14 instalments of half yearly frequency	14,788.39
48-60 Months	8.15% to 9.90%	1 to 60 installments of quarterly, half yearly and yearly frequency	1,37,011.04
36-48 Months	8.30% to 10.20%	1 to 48 installments of bullet, quarterly and half yearly frequency	5,08,064.65
24-36 Months	8.60% to 9.80%	1 to 36 installments of bullet, quarterly and half yearly frequency	1,30,039.80
12-24 Months	9.65%	Bullet Repayment	11,000.00
Total			8,00,903.88

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Unsecured**Terms of Repayment as at March 31, 2019**

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	9.10%	Bullet Repayment	9,026.93

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.76% to 7.85%	Bullet Repayment	19,060.38

Terms of Repayment as at April 01, 2017 : Rs. Nil.

Term Loan from Institution-Secured**Terms of Repayment as at March 31, 2019**

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	8.50% to 9.00 %	47 instalments of quarterly frequency	819.85
48 to 60 months	9.15%	1 to 20 installments of quarterly frequency	19,907.44
Upto 12 months	8.35%	Bullet Repayment at the end of 1 year	10,685.61
Total			31,412.90

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
Note 21: Borrowings (other than debt securities)
Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	8.50% to 9.00 %	47 instalments of quarterly frequency	1,281.96
48 to 60 months	9.15%	1 to 20 installments of quarterly frequency	23,476.47
Upto 12 months	8.85%	Bullet Repayment at the end of 1 year	15,013.09
Upto 12 months	8.75%	Bullet Repayment at the end of 1 year	10,010.79
Total			49,782.31

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Terms of Repayment as at April 01, 2017

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Above 60 months	8.50% to 9.00 %	47 instalments of quarterly frequency	1,798.25
48-60 Months	8% to 10%	1 to 20 installments of quarterly frequency	44,674.26
Upto 12 months	8% to 10%	1 to 12 installments of half yearly & yearly frequency	35,650.55
Total			82,123.06

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Commercial Papers-Unsecured

(Rs. in lacs)

Rate of Interest	Repayment Details	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
7.40% to 9.45%	Bullet Payment on maturity	1,83,541.94	2,28,691.45	1,96,446.31
Total		1,83,541.94	2,28,691.45	1,96,446.31

Loans repayable on demand-Secured
Cash Credit from Banks

(Rs. in lacs)

Particulars	Rate of Interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	8.15% to 11.25%	1,72,804.60	1,61,961.46	1,41,284.14
Total		1,72,804.60	1,61,961.46	1,41,284.14

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 21: Borrowings (other than debt securities)

Working capital Demand loan from Banks

(Rs. in lacs)

Particulars	Rate of Interest	As at March 31,2019	As at March 31,2018	As at April 01,2017
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.85% to 10.45%	76,685.16	81,126.03	33,996.94
Total		76,685.16	81,126.03	33,996.94

Term loan from banks - ` -Securitisation

Terms of Repayment as at March 31, 2019

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
48 - 60 months	7.28%	1 to 54 instalments of monthly frequency	2,836.05
Above 60 months	10.25% to 10.30%	1 to 72 instalments of monthly frequency	1,08,415.07
Total			1,11,251.12

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at March 31, 2018

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
36 - 48 months	7.99%	1 to 45 instalments of monthly frequency	1,860.03
48 - 60 months	7.28% to 8.25%	1 to 54 instalments of monthly frequency	7,488.70
Total			9,348.73

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Terms of Repayment as at April 1, 2017

(Rs. in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
36 - 48 months	7.99%	1 to 45 instalments of monthly frequency	5,409.21
48 - 60 months	7.75% to 10.74%	1 to 53 instalments of monthly frequency	5,730.57
Total			11,139.78

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 22: Deposits

(Rs. in lacs)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits												
Public deposits*	3,11,940.61	-	-	3,11,940.61	3,07,365.15	-	-	3,07,365.15	3,52,136.35	-	-	3,52,136.35
Total	3,11,940.61	-	-	3,11,940.61	3,07,365.15	-	-	3,07,365.15	3,52,136.35	-	-	3,52,136.35

* includes Rs.Nil (March 31, 2018: Rs.Nil, April 01, 2017: Rs. Nil) issued to directors

Details of Public Deposits - Unsecured
Terms of Repayment as at March 31,2019

(Rs. in lacs)

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
48-60 months	958.87	15,506.90	-	16,465.77
36-48 months	9,462.13	10,811.22	-	20,273.35
24-36 months	10,647.91	72,068.85	-	82,716.76
12-24 months	53,197.69	25,763.80	81.68	79,043.17
12 months	55,835.95	46,146.78	11,458.83	1,13,441.56
Total	1,30,102.55	1,70,297.55	11,540.51	3,11,940.61

Terms of Repayment as at March 31,2018

(Rs. in lacs)

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
48-60 months	8,969.75	9,796.28	-	18,766.03
36-48 months	2,430.23	10,480.19	-	12,910.42
24-36 months	45,788.24	15,629.36	81.36	61,498.96
12-24 months	29,134.65	34,067.78	10,630.79	73,833.21
12 months	46,483.35	89,526.99	4,346.18	1,40,356.52
Total	1,32,806.22	1,59,500.60	15,058.33	3,07,365.15

Terms of Repayment as at April 01,2017

(Rs. in lacs)

Redeemable at par within (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
48-60 months	1,068.16	9,629.70	-	10,697.86
36-48 months	154.66	10,624.85	81.04	10,860.55
24-36 months	12,173.74	33,244.73	10,100.52	55,518.99
12-24 months	6,522.82	87,217.28	4,069.52	97,809.61
12 months	31,502.61	31,701.34	1,14,045.39	1,77,249.34
Total	51,421.99	1,72,417.89	1,28,296.47	3,52,136.35

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 23: Subordinated liabilities

(Rs. in lacs)												
Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts - Unsecured - Debentures	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Total	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Subordinate liabilities in India	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58
Subordinate liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	65,370.95	-	-	65,370.95	1,17,561.75	-	-	1,17,561.75	1,29,475.58	-	-	1,29,475.58

Terms of repayment as at March 31, 2019

(i) Privately Placed Subordinated Debts of ` 1,000/- Each - Unquoted

(Rs. in lacs)		
Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	>= 10% < 12%	Total
12-24 months*	21,759.25	21,759.25
12 months*	35,925.82	35,925.82
Total	57,685.07	57,685.07

* Includes Rs 226.43 lakhs issued to related parties

(ii) Privately Placed Subordinated Debts of ` 1,000,000/ each - Quoted

(Rs. in lacs)		
Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12 months	7,685.88	7,685.88
Total	7,685.88	7,685.88

As at March 31, 2018

Terms of Repayment

(i) Privately Placed Subordinated Debts of ` 1,000/- Each - Unquoted

(Rs. in lacs)			
Redeemable at par	Rate of interest		
(from the date of Balance Sheet Date)	< 10%	>= 10% < 12%	Total
24-36 months*	-	19,840.91	19,840.91
12-24 months*	-	32,696.59	32,696.59
12 months*	18.45	36,771.18	36,789.63
Total	18.45	89,308.68	89,327.13

* Includes Rs 282.08 lakhs issued to related parties

(ii) Privately Placed Subordinated Debts of ` 100,000/- each quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12 months	20,573.27	20,573.27
Total	20,573.27	20,573.27

(iii) Privately Placed Subordinated Debts of ` 1,000,000/ each - Quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12-24 months	7,456.07	7,456.07
12 months	205.28	205.28
Total	7,661.35	7,661.35

As at April 01, 2017

Terms of Repayment

(i) Privately Placed Subordinated Debts of ` 1,000/- Each - Unquoted

(Rs. in lacs)

Redeemable at par	Rate of interest			
(from the date of Balance Sheet Date)	< 10%	>= 10% < 12%	> = 12%	Total
36-48 months*	-	18,136.53	-	18,136.53
24-36 months*	-	29,829.64	-	29,829.64
12-24 months*	16.73	34,074.14	-	34,090.87
12 months*	2,229.97	14,569.21	2.02	16,801.20
Total	2,246.70	96,609.52	2.02	98,858.24

* Includes Rs 329.62 lakhs issued to related parties

(ii) Privately Placed Subordinated Debts of ` 100,000/- each quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
12-24 months	20,292.63	20,292.63
12 months	2,690.49	2,690.49
Total	22,983.12	22,983.12

(iii) Privately Placed Subordinated Debts of ` 1,000,000/ each - Quoted

(Rs. in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
24-36 months	7,431.23	7,431.23
12 months	202.99	202.99
Total	7,634.22	7,634.22

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 24: Other financial liabilities**

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investor education and protection fund shall be credited by the following amounts (as and when due) #			
- Unclaimed matured deposits and interest thereon	11,582.21	13,776.77	9,092.22
- Unclaimed matured debentures and interest thereon	943.77	1,493.89	2,695.26
- Unpaid dividend	91.95	92.56	82.92
- Unclaimed matured subordinate debts and interest accrued thereon	4,329.92	2,046.55	775.00
Application money received for allotment of securities to the extent refundable and interest accrued thereon	0.27	0.96	0.09
Payable on account of Assignment	7,979.17	1,153.98	3,749.38
Royalty payable	1,552.50	1,330.52	1,029.78
Creditors for Supply & Services	1,198.99	453.78	420.51
Employee related payables	7,842.73	5,570.50	4,584.03
Total	35,521.51	25,919.51	22,429.19

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

Note 25: Provisions

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For non funded exposure	39.43	56.59	159.43
Employee benefit (Refer Note 43)			
- Gratuity	134.14	807.51	427.87
- Provision for compensated absences	2,490.83	1,693.06	1,211.23
Total	2,664.40	2,557.16	1,798.53

Note 26: Other non-financial liabilities

	(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	1,569.10	1,676.36	1,179.69
Retention money and other sundry liabilities	77.41	95.05	829.79
Total	1,646.51	1,771.41	2,009.48

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 27: Equity Share Capital

(Rs. in lacs)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised:			
118,500,000 (March 31, 2018: 118,500,000, April 1, 2017: 118,500,000) equity shares of Rs. 10/- each	11,850.00	11,850.00	11,850.00
4,000,000 (March 31, 2018: 4,000,000 , April 1, 2017: 4,000,000)cumulative redeemable preference shares of Rs. 100/- each	4,000.00	4,000.00	4,000.00
Total	15,850.00	15,850.00	15,850.00
Issued share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Subscribed share capital			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Paid up (fully paid up)			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Total Equity	6599.23	6,596.58	6,594.34
Issued, Subscribed and fully paid up Equity Shares			
65,992,317 (March 31, 2018: 65,965,762, April 1, 2017: 65,943,402) equity shares of Rs. 10/- each	6599.23	6,596.58	6,594.34
Total Equity	6599.23	6,596.58	6,594.34

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	Rs. in lakhs
As at April 01, 2017	6,59,43,402	6,594.34
Issued during the year - ESOP (refer note 41)	22,360	2.24
As at March 31, 2018	6,59,65,762	6,596.58
Issued during the year - ESOP (refer note 41)	26,555	2.65
As at March 31, 2019	6,59,92,317	6,599.23

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2019, the amount of per equity share dividend proposed in total for distributions to equity shareholders is Rs. 22.00 (March 31, 2018 : Rs. 18.00). Out of the said total dividend proposed for the year ended March 31, 2019, amount of interim dividend paid during the year was Rs. 6.00 (March 31, 2018 : Rs. 6.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. 16.00 (March 31, 2018: Rs. 12.00) per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 128,045 (March 31, 2018 : 318,540 April 01, 2017 : 315,311) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,22,68,877	33.74	2,22,68,877	33.76	2,22,68,877	33.78
Dynasty Acquisition FPI Limited	1,34,21,889	20.34	1,34,21,889	20.35	1,34,21,889	20.36
Piramal Enterprises Limited	65,79,840	9.97	65,79,840	9.97	65,79,840	9.98

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

Refer note 48 - Capital for the company's objectives, policies and processes for managing capital

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 28: Other equity**

	(Rs. in lacs)
Particulars	Amount
Securities Premium Account	
As at April 01, 2017	1,84,778.30
Add: Premium on shares issued under ESOP during the year	56.22
As at March 31, 2018	1,84,834.52
Add: Premium on shares issued under ESOP during the year	66.77
As at March 31, 2019	1,84,901.29
Share Option Outstanding	
As at April 01, 2017	173.02
Adjustment on exercise of ESOP	(50.63)
Employee Stock Options Expenses	3.36
As at March 31, 2018	125.75
Adjustment on exercise of ESOP	(60.13)
Employee Stock Options Expenses	0.24
As at March 31, 2019	65.86
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 01, 2017	76,589.68
Add: Transfer from surplus balance in the Statement of Profit and Loss	13,742.51
As at March 31, 2018	90,332.19
Add: Transfer from surplus balance in the Statement of Profit and Loss	20,241.10
As at March 31, 2019	1,10,573.29
Debenture Redemption Reserve	
As at April 01, 2017	6,422.54
Add: Amount transferred from surplus in the Statement of Profit and Loss	2,059.53
Less: Amount transferred to General Reserve on redemption of debentures	(3,996.04)
As at March 31, 2018	4,486.03
Add: Amount transferred from surplus in the Statement of Profit and Loss	366.14
Less: Amount transferred to General Reserve on redemption of debentures	(2,007.88)
As at March 31, 2019	2,844.29
General Reserve	
As at April 01, 2017	62,697.35
Add: Transfer from surplus in the statement of profit and loss	6,648.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	3,996.04
As at March 31, 2018	73,341.39
Add: Amount transferred from surplus in the Statement of Profit and Loss	9,990.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,007.88
As at March 31, 2019	85,339.27
Capital Reserve	
As at April 01, 2017	7,871.88
As at March 31, 2018	7,871.88
As at March 31, 2019	7,871.88
Capital Redemption Reserve	
As at April 01, 2017	2,328.98
As at March 31, 2018	2,328.98
As at March 31, 2019	2,328.98

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Other Comprehensive Income****As at April 01, 2017**

Remeasurement gain/ (loss) on defined benefit plan	283.17
Income Tax Provision/ (Reversal) on above	98.15

As at March 31, 2018

Remeasurement gain/ (loss) on defined benefit plan	(1,336.14)
Income Tax Provision/ (Reversal) on above	(468.00)

As at March 31, 2019

(683.12)

Retained Earnings**As at April 01, 2017**

1,64,414.58

Add: Profit for the year 74,057.37

Add/(Less): Appropriations and other Adjustments

Transfer to/(from) debenture redemption reserve (2,059.53)

Final Dividend on Equity Shares FY 2016-17 (6,594.51)

Tax on Final Dividend FY 2016-17 (1,342.49)

Interim Dividend on Equity Shares FY 2017-18 (3,957.50)

Tax on Interim Dividend FY 2017-18 (805.65)

Transfer to Statutory Reserve (13,742.51)

Transfer to General reserve (6,648.00)

