Chola
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July 31, 2017

The Secretary
National Stock Exchange of India Limited
Capital Market – Listing
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

The Secretary
BSE Ltd.
25th Floor, PJ Towers
Dalal Street, Fort
Mumbai 400 001

Dear Sir,

Sub: Annual Report for the financial year 2016-2017

Pursuant to Regulation 34 of the Listing Regulations we enclose the soft copy of the Annual Report of the Company for the year ended 31st March 2017.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For Cholamandalam Investment and Finance Company Limited

P Sujatha
Company Secretary

Encl.: As above

Cholamandalam Investment and Finance Company Ltd.
Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India.
Tel : 91.44.30007172 / Fax : 91.44.25346464
Website : www.cholamandalam.com
CIN – L65993TN1978PLC007576

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Cholamandalam Investment and Finance Company Limited

Registered Office: "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001.
Phone: 044 3000 7172; Fax: 044 2534 6464;
CIN-L65993TN1978PLC007576
E-mail ID: investors@chola.murugappa.com; Website: www.cholamandalam.com

Notice to Members

NOTICE is hereby given that the thirty ninth annual general meeting of the members of Cholamandalam Investment and Finance Company Limited will be held at 4 p.m. on Thursday, 27 July, 2017 at The Music Academy, New No.168, (Old No.306), T.T.K. Road, Royapettah, Chennai - 600 014 to transact the following business:

ORDINARY BUSINESS:

1. To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION**:

   RESOLVED THAT the board's report, the statement of profit and loss and the cash flow statement for the year ended 31 March, 2017 and the balance sheet as at that date, including the consolidated financial statements, together with the independent auditors' reports thereon be and are hereby considered, approved and adopted.

2. To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

   RESOLVED THAT the interim dividend of 35% approved by the board of directors on 25 January, 2017 on the outstanding equity shares of ₹ 10/- each of the company for the year ended 31 March, 2017 and paid to those equity shareholders whose names appeared in the register of members as on 7 February, 2017 being the record date fixed for this purpose be and is hereby confirmed.

   RESOLVED FURTHER THAT a final dividend of 20% as recommended by the board of directors be and is hereby declared on the outstanding equity shares of ₹ 10/- each of the company for the year ended 31 March, 2017 and be paid to those members, in case of shares held in physical form, whose names appear in the register of members as on 27 July, 2017 and in case of shares held in dematerialised form, as per the details furnished by the depositories for this purpose.

3. To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

   RESOLVED THAT Mr. N. Srinivasan (holding DIN 00123338), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director of the company liable to retire by rotation.

4. To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

   RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S.R.Batliboi & Associates LLP, Chartered Accountants, bearing registration no.101049W be and are hereby appointed as the statutory auditors of the company for a period of five years from the conclusion of thirty ninth annual general meeting till the conclusion of the forty fourth annual general meeting subject to ratification of such appointment by members at every annual general meeting at a remuneration of ₹ 41 lakhs per annum including the actual travelling and out of pocket expenses incurred in connection with the audit in addition to service tax / other taxes as applicable.

SPECIAL BUSINESS:

5. To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

   RESOLVED THAT pursuant to the provisions of sections 196, 197, 203, schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) the company hereby approves the appointment, by the board of directors (the board), of Mr. N. Srinivasan (holding DIN 00123338) as the executive vice chairman and managing director of the company for a period of two years from 19 August, 2017 to 18 August, 2019 (both days inclusive) and be paid remuneration by way of salary, allowances, perquisites and incentive as detailed below subject to an overall limit of 5% of the net profits of the company for each financial year computed in the manner prescribed in section 197 of the Act:

CERTIFIED TRUE COPY
For CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

P. SUJATHA
Company Secretary

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a. Salary

₹ 23,00,000/- per month in the scale of ₹ 20,00,000/- p.m. to ₹ 40,00,000 /- p.m.
Increments to be decided by the nomination and remuneration committee (NRC).

b. Allowances / Perquisites / Incentive

As may be determined by the NRC.

c. General

i. In the event of inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites and incentive to Mr. Srinivasan be paid in accordance with schedule V of the Act as may be determined by the board or NRC, and shall not, except with the approval of the Central Government, exceed the limits prescribed under the Act and the rules made there under or any statutory modification or re-enactment thereof.

ii. Perquisites shall be valued in terms of actual expenditure incurred by the company in providing the benefits. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be valued as per income tax rules.

iii. The aggregate remuneration (including salary, allowances, perquisites and incentive) payable to Mr. Srinivasan for any financial year shall be subject to an overall ceiling of 5% of the net profits of the company for that financial year computed in the manner prescribed under the Act.

iv. Incentive shall be determined by the NRC based on the company's scheme in force from time to time and subject to achievement of such performance parameters as may be stipulated by the board / NRC.

v. Mr. Srinivasan will not be entitled to any sitting fees for attending meetings of the board or of any committee thereof.

vi. Mr. Srinivasan will be subject to all other service conditions as applicable to any other employee of the company.

RESOLVED FURTHER THAT the board of directors of the company including NRC, be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary, proper, desirable or expedient to give effect to this resolution including alteration and variation in such terms of appointment and remuneration so as to not exceed the limits specified in schedule V of the Act as may be deemed to be in the best interest of the company.

6. To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of sections 196, 197, 203, schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the company hereby approves the appointment, by the board of directors (the board), of Mr. Arun Alagappan (holding DIN 00291361), as the executive director of the company for a period of five years from 19 August, 2017 to 18 August, 2022 (both days inclusive) and be paid remuneration by way of salary, allowances, perquisites and incentive as detailed below subject to an overall limit of 5% of the net profits of the company for each financial year computed in the manner prescribed in section 197 of the Act:

a. Salary

₹ 6,71,635/- per month in the scale of ₹ 5,90,000/- p.m. to ₹ 17,50,000/- p.m. Increments to be decided by the nomination and remuneration committee (NRC).

b. Allowances / Perquisites / Incentive

As may be determined by the NRC.

c. Retirement benefits

i. Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the fund / scheme in force from time to time.

ii. Encashment of leave as per rules of the company in force from time to time.

d. General

i. In the event of inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirements benefits to Mr. Arun Alagappan be paid in accordance with schedule V of the Act as may be determined by the board or NRC, and shall not, except with the approval of the Central Government, exceed the limits prescribed under the Act and the rules made there under or any statutory modification or re-enactment thereof.

ii. Perquisites shall be valued in terms of actual expenditure incurred by the company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be valued as per income tax rules.

iii. The aggregate remuneration (including salary, allowances, perquisites, incentive and retirement benefits) for any financial year shall be subject to an overall ceiling of 5% of the net profits of the company for that financial year computed in the manner prescribed under the Act.

iv. Incentive shall be determined by the NRC based on the company's scheme in force from time to time and subject to achievement of such performance parameters as may be stipulated by the board / NRC.

v. Mr. Arun Alagappan will not be entitled to any sitting fees for attending meetings of the board or of any committee thereof.

vi. Mr. Arun Alagappan will be subject to all other service conditions as applicable to any other employee of the company.

RESOLVED FURTHER THAT the board of directors of the company including NRC, be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary, proper, desirable or expedient to give effect to this resolution including alteration and variation in such terms of appointment and remuneration so as to not exceed the limits specified in schedule V of the Act as may be deemed to be in the best interest of the company.

7. To consider and if deemed fit, to pass, the following as a **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to the provisions of sections 42, 71 and other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the rules, regulations, guidelines and circulars as amended from time to time, the Memorandum and Articles of Association of the company and subject to such other requirements as may be prescribed by regulatory authorities from time to time, consent of the members of the company be and is hereby accorded to offer, issue and allot, in one or more series or tranches, secured and unsecured non-convertible debentures on a private placement basis during the period commencing from the date of the thirty ninth annual general meeting until the conclusion of the fortieth annual general meeting, up to an amount not exceeding ₹ 11,500 crores within the overall borrowing limits of the company, as approved by the members, on such terms and conditions and at such times at par or at such premium as may be decided by the board of directors of the company (including committees thereof), from time to time, to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case may be or such other person / persons as the board of directors of the company (including committees thereof) may determine and consider proper and most beneficial to the company including rate of interest, tenure and security cover thereof, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the board of directors of the company (including any committee thereof), be and is hereby authorised to do all such acts, deeds and things and give such directions and further to execute such documents, deeds, instruments and writings as may be deemed necessary, proper, desirable or expedient to give effect to this resolution.

By Order of the board

Place : Chennai
Date : 14 June, 2017

P. Sujatha
Company Secretary

NOTES:

1. **A member entitled to attend and vote at the annual general meeting (AGM) may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the company. Proxy to be valid shall be deposited at the registered office of the company at least forty eight hours before the time for holding the meeting. A person shall not act as a proxy for more than fifty members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A person holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxy form for the AGM is enclosed.**

2. **The business set out in the notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this notice at the end.
3. Members / proxies are requested to bring their duly filled in attendance slips enclosed herewith to attend the meeting mentioning therein details of their DP and Client ID / Folio No.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.
5. Information as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of appointment / re-appointment of directors is furnished and forms a part of the notice.
6. The explanatory statement pursuant to section 102 of the Companies Act, 2013 ("the Act") in respect of businesses set out above in resolution nos. 3, 5, 6 & 7 is annexed.
7. Pursuant to the provisions of section 91 of the Act and the listing regulations, the register of members and share transfer books of the company will remain closed from Friday, 21 July, 2017 to Thursday, 27 July, 2017 (both days inclusive).
8. The final dividend of ₹ 2/- per equity share of the company, as recommended by the board, if declared at the ensuing AGM, will be paid, subject to the provisions of section 126 of the Act, to those members or their mandatees whose names stand registered in the company's register of members as on 27 July, 2017. Members are encouraged to utilise the electronic clearing service (ECS) for receiving dividends by registering their bank mandates.
9. All correspondence relating to change of address, change in the e-mail ID already registered with the company, transfer / transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the company may be made to Karvy Computershare Private Ltd., the registrar and share transfer agent (RTA). The members holding shares in dematerialised form may send such communication to their respective depository participant/s (DPs).
10. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form no. SH13, duly filled in to the RTA. The prescribed form can be obtained from the RTA / DPs as well as downloaded from the company's website, *www.cholamandalam.com.*
11. All unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the company, have been transferred to the investor education and protection fund (IEPF) established by the Central Government. It may be noted that a reminder has been sent for unclaimed / unpaid dividend in respect of those members having unclaimed dividends. Members wishing to claim dividends, which remain unclaimed are advised to write to the company's RTA immediately. Members attention is particularly drawn to the "General Shareholders Information" section of the annual report in respect of unclaimed / unpaid dividend. The company has uploaded the details of unpaid and unclaimed amounts lying with the company as on 29 July, 2016 (date of last AGM) on the company's website, *www.cholamandalam.com* and also on the website of the Ministry of Corporate Affairs, *www.mca.gov.in.*
12. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including annual reports from time to time in electronic form to the e-mail address provided by you. Members holding shares in dematerialised form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to RTA.
13. Copies of the annual report for 2017, notice of the 39th AGM along with attendance slip and proxy form are being sent to all the members whose e-mail IDs are registered with the company / DPs for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail IDs, physical copies of the aforesaid documents are being sent in the permitted mode.
14. Members may also note that the notice of the 39th AGM and the annual report for 2017 will also be available on the company's website, *www.cholamandalam.com* for their download. The physical copies of the aforesaid documents including the relevant documents referred to in the notice and the explanatory statement will also be available for inspection at the company's registered office during normal business hours on working days up to the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the company's e-mail id: *investors@chola.murugappa.com*.

15. SEBI has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA.
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA for consolidation into a single folio. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. Since shares of the company are traded on the stock exchanges compulsorily in demat mode, members holding shares in physical mode are advised to get their shares dematerialised.
18. Members desirous of obtaining any information / clarification relating to the accounts are requested to submit their query in writing to the company well in advance so as to enable the management to keep the information ready.

By Order of the board

Place : Chennai
Date : 14 June, 2017

P. Sujatha
Company Secretary

ANNEXURE TO THE NOTICE

A. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 3 & 5 - Appointment of Mr. N Srinivasan as a director liable to retire by rotation/Appointment of Mr. N Srinivasan as executive vice chairman and managing director:

Mr. N. Srinivasan has been a director of the company since December, 2006. He is liable to retire by rotation at this AGM and being eligible has offered himself for re-appointment.

The board of directors of the company at its meeting held on 15 March, 2017 pursuant to the recommendation of the nomination and remuneration committee (NRC) and subject to the approval of members, has approved the appointment of Mr. N Srinivasan, as executive vice chairman and managing director of the company for a term of two years from 19 August, 2017 to 18 August, 2019 (both days inclusive). As per section 203 of the Act, managing director is a key managerial personnel of the company.

Mr. Srinivasan is currently an employee of Murugappa Management Services Limited (MMSL), a constituent of the Murugappa Group. Vide a deputation agreement between the company, MMSL and Mr. Srinivasan, services of Mr. Srinivasan will be deputed to the company on a full-time basis for a period of two years on such terms of remuneration as mentioned in the resolution. Mr. Srinivasan shall be subject to the overall superintendence and direction of the board in accordance with legal and governance requirements of Companies Act, 2013 and SEBI Listing Regulations. During the period of deputation, Mr. Srinivasan shall be subject to such performance evaluation as may be laid down by the NRC/board from time to time.

Mr. Srinivasan has over 31 years of experience including over a decade as a non-executive director on the board of the company. He was instrumental in turning around the company during the personal loan losses in 2008 and held office as director-in-charge between October 2008 and August 2010. His rich experience in corporate finance and general management besides financial services industry will benefit the company immensely. Details of his qualification, experience and expertise are disclosed below. The board recommends the resolution appointing him as executive vice chairman and managing director for approval of the members.

None of the directors, key managerial personnel of the company and their relatives is concerned or interested in the resolution except Mr. Srinivasan.

Item no. 6 - Appointment of Mr. Arun Alagappan as executive director:

The board of directors of the company at its meeting held on 15 March, 2017 has pursuant to the recommendation of the NRC and subject to the approval of members, approved the appointment of Mr. Arun Alagappan, as executive director for a term of five years from 19 August, 2017 to 18 August, 2022 (both days inclusive). As per section 203 of the Act, the executive director is a key managerial personnel of the company.

Mr. Arun Alagappan has over 20 years of experience in the areas of retail business, sales and marketing. His rich experience in various corporate functions including human resources and commercial function will benefit the Company. Details of his qualification, experience and expertise are disclosed below. The board recommends the resolution appointing him as executive director for approval of the members.

None of the directors, key managerial personnel of the company and their relatives is concerned or interested in the resolution.

Item No. 7 - Issue of securities on a private placement basis:

Pursuant to the provisions of section 42 of the Act read with rule 14(2)(a) of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), a company offering or making an invitation to subscribe to non-convertible debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the shareholders by way of a special resolution. Such an approval by way of special resolution can be obtained once a year for all the offers and invitations proposed to be made for such NCDs during the year.

The company expects to borrow up to ₹ 11,500 crores by way of NCDs during the period from the conclusion of 39th AGM till the conclusion of the next AGM. The proceeds of the debentures are expected to be utilised for working capital to finance the growth of the lending portfolio of the company in its core businesses, vehicle finance and home equity. Further, in order to maintain its regulatory capital adequacy requirements, the company would issue NCDs in the form of subordinated debt and perpetual debt instruments from time to time.

Accordingly, the approval of the members is being sought in connection with the aforesaid proposed issue of NCDs. Further, members are requested to authorise the board (including any committee thereof) to issue NCDs on a private placement basis, as stipulated above in one or more tranches, within the overall borrowing limits of the company, as approved by the members from time to time. The board recommends the resolution for approval of the members.

None of the directors, key managerial personnel of the company and their relatives is concerned or interested in the resolution.

B. DISCLOSURE UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS

Name of director	**N. Srinivasan**	**Arun Alagappan**
DIN	00123338	00291361
Date of Birth	6 October, 1957	19 July, 1976
Date of Appointment (Initial appointment)	29 December, 2006 - Appointed as a non-executive director of the company. Further, at the board meeting held on 15 March, 2017, Mr. Srinivasan was appointed as executive vice chairman and managing director for a period of two years with effect from 19 August, 2017	At the board meeting held on 15 March, 2017, Mr. Arun Alagappan was appointed as executive director for a period of five years with effect from 19 August, 2017
Qualification	Graduate in Commerce, Associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India	Graduate in Commerce, MBA from Cardiff Business School, Wales, UK.
Expertise in specific functional areas	Has 33 years of experience in the areas of corporate finance, legal, projects and general management.	President of TI Cycles of India since August 2013 till date. Over 20 years of experience in the areas of retail business, sales, marketing, international business, commercial function, human resources and credit
Number of meetings of the board attended during the year	Attended all 7 meetings of the board held during the year	Not applicable
Directorships in other companies (including foreign companies)	1. Cholamandalam Investment and Finance Company Limited (CIFCL) 2. Tube Investments of India Limited (TII) 3. Cholamandalam MS General Insurance Company Limited (Chola MS) 4. Cholamandalam MS Risk Services Limited	1. Lakshmi Machine Works Limited 2. Roca Bathroom Products Private Limited 3. M A Alagappan Holdings Private Limited 4. Gen Four Properties Private Limited 5. Southern India Chamber of Commerce & Industry 6. TI Absolute Concepts Private Limited 7. Parry Infrastructure Company Private Limited

Name of director	N. Srinivasan	Arun Alagappan
Memberships in board committees of other companies (includes membership details of all committees)	**Chairman** 1. Stakeholder Relationship Committee - CIFCL 2. Investment Committee – Chola MS 3. Business Committee – Chola MS **Member** 4. Audit Committee - CIFCL 5. Business Committee - CIFCL 6. Audit Committee – Chola MS 7. Management Committee – Chola MS 8. Nomination & Remuneration Committee – Chola MS 9. Risk Management Committee - Chola MS 10. Policyholders' Protection Committee - Chola MS 11. Audit Committee - TII 12. Stakeholder Relationship Committee - TII 13. Loans Committee – TII 14. Shares & Debentures Committee – TII	Nil
No. of shares held in the company	25,000 equity shares of ₹ 10/- each	1,90,000 equity shares of ₹ 10/- each
***Inter-se* relationship with any other directors or KMP of the company**	Nil	Nil
Details of remuneration sought to be paid	Refer item no.5	Refer item no.6
Details of remuneration last drawn	Refer corporate governance report	Not applicable

By Order of the board

Place : Chennai
Date : 14 June, 2017

P. Sujatha
Company Secretary

VOTING THROUGH ELECTRONIC MEANS – INSTRUCTIONS

Pursuant to the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 and the listing regulations as amended from time to time, the company is pleased to offer e-voting facility to members to exercise their votes electronically on all resolutions set forth in the notice convening the 39th annual general meeting (AGM) scheduled to be held on Thursday, the 27 July, 2017 at 4 p.m.

The company has engaged the services of Karvy Computershare Private Limited (Karvy) to provide remote e-voting facility to enable members to provide their votes in a secure manner.

The board of directors of the company has appointed Mr. R. Sridharan of M/s. R. Sridharan & Associates, practicing company secretary, Chennai as the scrutiniser for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. In terms of the requirements of the Act and the rules made there under, the company has fixed 20 July, 2017 as the cut-off date. The remote e-voting / voting rights of the members / beneficial owners shall be reckoned on the equity shares held by them as on cut-off date, i.e. 20 July, 2017.

The remote e-voting facility begins on Monday, the 24 July, 2017 (9:00 a.m. Indian Standard Time) and ends on Wednesday, the 26 July, 2017 (5:00 p.m. Indian Standard Time). During this period, the members of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 20 July, 2017, are entitled to avail the facility to cast their vote electronically / voting in the general meeting, as the case may be.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.

The instructions for members voting electronically are as under:

A. For members receiving an e-mail from Karvy, e-voting service provider [for members whose e-mail addresses are registered with the company / DP(s)]:

(i) Open your web browser during the voting period and navigate to *https://evoting.karvy.com*.

(ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be E-Voting Event Number-3115 (EVEN) followed by folio number. In case of demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(iii) After entering these details appropriately, click on "LOGIN".

(iv) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A - Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(v) You need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the E-voting event.

(vii) Select the EVENT of Cholamandalam Investment and Finance Company Limited and click on "SUBMIT".

(viii) Now you are ready for e-voting as "Cast Vote" page opens.

(ix) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(x) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.

(xi) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

(xii) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".

(xiii) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution(s).

(xiv) Corporate / institutional members (i.e. other than Individuals, HUF, NRI etc.,) are also required to upload in the e-voting portal, the scanned certified true copy (PDF Format) of the board resolution / authority letter etc., together with attested specimen signature(s) of the duly authorised representative(s) or alternatively to e-mail, to the scrutiniser at e-mail, *rsaevoting@gmail.com* with a copy marked to *evoting@karvy.com*. The scanned image of the above mentioned documents should be in the naming format "Chola – 39th AGM".

B. Members holding shares in dematerialised form whose e-mail IDs are not registered with the company / DPs [for members holding shares in physical form as well as those members who have received physical copy of the notice of the AGM]:

(i) E-Voting Event Number-3115 (EVEN), User ID and Password is provided in the Attendance Slip.

(ii) Please follow all steps from sl. no. (i) to sl. no. (xiv) above to cast your vote by electronic means.

C. Voting at AGM:

The members who have not cast their vote electronically, can exercise their voting rights at the AGM. The company will make necessary arrangements in this regard at the AGM Venue.

Other instructions:

(i) In case of any queries, you may refer Help & FAQ section of *https://evoting.karvy.com* or call Karvy on 040-67162222 & Toll-free No. 1800 3454 001

(ii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(iii) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date of 20 July, 2017.

(iv) Any person who acquires shares of the company and becomes a member of the company after dispatch of the notice to the members and holding shares as on the cut-off date of 20 July, 2017, may obtain the login ID and password by sending a request at *evoting@karvy.com*. On receipt of user ID and password, please follow the steps from sl. no. (i) to sl. no. (xiv) mentioned in point A above to cast your vote by electronic means. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot user details / Password" option available on *https://evoting.karvy.com*.

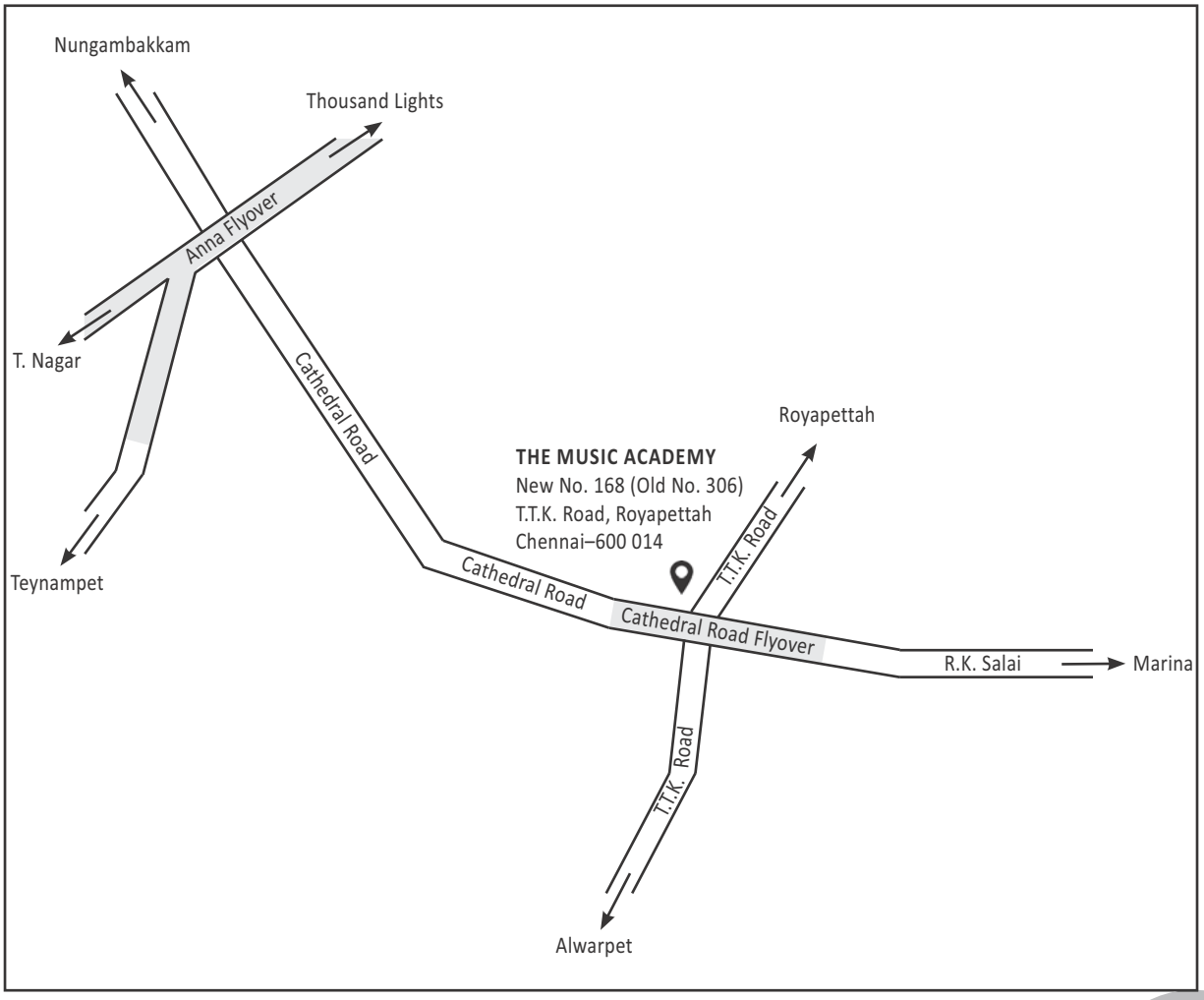
(v) Members who have cast their votes through remote e-voting may also attend the AGM. However, those members are not entitled to cast their vote again in the AGM.

(vi) A member can opt for only one mode of voting i.e., either through remote e-voting or voting at the AGM. Thus, voting facility at the AGM shall be used only by those who have not exercised their right to vote through remote e-voting.

(vii) The scrutiniser shall immediately after the conclusion of the voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the employment of the company and make a consolidated scrutiniser's report on or before 28 July, 2017 of the total votes cast in favour or against, if any, to the chairman of the company or person authorised by him in writing who shall countersign the same.

(viii) The results shall be declared after the AGM of the company. The results declared along with the scrutiniser's report shall be placed on the company's website, *www.cholamandalam.com* and on the website of Karvy, *https://evoting.karvy.com* after the result is declared by the chairman / authorised person and simultaneously communicated to BSE Limited and National Stock Exchange of India Limited.

ROUTE MAP FOR AGM VENUE



Chola

Enter a better life



CERTIFIED TRUE COPY.

For CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

P. SUJATHA
Company Secretary

Annual Report 2016 - 17

Note: Across this report, the word 'Chola' refers to 'Cholamandalam Investment and Finance Company Limited.'

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Future Ready

Preparing our customers for the future

We believe the future is about being smarter and innovative. The world is transforming at a rapid pace with extraordinary innovations designed to make things easier and life simpler. Everybody expects to stay connected - families, friends, organizations, employees, customers, etc. Social communities are beginning to evolve digitally and are slowly replacing traditional modes of contact. As we talk more with our customers, it is evident that customers' behavioural patterns are changing. We have a mix of customers who want to do things by themselves and others who prefer personalised interactions.

As a step towards being future ready, Chola is anticipating the needs of its customers and is keeping digital transformation at the forefront of all developments. Beyond the obvious challenges of the future, there is always a mystery of the unknown. Not all technological advancements can be predicted but we can explore key factors of change and their implications for both customers and us.

Chola is committed towards ensuring that when change happens, our customers are equipped to face the challenges and have the necessary tools in place.

In the future we see an increase in digital self-service tools towards which we already have apps in place for a variety of services, and customers have started experiencing the benefits. At the same time we are expanding our network across the nation. While apps and machines will be used to benefit the customers and create empowered users, face-to-face interactions will continue where personalised service matters most. The choice however will lie with the customer, and we will be ready with the options.

Driven by a strong sense of purpose

Believe

IN INDIA | IN CHOLA | IN YOURSELF

Believe in India

Our beliefs are the heart of our passion, the genes of our genius. We believe India is rising and it will continue to rise. Because, the wisdom of our ancient civilization is now being powered by the aspirations of one of the world's youngest populations.

Believe in Chola

We believe that Chola is uniquely placed to fulfil these aspirations. Armed with a workforce, charged by the fearless spirit of youth, each of our business give wings, to the dreams of millions of young Indians. Dreams that will power and propel Chola to the pinnacle of progress. We believe we will achieve this fully, by championing our values. Values that allow us to be transparent and grow, so that young India with dreams, can come to us in faith and leave fulfilled. This is our purpose.

And every great cause calls for great leadership. Marching under a banner of meritocracy, we believe in growing great leaders from within. Leaders who are young. Leaders who will make today better than yesterday. Through transparency, through teamwork, we believe that each one of us is this leader. That each one of us can make a difference. Not just for our customers, but also for our country.

Believe in yourself

Only one person controls your destiny. That person is you! Chola trusts you and believes in you, so believe in yourself. Believe that you will create Chola of the future.

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Corporate Information

Board of Directors
M.B.N. Rao, Chairman
N. Srinivasan, Vice Chairman
V. Srinivasa Rangan
Nalin Mansukhlal Shah
Bharati Rao
M.M. Murugappan
Vellayan Subbiah, Managing Director

Secretary
P. Sujatha
Phone: 044 30007172 (B) 30007055 (D)
Fax: 044 25346464
E-mail: sujathap@chola.murugappa.com

Auditors
M/s. Deloitte Haskins & Sells,
ASV N Ramana Towers,
52, Venkatnarayana Road, T. Nagar,
Chennai - 600 017
Phone : 044 66885000
Fax : 044 66885050

Registered Office
Dare House,
No. 2, N.S.C. Bose Road, Parrys,
Chennai - 600 001

Corporate Identity Number
L65993TN1978PLC007576

Registrar & Share Transfer Agent
M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District
Nanakramguda, Hyderabad – 500 032
Phone: 040 67161514
Fax: 040 23420814
Toll-free No.: 1800-345-4001
E-mail: einward.ris@karvy.com

Heritage

murugappa

1900

A part of the INR 300 Billion Murugappa Group – founded in 1900, one of India's leading business conglomerates with 28 businesses including 8 listed companies traded in NSE & BSE and workforce of 40,000 employees.

The Chola Charter

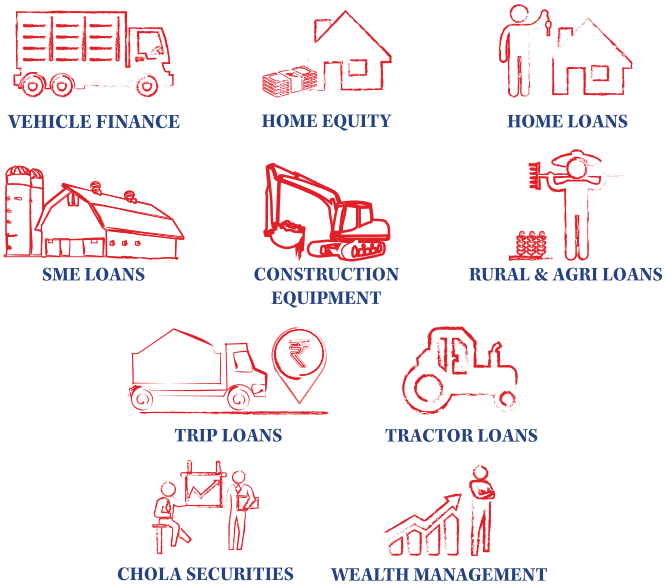
1978

Incorporated in 1978 as the financial services arm of the Murugappa Group, Cholamandalam Investment and Finance Company Limited has grown into a comprehensive and full fledged financial services provider.

Its subsidiaries include

- Cholamandalam Securities Limited (CSEC)
- Cholamandalam Distribution Services Limited (CDSL)
- White Data Systems India Private Limited (WDSI).