As at March 31, 2018**2,03,321.76**

Add: Profit for the year 1,00,173.93

Add/(Less): Appropriations and other Adjustments

Share Based Payments - Expenses 6.59

Transfer to/(from) debenture redemption reserve (366.14)

Final Dividend on Equity Shares FY 2017-18 (7,916.23)

Tax on Final Dividend on Equity Shares FY 2017-18 (1,627.20)

Interim Dividend on Equity Shares FY 2018-19 (3,959.06)

Tax on Interim Dividend on Equity Shares FY 2018-19 (813.80)

Transfer to Statutory Reserve (20,241.10)

Transfer to General reserve (9,990.00)

As at March 31, 2019**2,58,588.75****Total other equity****As at April 01, 2017** 5,05,276.33**As at March 31, 2018** 5,66,827.52**As at March 31, 2019** 6,51,830.49**Proposed Dividend on equity shares**

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
The Board proposed dividend on equity shares			
Proposed dividend on equity shares for the year ended on			
March 31, 2019: Rs. 16.00 per share (March 31, 2018: Rs.12.00 per share)	10,558.76	7,916.23	6,594.51
Tax on Dividend Proposed	2,170.38	1,627.20	1,342.49
Total	12,729.14	9,543.43	7,937.00

Shriram City Union Finance Limited

Annexure VI

Notes forming part of the Reformatted Consolidated financial statement

Nature and purpose of reserve

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. This is not available for distribution of dividend.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Debenture Redemption Reserve: (1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

(2) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 366.14 lacs (March 31, 2018: Rs. 2,059.53 lacs; April 01, 2017: Rs.2,247.40 lacs). The Company has deposited a sum of Rs.1,722.00 lacs (March 31, 2018: Rs.1,750.00 lacs , April 1, 2017: Rs.3,400.00 lacs) with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Pursuant to Section 45-IC(1) in The Reserve Bank of India Act, 1934. (1) Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 41 for further details of these plans.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 29: Interest income

(Rs. in lacs)

Particulars	For year ended March 31, 2019				For year ended March 31, 2018			
	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on securities classified at FVTPL	Total
Interest on Loans	-	5,84,980.09	-	5,84,980.09	-	5,28,533.58	-	5,28,533.58
Interest income from investments								
Financial investments - Debt	-	3854.19	-	3,854.19	-	3,475.04	-	3,475.04
Other financial assets	-	-	626.89	626.89	-	-	679.71	679.71
Interest on deposits with Banks	-	5010.64	-	5,010.64	-	1,193.10	-	1,193.10
Income on long term securitisation/assignment	-	1391.69	-	1,391.69	-	2,176.93	-	2,176.93
Other interest income	-	195.01	-	195.01	-	258.13	-	258.13
Total	-	5,95,431.62	626.89	5,96,058.51	-	5,35,636.78	679.71	5,36,316.49

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 30: Fee and Commission Income

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Other financial services- Commission	-	212.32
Total	-	212.32

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Type of Services or Service		
Fee and commission income	-	212.32
Total revenue from contract with customers	-	212.32
Geographical markets		
India	-	212.32
Outside India	-	-
Total revenue from contract with customers	-	212.32
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	-	212.32
Total revenue from contracts with customers	-	212.32

Contract Balance

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Total Receivables	-	-
Contract Assets	-	-
Total	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

Note 31: Net gain on fair value changes

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	1449.87	956.69
- Derivatives	(297.39)	-
Total Net gain/(loss) on fair value changes	1,152.48	956.69
Fair Value changes:		
- Realised	265.32	103.09
- Unrealised	887.16	853.60
Total Net gain/(loss) on fair value changes	1,152.48	956.69

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 32: Gain on Sale of Investments

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Gain on sale of Investments (Measured at FVTPL)		
- on Mutual funds	26.16	14.25
- on Investment in Equity instruments	-	1,491.06
Total	26.16	1,505.31

Note 33: Other income

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Gain on sale of Property, plant & equipment	17.99	9.73
Miscellaneous income	273.00	214.89
Total	290.99	224.62

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 34: Finance cost

(Rs. in lacs)

Particulars	For year ended March 31, 2019			For year ended March 31, 2018		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on:-						
Fixed Deposits	-	26,461.61	26,461.61	-	31,028.79	31,028.79
Subordinated liabilities	-	12,353.22	12,353.22	-	14,557.42	14,557.42
Borrowings (other than debt securities)	-	-	-	-	-	-
-Loans from Banks	-	92,845.51	92,845.51	-	80,092.46	80,092.46
-Loans from Financial Institution	-	5,132.09	5,132.09	-	5,766.60	5,766.60
-Working Capital Demand Loans	-	10,190.66	10,190.66	-	8,260.09	8,260.09
-Cash Credit	-	7,016.96	7,016.96	-	3,360.58	3,360.58
-Commercial Paper	-	21,293.10	21,293.10	-	13,259.73	13,259.73
Debt securities	-	33,828.97	33,828.97	-	21,636.72	21,636.72
Others	-	1,460.75	1,460.75	-	-	-
Total	-	2,10,582.87	2,10,582.87	-	1,77,962.39	1,77,962.39

Note 35: Impairment on financial instruments

(Rs. in lacs)

Particulars	For year ended March 31, 2019			For year ended March 31, 2018		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans	-	11,684.40	11,684.40	-	39,529.38	39,529.38
Investments	-	(15.18)	(15.18)	-	1.60	1.60
Total	-	11,669.22	11,669.22	-	39,530.98	39,530.98

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(Rs. in lacs)

Particulars	For year ended March 31, 2019				For year ended March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Loans and advances to customers	10,681.52	12,453.86	(11,450.98)	11,684.40	18,289.23	(432.48)	21,672.63	39,529.38
Debt instruments measured at FVOCI	(15.18)	-	-	(15.18)	1.60	-	-	1.60
Total impairment loss	10,666.34	12,453.86	(11,450.98)	11,669.22	18,290.83	(432.48)	21,672.63	39,530.98

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Notes forming part of the Reformatted Consolidated financial statement
Note 36: Employee benefit expenses

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Salaries, other allowances and bonus	82,068.17	68,712.36
Contribution to provident and other funds	5,963.08	4,369.30
Share based payments to employees	9.87	4.35
Staff welfare expenses	1,199.70	1,101.30
Gratuity expenses	506.13	700.18
Total	89,746.95	74,887.49

Note 37: Depreciation, amortization and impairment

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Depreciation of tangible assets	2,996.29	2,896.47
Amortization of intangible assets	356.22	622.56
Total	3,352.51	3,519.03

Note 38: Other expenses

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Rent	6,489.08	5,819.83
Power and fuel	1,045.35	995.55
Repairs and maintenance		
- Buildings	1,375.50	1,201.84
-Office equipments	42.51	45.19
Office expenses	1,408.46	1,294.72
Rates and taxes	1,617.42	1,744.58
Printing and stationery	2,417.55	2,435.05
Travelling and conveyance	4,428.65	5,524.10
Advertisement	450.79	1,259.52
Business promotion	5,057.78	6,700.23
Directors' sitting fees	38.40	48.19
Insurance	409.77	401.03
Communication expenses	3,178.11	3,165.42
Bank charges	1,264.72	1,158.97
Legal and Professional Fees	2,438.73	2,778.25
Loss on sale of fixed assets	91.14	37.72
Public issue expenses for non-convertible debentures	120.01	184.89
CSR expenses (refer note given below)	851.15	1,403.60
Miscellaneous expenses	2,912.72	1,890.64
Auditor fees		
(a) Audit Fees	54.10	49.19
(b)Tax Audit Fees	11.45	-
(c)Certification Fees	6.00	5.45
(d) Out of Pocket	11.89	17.66
Total	35,721.28	38,161.62

Details of CSR expenditure:

(Rs. in lacs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	1,888.54	1,753.50
b) Amount spent during the year	851.15	1,403.60
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above		
-In Cash	451.15	1,403.60
-Yet to be paid in Cash (Provision has been made based on committed obligations approved by the CSR Committee and The Board of Directors)	400.00	-
Total	851.15	1,403.60

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Note 39: Income Tax

The components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	49,544.09	39,639.64
Deferred tax relating to origination and reversal of temporary differences	4,442.23	78.49
Total tax charge	53,986.32	39,718.13

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended March 31, 2019 and March 31, 2018 is, as follows:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	1,54,539.01	1,14,648.13
At India's statutory income tax rate		
For Shriram City, 2019: 34.944% (2018: 34.608%)		
For Shriram Housing, 2019: 33.384% (2018:34.608%)	53,963.17	39,186.08
Tax at special rate for Shriram City on Rs.1420.41 lakhs @ 23.072%	-	327.72
Total Tax	53,963.17	39,513.80
Corporate social responsibility expenditure not allowable for tax purpose	297.40	485.13
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G,2018: section 80G and 80JJAA)	(78.62)	(391.13)
Others	(195.63)	110.33
Income tax expense reported in the statement of profit or loss	53,986.32	39,718.13

The effective income tax rate for March 31, 2019 is 34.93% (March 31, 2018: 34.64%).

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment and intangible assets	2,206.70	-	(255.39)	-
Expenses allowable for tax purpose when paid	2,813.92	490.94	5.63	(461.23)
Provision for expected credit loss	14.75	-	4,403.16	-
EIR impact on debt instrument measured at Amortised Cost	-	474.99	(604.35)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	-	298.27	404.89	-
Impact of amortization of processing fees on Loans and Advances	1,114.17	-	821.98	-
Impact of Recognition of Interest on assignment and securitization	-	-	(54.38)	-
MAT Entitlement Credit	519.89	-	-	-
Special Reserve u/s 36 1(viii) of Income Tax Act	-	671.73	(36.27)	-
Other temporary differences	188.35	198.33	(243.04)	-
Total	6,857.78	2,134.26	4,442.23	(461.23)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2018	As at March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018
Property, plant and equipment and intangible assets	1,951.31	-	(379.42)	-
Expenses allowable for tax purpose when paid	1,963.38	95.93	(1,594.28)	98.81
Provision for expected credit loss	4,940.71	522.80	2,962.58	-
EIR impact on debt instrument measured at Amortised Cost	-	1,079.34	(305.64)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	148.94	42.32	323.89	-
Special Reserve u/s 36 1(viii) of Income Tax Act	-	708.01	118.76	-
Impact of amortization of processing fees on Loans and Advances	1,936.15	-	(860.72)	-
Impact of Recognition of Interest on assignment and securitization	-	54.38	(361.12)	-
Other temporary difference	86.91	339.80	174.44	-
Total	11,027.40	2,842.58	78.49	98.81

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	As at April 01, 2017	As at April 01, 2017
Property, plant and equipment and intangible assets	1,574.27	2.38
Expenses allowable for tax purpose when paid	371.98	-
Provision for expected credit loss	7,519.78	139.29
EIR impact on debt instrument in the nature of borrowings measured at Amortised Cost	-	1,384.98
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	463.24	32.74
Impact of amortization of processing fees on Loans and Advances	1,075.43	-
Impact of Recognition of Interest on assignment and securitization	-	415.51
Special Reserve u/s 36 1(viii) of Income Tax Act	-	589.26
Other temporary difference	140.87	219.26
Total	11,145.57	2,783.42

Amount recognised in respect of current tax/ deferred tax directly in equity:

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-	-

Tax losses and Tax credits

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-	-
Unused Tax Credits-MAT credit entitlement	-	-	-

CURRENT TAX ASSETS (NET)

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance income tax (net of provision for tax) [net of provision for income tax March 31, 2019: Rs.2,89,943.43 lacs; March 31, 2018: Rs.2,39,879.05 lacs and April 01, 2017: Rs.2,00,239.41 lacs]	5,629.57	4,961.97	6,388.72
Total	5,629.57	4,961.97	6,388.72

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Note 40: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit after tax as per Statement of Profit and Loss attributable to Owners of the Company (Rs. in lacs)	1,00,173.93	74,057.37
Weighted average number of ordinary shares for basic earnings per share (Rs. in lacs)	659.78	659.52
Effect of dilution:		
Stock options granted under ESOP (Nos.)	0.23	0.49
Weighted average number of ordinary shares adjusted for effect of dilution (Rs. in lacs)	660.01	660.01
Earnings per share		
Basic earnings per share (Rs.)	151.83	112.29
Diluted earnings per share (Rs.)	151.78	112.21

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41. EMPLOYEE STOCK OPTION PLAN

41.1 The Company provides share-based payment schemes to its Employees. For the period ended March 31, 2019 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	: October 30, 2006
Date of grant	: October 19, 2007
Date of Board Approval	: October 19, 2007
Number of options granted	: 1,355,000
Method of Settlement (Cash/Equity)	: Equity
Graded vesting period :	
After 1 years of grant date	: 10% of options granted
After 2 years of grant date	: 20% of options granted
After 3 years of grant date	: 30% of options granted
After 4 years of grant date	: 40% of options granted
Exercisable period	: 10 years from vesting date
Vesting Conditions	: On achievement of pre-determined targets

The details of Series 1 have been summarised below:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	Weighted Average Exercise Price per share (in Rs.)	Number of Shares	Weighted Average Exercise Price per share (in Rs.)	Number of Shares	Weighted Average Exercise Price per share (in Rs.)
Outstanding at the beginning of the year	50,120	35.00	72,480	35.00	88,730	35.00
Add: Granted during the year	-	-	-	-	-	-
Less: Forfeited during the year	-	-	-	-	-	-
Less: Exercised during the year	26,555	35.00	22,360	35.00	16,250	35.00
Less: Expired during the year	-	-	-	-	-	-
Outstanding at the end of the period	23,565	35.00	50,120	35.00	72,480	35.00
Exercisable at the end of the period	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	1.55	-	2.55	-	3.55
Weighted average fair value of options granted	-	227.42	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

As at March 31,	Range of exercise prices per share (in Rs.)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price per share (in Rs.)
2019	35.00	23,565	1.55	35.00
2018	35.00	50,120	2.55	35.00
2017	35.00	72,480	3.55	35.00

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STOCK OPTIONS GRANTED

The weighted average fair value of stock options granted was Rs.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	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	Rs. in lacs	
	Year ended March 31, 2019	Year ended March 31, 2018
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	53.36	113.50
Deferred compensation cost	Nil	Nil

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

In March 2005, the ICAI issued a guidance note on "Accounting for Employees Share Based Payments" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earnings per share would be as follows:

Particulars	Rs. in lacs	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit as reported (₹ in lacs)	98,887.75	71,095.27
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	98,887.75	71,095.27
Less: Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders (₹ in lacs)	98,887.75	71,095.27
Earnings per share		
Basic (₹)		
- As reported	149.88	107.80
- Proforma	149.88	107.80
Diluted (₹)		
- As reported	149.83	107.72
- Proforma	149.83	107.72

41.2 A new ESOP scheme "SCUF Employees Stock Option Scheme 2013" was approved at an EGM on May 31, 2013. Accordingly 2,627,000 equity shares @ ₹ 10 each have been reserved under this scheme with an exercise price of ₹ 300 per option and with a maximum vesting period of five years from the date of grant.