Services we offer



Pan India Presence - Branch Network

71	MAHARASHTRA			HARYANA	24
70	TAMIL NADU			JHARKHAND	19
55	RAJASTHAN			PUNJAB	15
50	MADHYA PRADESH			ASSAM	13
48	GUJARAT			HIMACHAL PRADESH	10
46	UTTAR PRADESH			UTTARAKHAND	8
38	WEST BENGAL			DELHI	5
37	KERALA			TRIPURA	3
36	KARNATAKA			JAMMU & KASHMIR	3
36	ANDHRA PRADESH			GOA	2
35	CHHATTISGARH			CHANDIGARH	1
32	ODISHA			MEGHALAYA	1
26	TELANGANA			PUDUCHERRY	1
24	BIHAR				

709 Branches across
25 States/ Union Territories

698 Vehicle Finance

123 Home Equity (118 co-located with VF).

6 Administrative Offices

86% locations are in Tier III, Tier IV, Tier V and Tier VI towns

The Chola Timeline

FY 79 Commenced Equipment Finance
FY 92 Commenced Vehicle Finance
FY 95 Started Chola Securities
FY 01 Started Chola Distribution Services Limited (CDSL)

FY 06 JV with DBS Bank, Singapore
Commenced Consumer Finance
FY 07 Commenced Home Equity
FY 09 Exited Consumer Finance

FY 11 JV with DBS Terminated
Infusion of equity capital of ₹250 crores
FY 12 Total business assets crossed ₹13,000 crores
Infusion of equity share capital of ₹212 crores
Rating upgrade from ICRA
Launch of Tractor Finance

FY 1979 - 2005 | 2006 - 2010 | 2011 - 2012 | 2013

Total Assets Under Management (AUM) crossed ₹20,000 crores

Disbursements crossed ₹12,000 crores

Infusion of equity share capital of ₹300 crores

Commencement of Home Loans

	Disbursement	Total AUM
2013 - 14	13,114	25,634
2014 - 15	12,808	27,422
2015 - 16	16,380	32,053
2016 - 17	18,591	36,984

2014

Total AUM crossed ₹25,000 crores

Comencement of Construction Equipment Finance

2015

Infusion of Compulsorily Convertible Preference Shares (CCPS) of ₹500 crores

India Ratings Upgraded Sub-Debt from AA- to AA

NPA recognition at 150 days

2016

Invested in White Data Systems India Pvt. Ltd. with 63% stake

CCPS was converted to equity shares

NPA recognition at 120 days

AUM moved to ₹30,000 crores

2017

AUM increased to ₹37,000 crores

Addition of 169 branches in Tier III and IV cities

Brickwork - "AA+ Stable" rating for NCD

NPA recognition at 90 days

Message from the Managing Director



"The country is also moving towards complete technological inclusion. This demands an environment in which the transition to digital initiatives empowers our customers to be future ready"

Dear Shareholders,

FY 17 has been a year of structural policy changes and financial reforms. Even though these reforms and changes were perceived as hurdles by some sections, India has managed to overcome them with optimism. The country is also moving towards complete technological inclusion. This demands an environment in which the transition to digital initiatives empowers our customers to be future ready, which, at Chola, has been the prime focus in 2016 – 17.

I am happy to inform you that despite the mid-year temporary slowdown in demand due to demonetization, we have managed to perform well in FY 17. The Profit After Tax (PAT) for the year is ₹719 cr, a growth of 26% over the last financial year. Our total assets grew by 15% and disbursements grew by 13% over FY 16. Total Asset Under Management (AUM) for the year are ₹36,984 cr. Net Income Margin (NIM) is at 8.6% for the year driven by reduction in cost of funds & increase in fee and other income. We also introduced GNPA

recognition at 90 days which is ahead of one year as per RBI regulation. On the branch expansion front, 169 new branches have been opened across the country in FY 17.

The vehicle finance business disbursed ₹14,471 cr during the year, a growth of 17%. The Profit Before Tax (PBT) grew 23% to ₹682 cr. Despite the temporary slowdown during demonetisation in Q3 FY17, the Vehicle Finance (VF) business has posted a healthy growth trajectory. New initiatives like Third party logistics & Trip loans, Dealer Plus for Used business and Vishesh Cards have been the focus in FY 17.

Home Equity disbursement for the year was ₹3,056 cr and AUM stood at ₹9593 cr. The year started with a positive note with a healthy disbursement growth which was in line with CRISIL research estimated market growth of 21-23% for FY17. However, this growth was impacted in the second half due to demonitization & lower economic activity. The business continued to expand its footprint by adding 14 more branches to bring the total to 123.

The Home Loans business has been growing at a steady pace and disbursed ₹325 cr, which is a growth of 86% over FY 16. The business now operates out of 90 branches, 45 branches added during this year. With the Government extending the Credit Linked Subsidy scheme under the Housing for All (Pradhan Mantri Awas Yojana) and addition of the middle income category to the economically weaker section (EWS) and lower income group (LIG), we expect this business to witness a growth spurt. The Corporate Finance division rallied behind MSME loans & ended the year with an AUM of ₹379 cr.

Rural financing, which was launched in FY 15 to service the financial needs of the farming community, disbursed ₹73 cr in FY 17. The prime focus of this division is to fund procurement for farming inputs.

Our subsidiaries, Cholamandalam Distribution Services Limited (CDSL), Cholamandalam Securities Limited (CSEC) and White Data Systems India Private Limited (WDSI) together made a PBT of ₹6.86 Cr in FY 17 as against ₹8.23 Cr in FY 16.

Several initiatives in the Vehicle Finance business aim at increasing the market share for our core products CV & Used Vehicles and also Car, MUV, TW, 3W, Tractor & CE. Effort remains on increasing fee, insurance and other income and maintaining branch level profitability and use of technology to increase efficiency & productivity. The Home Loan, Home Equity & SME business will focus on sourcing through new digital initiatives while maintaining a strong intermediary/broken engagement. We shall continue to invest in training & development of talent from within the organization.

ICRA has revised its outlook from AA/stable to AA/positive on our long-term debt instruments. Brickwork ratings assigned BWR AA+ (Stable) rating for the proposed NCD issuance of the Company.

I would like to thank all our stakeholders for their continued faith & support. Chola continues to focus on empowering customers to be future ready through innovation and building bridges that make business easy and profitable for all stakeholders.

Do share your ideas and feedback with me – vellayan@chola.murugappa.com – and join us to be ready to take on the future!

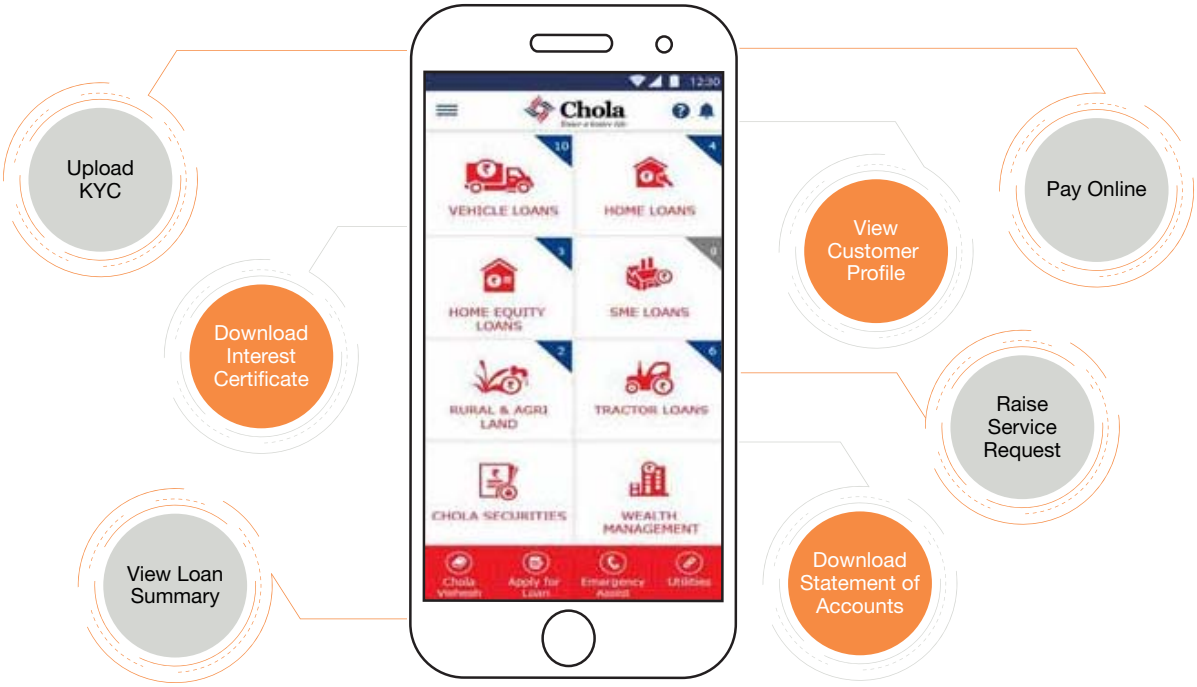
Best Wishes,
Vellayan Subbiah

New Initiatives

Chola App

The Chola App helps the customer to self-service and equip them to make a transition into the digital sphere seamlessly. The App simplifies process, makes communication faster, and completely changes the way customers transact with us, transforming their overall experience with our products and services.

Chola App is available on playstore for customers to download. From choosing a loan to paying EMIs, it can all be done through the App. The PAY NOW feature enables customers to use the debit card option, Net Banking & UPI.



Self-Servicing Technology

Benefits

24/7 access » Quick response time » Lower operating costs

View Loan Summary



Track Your Requests

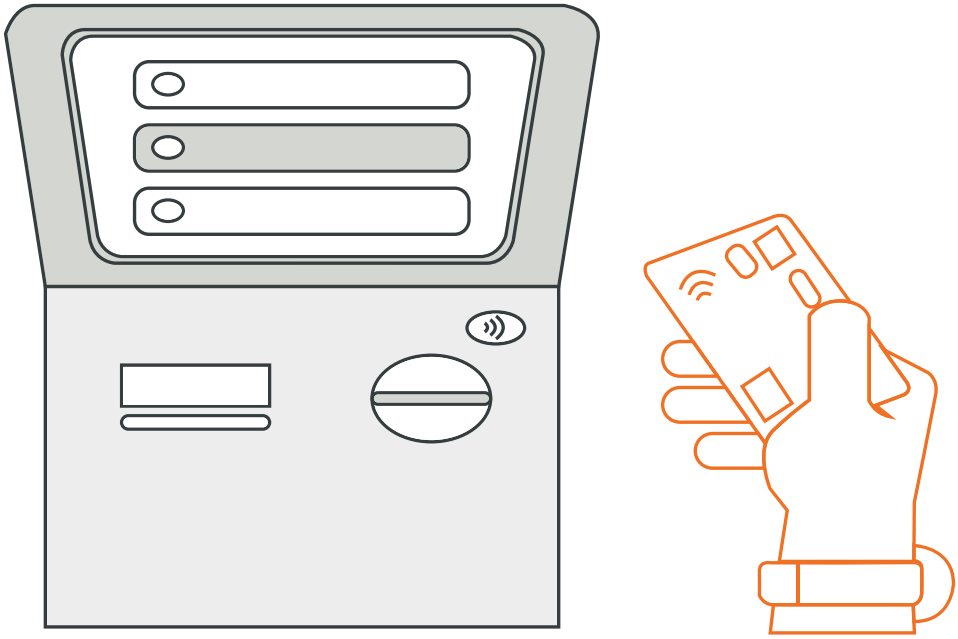


Pay using UPI



Payment Kiosk at Branches

Chola offers self-service payment kiosks at various branches across the country. Customers can avoid the queue at banks/Chola tellers and deposit cash at their convenience.



Value Add Through Branch Expansion

While we are expanding our digital reach through technology based initiatives, we are also focussed on expanding our physical reach in order to serve customers in small towns and semi-urban areas. We continue to offer our customers the flexibility to walk-in to their nearest branch and avail any kind of financial product or service.

In FY 17 we opened 169 branches pan India.



Face to Face Interactions



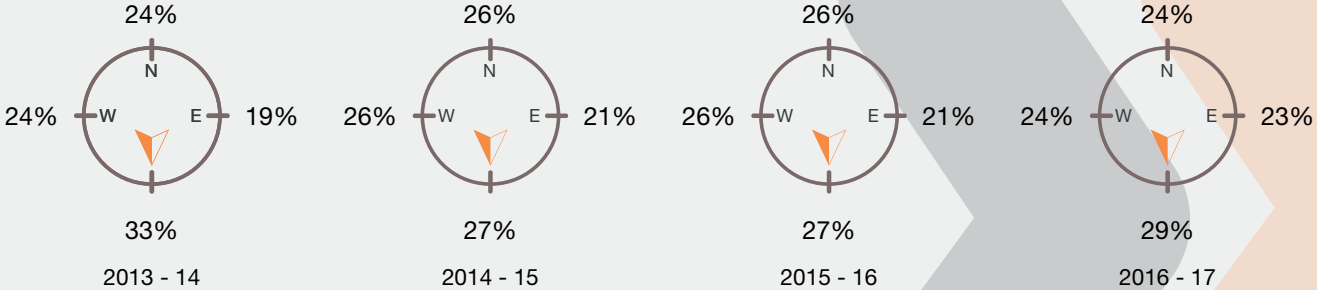
Personalised Support



Self Service

Pan India Presence

As % of total no. of branches



Trip Loans

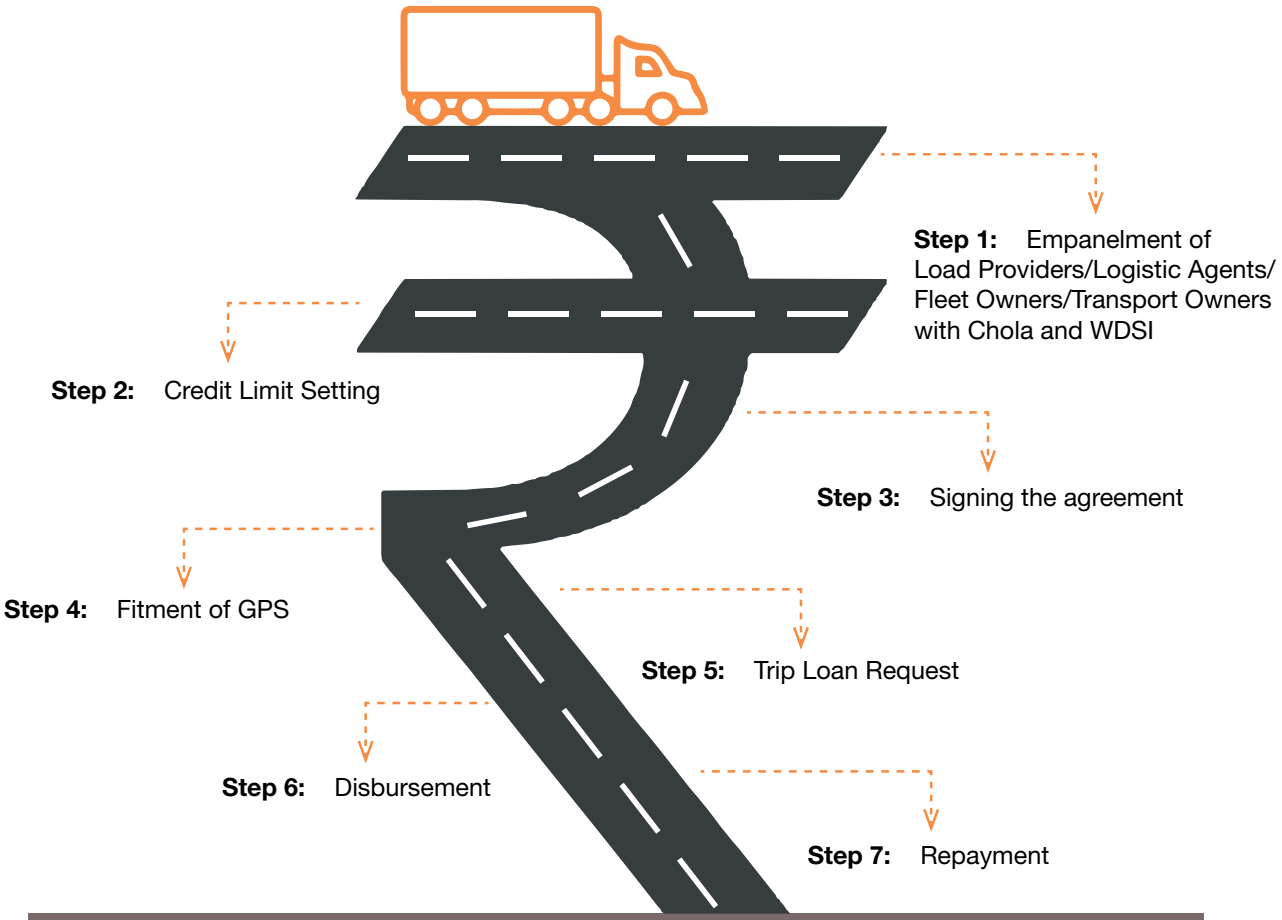
The transportation business faces its own challenges. Chola is committed to address some of them through a technology platform i-Loads that assists in providing return loads, thereby improving trip efficiency and maximizing revenues for the customers.