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Note 41: Employee Stock Option Scheme (ESOS)

41.2. Shriram Housing Finance Limited

The company provides share-based payment schemes to its employees. For the year ended March 31, 2019 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Date of Shareholder's approval of plan	December 13, 2016	March 28, 2013	March 28, 2013
Date of grant	December 22, 2016	August 28, 2013 &	December 19, 2018
Number of options granted	3,35,000	3,50,000	25,00,000
Method of settlement	Equity	Equity	Equity
Vesting Period	1 - 3 years	3 - 5 years	3 - 10 years
Exercise Price	35.00	10.00	10.00
Exercise Period	Not later than 5 years from the date of vesting of options		
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period		

Details of Vesting

Vesting period from the grant date	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Completion of 1 year	33.33%	-	-
Completion of 2 year	33.33%	-	-
Completion of 3 year	33.33%	-	12.50%
Completion of 4 year		50%	12.50%
Completion of 5 year		50%	12.50%
Completion of 6 year			12.50%
Completion of 7 year			12.50%
Completion of 8 year			12.50%
Completion of 9 year			12.50%
Completion of 10 year			12.50%

Details of activity under each plan

Assumptions	ESOP Scheme 2016		ESOP Scheme 2013		ESOP Scheme 2013	
Sensitivity Level	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at 1 April 2017	3,35,000	35.00	4,00,000	10.00	-	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	(50,000)	-	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March 2018	3,35,000	35.00	3,50,000	10.00	-	-
Vested and exercisable as at 31 March 2018	1,11,667	35.00	1,25,000	10.00	-	-
Weighted average remaining contractual life (in years)		5.73 Years		5.38 Years		-
Outstanding as at 1 April 2018	3,35,000	35.00	3,50,000	10.00	-	-
Granted during the year	-	-	-	-	25,00,000	10.00
Forfeited during the year	(3,35,000)	35.00	(1,70,000)	10.00	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March 2019	-	-	1,80,000	10.00	25,00,000	10.00
Vested and exercisable as at 31 March 2019	-	-	1,50,000	10.00	-	-
Weighted average remaining contractual life (in years)	-			4.19 Years		11.22 Years

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The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of

Vesting Period from the grant date	Year ended March 31, 2019
Risk-free interest rate	7.08% - 7.68%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	5.5 - 12.5 Years
Expected volatility (%)	36.58% - 42.21%
Dividend yield	0%

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility

The expense recognised for employee services received during the year is shown in the following table:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expense arising from equity-settled share based payment transactions	9.87	4.35
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	9.87	4.35

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Note 42: Investment in subsidiary

Name of the subsidiary	Country of incorporation	Principal place of business	Principal activities	For the year ending	No of Equity Shares Held (FV of Rs. 10 /- each)	% equity interest
Shriram Housing Finance limited	India	Mumbai	Housing Finance	March 31, 2019	16,54,40,000	77.25%
				March 31, 2018	16,54,40,000	77.25%
				April 01, 2017	16,54,40,000	77.25%

B. Statement of Net Assets, Profit and Loss and Other Comprehensive Income attributable to owners and Non Controlling Interest as on March 31, 2019

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits / (loss)		Share in Other Comprehensive Income/ (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	92.94%	6,21,741.48	98.07%	98,616.28	106.94%	(913.93)	98.00%	97,702.35
Indian Subsidiary - Shriram Housing Finance Limited	5.48%	36,688.24	1.55%	1,557.65	-5.36%	45.79	1.61%	1,603.44
Non Controlling Interest	1.58%	10,554.85	0.38%	378.76	-1.58%	13.52	0.39%	392.28
Total	100%	6,68,984.57	100%	1,00,552.69	100%	(854.62)	100%	99,698.07

Note 43: Retirement benefit plan

43.1 : Shriram City Union Finance Limited

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company makes Provident Fund, Employee State Insurance Scheme contributions, National Pension scheme contributions and Labour welfare Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ` 4,225.08 lacs (March 31, 2018: ` 2,722.83 lacs) for Provident Fund contributions, ` 1,492.88 lacs (March 31, 2018: ` 1,463.81 lacs) for Employee State Insurance Scheme contributions, ` 10.45 lacs (March 31, 2018: ` 10.48 lacs) for Labour welfare Fund contributions and ` 47.10 lacs (March 31, 2018: ` 37.56 lacs) for National Pension scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 (the Act). Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year the level of funding in the gratuity plan is reviewed. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The contribution is decided based on the results of annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. Generally equity instruments and property should not exceed 30% of total portfolio. The Aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

Risk associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following Risks:

Interest Risk: A fall in the discount rate which is linked to the Govt. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit pain liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Assest Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Compensated absences

The company has a policy on compensated absences which is accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognized expense amounting Rs. 925.63 Lakhs (March 31, 2018: Rs.479.01 Lakhs) for Leave encashment

The Following Table Summarises the components of net benefit expense recognised in statement of profit and loss and funded status and amounts recognised in balance sheet for the gratuity plan

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

Particulars	(Rs. in lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current Service Cost	400.61	493.94
Interest expense	230.21	196.77
Interest Income	(170.00)	(165.97)
Past service cost	-	121.06
Components of defined benefit costs recognised in profit or loss (A)	460.82	645.80
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(20.45)	(9.79)
Actuarial changes arising from changes in demographic assumptions	116.34	(82.94)
Actuarial changes arising from changes in financial assumptions	876.54	(127.49)
Experience adjustments	432.50	(56.96)
Components of defined benefit costs recognised in other comprehensive income (B)	1,404.93	(277.18)
Total (A+B)	1,865.75	368.62

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

Particulars	(Rs. in lacs)	
	As at March 31, 2019	As at March 31, 2018
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	3,045.11	2,732.94
Expenses recognised in the statement of profit and loss:		
Current Service Cost	400.60	493.94
Interest expense/(income)	230.21	196.77
Recognised in other comprehensive income remeasurement (gains)/Loss.	1,425.38	(267.39)
Past service cost	-	121.05
Net Liabilities transferred out/ Divestments	(28.33)	-
Benefits paid from the fund	(263.94)	(232.20)
Present value of defined obligation at the end of the year	4,809.03	3,045.11

Change in the Fair value of plan assets :

Particulars	(Rs. in lacs)	
	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the year	2,248.63	2,305.07
Interest Income	169.99	165.97
Contributions by the Employer	2,499.76	
Benefits paid from the fund	(263.94)	(232.20)
Return on plan assets excluding interest income	20.45	9.79
Fair value of plan assets at the end of the year	4,674.89	2,248.63

Calculation of benefit liability/(asset) :

Particulars	(Rs. in lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Defined benefit obligation	4,809.03	3,045.11	2,732.94
Fair value of plan assets	4,674.89	2,248.63	2,305.07
Benefit liability	134.14	796.48	427.87

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

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Expected return on Plan assets	7.59%	7.56%	7.20%
Rate of discounting	7.59%	7.56%	7.20%
Expected rate of salary increase	7.00%	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 31.00% p.a & For service 5 years and above 4.00% p.a	For service 4 years and below 31.00% p.a. & For service 5 years and above 3.00% p.a	For service 4 years and below 13.00% p.a. & For service 5 years and above 2.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA	NA

Investments quoted in active markets:

Particulars	(Rs in Lacs)		
	March 31, 2019	March 31, 2018	April 1, 2017
Investment Funds	4,674.89	2,248.63	2,305.07
Total	4,674.89	2,248.63	2,305.07

Sensitivity Analysis (Rs in Lacs)						
Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation for FY 18-19	(477.08)	571.82	565.14	(479.48)	17.73	(22.19)
Impact on defined benefit obligation for FY 17-18	(313.29)	376.43	376.28	(317.14)	92.01	(107.28)
Impact on defined benefit obligation for FY 16-17	(348.00)	427.01	432.38	(357.64)	89.41	(106.31)

Maturity Analysis of Benefit Payments from the fund

(Rs in Lacs)		
Expected payment for future years	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)		
	486.28	220.99
2nd following Year	216.82	133.97
3rd following Year	276.80	170.08
4th following Year	266.73	196.69
5th following Year	317.05	180.15
sum of years 6 to 10	1,504.15	1,029.43
sum of years 11 and above	11,035.45	7,268.73
Total expected payments (Undiscounted)	14,103.28	9,200.04

The Company expects to contribute INR.134.14 lakhs to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 13 years (March 31 2018: 13 years)

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year(subject to sufficiency of funds under the policy). The policy thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

43.2 : Shriram Housing Finance Limited

Defined Contribution Plan

The company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognized ` 170.98 Lacs for year ended March 31, 2019 (Y.E. 31 March 2018 ` 150.94 Lacs) for Provident Fund contributions and ` 16.58 Lacs for the year ended March 31, 2019 (Y.E. 31 March 2018 ` 21.25 Lacs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2015-16 the company created "Shriram Housing Finance Company Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through Trustees. Contributions to the

Trust are invested in a scheme with a insurance company as permitted by law in India. The Company has contributed `Nil to the Trust during the financial year 2018-19. (F.Y 2017 -18 ` 35.02 Lacs)

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	43.85	36.13
Interest cost on benefit obligation	13.87	13.15
Expected return on plan assets	(12.42)	-
Net (benefit) / expense	45.30	49.28

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	(144.44)	(191.06)
Fair value of plan assets	158.54	180.03
Asset/(liability) recognized in the balance sheet	14.10	(11.03)

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

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	191.06	150.42
Transfer in/Out	20.10	-
Interest cost	13.87	13.15
Current service cost	43.85	36.13
Liability transferred in/on account of transfer of employees		
Benefits paid	(35.25)	(0.32)
Actuarial loss / (gain) on obligation	(89.19)	(8.32)
Closing defined benefit obligation	144.44	191.06

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	180.03	150.42
Interest Income	12.42	-
Expected return	1.34	10.19
Contributions by employer	-	35.02
Benefits paid	(35.25)	(15.60)
Closing fair value of plan assets	158.54	180.03

The company intends to contribute to the trust the amount as per the actuarial valuation in the next year

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Investments with insurer	100%	100%

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

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.65%	8.00%
increase in compensation cost	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation are on account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous four years are as follows:

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Define benefit obligation	144.44	191.06	150.42	103.09	37.79
Plan assets	158.54	180.03	150.42	-	-
Surplus/(deficit)	14.10	(11.03)	-	(103.09)	(37.79)

Rs. In lacs

Assumptions	March 31, 2019		March 31, 2019		March 31, 2018		March 31, 2018	
	Discount rate		Future salary increases		Discount rate		Future salary increases	
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligation	(13.35)	15.50	15.69	(13.64)	(16.43)	19.21	20.69	(17.94)

Expected payment for future years	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	5.75	29.40
Between 2 and 5 years	36.94	42.56
Between 5 and 10 years	72.82	74.32
Total expected payments	115.51	146.29

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 14.74 Years (31 March 2018: 14.44 Years)

The fund is administered by "Shriram Housing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.65%	8.00%
Attrition rate	5.00%	5.00%
Salary escalation	5.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
Note 44: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in lacs)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	99,676.01	-	99,676.01	33,963.42	-	33,963.42	43,751.06	-	43,751.06
Bank Balance other than above	27,702.35	2,625.16	30,327.51	20,091.06	110.00	20,201.06	21,770.69	-	21,770.69
Loans	13,85,798.20	14,95,276.86	28,81,075.06	13,89,773.92	13,63,594.59	27,53,368.51	12,90,275.09	10,47,636.89	23,37,911.98
Investments	56,751.92	34,997.73	91,749.65	29,652.40	37,092.70	66,745.10	27,194.22	36,304.12	63,498.34
Other financial assets	3,003.78	795.71	3,799.49	540.11	1,701.38	2,241.50	5,542.94	1,219.83	6,762.77
Non-financial Assets									
Current tax asset	-	5,629.57	5,629.57	-	4,961.97	4,961.97	-	6,388.72	6,388.72
Deferred tax assets (net)	4,723.51	-	4,723.51	7,857.19	327.63	8,184.82	7,576.45	785.70	8,362.15
Property, plant and equipment	-	8,622.48	8,622.48	-	8,328.93	8,328.93	-	7,485.04	7,485.04
Other intangible assets	-	487.40	487.40	-	441.75	441.75	-	844.48	844.48
Other non financial assets	9,723.00	6,020.87	15,743.87	8,773.34	2,355.14	11,128.48	2,601.73	1,891.92	4,493.64
Total assets	15,87,378.77	15,54,455.78	31,41,834.55	14,90,651.44	14,18,914.09	29,09,565.54	13,98,712.18	11,02,556.69	25,01,268.87
Liabilities									
Financial Liabilities									
Derivative financial liabilities	297.39	-	297.39	-	-	-	-	-	-
Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,764.54	-	6,764.54	7,969.48	-	7,969.48	3,925.68	-	3,925.68
Debt Securities	1,58,771.08	2,67,933.67	4,26,704.75	50,269.72	2,46,790.40	2,97,060.12	85,695.04	1,16,748.75	2,02,443.79
Borrowings (other than debt security)	8,70,336.41	7,51,602.91	16,21,939.32	7,42,238.80	8,23,537.72	15,65,776.52	5,37,348.30	7,28,545.81	12,65,894.11
Deposits	1,12,993.25	1,98,947.36	3,11,940.61	1,39,944.38	1,67,420.77	3,07,365.15	1,77,389.57	1,74,746.78	3,52,136.35
Subordinated Liabilities	43,541.66	21,829.29	65,370.95	57,413.70	60,148.05	1,17,561.75	19,694.68	1,09,780.90	1,29,475.58
Other Financial liabilities	35,388.73	132.78	35,521.51	25,919.51	-	25,919.51	22,429.19	-	22,429.19
Non-financial Liabilities									
Provisions	377.80	2,286.60	2,664.40	1,451.52	1,105.63	2,557.16	1,715.33	83.21	1,798.53
Other non-financial liabilities	1,573.52	72.99	1,646.51	1,771.41	-	1,771.41	2,003.69	5.79	2,009.48
Total Liabilities	12,30,044.38	12,42,805.60	24,72,849.98	10,26,978.52	12,99,002.57	23,25,981.10	8,50,201.48	11,29,911.24	19,80,112.72
Net	3,57,334.39	3,11,650.18	6,68,984.57	4,63,672.92	1,19,911.52	5,83,584.44	5,48,510.70	(27,354.54)	5,21,156.15

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement
Note 45: Change in liabilities arising from financing activities
Changes in liabilities arising from financing activities during FY 2018-19