Given the tremendous working capital requirement that a majority of our customers face, Chola has launched yet another financial product called Trip Loans. These loans will address all the financial requirements that truck drivers will face on their trip journeys which include fuel, servicing, toll fee, etc.

The primary borrower of Trip Loans is the transport owner. Transport owners range from large fleet operators to single truck owners. They are either directly associated with load providers or indirectly through fleet owners/ intermediate load providers and brokers.

Integrated solutions drive seamless customer experience

How it works

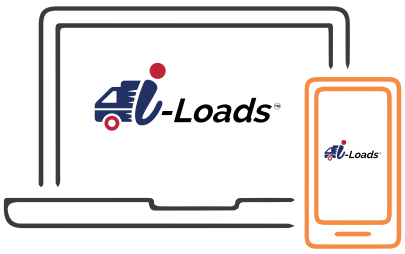


Benefits

Advance Money Disbursements » Quick Sanctions » Attractive Rates of Interest » Easy Repayment

i-Loads - Chola Third Party Logistics

Technology - Solving the empty truck dilemma



Chola, with its subsidiary, White Data Systems India Private Limited (WDSI) introduces i-Loads, an integrated technology solution for all truck owners.

For every truck that returns empty after a delivery there is a financial impact and an environmental cost. i-Loads is committed to help truckers and transport owners find return loads for their trips to help them save time, resources and money. In the long run the number of empty vehicles plying on Indian roads will drastically reduce and so will the carbon print on the planet.

i-Loads digital platform is exceptionally well-designed, streamlined, and easy to manage. It connects load providers directly with the truckers and transport owners. This helps to build a larger network that will drive efficiency and profits. This means more loads, profitable trips and sustained growth of business for the customers.

Benefits to the i-Loads Transporter

Need Loads
Broadcast the truck's availability To all load providers

Enquiry/Quote
Pool of bids for load available

Track & Trace
Know location of the truck and speed of the truck

Trips
Secure all information on scheduled and current loads

Trip History
Track business for the month, performance & revenue

Dealer Plus

We are in the process of developing a robust dealer management system which will be used by all Chola empanelled used car dealers. This system helps them to get organized in their business by saving lot of time and resource. Dealer Plus will throw insight on dealers' transactions and network, which will help us in identifying the right dealers for inventory funding. We are getting into an agreement with car portals to fund their used car dealers. This will help in faster penetration and maintaning a healthy portfolio.

Leap - Tablet Initiative

The tablet initiative, which is intended to turn each of our collections and sales executives into a virtual branch, has been rolled out in branches and further enhancements have started which will get implemented in FY 18. It encompasses other initiatives such as risk-based pricing, credit scoring models, e-KYC, integration with Chola MS for Insurance products, multiple credit bureau hits for credit assessment. This will help in a seamless loan delivery to our customers, and ease out routines for the workforce in order to be more productive.

Chola Vishesh - Pre-Paid Loyalty Card

The future of loyalty programs is promising. Data shows that it will impact customer behavioural patterns. At Chola we believe that by fusing data into all our customer interactions, we can improve engagement, retention and lay the base for product innovation.

Chola is enabling data to steer its customer loyalty program in the right direction. Action will take place based on insights; success will be measured and monitored through customer lifetime value, loyal customer rate, and redemption rate.

Our loyalty programs stewards an emotional connection with our customers and demonstrate that we truly value them. We want our customers to perceive and have faith that Chola will be part of their journey into the future.

Data Driven Loyalty Programs



Vishesh, Chola's Pre-Paid Loyalty Card, envisages offering a revolving credit limit to customers based on vehicle as collateral which customers can avail to meet their working capital needs or to meet any business exigency requirements. This program will help Chola to retain their existing customer base, enhance customer experience and eventually help Chola to augment the growth of loan book.

- Pre Approved Limit
- Billing on Usage only
- Flexible Repayment Options
- Apply & Transact Online
- Reward Points, Offers & Discounts!

Card Usage

- Fuel Station
- Tollgates
- Repairs/ Maintenance
- Tyre purchase
- Spare parts
- Cash withdrawals
- E-Commerce
- Cash back

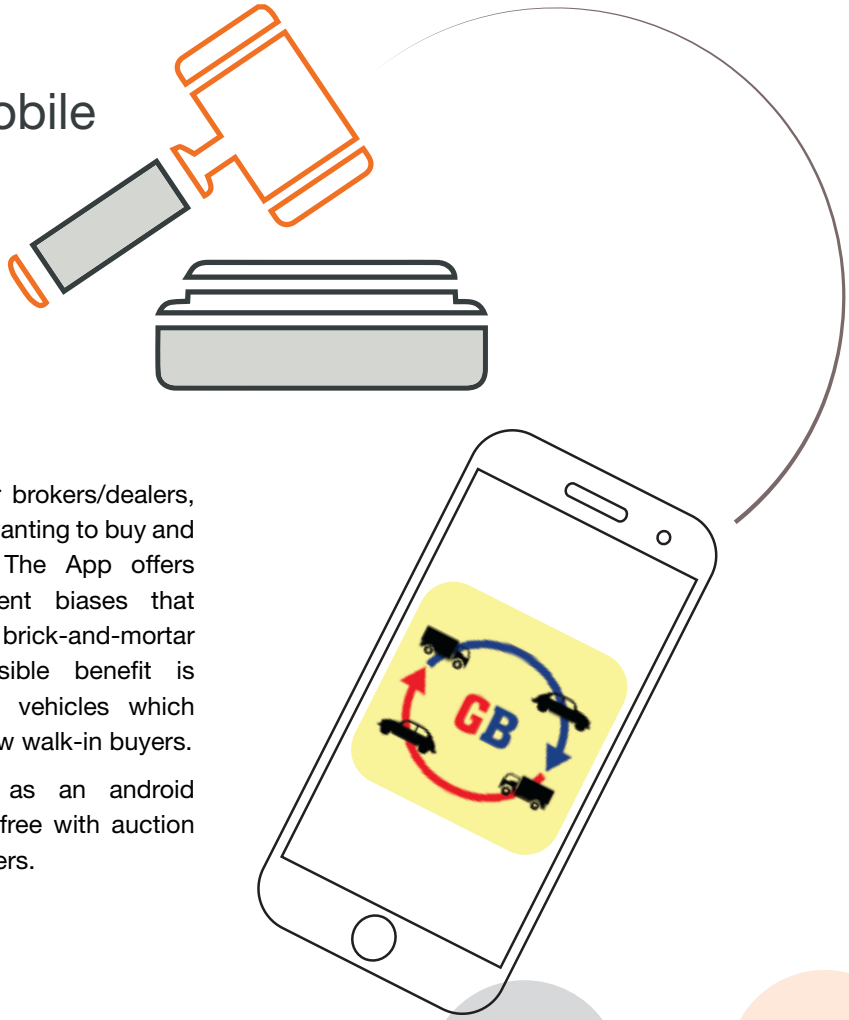
Gaadi Bazaar

We are living in a mobile driven world. Customers want to readily access information from a mobile. Customers' expectations are changing and technology is accelerating the behavioural change.

At Chola, we are also doing our part to achieve Digital Parity and take our customers along with us into the future. From brick-and-mortar solutions, we are shifting into the mobile realm.

We have migrated from the physical world of handing out leaflets, printing advertisements, putting up outdoor banners and calling up customers to participate in auction. We have shifted from the traditional way of doing sales to the online market place. We have launched an App that could replace all that we do traditionally. We are on a drive to simplify our customers lives.

Moving to Mobile



Gaadi Bazaar is a Mobile App for brokers/dealers, transporters, drivers, and anyone wanting to buy and sell used commercial vehicles. The App offers transparency without the inherent biases that brokers/dealers can encounter in a brick-and-mortar transaction. Also the most visible benefit is thousands of viewers can view vehicles which otherwise would be viewed by a few walk-in buyers.

The App has been launched as an android application which is available for free with auction feature for all Chola registered buyers.

How it works

Buy	Sell	Auction Only for Regd. Chola Buyers
Search Vehicle	Post Vehicle for sale	Create Auction

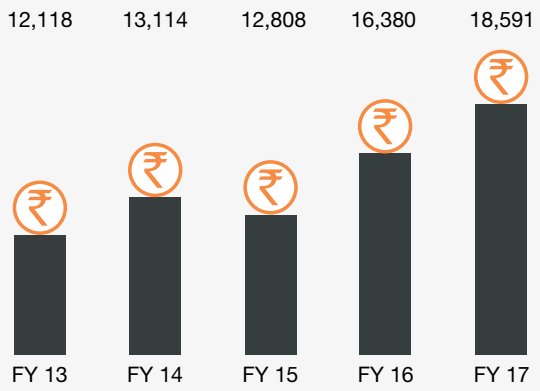
Business Highlights

(₹ in crores)

Particulars	FY 17	FY 16	FY 15	FY 14	FY 13
Branch Network (in nos.)	709	534	534	574	518
Disbursements	18,591	16,380	12,808	13,114	12,118
Assets Under Management (AUM)	34,167	29,650	25,452	23,253	18,998
Net Income Margin (NIM)	2,430	2,143	1,731	1,492	1,145
Operating Profit	1,416	1,298	982	834	575
Profit After Tax (PAT)	719	568	435	364	307
Key Ratios (in %)					
NIM	8.6	8.7	7.9	7.7	7.6
Expense Ratio	3.6	3.4	3.4	3.4	3.8
Gross Non-Performing Assets	4.7	3.5	3.1	1.9	1.0
Net Non-Performing Assets	3.2	2.1	2.0	0.7	0.2
NPA Provisioning Norms (Days)	90	120	150	180	180
Tier I Capital	13.6	13.3	13.0	10.5	11.1
Tier II Capital	5.0	6.4	8.2	6.8	8.0
Capital Adequacy Ratio	18.6	19.7	21.2	17.2	19.0
Return on Total Assets - (PBT - ROTA)	3.9	3.6	3.0	2.8	3.0
Return on Equity	18.0	16.7	15.8	17.1	18.1
Growth Ratios (in %)					
AUM Growth	15.2	16.0	9.5	22.4	41.0
Disbursement Growth	13.5	28.0	-2.3	8.2	36.3
NIM Growth	13.4	23.8	16.0	30.3	43.1
Earnings per Share Growth	22.7	25.0	18.5	10.9	59.0
Book Value per Share Growth	17.8	16.0	27.3	16.8	28.4
Branch Efficiency Ratios (in crores)					
Disbursements per Branch	26.4	30.7	24.0	22.8	23.4
NIM per Branch	3.5	4.0	3.2	2.6	2.2
PAT per Branch	1.0	1.1	0.8	0.6	0.6

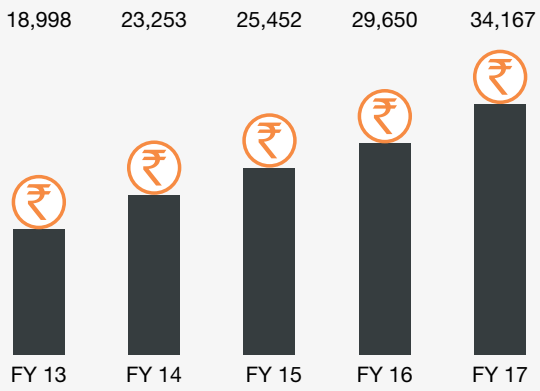
Disbursements — CAGR - 11%

(₹ in crores)



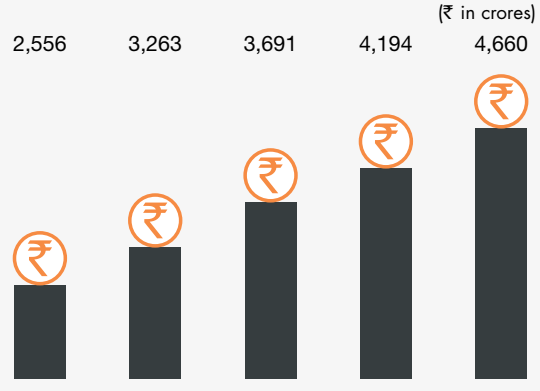
Business AUM (Net) — CAGR - 16%

(₹ in crores)



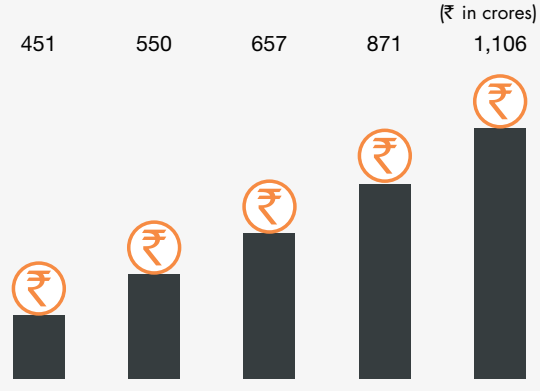
Income — CAGR - 16%

(₹ in crores)

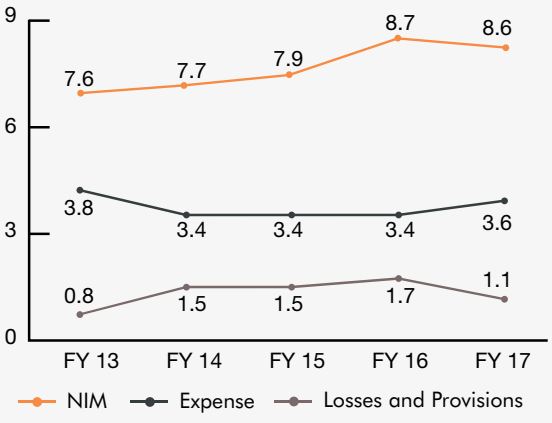


Profit Before Tax (PBT) — CAGR - 25%

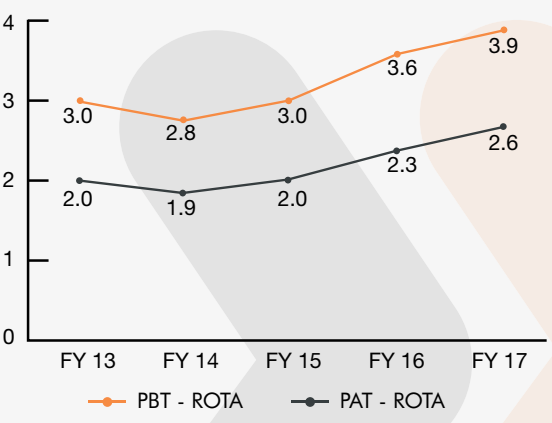
(₹ in crores)



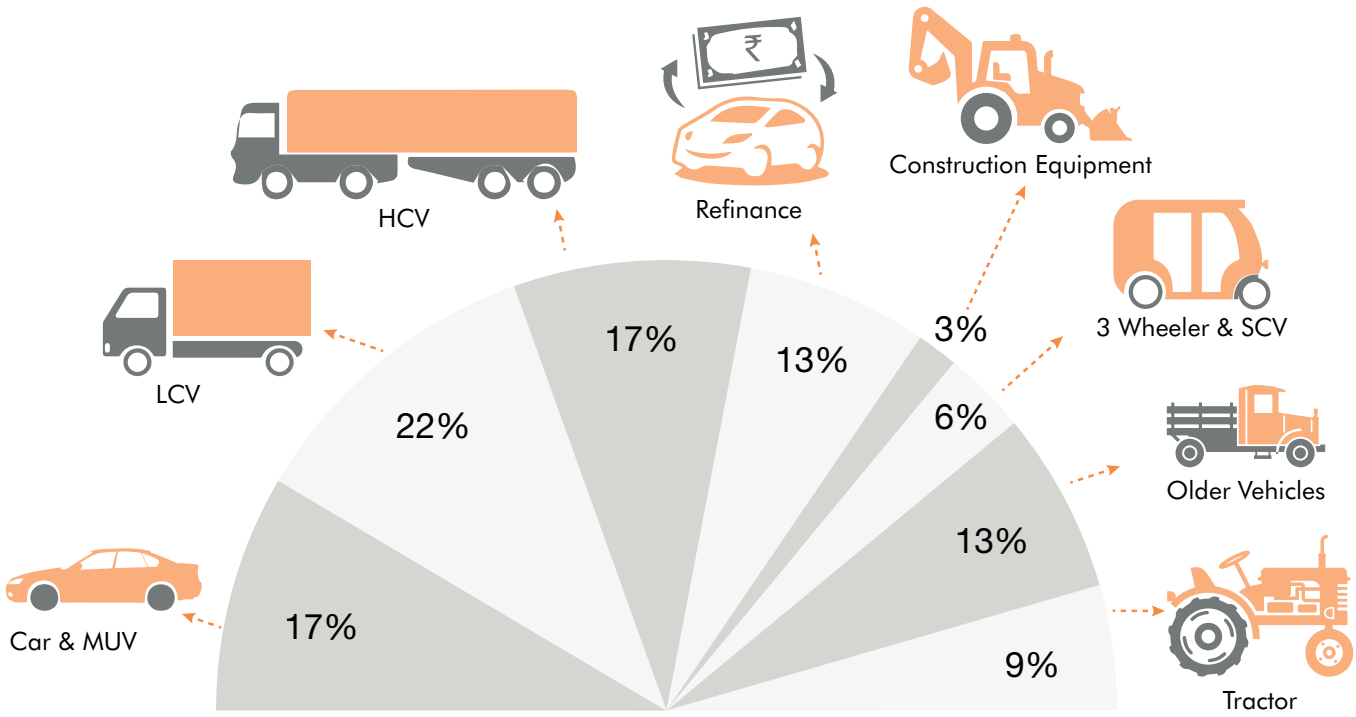
NIM, Expense & Losses and Provisions Ratio — in %



ROTA — in %



Business Review - Vehicle Finance



Diversified Asset Portfolio

Key Differentiators

- Quicker Turn Around Time (TAT)
- Reputation as a long term and stable player in the market
- Strong dealer and manufacturer relationships
- Pan India presence with 90% locations in Tier II, Tier III & Tier IV towns
- In-house sales and collection team which is highly experienced and stable
- Low employee turnover
- Good internal control processes
- Customised products offered for target customers
- Strong collections management



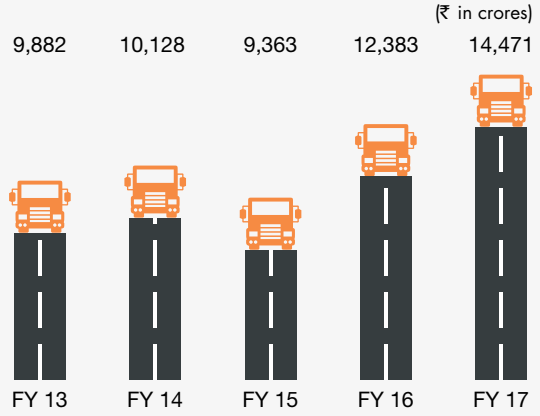
Mahindra Transport Excellence Awards - 2016

Chola has won
Commercial Vehicle Financier
of the year - 2016
National Winner - Alternate Thinking

Chola wins the award second year in a row.

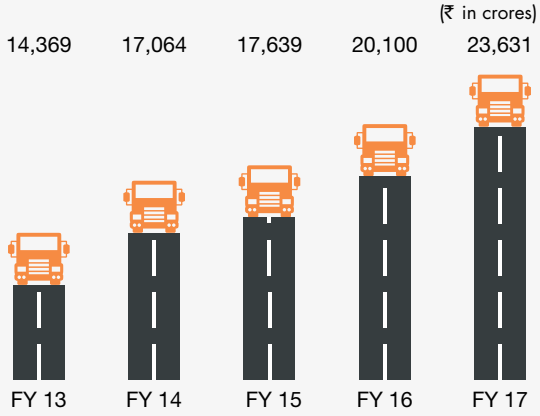
Disbursements — CAGR - 10%

(₹ in crores)



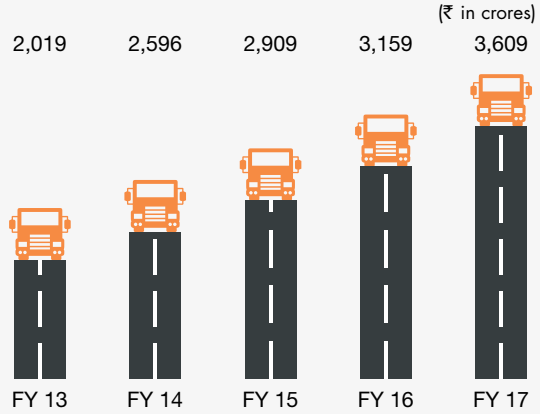
Business AUM (Net) — CAGR - 13%

(₹ in crores)



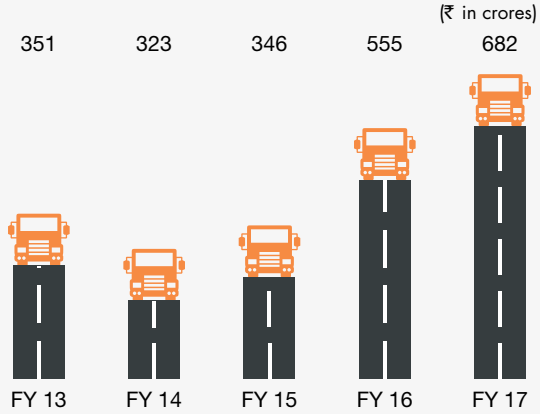
Income — CAGR - 16%

(₹ in crores)

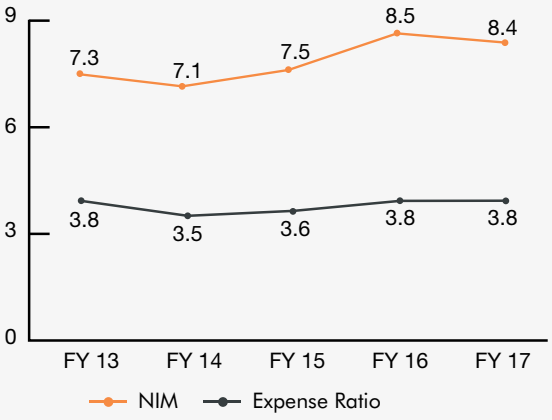


Profit Before Tax (PBT) — CAGR - 18%

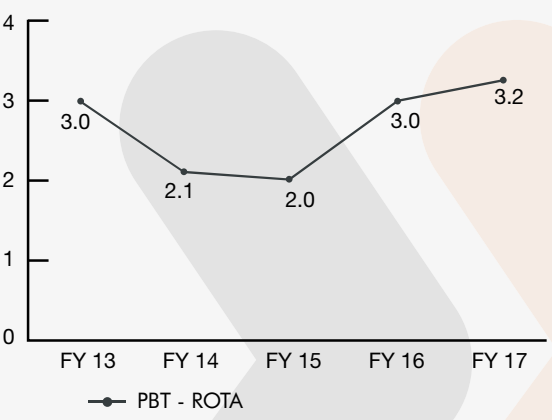
(₹ in crores)



NIM and Expense Ratio — in %



ROTA — in %



Business Review - Home Equity



Asset Class

Self occupied residential property

Long tenor loans serviced across 123 locations Pan India

Customer Segment

Focus on the middle socio economic class and self employed non-professionals

Key Differentiators Process

- One of the best turnaround times in the industry
- Personalised service through direct interaction with each customer
- Strong understanding of the customer's business model and end use of funds

Pricing

- Pricing in line with industry
- Fee income adequate to cover origination and credit cost
- Leverage cross sell opportunities for additional income
- Effective cost management

Underwriting Strategy

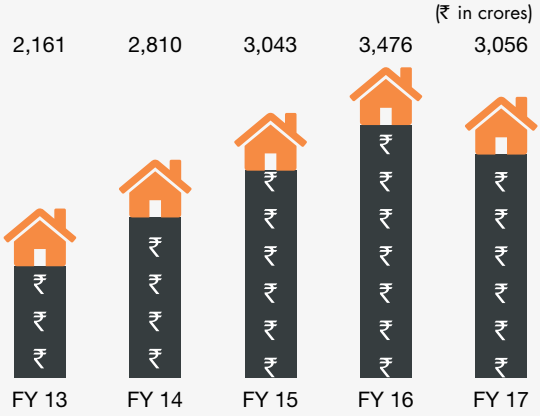
- Mandatory personal visit by credit manager for every case
- Assessment of both collateral and repayment capacity to ensure high credit quality

Structure

- Separate verticals for sales, credit and collections to drive focus
- Convergence of verticals at senior levels to share a common strategy
- Independent targets vis-à-vis their functions for each vertical

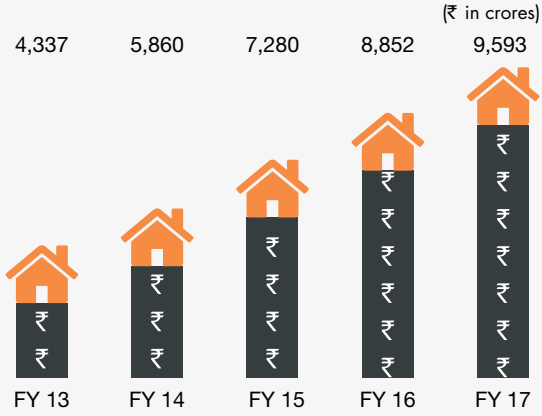
Disbursements CAGR - 9%

(₹ in crores)



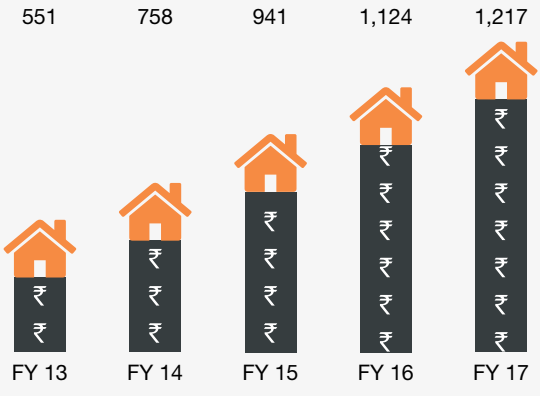
Business AUM (Net) CAGR - 22%

(₹ in crores)



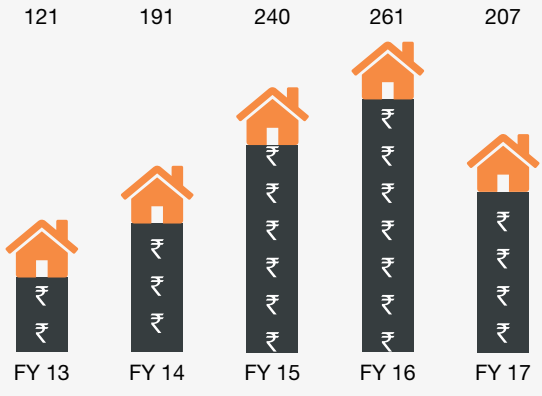
Income CAGR - 22%

(₹ in crores)

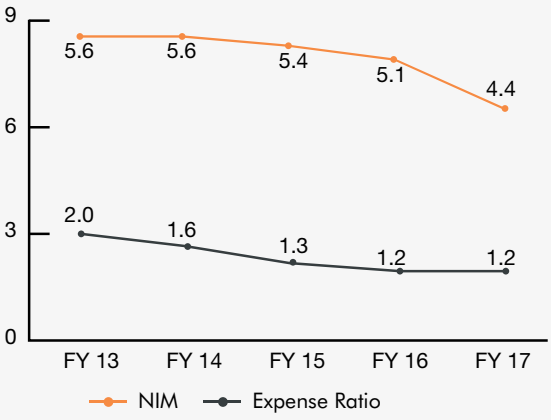


Profit Before Tax (PBT) CAGR - 14%

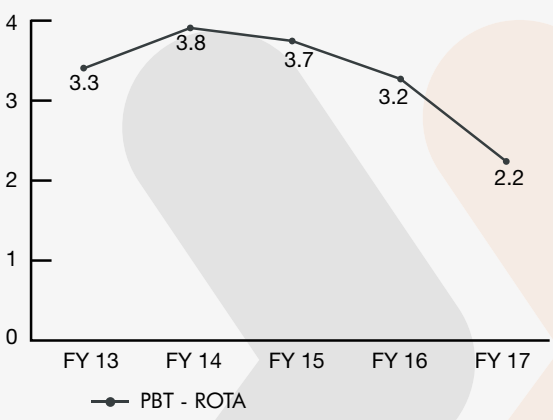
(₹ in crores)



NIM and Expense Ratio in %



ROTA in %



Home Loans



Affordable Housing

While other banks and financial institutions focus on giving loans to the salaried people, we tend to adopt a different approach. We believe that everyone who is aspiring for a better life deserves a home to call their own.

We want to create a future ready home loan for the non-salaried class through our product of Affordable Housing. Every small scale entrepreneur can have the opportunity to own a dream home provided they have the potential to take their business to the next level.

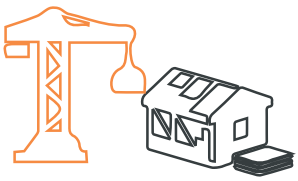
2012
Commenced the Home Loans business

Target Segment
Self-employed non-professionals segment

Area of Operations
Tamil Nadu, Andhra Pradesh, Rajasthan, Karnataka, Gujarat and Maharashtra

AUM - March, 2017
₹518.78 crores

Our Offerings



Home Loans for Self construction



Loans for purchase of ready to occupy homes



Balance transfer of existing home loan

Benefits



Home loans to suit all budgets



Convenient repayment options



Fast track approval process

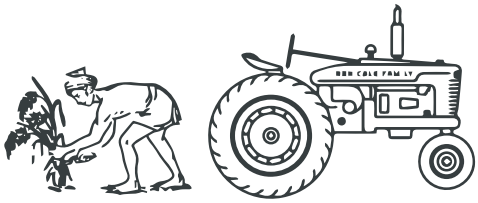
Other Businesses

Corporate Finance



This business is focused towards the MSME sector in India, one of the largest and most underserved business segments in India. The business offers term loans, bill discounting and working capital loans. The business operates through the existing home equity branch network. AUM of this business stood at R379 crores as of March, 2017.

Rural Finance

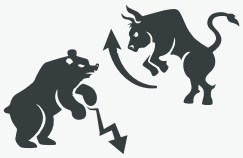


Rural finance focuses on the farming community, offering loans for agricultural and allied activities. Chola will continue to leverage the vast rural network of our group company, Coromandel International Limited for future growth of this segment.

Subsidiaries

Cholamandalam Securities Limited (CSEC)

A wholly owned subsidiary of Chola, CSEC is in the business of stock broking, financial products distribution and depository participant services. HNI and retail clients get personalized services and advice with regard to investment in equity and debt. SEBI certified research team offers in-depth company analysis that helps clients make informed investment decisions.



Cholamandalam Distribution Services Limited (CDSL)



A wholly owned subsidiary company of Cholamandalam Investment and Finance Company Limited, CDSL offers full scale wealth management services to mass affluent and affluent customer segments and is a national distributor of various investment products such as Mutual Funds, Insurance, Bonds and Fixed Deposits. CDSL is an AMFI Registered Distributor for Mutual Funds and a Composite Corporate Agent under IRDA for HDFC Standard Life Insurance Company Limited and Cholamandalam MS General Insurance Company Limited.

White Data Systems India Private Limited (WDSI)



Incorporated in April, 2015, WDSI seeks to improve reliability and quality of freight service through innovative and integrated technology solutions to the road freight & transport sector through its i-Loads platform. WDSI provides a holistic and comprehensive range of services, providing tangible benefits to truck operators, booking agents, brokers and load providers at an optimal price. WDSI currently operates from over 15+ branches across India with a growing network of over 3,500 trucks, 1,700 truck drivers and 100+ load providers. With the use of cutting edge technology solutions, the i-Load platform provides transport service providers with new and scalable business opportunities that will lead to increased truck utilisation, sustained growth and better economic opportunities.

Shaping a future equipped finance and treasury function



The focus of the finance and treasury functions continued to lower cost of funds, maintain a healthy ALM position and strengthen Capital Adequacy. The following actions were taken in this regard.

- Shift of borrowings mix towards long term market borrowing
- Sourcing of long term bank borrowings as FCTL when the INR based bank borrowing rates were comparatively high
- Higher levels of securitisation of receivables

During the year, enterprise wide branch and segment level profitability planning and analytics through Hyperion and Qlik were launched, which enables

- Defining structured business targets at branch level
- Better understanding of the key causal factors driving business performance
- Information for quicker decision making

Taking a Lean Approach to shape the future of Operations

We believe that rising customer expectations is the catalyst to improvement and innovation. In the last year our focus was on continuous improvement to business processes, products and employee empowerment. We adopted a Lean approach and trained employees on different tools of Lean Methodology.