Rs. In lacs					
Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Other *	As at March 31, 2019
At Amortised Cost					
Debt Securities					
-NCD Public Issue	20,920.73	(9,543.56)	-	-	11,377.17
-NCD Retail	67,597.45	(9,666.58)	-	83.93	58,014.80
-NCD Institutional	2,08,541.94	1,48,874.28	-	(103.44)	3,57,312.78
-Unclaimed Matured Portion	1,493.89	(550.12)	-		943.77
Subordinated Liabilities					
- Sub Debt Retail	89,327.13	(32,049.87)	-	407.81	57,685.07
- Subdebt Institutional	28,234.63	(20,681.07)	-	132.32	7,685.88
-Unclaimed Matured Portion	2,046.55	2,283.37	-	-	4,329.92
Borrowings other than debt securities					
- Term Loan from Banks	10,34,866.55	11,933.63	165.46	(723.04)	10,46,242.60
- Term Loan from Institution	49,782.31	(18,369.95)	-	0.54	31,412.90
- Commercial paper	2,28,691.45	(45,149.51)	-	-	1,83,541.94
- Cash Credit form Banks	1,61,961.46	10,844.14	-	-	1,72,805.60
- Working Capital Demand Loans	81,126.03	(4,440.87)	-	-	76,685.16
- Other loans	9,348.73	1,01,902.39	-	-	1,11,251.12
Deposits	3,07,365.15	4,875.35	-	(299.89)	3,11,940.61
-Unclaimed Matured Deposits	13,776.77	(2,194.56)	-	-	11,582.21
Total	23,05,080.77	1,38,067.07	165.46	(501.77)	24,42,811.53

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Changes in liabilities arising from financing activities during FY 2017-18

Rs. In lacs					
Particulars	As at April 01, 2017	Cash Flows	Exchange difference	Other *	As at March 31, 2018
At Amortised Cost					
Debt Securities					
-NCD Public Issue	39,476.63	(18,555.90)	-	-	20,920.73
-NCD Retail	82,064.42	(14,574.67)	-	107.70	67,597.45
-NCD Institutional	80,902.74	1,27,869.26	-	(230.06)	2,08,541.94
-Unclaimed Matured Portion	2,695.26	(1,201.37)	-	-	1,493.89
Subordinated Liabilities					
- Sub Debt Retail	98,858.24	(9,993.02)	-	461.91	89,327.13
- Subdebt Institutional	30,617.34	(2,534.24)	-	151.53	28,234.63
-Unclaimed Matured Portion	775.00	1,271.55	-	-	2,046.55
Borrowings other than debt securities					
-Term Loan from Banks	8,00,904.18	2,33,869.22	-	93.15	10,34,866.55
-Term Loan from Institution	82,123.06	(32,341.29)	-	0.54	49,782.31
- Commercial paper	1,96,446.31	32,245.14	-	-	2,28,691.45
- Cash Credit from Banks	1,41,284.14	20,677.32	-	-	1,61,961.46
- Working Capital Demand Loans	33,996.64	47,129.39	-	-	81,126.03
- Other loans	11,139.78	(1,791.05)	-	-	9,348.73
Deposits	3,52,136.35	(45,149.33)	-	378.13	3,07,365.15
-Unclaimed Matured Deposits	9,092.22	4,684.55	-	-	13,776.77
Total	19,62,512.31	3,41,605.57	-	962.90	23,05,080.77

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Shriram City Union Finance Limited

Annexure VI

Notes forming part of the Reformatted Consolidated financial statement

Note 46: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

(Rs. in lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	1,517.38	2,990.65	2,990.65
b.	VAT demand where the Company has filed appeal before various Appellates	266.45	137.52	131.02
c.	Service tax demand	3,802.12	3,802.12	-
d.	Guarantees given for subsidiary	2,500.00	2,500.00	2,500.00
	Total	8,085.95	9,430.29	5,621.67

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities.

The company has issued a guarantee for ` 2,500.00 lacs against refinance obtained by Shriram Housing Finance Limited for NHB.

(B) Commitments not provided for

(Rs. in lacs)

	Commitments not provided for	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	233.37	310.10	166.14
b.	Commitments related to loans sanctioned but undrawn	6,707.40	8,526.45	14,349.82

(C) Lease Disclosures

As a lessee

Operating Lease :

The Company has taken various office premises under operating lease. The lease expenses recognised in the Statement of Profit and Loss are ` 6,489.08 lakhs (March 31, 2018: ` 5,819.83 lakhs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

Future minimum lease payments under non-cancellable operating leases as at March 31, 2019 are as follows:

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Within one year	1,386.50	929.81	827.1
After one year but not more than five years	2,762.17	1,983.74	2435.81
More than five years	590.22	297.18	453.28

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Related party disclosures****Relationship****Name of the party**

(i) Enterprises having significant influence over the Company

: Shriram Capital Limited (SCL)
Shriram Ownership Trust (SOT)
Dynasty Acquisition FPI Limited (DAFL)
Piramal Enterprises Limited (PEL)
Valiant Mauritius Partners FDI Ltd. (VMPL)

(ii) Subsidiary

: Shriram Housing Finance Limited (SHFL)

(iii) Associates

Insight Commodities and Futures Private Limited (ICFPL)
Shriram Asset Management Company Limited (SAMCL)
Shriram Credit Company Limited (SCCL)
Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
Shriram Fortune Solutions Limited (SFSL)
Shriram General Insurance Company Limited (SGICL)
Shriram Insight Share Brokers Limited (SISBL)
Shriram Life Insurance Company Limited (SLICL)
Shriram Overseas Investments Private Limited (SOIPL)
Shriram Wealth Advisors Limited (SWAL)
Shriram Value Services Limited (SVSL)
Bharath Investments Pte. Ltd., Singapore (BIPL)
SGI Philippines General Insurance Co. Inc. (SGIPGICI)
Novac Technology Solutions Pvt. Ltd (NTSPL)
Tech Factory Services Pvt. Ltd. (TFSPL)

(iv) Key Management Personnel

: Mr. R Duruvasan, Managing Director & CEO
Mr. Debendranath Sarangi, Chairperson
Mr. Gerrit Lodewyk Van Heerde, Director
Mr. Khushru Burjor Jijina, Director (Ceased w.e.f 07.05.18)
Ms. Maya S Sinha , Director
Mr. Sri Pranab Prakash Pattanayak, Director
Mr. Ranvir Dewan, Director
Mr. Shashank Singh, Director
Mr. Subramaniam Krishnamurthy, Director
Mr. Venkataraman Murali, Director (SCUF & SHFL)
Mr. Vipen Kapur , Director
Mr. Ramakrishnan Subramanian, Additional Director (Ceased w.e.f 28.07.17)
Mr. R Chandrasekar, Chief Financial Officer
Mr. C R Dash, Company Secretary
Mr. Subramanian Jambunathan, Managing Director and CEO (SHFL) (Appointed w.e.f. 20.11.2018)
Mr. Sujana Sinha , Managing Director and CEO (SHFL) (Ceased w.e.f. 31.08.2018)
Ms. Quadsia Gandhi, Director (SHFL) (Ceased w.e.f. 23.05.2018)
Ms. Lakshminaryanan Priyadarshini, Director (SHFL) (Appointed w.e.f.16.10.2018)
Mr. Kunal Karnani , Chief Financial Officer (SHFL) (Appointed w.e.f. 21.01.2019)
Mr. Kankshit Munshi, Chief Financial Officer (SHFL) (Ceased w.e.f 19.11.2018)
Mr. Kunal Shah, Chief Financial Officer (SHFL) (Ceased w.e.f 23.04.2017)
Mrs. Nikita Hule , Company Secretary (SHFL)
Mrs. Mageswari Pasupathy , Company Secretary (SHFL) (Ceased w.e.f 12.07.2016)

(v) Relatives of Key Management Personnel

: Relatives of Mr. R Duruvasan, Managing Director & CEO
Late Mr. Ayneni Ramachandra Naidu (Father)
Late Mrs. Ayneni Ammayamma (Mother)
Ms. A Komaleeswari (Spouse)
Mr. Ayneni Vamshi Krishna (Son)
Mr. R Perumal (Brother)
Ms. P Padmaja (Brother's Wife)
Ms. S Usha Rani (Sister)
Mr. R Selvam (Sister's Husband)
Relatives of Mr. Subramanian Jambunathan, Managing Director & CEO (SHFL)
Late Mr. Krishnawamy Jambunathan (Father)
Ms. Padmavathi Jambunathan (Mother)
Ms. Dharini Mani Subramanian (Spouse)
Ms. Anusha Subramanian (Daughter)
Mr. Jambunathan Krishnan (Brother)

*- The Group neither holds any shares in the following entities nor these entities hold any shares in the Group. However these entities are “subsidiaries” of Shriram Capital Limited and hence these entities are treated as “associates” as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31 2019, March 31 2018 and April 01 2017

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 47: Related party disclosures

Related party transactions during the year:

Rs. In Lacs

Particulars	Enterprises having significant influence over the Company			Associates			Key Management Personnel			Relatives of Key Management Personnel			Total		
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017
Payments/Expenses															
Royalty to SOT	6,450.12	5,841.10	-	-	-	-	-	-	-	-	-	-	6,450.12	5,841.10	-
Commission & Other expenses- SFPSPL	-	-	-	1,944.86	1,756.14	-	-	-	-	-	-	-	1,944.86	1,756.14	-
Commission & Other expenses- SFSL	-	-	-	1,272.35	1,205.40	-	-	-	-	-	-	-	1,272.35	1,205.40	-
Insurance - SGICL	-	-	-	431.23	400.39	-	-	-	-	-	-	-	431.23	400.39	-
Insurance & Other expenses SLICL	-	-	-	477.00	260.40	-	-	-	-	-	-	-	477.00	260.40	-
Commission & Other expenses- SISBL	-	-	-	40.66	41.05	-	-	-	-	-	-	-	40.66	41.05	-
IT Services & Other expenses- SVSL	-	-	-	5,404.70	4,997.84	-	-	-	-	-	-	-	5,404.70	4,997.84	-
Reimbursement of rent and other expenses-SCL	195.09	592.43	-	-	-	-	-	-	-	-	-	-	195.09	592.43	-
License Fees to SCL	1,754.52	1,693.97	-	-	-	-	-	-	-	-	-	-	1,754.52	1,693.97	-
Purchase of Fixed Assets from SCL	-	53.75	-	-	-	-	-	-	-	-	-	-	-	53.75	-
Payments to Key Managerial Personnel (MD, CFO & CS)															
Short-term employee benefits	-	-	-	-	-	-	321.83	281.00	-	-	-	-	321.83	281.00	-
Post-employment pension (defined contribution)	-	-	-	-	-	-	29.61	11.24	-	-	-	-	29.61	11.24	-
Other long term employee benefits	-	-	-	-	-	-	9.39	35.93	-	-	-	-	9.39	35.93	-
Shared Based Payments	-	-	-	-	-	-	12.61	1.74	-	-	-	-	12.61	1.74	-
Directors Sitting Fees	-	-	-	-	-	-	35.25	43.19	-	-	-	-	35.25	43.19	-
Equity dividend to SCL	4,008.40	3,563.02	-	-	-	-	-	-	-	-	-	-	4,008.40	3,563.02	-
Equity dividend to DAFL	2,415.94	2,147.50	-	-	-	-	-	-	-	-	-	-	2,415.94	2,147.50	-
Equity dividend to PEL	1,184.37	1,052.77	-	-	-	-	-	-	-	-	-	-	1,184.37	1,052.77	-
Receipts/Income															
Rent Income - SFSL	-	-	-	21.76	14.41	-	-	-	-	-	-	-	21.76	14.41	-
Rent Income - SISBL	-	-	-	13.34	41.27	-	-	-	-	-	-	-	13.34	41.27	-
Rent Income - SLIC	-	-	-	19.25	13.01	-	-	-	-	-	-	-	19.25	13.01	-
Electricity, Telephone and other charges Received															
Expenses reimbursement -SFSL	-	-	-	11.23	9.44	-	-	-	-	-	-	-	11.23	9.44	-
Expenses reimbursement -SISBL	-	-	-	1.92	1.09	-	-	-	-	-	-	-	1.92	1.09	-
Expenses reimbursement -SLIC	-	-	-	27.29	11.73	-	-	-	-	-	-	-	27.29	11.73	-
Balance outstanding as at															
Share Capital held by SCL	2,226.89	2,226.89	2,226.89	-	-	-	-	-	-	-	-	-	2,226.89	2,226.89	2,226.89
Share Capital held by DAFL	1,342.19	1,342.19	1,342.19	-	-	-	-	-	-	-	-	-	1,342.19	1,342.19	1,342.19
Share Capital held by PEL	657.98	657.98	657.98	-	-	-	-	-	-	-	-	-	657.98	657.98	657.98
Share Capital held by VML in SHFL	4,872.00	4,872.00	4,872.00	-	-	-	-	-	-	-	-	-	4,872.00	4,872.00	4,872.00
Investment of SCL	226.43	282.08	329.62	-	-	-	-	-	-	-	-	-	226.43	282.08	329.62
Outstanding Expenses to SCL	183.17	170.86	155.43	-	-	-	-	-	-	-	-	-	183.17	170.86	155.43
Outstanding Expenses to SOT	1,688.43	1,420.23	1,048.59	-	-	-	-	-	-	-	-	-	1,688.43	1,420.23	1,048.59
Outstanding Expenses to SFPSPL	-	-	-	0.14	-	94.78	-	-	-	-	-	-	0.14	-	94.78
Outstanding Expenses to SFSL	-	-	-	-	-	52.39	-	-	-	-	-	-	-	-	52.39
Outstanding receivable from SFSL	-	-	-	6.32	10.42	-	-	-	-	-	-	-	6.32	10.42	-
Outstanding Expenses to SISBL	-	-	-	1.27	1.03	2.59	-	-	-	-	-	-	1.27	1.03	2.59
Outstanding Receivable from SLIC	-	-	-	2.05	26.25	-	-	-	-	-	-	-	2.05	26.25	-
Outstanding Expenses to SVS	-	-	-	7.13	141.86	1.00	-	-	-	-	-	-	7.13	141.86	1.00

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 48: Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

A. Shriram City Union Finance Limited

	(Rs. in Lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Regulatory capital			
Tier 1 Capital	6,14,038.04	5,41,268.98	4,92,377.75
Tier 2 Capital	10,081.44	20,814.14	36,094.37
Total capital funds	6,24,119.48	5,62,083.12	5,28,472.12
Risk weighted assets (Rs. in Lacs)	26,99,007.39	26,30,717.17	22,20,176.11
Tier 1 capital ratio	22.75%	20.58%	22.18%
Other Tier 2 capital ratio	0.37%	0.79%	1.63%
Total capital ratio	23.12%	21.37%	23.81%
Amount of subordinated debt raised as Tier - II capital (Rs. in Lacs)	-	10,853.74	29,485.91
Amount raised by issue of Perpetual Debt Instruments (Rs. in Lacs)	-	-	-

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments, which includes contingent convertible bonds.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

Consequent to the transition of the company to the Indian Accounting Standards (Ind AS) with effect from 1st April 2018, the books of account of the company are being maintained under Ind AS as required by the Companies Act, 2013. In the absence of any clarification from the Reserve Bank Of India (RBI) the company has continued filing various Returns to RBI based on directions issued by RBI which are in accordance with the previous Indian GAAP. This has been communicated by the company to RBI vide its letter dated 9th July, 2018.