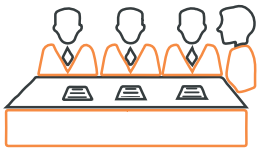
How to use 5S Discovery Process



Problem solving techniques (7 QC tools)



Value Stream Mapping



Project Management training

Embracing LEAN Thinking & Methodology

Business process improvement

Addressing customer pain points

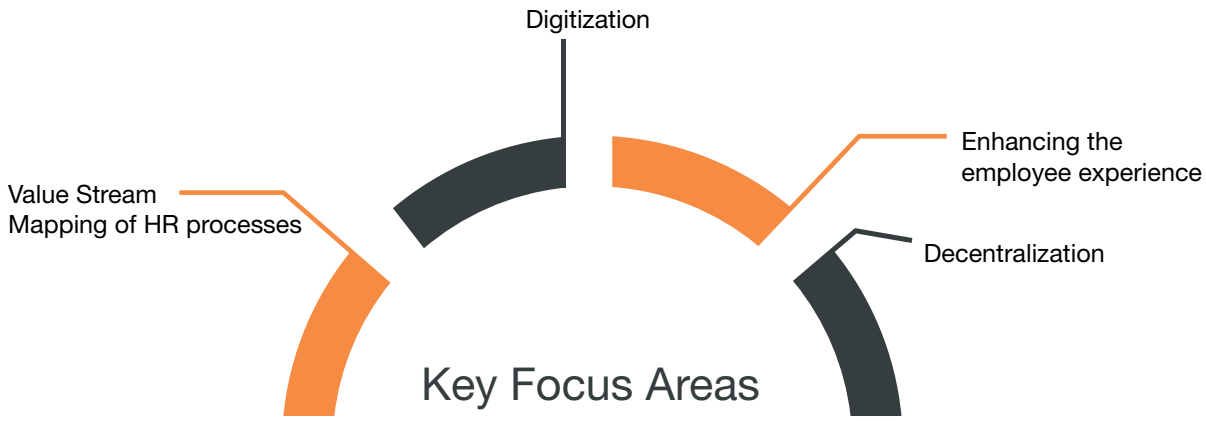
Support functions

Addressing customer and employee grievances

Key Contributions

- Launch of Payment Kiosks at branches enabling customers and our executives to deposit the collections
- Cheque printing at branches for faster disbursal
- Use of kano methodology to understand the latent needs of our used car dealers and developed an app for them to transact
- QR based tracking for the files storage

Future Ready Human Resources
Managing expectations through technology



The focus was more on partnering with the key business by adopting a collaborative approach. The learning initiatives deployed during the year were aimed at improving profitability and building people capabilities to adapt to the changing trends in the industry.

Alternate Sourcing Channel Development



Alternate Sourcing Channel Development was deployed as a pilot project to address the challenge of sourcing trained Sales Field Executives (SFEs) in far off locations. In the east zone, Chola has entered into an arrangement with NSD (National Skill Dev Authority- Gov of India Project) for engaging fresh graduates and deploying necessary training as (SFEs) for Chola. In the south and west zone a similar training was deployed to candidates through ICICI Skills academy. This model ensured that manpower was readily available as per business requirements.

Employee Value Stream Mapping

As part of the HR lean management initiative, a value stream mapping was introduced for key HR processes. The team studied the current state and mapped the future state (FSM) for the following process:

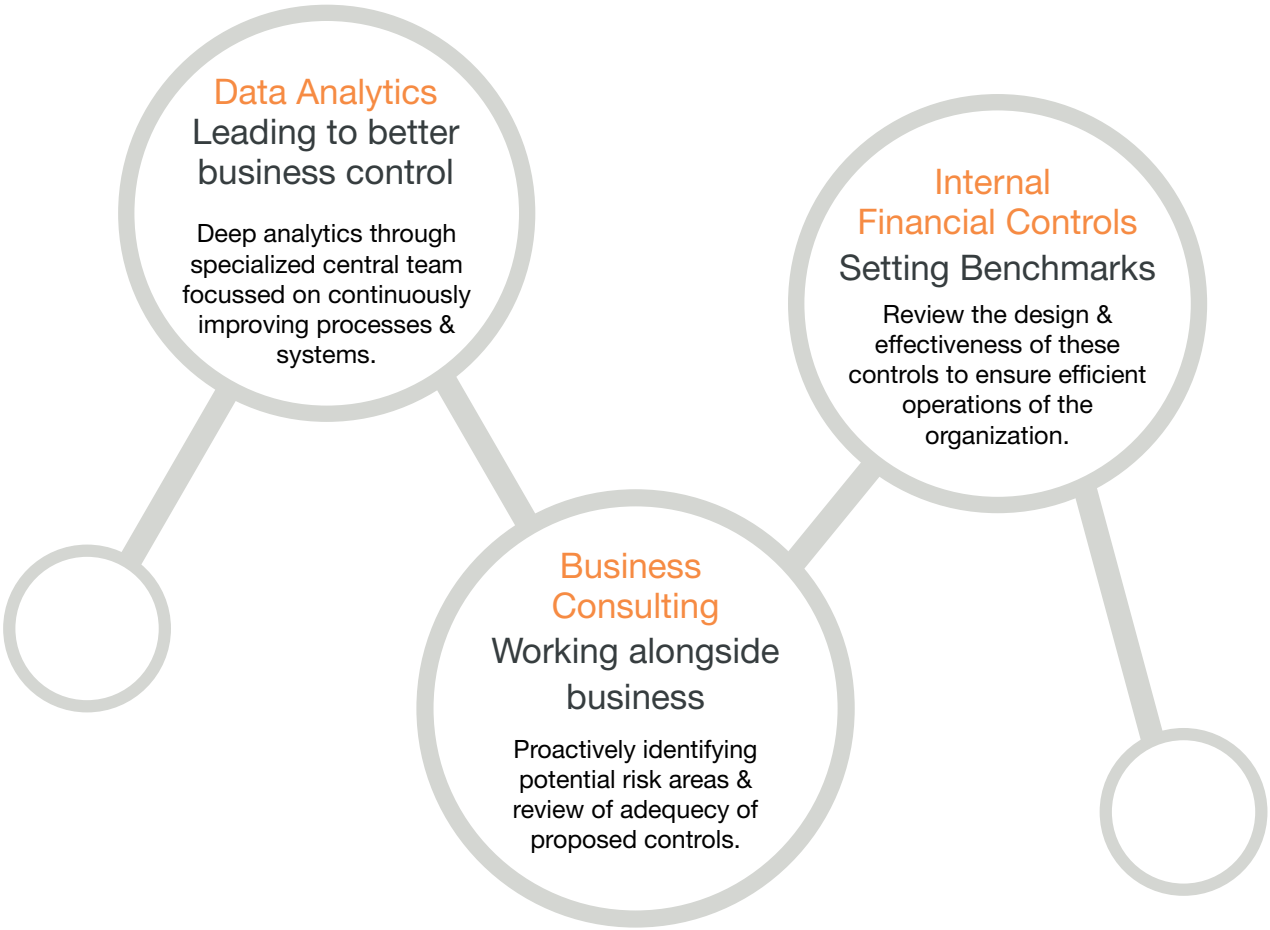
- On-boarding
- Employee transfer
- Employee separation

The future state map of these process has been implemented and reviewed on regular basis for enhanced employee experience.

Learning & Development

During the year, various learning & development programs has been rolled out for enhancing the organizational capabilities. Functional Training on PBT and ROTA and Competency Training on personal effectiveness and team management were carried out.

Internal Audit - Assurance through Analytics



Taking a proactive approach towards being future ready





Chola has won The Golden Globe Tigers Award for Excellence & Leadership in CSR

Category
Best use of CSR practices in Banking and Finance

Blending Business with Goodwill

With its strong belief that social responsibility should be carried out as a blended activity along with business and not just as a mere obligation, the company tries its best to involve itself in nation building through dedicated efforts of educating and empowering people, especially the disadvantaged.

Chola's CSR Policy is inspired by the belief in truly helping the community by empowering people, educating them, improving their quality of life in a holistic manner. Hence, it endeavors to protect the interest of the disadvantaged sections of society by supporting and engaging in activities that aim at improving their well-being so that they can *"Enter a Better Life".*

Approach

Chola, endeavours to protect the interest of the community by making a measurable difference and positively impacting their lives by supporting several causes like,

1. Access to quality education - Chola supports schools in urban as well as rural geographies with a focus on extending better education imparting for the rural students, by providing scholarships, non-formal education programmes and infrastructure like purposeful laboratories & toilet facilities and also to encourage the rural sports.



2. Healthcare – Creating an impact on the health behavior of the community in Chhattisgarh, Delhi, Maharashtra, Odisha, Tamil Nadu and Telangana states, through awareness programmes, health check-ups, providing medicines & treatment, pre-natal & post-natal healthcare facilities, prevention of female foeticide by creating better awareness, programmes for preventing diseases and building immunity

3. WASH (Water, Sanitation and Hygiene) - While addressing this component of Swachh Bharat Mission, Chola focuses on a set of social priorities and outcomes of ensuring the availability, storage and distribution of water and thus prevention / minimizing fluoride intake, designing and construction of toilets for specific target groups (eg. transport nagars, impoverished communities) and creating systems of disposal and treatment for solid and liquid waste, in the states of Chhattisgarh and Telangana.

4. Environmental Sustainability - Chola supports training programmes for conserving wildlife endangered by extinction.

5. Rural Development – Chola adopts villages and extends interventions such as purified drinking water facilities, individual toilets, water facilities and toilets in schools etc. focusing on the upliftment of rural population.

6. Promoting Arts, Culture and Heritage – Chola supports promoting traditional arts, culture, drama and miming as also heritage by exhibitions, shows etc.

7. Supporting Senior Citizens – As a pilot effort, Chola helps Senior Citizens by supporting an Old Age Home.

8. Holistic Development of Marginalized Communities of the Transport Sector - Ensuring holistic development – Economy, Health and Safety - of the trucking community (truck drivers, helpers and their family dependents), who are key partners in the nation's supply chain, by creating a data base of the needs of these marginalized sector and intervening in an apt manner.

The programme would involve activities such as:

- Health and Eye camps yielding data of the crew members and families
- Advocacy on Health and Safety while waiting at the camps and / or in a dedicated manner
- Assimilation of data Identifying clusters of families
- Targeting the families for alternative vocational skills, linking for alternate livelihoods
- Supporting children's education

All the activities leading to a holistic development of the truck crews and their families are being implemented in the Union Territory of Delhi and States of Assam, Odisha, Uttar Pradesh, Tamil Nadu and Telangana.



Board of Directors



Mr. M.B.N. Rao

(69 years)
DIN : 00287260
(Chairman &
Independent Director)

- Is a Bachelor of Science in Agriculture, an Associate of the Chartered Institute of Bankers, London, a Certified Associate of the Indian Institute of Bankers and a Fellow of the Indian Institute of Banking & Finance. Holds two Diploma in Computer Studies from the University of Cambridge and the National Centre for Information Technology, United Kingdom. Was a Member of the Singapore Institute of Management.
- Is the former Chairman and Managing Director of Canara Bank and Indian Bank. Chairman of Canara Bank subsidiaries in Insurance, Mutual Fund, Venture Capital, Factoring, Computer Services, Online Trading & Broking; Indian Bank subsidiaries in Merchant Banking, Housing and Mutual Fund. Vice Chairman of Commercial Bank of India, Moscow (a joint venture of State Bank of India and Canara Bank)
- Has over 47 years of varied experience in fields of banking, finance, economics, technology, human resource, marketing, treasury and administration.
- Has over nine years of international banking experience in Singapore and Indonesia.
- Was also the Chairman of Indian Banks Association and a member of various committees constituted by RBI, MOF, SEBI and National Institute of Bank Management.
- Is on the Boards of various reputed companies including E.I.D. Parry (India) Ltd., Ramco Cements Ltd., Taj GVK Hotels and Resorts Ltd.
- Member of Overseeing Committee (under the aegis of the Reserve Bank of India to review resolution of NPAs) and is an Expert Member of the Independent Oversight Committee of the Governing Board for Listing Function of National Stock Exchange of India Limited.
- Has received various awards including Best Bank in Public Sector, Corporate Governance, Corporate Social Responsibility and Best performance awards for Financing to SMEs, Agriculture, Exports during his tenure with Indian Bank and Canara Bank from His Excellency President of India, Hon'ble Prime Minister, Finance Minister, Minister for Commerce and RBI Governor.
- Joined the Board of Chola in July, 2010.



Mr. N. Srinivasan

(59 years) DIN : 00123338
(Vice Chairman &
Non-Executive Director)

- Graduate in Commerce, Associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.
- 33 years of experience in the areas of corporate finance, legal, projects and general management.
- Position: Director-Finance of the Murugappa Group, Member of Murugappa Corporate Board and director on the Boards of Tube Investments of India Ltd., Cholamandalam MS General Insurance Company Ltd. and Cholamandalam MS Risk Services Limited.
- Joined the Board of Chola in December, 2006.



Mr. V. Srinivasa Rangan

(57 years) DIN : 00030248
(Independent Director)

- Is a graduate in Commerce, Associate member of Cost and Works Accountants of India and Institute of Chartered Accountants of India.
- Has over 34 years of experience in corporate finance and banking.
- Is an Executive Director at Housing Development Finance Corporation Limited (HDFC Ltd.) and has been associated with the company since 1986.
- Is a Director on the Boards of Atul Limited and several other companies in HDFC Group.
- Was Conferred the “Best CFO in the Financial Sector for 2010” by the Institute of Chartered Accountants of India.
- Joined the Board of Chola in July, 2011.

- Is a Chartered Accountant from the Institute of Chartered Accountants in England & Wales.
- Has over 34 years of experience in banking and financial services industries.
- Was a member of the Governing Board of Deloitte India for several years.
- Was a member of the Accounting Standards Board of the Institute of Chartered Accountants of India and is currently a member of the Institute's Expert Advisory Committee and Technical Reviewer for the Financial Reporting Board of the Institute.
- Is a Director on the Boards of various companies including Eimco-Elecon (India) Ltd., Tata Capital Ltd., DCB Bank Ltd., Kotak Mahindra Asset Management Co. Ltd. and was also the RBI's representative on the Governing Council of the Banking Codes and Standards Board of India for three years.
- Joined the Board of Chola in July, 2013.



Mr. Nalin Mansukhlal Shah
(70 years) DIN : 00882723
(Independent Director)



Ms. Bharati Rao
(68 years) DIN : 01892516
(Independent Director)

- Is a post graduate in Economics and a Certified Associate of the Indian Institute of Banking & Finance.
- Has over 45 years of varied experience in the fields of project finance, foreign offices, credit and risk management.
- Retired as the Deputy Managing Director and Chief Development Officer of SBI, holding concurrent charge of SBI's Associate Banks and Non-Banking subsidiaries and an advisor for mergers and acquisitions.
- Is on the Boards of various companies including Vijaya Bank, Carborundum Universal Limited, SBI Capital Markets Ltd., SBI Caps (UK), SBICAP Securities Ltd., SBI Global Factors Ltd., Tata Tele Services Ltd., Neuland Laboratories Ltd., Wheels India Ltd. and Delphi-TVS Diesel Systems Ltd.
- Joined the Board of Chola in July, 2014.

- Holds a Bachelor of Technology in Chemical Engineering from University of Madras and a Master of Science in Chemical Engineering from University of Michigan, USA.
- Has over 39 years of experience in the diverse areas of abrasives, manufacturing, electronics, strategy & business development, technology, R&D and human resources.
- Is a member of American Institute of Chemical Engineers, Indian Institute of Chemical Engineers, Plastics & Rubber Institute and Indian Ceramics Society.
- Is on the Boards of various companies including Carborundum Universal Limited, Tube Investments of India Limited, Mahindra & Mahindra Limited, Cyient Limited, IIT Madras Research Park and certain other Murugappa Group companies.
- Joined the Board of Chola in January, 2015.



Mr. M.M. Murugappan
(61 years) DIN : 00170478
(Non-Executive Director)



Mr. Vellayan Subbiah
(47 years) DIN : 01138759
(Managing Director)

- Holds a Bachelor of Technology in Civil Engineering from IIT Madras and a Masters in Business Administration from the University of Michigan.
- Has over 23 years of experience in the varied fields of technology, projects and financial services.
- Has worked with Mckinsey and Company, 24/7 Customer Inc. and Sundram Fasteners.
- Is a recipient of the Extraordinary Entrepreneur of the Year - TiECON 2014 Award.
- Was the Managing Director of Laserwords between January, 2007 and August, 2010.
- Is a Director on the Boards of SRF Limited, Havels India Limited, White Data Systems India Private Limited and certain other Murugappa Group companies.
- Joined the Board of Chola in August, 2010.