B. Shriram Housing Finance Limited

	(Rs. in Lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Regulatory capital			
Tier 1 Capital	45,400.79	43,408.45	39,933.45
Tier 2 Capital	1,486.47	1,862.11	2,352.49
Total capital funds	46,887.26	45,270.56	42,285.94
Risk weighted assets (Rs. in Lacs)	1,56,629.53	1,37,117.92	1,46,055.97
Tier 1 capital ratio	28.99%	31.66%	27.34%
Other Tier 2 capital ratio	0.95%	1.36%	1.61%
Total capital ratio	29.94%	33.02%	28.95%
Amount of subordinated debt raised as Tier - II capital (Rs. in Lacs)	-	-	-
Amount raised by issue of Perpetual Debt Instruments (Rs. in Lacs)	-	-	-

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is other Tier 2 Capital, which includes provision for standard assets

The Company is meeting the capital adequacy requirements of National Housing Bank.

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Note 49: Fair value measurement

49.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 49.3.

49.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2019

				(Rs. in lacs)
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	36,389.75	-	36,389.75
Equity instruments	10,603.97	-	80.04	10,684.01
Security Receipts	-	1,858.44	-	1,858.44
Pass through Certificate	-	3,973.54	-	3,973.54
Total financial assets held for trading	10,603.97	42,221.73	80.04	52,905.74
Total assets measured at fair value on a recurring basis	10,603.97	42,221.73	80.04	52,905.74
Liabilities measured at fair value on a recurring basis				
<i>Derivative financial instruments</i>				
Currency Forward	297.39	-	-	297.39
Total derivative financial instruments	297.39	-	-	297.39
Total financial liabilities measured at fair value on a recurring basis	297.39	-	-	297.39

As at March 31, 2018

				(Rs. in lacs)
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	322.29	-	322.29
Equity instruments	9,516.15	-	50.67	9,566.82
Security Receipts	-	2,303.10	-	2,303.10
Pass through Certificate	-	7,617.72	-	7,617.72
Total financial assets held for trading	9,516.15	10,243.11	50.67	19,809.93
Total assets measured at fair value on a recurring basis	9,516.15	10,243.11	50.67	19,809.93

As at April 01, 2017

				(Rs. in lacs)
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	2,095.07	-	2,095.07
Equity instruments	8,608.01	-	1,047.67	9,655.68
Pass through Certificate	-	7,119.44	-	7,119.44
	8,608.01	9,214.51	1,047.67	18,870.19
Total assets measured at fair value on a recurring basis	8,608.01	9,214.51	1,047.67	18,870.19

49.3 Valuation techniques

Equity instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the networth of the investee Company

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

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Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	Rs. in Lacs	
	Equity instruments	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	50.67	1,047.67
Purchases	-	-
Sales	-	997.00
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Closing Balance	80.04	50.67
Unrealised gains and losses related to balances held at the end of the year	29.37	-

49.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	'As at March 31, 2019	'As at March 31, 2019		
Equity Instruments	80.04	-	Based on the networth of the investee Group	networth of the investee Group

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 liabilities		
	As at March 31, 2018	As at March 31, 2018		
Equity Instruments	50.67	-	Based on the networth of the investee Group	networth of the investee Group

49.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Group is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

	As at March 31, 2019		As at March 31, 2018	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	29.37	-	-	-

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49.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non financial liabilities.

(Rs. in lacs)					
As at March 31, 2019	CarryingAmount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	99,676.01	99,676.01	-	-	99,676.01
Bank balance other than cash and cash equivalents	30,327.51	-	30,334.27	-	30,334.27
Loans	28,81,075.06	2,188.66	-	28,75,519.41	28,77,708.07
Investments at amortised cost	38,843.90	-	-	38,843.91	38,843.91
Other financial assets	3,799.49	-	-	3,799.49	3,799.49
Total financial assets	30,53,721.98	1,01,864.67	30,334.27	29,18,162.81	30,50,361.75
Financial liabilities:					
Derivative financial instruments	297.39	-	297.39	-	297.39
Other Payables	6,764.54	-	-	6,764.54	6,764.54
Debt securities	4,26,704.75	-	4,27,952.55	-	4,27,952.55
Borrowings (other than debt securities)	16,21,939.32	-	16,21,770.32	-	16,21,770.32
Deposits	3,11,940.61	-	-	3,07,777.37	3,07,777.37
Subordinated liabilities	65,370.95	-	-	83,617.95	83,617.95
Other financial liabilities	35,521.51	-	-	35,521.51	35,521.51
Total financial liabilities	24,68,539.07	-	20,50,020.26	4,33,681.37	24,83,701.63
Off balance sheet items					
Other commitments	6,707.4			6,707.4	6,707.4
Total off-balance sheet items	6,707.4	-	-	6,707.4	6,707.4
(Rs. in lacs)					
As at March 31, 2018	CarryingAmount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	33,963.42	33,963.42	-	-	33,963.42
Bank balance other than cash and cash equivalents	20,201.06	-	20,202.26	-	20,202.26
Loans	27,53,368.51	2,604.09	-	27,95,826.19	27,98,430.28
Investments	46,935.18	-	-	46,935.18	46,935.18
Other financial assets	2,241.50	-	-	2,241.50	2,241.50
Total financial assets	28,56,709.67	36,567.51	20,202.26	28,45,002.87	29,01,772.64
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	7,969.48	-	-	7,969.48	7,969.48
Debt securities	2,97,060.12	-	2,98,421.00	-	2,98,421.00
Borrowings (other than debt securities)	15,65,776.52	-	15,65,763.18	-	15,65,763.18
Deposits	3,07,365.15	-	-	3,53,171.97	3,53,171.97
Subordinated liabilities	1,17,561.75	-	-	1,65,263.78	1,65,263.78
Other financial liabilities	25,919.51	-	-	25,919.51	25,919.51
Total financial liabilities	23,21,652.53	-	18,64,184.18	5,52,324.74	24,16,508.92
Other commitments	8,531.2			8,531.2	8,531.2
Total off-balance sheet items	8,531.2	-	-	8,531.2	8,531.2

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As at April 01, 2017	CarryingAmount	(Rs. in lacs)			
		Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	43,751.06	43,751.06	-	-	43,751.06
Bank balance other than cash and cash equivalents	21,770.69	-	-	21,757.76	21,757.76
Loans	23,37,911.98	-	-	23,48,130.05	23,48,130.05
Investments at ammortised cost	44,628.14	-	-	44,628.15	44,628.15
Other financial assets	6,762.77	-	-	6,762.77	6,762.77
Total financial assets	24,54,824.65	43,751.06	-	24,21,278.73	24,65,029.79
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	3,925.68	-	-	3,925.68	3,925.68
Debt securities	2,02,443.79	-	2,04,446.83	-	2,04,446.83
Borrowings (other than debt securities)	12,65,894.11	-	12,65,758.40	-	12,65,758.40
Deposits	3,52,136.35	-	-	4,06,127.20	4,06,127.20
Subordinated liabilities	1,29,475.58	-	-	1,81,368.08	1,81,368.08
Other financial liabilities	22,429.19	-	-	22,429.19	22,429.19
Total financial liabilities	19,76,304.70	-	14,70,205.23	6,13,850.15	20,84,055.38
Other commitments	14,396.6			14,396.6	14,396.6
Total off-balance sheet items	14,396.6	-	-	14,396.6	14,396.6

Note:

The management assessed that cash and cash equivalents, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

49.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields..

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

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Fair Value Measurement - Non-Financial assets

Reposessed House Property are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets Reposessed House Property has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used.

Particulars	(Rs. in Lacs)		
	Fair Value Hierarchy - Level 2		
	As at 31 March		
	As at 31 March 2019	2018	As at 01 April 2017
Non-Financial assets at fair value through profit or loss:			
Reposessed House Property	7,927.96	5,557.96	888.79
Total	7,927.96	5,557.96	888.79

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****Note 50 Risk Management**

Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

50.1 Introduction and Risk Profile**50.1.1 Risk management structure**

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee. The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

50.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

50.1.3 Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department. The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

50.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

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In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

50.2 Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performin	90+ dpd

50.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

50.2.2 Impairment assessment**50.2.2.1 Definition of default**

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Group
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

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It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

50.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

50.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realization of any security.

50.2.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 50.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 50.2.2.6), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

50.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note 6.1.xi dependant on the factors below, the Group calculates ECLs only on a collective basis

The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans
6. Home Loans

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50.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2019 was Rs. 4500.00 lakhs (March 31, 2018: Rs. 25000.00 lakhs)

Credit risk exposure analysis
(Rs. in lacs)

Particulars	March 31, 2019				
	Stage 1 Collective	Stage 2 Collective	Stage 3	POCI	Total
Normal	23,34,566.73	4,78,925.81	2,61,652.24		30,75,144.78
Reposessed			1,181.52		1,181.52
Total	23,34,566.73	4,78,925.81	2,62,833.76	-	30,76,326.30

50.3 Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

50.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2019:
(Rs. in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	99,825.02	32.84	15,332.41	17,138.64	129.42	-	1,32,458.33
Financial assets at fair value through profit and loss	16,023.03			619.48	619.48	619.48	17,881.47
Loans	5,16,949.93	5,01,545.07	8,24,411.05	12,35,981.16	4,55,474.26	4,80,273.26	40,14,634.73
Financial investments at amortised cost	1,386.33	89.74	20,069.81	13,709.37	9,248.64	125.61	44,629.50
Financial investments at FVOCI	667.00	470.10	829.23	780.60	652.97	1,788.60	5,188.50
Financial investments at FVTPL	-	-	31,050.73	-	-	-	31,050.73
Other Financial Assets	-	-	3,442.49	-	-	-	3,442.49
Total undiscounted financial assets	6,34,851.31	5,02,137.75	8,95,135.72	12,68,229.25	4,66,124.77	4,82,806.95	42,49,285.75

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Financial liabilities							
Derivative Financial Instruments	-	-	297.39	-	-	-	297.39
Deposits	32,591.37	27,196.30	53,575.91	1,94,413.60	51,741.61	-	3,59,518.79
Debt securities	15,542.92	94,040.97	79,486.81	2,66,809.58	51,354.44	4,412.00	5,11,646.72
Borrowings (other than debt securities)	4,61,745.48	1,70,102.58	3,49,111.05	7,39,774.96	1,23,217.97	1,682.72	18,45,634.76
Subordinated Liabilities	8,425.13	6,630.37	30,419.33	25,975.26	-	-	71,450.09
Other Financial Liabilities	-	-	35,458.51	-	-	-	35,458.51
Trade Payables	6,764.54	-	-	-	-	-	6,764.54
Total undiscounted financial liabilities	5,25,069.44	2,97,970.22	5,48,349.00	12,26,973.40	2,26,314.02	6,094.72	28,30,770.80
Net undiscounted financial assets/(liabilities)	1,09,781.87	2,04,167.53	3,46,786.72	41,255.85	2,39,810.75	4,76,712.23	14,18,514.95

Maturity pattern of assets and liabilities as on March 31, 2018:
(Rs. in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	34,069.46	-	18,222.78	3,416.27	135.44	-	55,843.95
Financial assets at fair value through profit and loss	-	-	-	767.70	767.70	767.70	2,303.10
Loans	5,13,484.94	4,61,446.85	8,82,971.01	11,34,676.48	4,90,492.75	4,05,768.57	38,88,840.60
Financial investments at amortised cost	1,396.74	100.02	28,630.68	14,701.77	9,621.48	514.67	54,965.36
Financial investments at FVOCI	777.91	820.46	1,683.52	3,016.74	1,099.16	2,741.28	10,139.07
Financial investments at FVTPL	-	-	9,889.10	-	-	-	9,889.10
Other Financial Assets	-	-	1,883.85	-	-	-	1,883.85
Total undiscounted financial assets	5,49,729.05	4,62,367.33	9,43,280.94	11,56,578.96	5,02,116.53	4,09,792.22	40,23,865.04
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	-
Deposits	38,413.58	35,896.88	71,766.07	1,57,929.16	43,244.86	-	3,47,250.55
Debt securities	10,864.76	6,103.38	52,170.91	2,43,793.34	40,024.65	9,184.00	3,62,141.04
Borrowings (other than debt securities)	2,24,167.36	89,390.98	5,25,358.41	7,32,946.40	1,97,156.01	286.22	17,69,305.38
Subordinated Liabilities	4,313.62	7,698.37	51,410.74	72,240.60	-	-	1,35,663.33
Other Financial Liabilities	-	-	25,908.59	-	-	-	25,908.59
Trade Payables	7,969.48	-	-	-	-	-	7,969.48
Total undiscounted financial liabilities	2,85,728.80	1,39,089.61	7,26,614.72	12,06,909.50	2,80,425.52	9,470.22	26,48,238.36
Net undiscounted financial assets/(liabilities)	2,64,000.25	3,23,277.72	2,16,666.22	(50,330.56)	2,21,691.01	4,00,322.00	13,75,626.68

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Maturity pattern of assets and liabilities as on April 01, 2017:

							(Rs. in lacs)
Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	43,758.33	3,005.18	15,751.92	4,572.13	-	-	67,087.56
Financial assets at fair value through profit and loss	1,800.48	-	-	-	-	-	1,800.48
Loans	4,57,146.68	3,96,780.38	8,09,485.56	8,77,926.87	3,87,855.39	3,29,488.24	32,58,683.12
Financial investments at amortised cost	8,970.41	303.07	17,505.36	3,503.96	13,931.56	9,803.66	54,018.02
Financial investments at FVOCI	522.32	524.05	1,030.86	5,996.89	497.79	97.64	8,669.55
Financial investments at FVTPL	-	-	9,950.27	-	-	-	9,950.27
Other Financial Assets	-	-	3,395.22	-	-	-	3,395.22
Total undiscounted financial assets	5,12,198.22	4,00,612.68	8,57,119.19	8,91,999.85	4,02,284.74	3,39,389.54	34,03,604.22
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	-
Deposits	44,088.02	41,418.27	83,134.70	1,81,832.09	45,240.33	-	3,95,713.41
Debt securities	15,404.20	8,204.31	74,594.34	1,04,642.41	31,775.80	9,956.00	2,44,577.06
Borrowings (other than debt securities)	1,85,708.51	1,07,508.73	3,22,073.79	6,50,204.89	1,83,331.34	4,173.79	14,53,001.05
Subordinated Liabilities	590.20	9,145.77	14,387.97	1,11,562.03	25,846.89	-	1,61,532.86
Other Financial Liabilities	-	-	22,458.76	-	-	-	22,458.76
Trade Payables	3,925.68	-	-	-	-	-	3,925.68
Total undiscounted financial liabilities	2,49,716.61	1,66,277.08	5,16,649.56	10,48,241.42	2,86,194.36	14,129.79	22,81,208.83
Net undiscounted financial assets/(liabilities)	2,62,481.61	2,34,335.61	3,40,469.63	(1,56,241.57)	1,16,090.37	3,25,259.75	11,22,395.40