Financial Highlights

Financial Year ended	2017	2016	2015	2014
Operating Results				
Total Income	4,66,035	4,19,371	3,69,119	3,26,284
Profit before tax	1,10,558	87,077	65,722	55,021
Profit after tax	71,874	56,845	43,516	36,401
Liabilities				
Shareholdes' Funds				
- Equity	4,31,285	3,65,741	2,67,333	2,29,471
- Preference	-	-	50,000	-
Loan Funds	24,20,678	22,57,622	19,47,524	18,09,319
Other Liabilities and Provisions	2,20,151	1,65,468	1,22,466	1,15,890
Total Liabilities	**30,72,114**	**27,88,831**	**23,87,323**	**21,54,680**
Assets				
Fixed Assets	14,008	11,132	6,833	7,290
Statutory & Other Investments	23,854	6,657	6,748	8,243
Receivables Under Financing Activity				
- Automobile Financing	19,13,237	17,25,773	14,94,847	14,29,606
- Loans against Immovable Property	7,40,503	7,30,131	6,97,429	4,93,046
- Other Loans	1,87,782	1,35,109	26,078	20,161
Other Assets (net)	1,92,730	1,80,029	1,55,388	1,96,334
Total Assets	**30,72,114**	**27,88,831**	**23,87,323**	**21,54,680**
De-recognised Assets	6,26,334	4,16,433	3,54,824	4,08,736
Total Assets Under Management	**36,98,448**	**32,05,264**	**27,42,147**	**25,63,416**
Key Indicators				
Earnings per Equity Share - Basic (₹)	46.01	37.50	30.09	25.43
Earnings per Equity Share - Diluted (₹)	45.99	37.46	29.97	25.38
Dividend per Equity Share (₹)	5.50	4.50	3.50	3.50
Book Value per Equity Share (₹)	275.97	234.20	203.48	160.25

(₹ in lakhs)

2013	2012	2011	2010	2009	2008
2,55,568	1,78,821	1,20,183	92,950	1,12,063	89,173
45,080	29,011	10,011	3,133	1,708	9,094
30,655	17,254	6,218	1,542	4,275	5,937
1,96,477	1,41,728	1,07,202	48,500	48,101	55,863
-	-	-	30,000	30,000	-
15,28,901	11,44,411	7,94,891	5,41,480	5,42,703	5,41,748
93,102	56,887	65,733	76,263	76,483	39,757
18,18,480	**13,43,026**	**9,67,826**	**6,96,243**	**6,97,287**	**6,37,368**
7,065	5,316	3,318	1,375	3,384	4,759
22,451	6,170	6,828	21,933	40,520	17,394
11,98,841	8,82,201	5,73,146	3,07,616	1,95,610	1,94,808
4,34,722	2,99,966	1,88,648	1,35,857	63,097	43,838
29,031	50,823	98,232	1,05,485	1,96,768	3,01,395
1,26,370	98,550	97,654	1,23,977	1,97,908	75,174
18,18,480	**13,43,026**	**9,67,826**	**6,96,243**	**6,97,287**	**6,37,368**
2,52,868	1,22,076	90,199	1,69,083	1,67,600	1,71,280
20,71,348	**14,65,102**	**10,58,025**	**8,65,326**	**8,64,887**	**8,08,648**
22.89	14.39	5.67	1.79	7.05	12.88
22.83	14.39	5.67	1.79	6.83	12.23
3.50	2.50	1.50	1.00		4.00
137.29	106.92	89.87	73.04	72.43	107.07

Board's Report

BOARD'S REPORT

Your directors have pleasure in presenting the thirty ninth annual report together with the audited accounts of the company for the year ended 31 March, 2017.

FINANCIAL RESULTS

₹ in crores

Particulars	2016 - 17	2015 - 16
Gross Income	4,660.35	4193.70
Profit Before Tax (PBT)	1,105.58	870.77
Profit After Tax (PAT)	718.74	568.45
Add: Balance brought forward	247.94	186.62
Amount available for appropriation	**966.69**	**755.07**
Adjustments / Appropriation:		
Transfer to statutory and other reserves	450.00	420.00
Dividend - Preference	-	2.12
Dividend - Equity *	54.70	70.26
Tax on dividend	11.14	14.74
Balance carried forward	450.85	247.95
TOTAL	**966.69**	**755.07**

* Provision for final dividend for FY 17 is not included in current year as per Revised Accounting Standard-4.

SHARE CAPITAL

The paid up equity share capital of the company as at 31 March, 2017 is ₹ 156.28 crores including the increase during the year by ₹ 0.13 crores, consequent to allotment of shares upon exercise of stock options by employees under the company's employee stock option scheme 2007 (ESOP 2007).

OPERATIONS

During the year, your company achieved a 27% growth in profit before tax (PBT) and 15% growth in total assets under management. Though FY 17 was a turbulent year with macro-economic factors impacting the businesses, a growth of 13% in disbursements was achieved as compared to FY 16.

The note-ban impacted the business in the second half of the year marking sluggish growth in disbursement when compared to first half. Though collections were also impacted for a short period, quick actions to mitigate the same was put in place, by introducing non-cash modes of collection at all locations.

Vehicle finance (VF) business recorded a disbursement growth of 17% buoyed by the recovery signals in the commercial vehicles (CV) market. Disbursements in VF for the year were at ₹ 14,471 crores as against ₹ 12,383 crores in the previous year.

The business recorded a growth of 18% in closing managed assets and a PBT growth of 23%. VF business was able to achieve improved collection behavior compared to previous year in spite of setbacks arising due to demonetisation related issues.

Home equity (HE) business recorded a disbursement of ₹ 3,056 crores as against ₹ 3,476 crores in the previous year. The drop is primarily attributable to low credit appetite of the small and medium enterprises (SME) customers, in the wake of demonetisation. Closing managed assets of HE grew by 8%. HE business continued to register higher levels of non-performing assets (NPA), compounded due to note-ban adversely affecting the SME segment.

Disbursements in home loans (HL) were at ₹ 325 crores as against ₹ 175 crores in the previous year and micro, small and medium enterprise (MSME) were at ₹ 666 crores as against ₹ 325 crores in the previous year. The rural agri financing business disbursed ₹ 73 crores as against ₹ 21 crores during the previous year.

The business assets under management (net of provisions) of the company as at 31 March, 2017 increased to ₹ 34,167 crores from ₹ 29,650 crores in the previous year, recording a growth of 15%.

As in the last few years, your company has early adopted the revised asset classification norms by recognising NPAs at 3 months overdue, one year ahead of the mandatory requirement, as laid down by RBI.

The PBT for the year was at ₹ 1,105.58 crores as against ₹ 870.77 crores in the previous year, recording a growth of 27%.

Profit after tax grew by 26% and was at ₹ 718.74 crores for the year as compared to ₹ 568.45 crores in the previous year.

DIVIDEND

Dividend distribution policy

The company has formulated a dividend distribution policy in compliance with regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations), copy of which is available on the website of the company (weblink: *http://www.cholamandalam.com/files/media/Cholamandalam-Dividend-Distribution-policy.pdf*).

Payment of dividend

The company paid an interim dividend on the equity shares at the rate of 35% (₹ 3.50 per equity share) as approved by the board on 25 January, 2017 for the year ended 31 March, 2017.

Your directors are pleased to recommend a final dividend of 20% (₹ 2 per equity share) on the equity shares of the company. With this, the total dividend will be 55% (₹ 5.50 per equity share) for the year ended 31 March, 2017.

TRANSFER TO RESERVES

Your company has transferred a sum of ₹ 150 crores to statutory reserve as required under the Reserve Bank of India Act, 1934 and ₹ 300 crores to general reserves.

OUTLOOK

The company continues to focus and grow its two main business lines - VF and HE, while nurturing the new businesses such as HL, MSME loans, and rural agri loans for future growth.

The company has added trip loans and Chola Vishesh as new product extensions under VF, catering to the funding requirements of the VF eco-system. Trip loan is targeted at the trucking community by extending short-term credit for the freight/transportation process, and is aimed at moving this lending product from the unorganized segment to the organised segment. This will help the truckers get comparatively lower cost credit in a transparent process and thereby improving their profitability. Chola Vishesh is extended to existing credit tested customers, a pre-approved loan leveraging technology.

FIXED DEPOSITS

The company is a Systemically Important Non-Deposit Accepting Non-Banking Finance Company (NBFC-ND-SI). It ceased taking deposits from the public effective 1 November, 2006. At the time of conversion, the outstanding unmatured deposits were transferred to an escrow account together with the future interest payable thereon till the date of maturity and were repaid on maturity. Accordingly, there have been no fresh deposits accepted during FY 17.

As at 31 March, 2017, there were no deposits matured but had not been claimed (along with interest accrued). During the year, the company remitted a sum of ₹ 1.89 lakhs to IEPF under this head representing unclaimed public deposits and interest thereon beyond seven years.

ASSET FINANCE COMPANY

During the year, the company continued being categorised as an Asset Finance Company (AFC) under the RBI Regulations.

CREDIT RATING

The credit rating details of the company as at 31 March, 2017 are as follows:

Rating Agency	Term	Type	Rating
ICRA	LT	NCD / SD / CC / TL	[ICRA]AA with Positive Outlook
	LT	PD	[ICRA]AA- with Positive Outlook
	ST	CP / WCDL	[ICRA]A1+
CRISIL	ST	CP	[CRISIL]A1+
	LT	SD	[CRISIL]AA / Stable
CARE	LT	SD	CARE AA
	LT	PD	CARE AA-
INDIA Ratings	LT	NCD / SD	IND AA with Stable Outlook
	LT	PD	IND AA- with Stable Outlook
Brickwork Ratings*	LT	NCD	BWR AA+ with Stable Outlook

NCD - Non Convertible Debentures | CP - Commercial Paper | PD – Perpetual Debt | CC - Cash Credit | ST – Short Term

SD - Subordinated Debt | LT – Long Term | TL - Term Loan | WCDL - Working Capital Demand Loan

ICRA revised the rating outlook from Stable to Positive in July 2016.

* Brickwork ratings assigned BWR AA+ (Stable) rating for the proposed NCD issuance of the company.

The ratings as mentioned above were re-affirmed by the rating agencies during FY 17.

CAPITAL ADEQUACY

The company's capital adequacy ratio was at 18.64% as on 31 March, 2017 as against the statutory minimum capital adequacy of 15% prescribed by RBI.

EMPLOYEE STOCK OPTION (ESOP) SCHEMES

ESOP 2016

Pursuant to the approval accorded by the shareholders by way of postal ballot on 3 January, 2017, the nomination and remuneration committee had formulated an employee stock option scheme 2016 (ESOP 2016). During the year, the company made 5,79,980 grants to 40 employees. The scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI (SBEB) Regulations) and the Companies Act, 2013 (the Act). The total number of options available under ESOP 2016 is 31,25,102.

ESOP 2007

Pursuant to the approval accorded by the shareholders at the twenty ninth annual general meeting (AGM) of the company held on 30 July, 2007, the nomination and remuneration committee had formulated the ESOP 2007. During the year, there have been no fresh grants under the scheme and there has been no changes in the scheme. The scheme is in compliance with SEBI (SBEB) Regulations and the Act. Number of options outstanding as on 31 March, 2017 under the ESOP 2007 is 6,48,965.

The certificate from the statutory auditors confirming that ESOP 2007 and ESOP 2016 have been implemented in accordance with the SEBI (SBEB) Regulations and shareholders resolution, will be placed before the shareholders at the ensuing AGM.

The details of both the schemes as on 31 March, 2017 are provided and disclosed on the website of the company (weblink: *http://www.cholamandalam/esop.aspx).*

DIRECTORS

Mr. N. Srinivasan, director, retires by rotation at the ensuring AGM and being eligible, has offered himself for re-appointment.

Mr. Vellayan Subbiah, the current managing director holds office till 18 August, 2017.

Further, the board at its meeting held on 15 March, 2017 appointed Mr. N. Srinivasan as executive vice chairman and managing director of the company for a period of two years effective 19 August, 2017 and Mr. Arun Alagappan as an executive director of the company for a period of five years effective 19 August, 2017 subject to the approval of the members at the ensuing AGM of the company. Upon such appointments becoming effective, Mr. N. Srinivasan and Mr. Arun Alagappan will become key managerial personnel of the company pursuant to the provisions of section 203 of the Act.

DECLARATION FROM INDEPENDENT DIRECTORS

The independent directors (IDs) have submitted a declaration of independence, as required pursuant to section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149(6) of the Act. In the opinion of the board, these IDs fulfill the conditions specified in the Act and the rules made there under for appointment as IDs and confirm that they are independent of the management.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Act read with the rules made there under, the following employees are the whole-time key managerial personnel of the company:

1. Mr. Vellayan Subbiah, Managing Director
2. Mr. D. Arul Selvan, Chief Financial Officer and
3. Ms. P. Sujatha, Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

The directors' responsibility statement as required under section 134(5) of the Act, reporting the compliance with accounting standards, is attached and forms part of the board's report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the company and its future operations.

MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis report, highlighting the business-wise details is attached and forms part of this report. The report also contains the details of the risk management framework of the company including the development and implementation of risk management policy and the key risks faced by the company.

CORPORATE GOVERNANCE REPORT

A report on corporate governance as per the Listing Regulations is attached and forms part of this report. The report also contains the details as required to be provided on the number of meetings of the board, composition of the various committees including the audit committee and

corporate social responsibility committee, annual board evaluation, remuneration policy, criteria for board nomination and senior management appointment, whistle blower policy/ vigil mechanism, disclosure of relationships between directors inter-se, state of company's affairs, etc.

The managing director and the chief financial officer have submitted a certificate to the board regarding the financial statements and other matters as required under regulation 17(8) of the Listing Regulations.

BUSINESS RESPONSIBILITY REPORT

A business responsibility report is attached and forms part of this report.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements prepared in accordance with the Act and the relevant accounting standards form part of this annual report.

AUDITORS

M/s. Deloitte Haskins & Sells, chartered accountants were appointed as statutory auditors of the company for a period of three years at the thirty sixth AGM of the company as per the transition provisions of section 139 of the Act, where the rules prescribed the maximum tenure for appointment of a firm if they had already been serving as auditors for more than 7 years. Accordingly, M/s. Deloitte Haskins & Sells, chartered accountants, statutory auditors of the company complete their three year tenure at the closure of the thirty ninth AGM of the company.

Pursuant to sections 139 and 141 of the Act and other applicable provisions, if any, read with Companies (Audit & Auditors) Rules, 2014 made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), it is proposed to appoint, M/s. S.R.Batliboi & Associates LLP, chartered accountants, as statutory auditors of the company for a period of five years commencing from the conclusion of thirty ninth AGM till the forty fourth AGM subject to approval of the members at the ensuing AGM.

SECRETARIAL AUDIT

The secretarial audit report is attached and forms part of this report and does not contain any qualification. Pursuant to the provisions of the Act and the rules framed there under, the company appointed M/s. R. Sridharan & Associates, company secretaries to undertake the secretarial audit of the company for FY 17.

EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) of the Act, the extract of the annual return in form MGT-9 is attached and forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

The murugappa group is known for its tradition of philanthropy and community service. The group's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education and healthcare as the core focus areas. The company upholds the group's tradition by earmarking a part of its income for carrying out its social responsibilities.

The company has been carrying out corporate social responsibility (CSR) activities for many years now even before it was mandated under the Act. The company has put in place a CSR policy incorporating the requirements therein which is available on the website of the company (weblink: *www.cholamandalam.com/csr-policy.aspx*).

As per the provisions of the Act, the company is required to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years. This amount aggregated to ₹ 13.85 crores and the company actually spent ₹ 13.86 crores towards CSR activities during FY 17, the details of which are annexed to and forms part of this report.

INTERNAL FINANCIAL CONTROLS

Internal control framework including clear delegation of authority and standard operating procedures are established and laid out across all businesses and functions. These are reviewed periodically at all levels. The company has a co-sourced model of internal audit. The risk and control matrices are reviewed on a quarterly basis and control measures are tested and documented. These measures have helped in ensuring the adequacy of internal financial controls commensurate with the scale of operations of the company.

RELATED PARTY TRANSACTIONS

The company has in place a policy on related party transactions as approved by the board and the same is available on the website of the company (weblink: *http://www.cholamandalam.com/files/MEDIA/Policy-on-Related-Party-Transactions.pdf*).

All related party transactions that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large.

There are no contracts or arrangements entered into with related parties during the year to be disclosed under sections 188(1) and 134(h) of the Act in form AOC-2.

All proposed related party transactions were placed before the audit committee for prior omnibus approval at the beginning of the financial year. The transactions entered into pursuant to the approval so granted were placed before the audit committee for its review on a quarterly basis. None of the directors has any pecuniary relationship or transaction vis-à-vis the company.