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

(Rs. in lacs)					
Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 5 years	Total
As at March 31, 2019	-	-			
In respect of Income tax demands where the Group has filed	-	-	-	1,517.38	1,517.38
VAT demand where the Group has filed appeal before various	-	-	-	266.45	266.45
Service tax demand	-	-	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on	-	-	233.57	-	233.57
Commitments related to loans sanctioned but undrawn	1676.85	2,347.59	2,682.96	-	6,707.40
Total commitments	1676.85	2347.59	2916.53	8085.95	15026.92

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As at March 31, 2018	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 5 years	Total
In respect of Income tax demands where the Group has filed	-	-	-	2,990.65	2,990.65
VAT demand where the Group has filed appeal before various	-	-	-	137.52	137.52
Service tax demand	-	-	-	3,802.12	3,802.12
Guarantees and counter guarantees	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on	-	4.78	305.32	-	310.10
Commitments related to loans sanctioned but undrawn	2131.61	2984.26	3,410.58	-	8,526.45
Total commitments	2131.61	2989.04	3715.9	9430.29	18266.84
As at April 01, 2017	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 5 years	Total
In respect of Income tax demands where the Group has filed	-	-	-	2,990.65	2,990.65
VAT demand where the Group has filed appeal before various	-	-	-	131.02	131.02
Service tax demand	-	-	-	-	-
Guarantees and counter guarantees	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on	-	-	119.35	-	119.35
Uncalled amount in investment in ICICI Investment	-	46.79	-	-	46.79
Commitments related to loans sanctioned but undrawn	3587.45	5022.44	5,739.93	-	14,349.82
Total commitments	3587.45	5069.23	5859.28	5621.67	20137.63

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50.4 Market Risk

Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

50.4.1 Total market risk exposure

(Rs. in lacs)									
Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets									
Cash and cash equivalents and other bank balances	1,30,003.52	-	1,30,003.52	54,164.48	-	54,164.48	65,521.75	-	65,521.75
Loans	28,81,075.06	-	28,81,075.06	27,53,368.51	-	27,53,368.51	23,37,911.98	-	23,37,911.98
Financial investments at amortised cost	42,817.45	-	42,817.45	54,552.90	-	54,552.90	51,747.59	-	51,747.59
Financial investments at FVTPL	48,932.20	48,932.20	-	12,192.20	12,192.20	-	11,750.75	11,750.75	-
Other financial assets	3,799.49		3,799.49	2,241.50	-	2,241.50	6,762.77	-	6,762.77
Total	31,06,627.72	48,932.20	30,57,695.52	28,76,519.59	12,192.20	28,64,327.39	24,73,694.84	11,750.75	24,61,944.09
Liabilities									
Derivative financial instruments	297.39	-	297.39	-	-	-	-	-	-
Other Payables	6,764.54	-	6,764.54	7,969.48	-	7,969.48	3,925.68	-	3,925.68
Debt securities	4,26,704.75	-	4,26,704.75	2,97,060.12	-	2,97,060.12	2,02,443.79	-	2,02,443.79
Borrowings (other than debt securities)	16,21,939.32	-	16,21,939.32	15,65,776.52	-	15,65,776.52	12,65,894.11	-	12,65,894.11
Deposits	3,11,940.61	-	3,11,940.61	3,07,365.15	-	3,07,365.15	3,52,136.35	-	3,52,136.35
Subordinated liabilities	65,370.95	-	65,370.95	1,17,561.75	-	1,17,561.75	1,29,475.58	-	1,29,475.58
Other financial liabilities	35,521.51	-	35,521.51	25,919.51	-	25,919.51	22,429.19	-	22,429.19
Total	24,68,539.07	-	24,68,539.07	23,21,652.53	-	23,21,652.53	19,76,304.70	-	19,76,304.70

Note 51: First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2019, are the first financial statements the Group and have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

> Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

> A first-time adopter may opt to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date. However, it makes necessary adjustments for decommissioning liabilities to be included in the carrying value of PPE. The Group has used Ind AS 101 exemption and continued with the carrying value as recognised in previous GAAP as deemed cost on the transition date.

> In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture.

Accordingly, the Group has opted to measure its investment in subsidiary at previous GAAP carrying amount which is considered to be the deemed cost.

> Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Group has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

> Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract.

The Group has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.

> As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "Derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the Derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event).

The Group has opted not to re-evaluate financial assets derecognized in the past including those sold to asset restructuring companies.

Estimates:

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVPTL / FVOCI – equity and debt instrument

> Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2017, the date of transition to Ind AS and as of 31 March 2018.

Non-controlling interests

The following requirements of Ind AS 110 are applied prospectively from the date of transition to Ind AS (provided that Ind AS 103 is not applied retrospectively to past business combinations):

> To attribute total comprehensive income to non-controlling interests irrespective of whether this results in a deficit balance

> To treat changes in a parents ownership interest as equity transactions

> To apply Ind AS 110 to loss of control of a subsidiary

Equity reconciliation for 1 April 2017

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	43,751.06	-	43,751.06
Bank Balance other than above	21,770.69	-	21,770.69
Loans	24,63,923.04	(1,26,011.05)	23,37,911.98
Investments	64,959.62	(1,461.28)	63,498.34
Other financial assets	8,254.12	(1,491.35)	6,762.77
Total (A)	26,02,658.53	(1,28,963.68)	24,73,694.84
Non-financial assets			
Current tax assets (net)	6,388.72	-	6,388.72
Deferred tax assets (net)	4,392.21	3,969.93	8,362.15
Property, plant and equipment	7,485.04	-	7,485.04
Other Intangible assets	844.48	-	844.48
Other non-financial assets	4,724.21	(230.57)	4,493.64
Total (B)	23,834.66	3,739.36	27,574.03
Total Assets (A+B)	26,26,493.19	(1,25,224.32)	25,01,268.87
Liabilities and equity			
Liabilities			
Financial liabilities			
Derivative financial instruments	-	-	-
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,925.68	-	3,925.68
Debt securities	1,99,305.35	3,138.44	2,02,443.79
Borrowings (other than debt securities)	12,54,963.38	10,930.73	12,65,894.11
Deposits	3,54,095.36	(1,959.01)	3,52,136.35
Subordinated Liabilities	1,30,958.20	(1,482.62)	1,29,475.58
Other financial liabilities	28,358.93	(5,929.74)	22,429.19
Total (C)	19,71,606.90	4,697.80	19,76,304.70
Non-financial liabilities			
Provisions	1,24,210.98	(1,22,412.45)	1,798.53
Other non-financial liabilities	2,009.48	-	2,009.48
Total (D)	1,26,220.46	(1,22,412.45)	3,808.01
Total Liabilities (C+D)	20,97,827.36	(1,17,714.65)	19,80,112.71
Equity			
Equity	6,594.34	-	6,594.34
Other Equity	5,12,433.19	(7,156.86)	5,05,276.33
Non controlling interest	9,638.30	(352.81)	9,285.49
Total equity	5,28,665.83	(7,509.67)	5,21,156.16
Total liabilities and equity	26,26,493.19	(1,25,224.32)	25,01,268.87

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Equity reconciliation for 31 March 2018

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and cash equivalents	33,963.42	-	33,963.42
Bank Balance other than above	20,201.06	-	20,201.06
Loans	29,15,024.40	(1,61,655.89)	27,53,368.51
Investments	67,066.80	(321.70)	66,745.10
Other financial assets	3,867.99	(1,626.49)	2,241.50
Total (A)	30,40,123.67	(1,63,604.08)	28,76,519.59
Non-financial assets			
Current tax assets (net)	4,961.97	-	4,961.97
Deferred tax assets (net)	7,274.69	910.13	8,184.82
Property, plant and equipment	8,328.93	-	8,328.93
Other Intangible assets	441.75	-	441.75
Other non-financial assets	10,695.56	432.92	11,128.48
Total (B)	31,702.90	1,343.05	33,045.95
Total Assets (A+B)	30,71,826.57	(1,62,261.03)	29,09,565.54
Liabilities and equity			
Liabilities			
Financial liabilities			
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,969.58	(0.10)	7,969.48
Debt securities	2,97,640.81	(580.69)	2,97,060.12
Borrowings (other than debt securities)	15,56,518.82	9,257.70	15,65,776.52
Deposits	3,08,946.02	(1,580.87)	3,07,365.15
Subordinated liabilities	1,18,430.94	(869.19)	1,17,561.75
Other financial liabilities	26,991.81	(1,072.30)	25,919.51
Total (C)	23,16,497.98	5,154.55	23,21,652.53
Non-financial liabilities			
Provisions	1,68,205.68	(1,65,648.52)	2,557.16
Other non-financial liabilities	1,791.65	(20.24)	1,771.41
Total (D)	1,69,997.33	(1,65,668.76)	4,328.57
Total Liabilities (C+D)	24,86,495.31	(1,60,514.21)	23,25,981.10
Equity	6,596.58	-	6,596.58
Other Equity	5,68,439.24	(1,611.72)	5,66,827.52
Non controlling interest	10,295.44	(135.10)	10,160.34
Total equity	5,85,331.26	(1,746.82)	5,83,584.44
Total liabilities and equity	30,71,826.57	(1,62,261.03)	29,09,565.54

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Profit reconciliation for the year ended 31 March 2018

Particulars	Previous GAAP	Adjustments	Ind AS
Revenue from operations			
Interest income	5,30,400.51	5,915.98	5,36,316.49
Dividend income	144.50	-	144.50
Fee and commission income	212.32	-	212.32
Net gain on fair value changes	103.09	853.60	956.69
Net gain on derecognition of financial instruments under amortised category	-	-	-
Bad debts Recovery	4,536.71	-	4,536.71
Gain on sale of Investment	1,505.31	-	1,505.31
Total revenue from operations	5,36,902.44	6,769.58	5,43,672.02
Other income	201.75	22.87	224.62
Total Income	5,37,104.19	6,792.45	5,43,896.64
Expenses			
Finance costs	1,77,178.91	783.48	1,77,962.39
Net loss on derecognition of financial instruments under amortised category	-	978.58	978.58
Fees and commission expense	13,035.81	-	13,035.81
Impairment on financial instruments	43,215.13	(3,684.15)	39,530.98
Bad Debts Written Off	63,966.35	(20.32)	63,946.03
Employee benefits expenses	74,597.77	289.72	74,887.49
Depreciation, amortisation and impairment	3,519.03	-	3,519.03
Royalty	5,583.92	-	5,583.92
Professional Charges	11,642.66	-	11,642.66
Other expenses	38,237.45	(75.83)	38,161.62
Total expenses	4,30,977.03	(1,728.52)	4,29,248.51
Profit /(loss) before exceptional items and tax	1,06,127.16	8,520.97	1,14,648.13
Exceptional items	-	-	-
Profit/(loss) before tax	1,06,127.16	8,520.97	1,14,648.13
Tax Expense:			
(1) Current tax	39,467.20	-	39,467.20
(2) Deferred tax (credit)	(2,882.66)	2,961.15	78.49
(3) Earlier years adjustments	172.44	-	172.44
Profit/(loss) for the period from continuing operations	69,370.18	5,559.82	74,930.00
Other comprehensive income			
(i) Items that will not be classified to profit or loss	-	285.06	285.06
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	98.81	98.81
Subtotal (A)	-	186.25	186.25
(i) Items that will be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
Subtotal (B)	-	-	-
Other Comprehensive Income	-	-	-
Total comprehensive income	69,370.18	5,746.07	75,116.25

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2018

(Rs. in lacs)

Particulars	Note Reference	Previous GAAP as at March 31, 2018	Adjustments	Ind AS as at March 31, 2018
Net cash from/(used in) operating activities	1, 2, 3	(2,57,444.08)	(79,867.68)	(3,37,311.76)
Net cash from/(used in) investing activities	3	(1,679.54)	25.00	(1,654.54)
Net cash from/(used in) financing activities	1, 2	2,49,337.63	79,841.03	3,29,178.66
Net increase/(decrease) in cash and cash equivalents		(9,785.99)	(1.65)	(9,787.64)
Cash and cash equivalents at the beginning of the year		43,749.38		43,751.06
Cash and cash equivalents at the end of the year		33,963.39		33,963.42

1. Movement in unclaimed matured borrowing considered as Financing activities which was previously considered as Operating activities
2. Movement in current maturities of borrowing considered as Financing activities which was previously considered as Operating activities
3. Movement in Pass through certificates and Security Receipts of borrowing considered as Operating activities which was previously considered as Investment Activities

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52	Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:		
	(Rs. in lacs)		
	Particulars	As at March 31, 2019	As at March 31, 2018
	The principal amount remaining unpaid to supplier as at the end of the year	-	-
	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

53	The Group is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

54	Expenditure in foreign currency : Nil (March 31, 2018: Nil)

55.	The Group had no discontinuing operations during the year ended March 31, 2018.

56	Events after reporting date There have been no events after the reporting date that require disclosure in these financial statements.

57	In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Group has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs.20,200 lacs (March 31, 2018: Rs.20,200 lacs and April 01, 2017: Rs. 20,997.51 lacs) in favour of trustees representing the public deposit holders of the Group.

58 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

	(Rs. in lacs)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	1,11,251.12	9,348.73
Carrying amount of associated liabilities (Debt Securities-measured at amortised cost)	1,11,251.12	9,348.73
Fair value of assets	1,20,323.84	9,279.26
Fair value of associated liabilities	1,11,082.12	9,335.39
Net position at FV	9,241.72	(56.13)

59 Assignment

	(Rs. in lacs)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
No. of accounts	2,80,648.00	-
Aggregate value (net of provisions) of accounts sold	10,40,750.55	-
Aggregate consideration	88,204.33	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	2,253.20	-

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60 Investments

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(1) Value of investments		
(i) Gross value of investments		
(a) In India	81,150.42	57,248.83
(b) Outside India,	10,603.97	9,516.15
(ii) Provisions for depreciation		
(a) In India	(4.74)	(19.88)
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	81,145.68	57,228.95
(b) Outside India,	10,603.97	9,516.15
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	19.88	18.24
(ii) Add : Provisions made during the year	-	1.64
(iii) Less : Write-off/write-back of excess provisions during the year	15.14	-
(iv) Closing balance	4.74	19.88

61 Derivatives

61.1 Forward rate agreement/Interest rate swap

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) The notional principal of forward agreements	7,098.00	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into forwards	500.00	-
(iv) Concentration of credit risk arising from the forward	-	-
(v) The fair value of the forward book	7,098.00	-

61.2 Exchange Traded interest rate (IR) derivatives : Nil

61.3 Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange

Quantitative Disclosures

(Rs. in lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	7,098.00	-	-	-
(ii) Marked to market positions [1]				
a) Asset (+)	-	-	-	-
b) Liability (-)	297.39	-	-	-
(iii) Credit exposure [2]	-	-	-	-
(iv) Unhedged exposures	-	-	-	-

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****62. Rating assigned by credit rating agencies and migration of ratings during the year****62.1 Shriram City Union Finance Limited**

Rating Agency	Rating Instrument	As at March 31,2019	As at March 31,2018
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA / Stable
	Short-Term (CP)	IND A1+	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ / Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	CARE AA+ /Stable	CARE AA+ / Stable
	Fixed deposit	CARE AA+ (FD) /Stable	CARE AA+ (FD) /Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MA++ / Stable	MAA+/ Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA-/Positive
	Short-Term (CP)	NA	CRISIL A1+
	Subordinate Debt	CRISIL AA / Stable	CRISIL AA-/ Positive
	Fixed deposit	NA	FAA /Positive

62.2. Shriram Housing Finance Limited

Rating Agency	Rating Instrument	As at March 31,2019	As at March 31,2018
India Ratings	Long-Term (NCDs)	IND AA / Stable	IND AA / Stable
	Bank Loan Ratings	IND AA / Stable	IND AA / Stable
CARE	Long-Term (NCDs)	CARE AA+	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

63 Exposure to real estate sector

Rs. in lacs			
S.no	Particulars	As at March 31, 2019	As at March 31, 2018
i)	Residential Mortgages -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	2,02,793.12	1,84,903.83
ii)	Commercial Real Estate -Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	72,908.04	88,916.52
iii)	Investments in Mortgage Backed Securities(MBS) and other securitised exposures -		
	Residential	144.28	253.07
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	2,75,845.44	2,74,073.42

64 Exposure to capital market

(Rs. in lacs)			
Particulars		As at March 31, 2019	As at March 31, 2018
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	47,073.76	9,889.10
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	4,014.92	43,171.29
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances';	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market		51,088.68	53,060.39

65 Details of financing of parent company products

The Group does not have any Parent Company, hence not applicable.

66 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Group has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

67 Unsecured advances

The Group has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

68 Provisions and contingencies

A. Shriram City Union Finance Limited

(Rs. in lacs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Yeas ended Mar 31, 2019	Yeas ended Mar 31, 2018
Provisions for depreciation on investments	-	-
Provision towards NPA#	(9,965.98)	20,893.59
Provision made towards income tax	53,144.47	37,752.98
Provision for Standard Assets##	-	-
Provision towards impairment of financial instruments other than provision for stage 3 assets	23,433.84	18,454.86

Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

B. Shriram Housing Finance Limited

(Rs. in lacs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Yeas ended Mar 31, 2019	Yeas ended Mar 31, 2018
Provisions for depreciation on investments	(15.19)	1.60
Provision towards NPA#	(92.94)	1,510.00
Provision made towards income tax	(1,390.64)	774.29
Provision for Standard Assets	(375.68)	(490.38)
Other Provision and Contingencies		
Provision for Gratuity	(43.88)	46.05
Provision for Leave benefits	89.87	49.12
Provision for Non funded exposures	(17.16)	(102.85)

Provision for stage 3 assets

69 Draw down from reserves

The draw down from reserves was Rs. Nil.

70.1 Concentration of deposits, advances, exposures and NPAs

I. Shriram City Union Finance Limited

a. Concentration of deposits (for deposit taking NBFCs)

(Rs. in lacs)

Particulars	As at March 31, 2019
Total deposits of twenty largest depositors	7992.67
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.75%

b. Concentration of advances

(Rs. in lacs)

Particulars	As at March 31, 2019
Total advances to twenty largest borrowers	45,831.51
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.59%

c. Concentration of exposures

(Rs. in lacs)

Particulars	As at March 31, 2019
Total exposure to twenty largest borrowers/customers	39,148.78
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	1.35%

d. Concentration of NPAs #

(Rs. in lacs)

Total Exposure to top four NPA accounts	5,387.04
# Provision for stage 3 assets	

e. Sector-wise NPAs #

S.no	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-
2	MSME / Corporate borrowers	9.24%
3	Services	-
4	Unsecured personal loans	11.17%
5	Auto loans	
	i) Auto Loans	11.63%
	ii) Two wheeler	9.61%
6	Other personal loans	
	i) Consumer Durable	-
	ii) Pledged Jewel	2.34%
7	Others	1.94%

Provision for stage 3 assets

Shriram City Union Finance Limited
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Notes forming part of the Reformatted Consolidated financial statement

II. Shriram Housing Finance Limited

(i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

	(Rs. in Lacs)
Particulars	As at March 31, 2019
Total Deposits of twenty largest depositors	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	

(ii) Concentration of Loans & Advances

	(Rs. in Lacs)
Particulars	As at March 31, 2019
Total Loans & Advances to twenty largest borrowers	22,451.60
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	12.32%

(iii) Concentration of all Exposure (including off-balance sheet exposure)

	(Rs. in Lacs)
Particulars	As at March 31, 2019
Total Exposure to twenty largest borrowers /customers	23,801.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	12.60%

(iv) Concentration of NPAs

	(Rs. in Lacs)
Particulars	As at March 31, 2019
Total Exposure to top ten NPA accounts	1,345.24

Provision for stage 3 assets

(v) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	1.47%
2	Builders/Project Loan	0.01%
3	Corporates	-
4	Others (specify)	-
B.	Non-Housing Loans:	
1	Individuals	2.53%
2	Builders/Project Loan	0.02%
3	Corporates	0.75%
4	Others (specify)	-

Provision for stage 3 assets

Details of non- performing financial assets sold :

		(Rs. in Lacs)	
Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	No. of accounts sold	355.00	-
2	Aggregate outstanding (Rs. in lacs)	7,692.17	-
3	Aggregate consideration received (Rs. in lacs)	3,776.00	-

Provision for stage 3 assets

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

70.2 Movement of NPAs #

A. Shriram City Union Finance Limited

(Rs. in lacs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Net NPAs to Net Advances (%)	5.02%	4.97%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,59,384.94	2,06,318.93
(b) Additions during the year	1,31,196.11	1,65,306.82
(c) Reductions during the year	1,32,912.14	1,12,240.81
(d) Closing balance	2,57,668.91	2,59,384.94
(iii) Movement of Net NPAs		
(a) Opening balance	1,37,044.91	1,04,872.02
(b) Additions during the year	74,039.67	87,440.85
(c) Reductions during the year	65,790.02	55,267.95
(d) Closing balance	1,45,294.56	1,37,044.92
(iv) Movement of provisions for NPAs (excluding provisions		
(a) Opening balance	1,22,340.03	1,01,446.92
(b) Provisions made during the year	57,156.44	77,865.97
(c) Write-off / write-back of excess provisions	67,122.12	56,972.86
(d) Closing balance	1,12,374.35	1,22,340.03

Provision for stage 3 assets

B. Shriram Housing Finance Limited

			(Rs. in Lacs)
Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(I)	Net NPAs to Net Advances (%)	2.20%	4.27%
(II)	Movement of NPAs (Gross)		
	a) Opening balance	10,049.42	4,987.89
	b) Additions during the year	3,476.79	8,004.95
	c) Reductions during the year	8,361.37	2,943.42
	d) Closing balance	5,164.84	10,049.42
(III)	Movement of Net NPAs		
	a) Opening balance	7,543.18	3,255.95
	b) Additions during the year	2,773.12	6,203.27
	c) Reductions during the year	6,267.06	1,916.04
	d) Closing balance	4,049.24	7,543.18
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	2,506.24	1,731.94
	b) Provisions made during the year	750.57	1,961.98
	c) Write-off/write-back of excess provisions	2,141.21	1,187.68
	d) Closing balance	1,115.60	2,506.24

Provision for stage 3 assets

Shriram City Union Finance Limited**Annexure VI****Notes forming part of the Reformatted Consolidated financial statement****71 Overseas assets (for those with joint ventures and subsidiaries abroad)**

The Group does not have any joint venture or subsidiary abroad, hence not applicable.

72 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Group has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

73 Customer complaints

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a)	Number of complaints pending at the beginning of the year	223	35
(b)	Number of complaints received during the year	4,286	3,588
(c)	Number of complaints redressed during the year	4,489	3,400
(d)	Number of complaints pending at the end of the year	20	223

74. Auction Details

The Group Auctioned 3304 loan accounts (March 31,2018: 9910 accounts) during the financial year and the outstanding dues on these loan accounts were ` 1,077.39 lacs (March 31, 2018: ` 3,297.26 lacs) till the respective dates of auction. The Group realized `1,042.24 lacs (March 31, 2018 : ` 3248.22 lacs) on auctioning of gold jewellery taken as security on these loans. The Group confirms that none of its sister concerns participated in the above auctions.

75 Penalties:

No penalties have been levied by any regulator on the Group.

76 Restructured Accounts

Restructured Accounts : Nil (March 31, 2018: Nil)

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

77. Disclosure of frauds reported during the year ended March 31, 2019
Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

I. Shriram City Union Finance Limited

Instances of fraud for the year ended March 31, 2019:

Rs in lacs

Particulars		Less than Rs. 1 lakhs		Rs. 1 to 25 lakhs		Greater than Rs. 25 lakhs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	Person involved								
	Staff	-	-	-	-	-	-	-	-
	Customer	-	-	-	-	-	-	-	-
	Customer & Outsider	-	-	-	-	-	-	-	-
	Staff, Customer & Outsider	-	-	1	12.40	-	-	-	-
	Total	-	-	1	12.40	-	-	-	-
B)	Type of Fraud								
	Misappropriation and Criminal breach of trust	-	-	1	12.40	-	-	-	-
	Fraudulent encashment/manipulation of books of accounts	-	-	-	-	-	-	-	-
	Unauthorised credit facility extended	-	-	-	-	-	-	-	-
	Cheating and Forgery	-	-	-	-	-	-	-	-
	Total	-	-	1	12.40	-	-	-	-

II. Shriram Housing Finance Limited

Instances of fraud for the year ended March 31, 2019: Nil

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

78. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2019

Rs. in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits (includes unclaimed matured deposits and interest thereon)	24,026.98	10,967.57	11,039.25	27,697.66	50,850.49	1,62,052.31	36,888.56	-	3,23,522.82
Advances	1,52,335.48	1,14,406.54	1,16,302.89	3,76,607.41	6,26,105.15	9,19,751.22	2,71,341.02	3,04,225.35	28,81,075.06
Investments	36,864.42	197.80	509.71	413.83	18,766.20	13,083.54	9,113.50	12,800.64	91,749.64
Borrowings (includes unclaimed matured debentures & subordinated debts and interest thereon)	1,83,805.99	91,773.07	1,77,841.38	2,10,694.37	4,13,814.83	8,79,378.67	1,54,722.60	154.35	21,12,185.26
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	7,103.45	-	-	7,103.45

As at March 31, 2018

Rs. in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	3 months & up to 6 months	6 Months & up to 1 year	1 year & up to 3 years	3 years & up to 5 years	Over 5 years	Total
Deposits (includes unclaimed matured deposits and interest thereon)	27,348.91	11,394.55	12,933.33	34,683.95	67,360.42	1,35,567.17	31,853.59	-	3,21,141.92
Advances	1,59,726.98	1,09,893.70	1,06,004.17	3,40,550.55	6,73,590.53	8,29,400.47	2,77,423.11	2,56,779.00	27,53,368.51
Investments	784.15	199.78	204.74	654.33	39,679.26	23,301.12	1,396.76	524.96	66,745.10
Borrowings (includes unclaimed matured debentures & subordinated debts and interest thereon)	24,779.62	89,802.52	95,915.04	78,493.40	5,61,747.77	8,99,669.87	2,21,740.77	8,249.40	19,80,398.39
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

-

Shriram City Union Finance Limited
Annexure VI
Notes forming part of the Reformatted Consolidated financial statement

Note 79.Transfer to reserve fund:

As per Section 29C of the National Housing Bank Act, 1987, the Subsidiary is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of ` 337.99 Lacs (Previous Year ` 578.00 Lacs).

	(Rs. in Lacs)	
Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	2,460.70	1,882.70
c) Total	2,460.70	1,882.70
Addition / Appropriation / Withdrawal during the period		
Add: a) Amount transferred 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.	337.99	578.00
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve 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	2798.69	2460.70
c) Total	2,798.69	2,460.70

As per our report of even date

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

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

Umesh.S.Abhyankar
Partner
Membership No.113053

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: August 7, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Shriram City Union Finance Limited
Accounting Ratios
Annexure - VII Reformatted Financials - Consolidated - March 2019

S.no	Particular	For the year ended March 31,	
		2019	2018
	Number of equity shares at the beginning of the year	65,965,762	65,943,402
	Number of equity Shares at the end of the year	65,992,317	65,965,762
	Weighted average number of shares Rs. 10/-each	65,977,572	65,951,962
	Dilutive effect on weighted average number of shares	66,000,691	66,001,259
	Net Profit after tax available for equity shares (Rs. in lacs)	100,173.93	74,057.37
	Shareholders Fund at the end of the year (Rs. in lacs)*	650,557.84	565,552.22
	Average Shareholders Fund during the year (Opening + Closing)/2 (Rs. in lacs)	608,055.03	534,775.51
A	Basic Earnings Per Share (EPS) Rs.	151.83	112.29
B	Dilutive Earnings Per Share (EPS) Rs.	151.78	112.21
	Return on Shareholders Fund (%)		
C	Considering Shareholders Fund at the end of the year	15.40%	13.09%
D	Considering Average Shareholders Fund during the year	16.47%	13.85%
E	Net Asset value Per Share Rs.	986.03	857.52
	Borrowings (Rs. in lacs)	2,426,253.02	2,287,763.54
F	Debt Equity Ratio	3.73	4.05

Shriram City Union Finance Limited

Accounting Ratios

Annexure -VII to Reformatted Financials - Standalone - March 2019

Notes :

A. Basic Earnings per share (EPS) Rs.	$\frac{\text{Net Profit Shareholder to Equity Shareholder}}{\text{Weighted Average Number equity shares outstanding during the year}}$
B. Dilutive Earning Per Share (EPS) Rs.	$\frac{\text{Net Profit available to Equity Shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$
C .Return on Shareholders Fund considering shareholders Fund at the end of the year(%)	$\frac{\text{Net Profit After Tax}}{\text{Shareholder's Fund at the end of the year}}$
D. Return on Shareholders Fund considering average Shareholders Fund during the year (%)	$\frac{\text{Net Profit After Tax}}{\text{Average Shareholder Fund during the year}}$
E. Net Asset value of shares	$\frac{\text{Shareholder's Fund at the end of the year}}{\text{Weighted Average Number of equity shares outstanding at the end of the year}}$
F. Debt Equity	$\frac{\text{Long Term Borrowings+Short Term Borrowings+Current maturities of Long Term Borrowings+Temporary Credit Balance in bank accounts+Interest accrued but not due on borrowings}}{\text{Shareholders Fund}}$

*-Shareholders Fund=Share capital + Reserves & Surplus- Miscellaneous expenditure (to the extent not written off or adjusted)

Shriram City Union Finance Limited**Capitalisation statement****Annexure - VIII - Reformatted Financials - Consolidated March 2019**

The debt equity ratio prior to this Issue 3.73 is based on a total outstanding consolidated debt of Rs. 24,26,253.02 lacs and shareholder funds (net of Miscellaneous expenditure to the extent not written off or adjusted) amounting to Rs.6,50,557.84 lacs as on March 31, 2019. The debt equity ratio post the Issue (assuming subscription of Rs. 3,00,000 lacs) is 4.19 times, based on a total outstanding debt of Rs. 27,26,253.02 lacs and shareholders fund (net of Miscellaneous expenditure to the extent not written off or adjusted) of Rs. 6,50,557.84 lacs

Particulars	Prior to the Issue	Post the Issue
Secured loans as on March 31, 2019	1,856,372.59	2,156,372.59
Unsecured loans as on March 31, 2019	569,880.43	569,880.43
Total Debt	2,426,253.02	2,726,253.02
Equity Share capital as on March 31, 2019	6,599.23	6,599.23
Other Equity as on March 31, 2019	643,958.61	643,958.61
Miscellaneous Expenses	-	-
Total Shareholders Fund	650,557.84	650,557.84
Debt Equity Ratio (Number of times)	3.73	4.19

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No.123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2019

Rs in lacs

S. no.	Particulars	Quarter Ended			Year Ended
		June 30, 2019 (Unaudited)	March 31, 2019 (Audited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations				
	Interest income	145,025	140,287	138,889	567,692
	Dividend Income	171	-	167	167
	Fee and commission income	4	4	4	16
	Net gain on fair value changes	-	802	-	864
	Net gain of derecognition of financial instruments under amortised cost category	-	28	-	1,307
	Bad debts recovery	3,928	2,595	1,199	7,806
	Gain on sale of Investment	219	-	-	26
	Total Revenue from operations	149,347	143,716	140,259	577,878
2	Other Income	88	80	44	252
3	Total Income (1)+(2)	149,435	143,796	140,303	578,130
4	Expenses				
	- Finance costs	53,158	49,933	46,145	197,991
	- Net loss on fair value changes	1,073	-	321	-
	- Net loss of derecognition of financial instruments under amortised cost category	510	-	-	-
	- Fee and commission expenses	4,027	2,992	4,843	15,481
	- Impairment of financial instruments	1,787	892	4,368	13,468
	- Bad Debts Written Off	17,545	17,410	17,133	64,738
	- Employee benefit expenses	20,900	21,474	20,467	83,851
	- Depreciation, amortization and impairment	2,030	755	740	3,120
	- Royalty	1,629	1,567	1,517	6,302
	- Professional Charges	2,802	2,616	2,271	10,477
	- Other expenses	5,563	7,064	7,183	30,670
	Total expenses	111,024	104,703	104,988	426,098
5	Profit/(loss) before exceptional items	38,411	39,093	35,315	152,032
6	Exceptional items	-	-	-	-
7	Profit/(loss) before tax	38,411	39,093	35,315	152,032
8	Tax expenses				
	- Current tax	12,897	10,739	12,288	49,637
	- Income tax of earlier years	1,324	-	-	-
	- Deferred tax	(1,128)	3,227	69	3,507
	Total tax expenses	13,093	13,966	12,357	53,144
9	Profit/(Loss) for the period from continuing operations	25,318	25,127	22,958	98,888
	Profit/(Loss) for the period from discontinued operations	-	-	-	-
	Tax expense of discontinued operations	-	-	-	-
10	Profit/(Loss) for the period from discontinued operations (after tax)	-	-	-	-
11	Profit/(Loss) for the period	25,318	25,127	22,958	98,888
12	Other Comprehensive Income				
	A Items that will not be reclassified to profit or loss				
	Remeasurement gain/(loss) on defined benefit plan	(515)	(7)	(205)	(1,405)
	Income tax provision/(reversal) on above	(180)	(2)	(72)	(491)
	Total (A)	(335)	(5)	(133)	(914)
	B Items that will be reclassified to profit or loss				
	Income tax provision/(reversal) on above	-	-	-	-
	Total (B)	-	-	-	-
	Other comprehensive income (A + B)	(335)	(5)	(133)	(914)
13	Total Comprehensive Income for the period (Comprising profit/(Loss) and Other comprehensive Income for the period)	24,983	25,122	22,825	97,974
14	Paid Up Equity Share Capital (Face Value of Rs.10 each)	6,599	6,599	6,597	6,599
15	Earning per equity share (for continuing operation) (Face Value of Rs.10/- each):				
	(i) Basic	38.36	38.08	34.80	149.88
	(ii) Diluted	38.35	38.07	34.78	149.83
16	Earning per equity share (for discontinued operation) (Face Value of Rs.10/- each):				
	(i) Basic	-	-	-	-
	(ii) Diluted	-	-	-	-
17	Earning per equity share (for discontinued & continuing operation) (Face Value of Rs.10/- each) :				
	(i) Basic	38.36	38.08	34.80	149.88
	(ii) Diluted	38.35	38.07	34.78	149.83

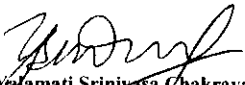
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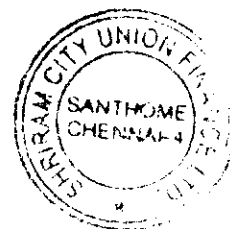
- 1 The above financial results for the quarter ended June 30, 2019 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on July 29, 2019.
- 2 The above financial results for the quarter ended June 30, 2019 have been subjected to limited review by the Statutory Auditors of the Company.
- 3 During the quarter ended June 30, 2019, the Company allotted 2,205 equity shares of Rs.10/- each, fully paid up to its employees under the Employees Stock Option Scheme 2006.
- 4 Effective April 1, 2019, the Company adopted Ind AS 116 'Leases' and applied the same to the lease contracts existing on April 1, 2019; using the modified retrospective approach recognizing right-of-use asset and corresponding lease liability. Accordingly, comparatives for the year ended March 31, 2019 and other periods disclosed have not been retrospectively adjusted. The effect of the adoption is not significant to the profit for the period.
- 5 The principal business of the Company is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Ind AS 108 - 'Operating Segments'.
- 6 The Company's Secured Non-Convertible Debentures (NCD) are secured by specific movable assets such as book debts and loans receivable and by way of a mortgage on the specified immovable properties with a cover of 100% and above as per the terms of issue.
- 7 The Company made an allotment of 66,69,278 NCDs aggregating to Rs.66,692.78 lacs on April 30, 2019. The proceeds of the issue have been utilised towards the Objects of the Issue mentioned in the Shelf Prospectus and Tranche 1 Prospectus.
- 8 The figures for the previous quarter/ period have been regrouped/ rearranged; wherever necessary to conform to the current period presentation.

Place: Chennai
Date: July 29, 2019



By order of the Board
For Shriraam City Union Finance Limited


Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

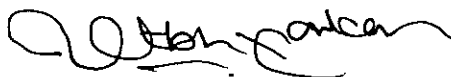


Limited Review Report

Review Report to
The Board of Directors
Shriram City Union Finance Limited

1. We have reviewed the accompanying statement of unaudited financial results (the statement) of Shriram City Union Finance Limited for the quarter ended June 30, 2019. This statement which is the responsibility of the Company's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with aforesaid Indian Accounting Standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 19113053AAAABW5513



Umesh S. Abhyankar
Partner
Membership Number: 113053
Chennai, July 29, 2019



SHRIRAM CITY UNION FINANCE LIMITED

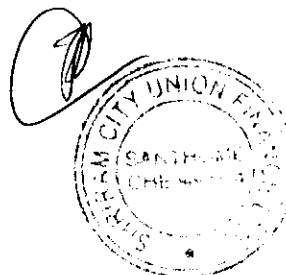
CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2019

S. no.	Particulars	Quarter Ended			Rs in lacs
		June 30, 2019 (Unaudited)	March 31, 2019 (Unaudited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations				
	Interest income	152,433	147,098	146,046	596,059
	Dividend Income	171	-	167	167
	Fee and commission income	-	-	-	-
	Net gain on fair value changes	-	1,051	-	1,152
	Net gain of derecognition of financial instruments under amortised cost category	-	28	-	1,307
	Bad debts recovery	3,998	2,595	1,269	7,984
	Gain on sale of Investment	527	-	11	26
	Total Revenue from operations	157,129	150,772	147,493	606,695
2	Other Income	159	90	52	291
3	Total Income (1)+(2)	157,288	150,862	147,545	606,986
4	Expenses				
	- Finance costs	56,962	53,212	49,140	210,583
	- Net loss on fair value changes	1,086	-	321	-
	- Net loss of derecognition of financial instruments under amortised cost category	510	-	-	3,916
	- Fee and commission expenses	4,129	2,992	4,843	15,481
	- Impairment of financial instruments	1,921	590	4,821	11,669
	- Bad Debts Written Off	18,115	17,410	17,140	65,198
	- Employee benefit expenses	22,271	22,955	21,984	89,747
	- Depreciation, amortization and impairment	2,217	818	791	3,353
	- Royalty	1,679	1,567	1,517	6,302
	- Professional Charges	3,046	2,616	2,271	10,477
	- Other expenses	6,022	8,358	8,388	35,721
	Total expenses	117,958	110,518	111,216	452,447
5	Profit/(loss) before exceptional items	39,330	40,344	36,329	154,539
6	Exceptional items	-	-	-	-
7	Profit/(loss) before tax	39,330	40,344	36,329	154,539
8	Tax expenses				
	- Current tax	13,149	10,739	12,562	49,544
	- Income tax of earlier years	1,324	-	-	-
	- Deferred tax	(1,147)	3,555	124	4,442
	Total tax expenses	13,326	14,294	12,686	53,986
9	Profit/(Loss) for the period from continuing operations	26,004	26,050	23,643	100,553
	Profit/(Loss) for the period from discontinued operations	-	-	-	-
	Tax expense of discontinued operations	-	-	-	-
10	Profit/(Loss) for the period from discontinued operations (after tax)	-	-	-	-
11	Profit/(Loss) for the period	26,004	26,050	23,643	100,553



SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

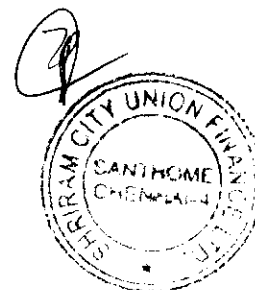
Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2019

Rs in lacs

S. no.	Particulars	Quarter Ended			Year Ended
		June 30, 2019 (Unaudited)	March 31,2019 (Unaudited)	June 30, 2018 (Unaudited)	March 31,2019 (Audited)
12	Other Comprehensive Income				
	A Items that will not be reclassified to profit or loss				
	Remeasurement gain/(loss) on defined benefit plan	(497)	14	(171)	(1,316)
	Income tax provision/(reversal) on above	(175)	6	(60)	(461)
	Total (A)	(322)	8	(111)	(855)
	B Items that will be reclassified to profit or loss				
	Income tax provision/(reversal) on above	-	-	-	-
	Total (B)	-	-	-	-
	Other comprehensive income (A + B)	(322)	8	(111)	(855)
13	Total Comprehensive Income for the period (Comprising profit /(Loss) and Other comprehensive Income for the period)	25,682	26,058	23,532	99,698
14	Profit/ (Loss) for the period attributable to				
	- Owners of the Company	25,848	25,840	23,487	100,174
	- Non - Controlling Interests	156	210	156	379
15	Other Comprehensive Income/ (Loss) for the period attributable to				
	- Owners of the Company	(325)	5	(116)	(868)
	- Non - Controlling Interests	3	3	5	13
16	Total Comprehensive Income/ (Loss) for the period attributable to				
	- Owners of the Company	25,523	25,845	23,371	99,306
	- Non - Controlling Interests	159	213	161	392
17	Paid Up Equity Share Capital (Face Value of Rs.10 each)	6,599	6,599	6,597	6,599
18	Earning per equity share (for continuing operation) (Face Value of Rs.10 /- each):				
	(i) Basic	39.17	39.16	35.60	151.83
	(ii) Diluted	39.16	39.15	35.58	151.78
19	Earning per equity share (for discontinued operation) (Face Value of Rs.10 /- each):				
	(i) Basic	-	-	-	-
	(ii) Diluted	-	-	-	-
20	Earning per equity share (for discontinued & continuing operation) (Face Value of Rs.10 /- each) :				
	(i) Basic	39.17	39.16	35.60	151.83
	(ii) Diluted	39.16	39.15	35.58	151.78



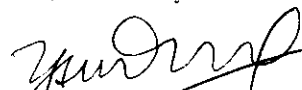
Notes

- 1 The above financial results for the quarter ended June 30, 2019 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on July 29, 2019.
- 2 In accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Statutory Auditors have carried out a limited review of the consolidated financial results for the quarter ended 30th June, 2019. The Consolidated results for quarter ended 30th June, 2018 and 31st March, 2019 have not been reviewed by the Statutory Auditors.
- 3 During the quarter ended June 30, 2019, the Group allotted 2,205 equity shares of Rs.10/- each, fully paid up to its employees under the Employees Stock Option Scheme 2006.
- 4 Effective April 1, 2019, the Group adopted Ind AS 116 'Leases' and applied the same to the lease contracts existing on April 1, 2019, using the modified retrospective approach recognizing right-of-use asset and corresponding lease liability. Accordingly, comparatives for the year ended March 31, 2019 and other periods disclosed have not been retrospectively adjusted. The effect of the adoption is not significant to the profit for the period.
- 5 The principal business of the Group is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Ind AS 108 - 'Operating Segments'.
- 6 The Group's Secured Non-Convertible Debentures (NCD) are secured by specific movable assets such as book debts and loans receivable and by way of a mortgage on the specified immovable properties with a cover of 100% and above as per the terms of issue.
- 7 The Group's made an allotment of 66,69,278 NCDs aggregating to Rs.66,692.78 lacs on April 30, 2019. The proceeds of the issue have been utilised towards the Objects of the Issue mentioned in the Shelf Prospectus and Tranche I Prospectus.
- 8 The figures for the previous quarter/ period have been regrouped/ rearranged; wherever necessary to conform to the current period presentation.

Place: Chennai
Date: July 29, 2019



By order of the Board
For Shriram City Union Finance Limited


Valamati Srinivasa Chakravarti
Managing Director & CEO

DIN: 00052308



Limited Review Report

Review Report to
The Board of Directors
Shriram City Union Finance Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Shriram City Union Finance Limited ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018 and for the quarter ended March 31, 2019, as reported in the statement have been approved by the Parent's Board of Directors, but have not been subjected to review.
3. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

5. The Statement includes the results of the subsidiary, Shriram Housing Finance Limited.
6. Based on our review conducted and procedures performed as stated in paragraph 4 above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the



G. D. Apte & Co.
Chartered Accountants

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We did not review the financial results of the subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 7,844 lakhs, total net profit after tax of Rs. 693 lakhs and total comprehensive income of Rs. 706 lakhs for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 4 above.

Our conclusion on the Statement is not modified in respect of the above matter.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 19113053AAAABX4748



Umesh S. Abhyankar
Partner
Membership Number: 113 053
Chennai, July 29, 2019