INFORMATION AS PER SECTION 134(3)(m) OF THE ACT

The company has no activity relating to consumption of energy or technology absorption. Foreign currency expenditure amounting to ₹ 1.61 crores was incurred during the year under review. Foreign currency remittances made during the year was ₹ 2.45 crores towards equity dividend and ₹ 5.83 crores towards purchase of fixed assets. The company does not have any foreign exchange earnings.

DISCLOSURE OF REMUNERATION

The disclosure with respect to remuneration as required under section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and forms part of this report.

PARTICULARS OF EMPLOYEES

In accordance with section 136 of the Act, the report and accounts is being sent to the members and others entitled thereto, excluding the statement prescribed under rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The aforesaid information is available for inspection at the registered office of the company during the business hours on working days of the company. If any member is interested in obtaining a copy, such member may write to the company secretary in this regard.

SUBSIDIARIES

CHOLAMANDALAM SECURITIES LIMITED (CSEC)

CSEC recorded a gross income of ₹ 15.33 crores for the year ended 31 March, 2017 and made a PBT of ₹ 2.68 crores as against a PBT of ₹ 1.74 crores in the previous year.

CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED (CDSL)

CDSL recorded a gross income of ₹ 13.40 crores for the year ended 31 March, 2017 and made a PBT of ₹ 8.35 crores as against a PBT of ₹ 7.01 crores in the previous year.

WHITE DATA SYSTEMS INDIA PRIVATE LIMITED (WDSI)

WDSI recorded a gross income of ₹ 11.07 crores for the year ended 31 March, 2017 and made a loss of ₹ 4.17 crores as against loss of ₹ 0.52 crores in the previous year.

ACKNOWLEDGEMENT

The directors wish to thank the company's customers, vehicle manufacturers, vehicle dealers, channel partners, banks, mutual funds, rating agencies and shareholders for their continued support. The directors also thank the employees of the company for their contribution to the company's operations during the year under review.

On behalf of the board

Place : Chennai
Date : April 28, 2017

M.B.N. Rao
Chairman

Directors' Responsibility Statement

The board of directors have instituted / put in place a framework of internal financial controls and compliance systems, which is reviewed by the management and the relevant board committees, including the audit committee and independently reviewed by the internal, statutory and secretarial auditors.

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;

(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March, 2017 and of the profit of the company for the year ended on that date;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended 31 March, 2017; and

(vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31 March, 2017.

On behalf of the board

Place : Chennai
Date : April 28, 2017

M.B.N. Rao
Chairman

Annexure-I

Secretarial Audit Report

For the financial year ended 31 March, 2017

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

To

The Members,
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED** [Corporate Identity Number: L65993TN1978PLC007576] (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March, 2017 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31 March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA and hence, the requirement of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder does not arise;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Employee Stock Option Plan, 2016 approved under the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Employee Stock Option Scheme, 2007 approved under the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

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

g) The company has not delisted its securities from any of the Stock Exchanges in which it is listed during the period under review and hence the requirement of complying with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise; and

h) The company has not bought back any securities during the period under review and hence the requirement of complying with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;

(vi) The other Laws specifically applicable to the company are –

a) Reserve Bank of India Act, 1934, Rules, Regulations, guidelines, circulars, directions, notifications made thereunder.

b) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

c) NBFC Auditors Report Reserve Bank Directions, 1998

d) Guidelines for Asset – Liability Management (ALM) system in NBFCs

e) NBFC Public Deposits RBI Directions 1998

With respect to fiscal laws, based on the information and explanations provided by the management and officers of the company and periodical reports and certificates placed before the board of directors, we report that adequate systems are in place to monitor and ensure compliance of the above mentioned laws.

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement entered into with BSE Limited and the National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. There was no change in the composition of the board of directors during the period under review.

Adequate notice is given to all directors before schedule of the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Meetings which are convened at shorter notice and agenda/notes on agenda which are circulated less than the specified period, the necessary compliances under the Act and Secretarial Standards on Board Meeting are complied with. There are certain businesses which can be transacted through video conferencing / audio visual means as provided under the Act and the relevant rules made there under. Such meetings of board through video conferencing were properly convened and recorded in compliance with the provisions of section 173 (2) of the Act read with rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 relating to businesses that have been transacted through video conferencing / audio visual means.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the board of directors / committee members and no director / member dissented on the decisions taken at such board / committee meeting. Further, in the minutes of the general meeting including the resolutions passed through postal ballot, the number of votes cast against the resolutions has been recorded.

We further report that based on the review of compliance mechanism established by the company and on the basis of our review and audit of the records and books, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws including labour laws, rules, regulations and guidelines.

We further report that during the audit period, the company has

a) obtained the approval of the shareholders by way of postal ballot for the following:

- Approval under section 13 of the Act for alteration of the objects of the memorandum of association of the company
- Approval under section 14 of the Act for amending the existing articles of association ('AOA') of the company with the adoption of new set of AOA in alignment with the provisions of the Act
- Approval under section 62(1)(b) of the Act for an Employee Stock Option Plan 2016 ('ESOP 2016') and grant of Stock Options to employees of the company and its subsidiaries under ESOP 2016.

b) Issued secured redeemable non-convertible debentures for ₹ 7,143 crores and unsecured redeemable non-convertible debentures for ₹ 275 crores.

c) Redeemed secured redeemable non-convertible debentures for ₹ 1,690.40 crores and unsecured redeemable non-convertible debentures for ₹ 50 crores.

For **R. Sridharan & Associates**
Company Secretaries

CS R. Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

Place : Chennai
Date : 28 April, 2017

Annexure-II

Form No. MGT-9-Extract of Annual Return

As on the financial year ended 31 March, 2017

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

I. REGISTRATION AND OTHER DETAILS

Corporate Identity Number (CIN)	L65993TN1978PLC007576
Registration Date	17 August, 1978
Name of the Company	Cholamandalam Investment and Finance Company Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered office and contact details	"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001 Phone: 044 30007172 (bd.) 30007055 (d); Fax: 044 25346464 E-mail: sujathap@chola.murugappa.com investors@chola.murugappa.com
Listed Company (Yes / No)	Yes
Name, address and contact details of Registrar and transfer agent, if any	Karvy Computershare Pvt. Ltd. (Unit: Cholamandalam Investment and Finance Company Limited) Karvy Selenium Tower B Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad - 500 032, Telangana Phone: 040-67161514; Toll free: 1800-345-4001 Fax: 040-23420814 E-mail: einward.ris@karvy.com Contact person: Mrs. Varalakshmi P - Asst. General Manager - RIS

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:

SN.	Name and description of main products / services	NIC code of the product / service*	% to total turnover of the company
1	Financial services – Lending	Section K – Group 649 – Other Financial Service activities, except insurance and pension funding activities	100

*As per National Industrial Classification, Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	Tube Investments of India Limited Dare House, No.234, N.S.C. Bose Road, Parrys, Chennai 600 001	L35921TN1949PLC002905	Entity having significant influence over the company	46.22%	Section 2(46)
2	Cholamandalam Securities Limited Dare House, No.2, N.S.C. Bose Road, Parrys, Chennai 600 001	U65993TN1994PLC028674	Subsidiary company	100.00%	Section 2(87)

SN.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
3	Cholamandalam Distribution Services Limited Dare House, No.2, N.S.C. Bose Road, Parrys, Chennai 600 001	U67190TN2000PLC045617	Subsidiary company	100.00%	Section 2(87)
4	White Data Systems India Private Limited (WDSI) Old No. 24, New No. 39, Periswamy Road, (East), R S Puram, Coimbatore 641 002	U72200TZ2015PTC021273	Subsidiary company	63.00%	Section 2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

SN.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2016)				No. of Shares held at the end of the year (31-MAR-2017)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individuals / HUF	30,09,375	-	30,09,375	1.93	29,73,509	-	29,73,509	1.91	(0.02)
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	7,99,71,509	-	7,99,71,509	51.21	7,99,71,509	-	7,99,71,509	51.17	(0.04)
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other: -	-	-	-	-	-	-	-	-	
	Sub-Total A(1):	**8,29,80,884**	**-**	**8,29,80,884**	**53.14**	**8,29,45,018**	**-**	**8,29,45,018**	**53.08**	**(0.06)**
(2)	**FOREIGN**									
(a)	NRIs – Individuals	-	-	-	-	9,211	-	9,211	0.01	0.01
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other: -	-	-	-	-	-	-	-	-	
	Sub-Total A(2):	**-**	**-**	**-**	**-**	**9,211**	**-**	**9,211**	**0.01**	**0.01**
	Total Shareholding of Promoter and Promoter Group A = A(1)+A(2)	**8,29,80,884**	**-**	**8,29,80,884**	**53.14**	**8,29,54,229**	**-**	**8,29,54,229**	**53.08**	**(0.05)**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds / UTI	1,53,57,923	100	1,53,58,023	9.84	2,16,04,789	100	2,16,04,889	13.83	4.00
(b)	Banks / Financial Institutions	18,257	50	18,307	0.01	28,600	50	28,650	0.02	0.01
(c)	Central Government	-	-	-	-	-	-	-	-	-

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

SN.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2016)				No. of Shares held at the end of the year (31-MAR-2017)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors / Portfolio Managers	2,38,49,622	100	2,38,49,722	15.28	3,23,55,676	100	3,23,55,776	20.70	5.43
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other:									
	- Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	- Multilateral Financial Institution	59,15,676	-	59,15,676	3.79	29,65,676	-	29,65,676	1.90	(1.89)
	- Foreign Corporate Bodies	44,58,189	-	44,58,189	2.86	-	-	-	-	(2.86)
	- Foreign Nationals	10,912	-	10,912	0.01	36	-	36	0.00	(0.01)
	- Alternative Investment Fund	-	-	-	-	2,88,671	-	2,88,671	0.18	0.18
	Sub-Total B(1):	**4,96,10,579**	**250**	**4,96,10,829**	**31.78**	**5,72,43,448**	**250**	**5,72,43,698**	**36.63**	**4.85**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate									
	(i) Indian	24,17,262	5,261	24,22,523	1.55	61,23,880	5,261	61,29,141	3.92	2.37
	(ii) Overseas	1,22,85,012	-	1,22,85,012	7.87	-	-	-	-	(7.87)
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	43,10,302	4,71,146	47,81,448	3.06	69,50,125	4,18,173	73,68,298	4.71	1.65
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	25,77,165	-	25,77,165	1.65	15,28,197	-	15,28,197	0.98	(0.67)
(c)	Any Other:									
	- Non Resident Indians	4,90,690	13,206	5,03,896	0.32	2,96,682	12,106	3,08,788	0.20	(0.13)
	- Non Resident Indians Non repatriable	-	-	-	-	1,56,005	-	1,56,005	0.10	0.10
	- Trust	3,24,201	-	3,24,201	0.21	2,00,053	-	2,00,053	0.13	(0.08)
	- Clearing Members	6,59,686	-	6,59,686	0.42	3,89,124	-	3,89,124	0.25	(0.17)
	Sub-Total B(2):	**2,30,64,318**	**4,89,613**	**2,35,53,931**	**15.08**	**1,56,44,066**	**4,35,540**	**1,60,79,606**	**10.29**	**(4.79)**
	Total Public Shareholding B=B(1)+B(2):	**7,26,74,897**	**4,89,863**	**7,31,64,760**	**46.86**	**7,28,87,514**	**4,35,790**	**7,33,23,304**	**46.92**	**0.06**
	Total (A+B):	**15,56,55,781**	**4,89,863**	**15,61,45,644**	**100.00**	**15,58,41,743**	**4,35,790**	**15,62,77,533**	**100.00**	**0.00**
(C)	**Shares held by custodians, for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Sub-Total (C):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	GRAND TOTAL (A+B+C):	**15,56,55,781**	**4,89,863**	**15.61,45,644**	**100.00**	**15,58,41,743**	**4,35,790**	**15,62,77,533**	**100.00**	**0.00**

(ii) Shareholding of promoters and promoter group

SN.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	PROMOTERS							
1.	M.V. Murugappan	2,36,250	0.15	-	2,36,250	0.15	-	-
2.	M.V. Subbiah	1,52,578	0.10	-	1,52,578	0.10	-	-
3.	S. Vellayan	2,45,493	0.16	-	2,45,493	0.16	-	-
4.	A. Vellayan	27,157	0.02	-	27,157	0.02	-	-
5.	V. Narayanan	50,800	0.03	-	50,800	0.03	-	-
6.	V. Arunachalam	48,503	0.03	-	48,503	0.03	-	-
7.	A. Venkatachalam	41,921	0.03	-	41,921	0.03	-	-
8.	Arun Venkatachalam	80,750	0.05	-	80,750	0.05	-	-
9.	M.M. Murugappan	8,748	0.01	-	9,094	0.01	-	-
10.	M.M. Veerappan	9,211	0.01	-	9,211	0.01	-	-
11.	M.M. Muthiah	9,211	0.01	-	9,324	0.01	-	-
12.	M.M. Venkatachalam	65,525	0.04	-	65,525	0.04	-	-
13.	M.V. Muthiah	29,301	0.02	-	29,301	0.02	-	-
14.	M.V. Subramanian	7,153	0.00	-	7,153	0.00	-	-
15.	M.A. Alagappan	5,63,546	0.36	-	5,63,546	0.36	-	-
16.	Arun Alagappan	1,90,000	0.12	-	1,90,000	0.12	-	-
17.	M.A.M. Arunachalam	39,376	0.03	0.02	10,000	0.01	-	(0.02)
18.	E.I.D. Parry (India) Ltd.	393	0.00	-	393	0.00	-	-
19.	Coromandel International Ltd. (Earlier known as Coromandel Fertilisers Ltd.)	-	-	-	-	-	-	-
20.	New Ambadi Estates Pvt. Ltd.	-	-	-	-	-	-	-
21.	Murugappa Holdings Ltd. (Refer note)	176	0.00	-	72,18,586	4.62	-	4.62
22.	Ambadi Enterprises Ltd.	58,276	0.04	-	58,276	0.04	-	-
23.	Ambadi Investments Pvt Ltd.	-	-	-	-	-	-	-
24.	Tube Investments of India Ltd.	7,22,33,019	46.26	-	7,22,33,019	46.22	-	-
25.	Carborundum Universal Ltd.	100	0.00	-	100	0.00	-	-
26.	Murugappa & Sons (M.V. Murugappan, M.A. Alagappan and M.M. Murugappan hold shares on behalf of the Firm)	-	-	-	-	-	-	-
	PROMOTER (A)	**7,40,97,487**	**47.45**	**0.02**	**8,12,86,980**	**52.01**	**0.00**	**4.56**
	PROMOTER GROUP (B)	**88,83,397**	**5.69**	**-**	**16,67,249**	**1.07**	**0.00**	**(4.62)**
	TOTAL (A)+(B)	**8,29,80,884**	**53.14**	**0.02**	**8,29,54,229**	**53.08**	**0.00**	**(0.06)**

Note:

Consequent to the amalgamation of Ambadi Holdings Private Limited (AHPL), with Murugappa Holdings Limited (MHL), 72,18,410 equity shares of ₹ 10 each of the company earlier held by AHPL stand vested with MHL, as provided in the scheme of amalgamation.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year - promoter			7,40,97,487	47.45	7,40,97,487	47.45
2.	Date wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease						
	Date of Purchase / Sale	Name of the Promoter	No. of shares held at the beginning of the year	% of total shares of the Company	No. of shares Acquired / (Sold)		
	29-Aug-2016 & 30-Aug-2016	M.A.M. Arunachalam	39,376	0.03	(29,376)	7,40,68,111	47.41
	21-Nov-2016 to 23-Nov-2016	M.M. Murugappan	8,748	0.01	346	7,40,68,457	47.41
	21-Nov-2016 to 23-Nov-2016	M.M. Muthiah	9,211	0.01	113	7,40,68,570	47.41
	02-Dec-2016	Murugappa Holdings Limited (Refer note)	176	-	72,18,410	8,12,86,980	52.01
3.	At the end of the year - promoter					8,12,86,980	52.01

Note:

Ambadi Holdings Private Limited (AHPL), forming part of the promoter group, amalgamated with Murugappa Holdings Limited (MHL) consequent to the sanction of the High Court of Madras vide an Order dated 15.11.2016 and shares held by AHPL moved to MHL.

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

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2016) / end of the year (31-03-2017)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	DYNASTY ACQUISITION (FDI) LTD	1,22,85,012	7.87	31-03-2016			1,22,85,012	7.87
				02-09-2016	(28,92,841)	Sale	93,92,171	6.01
				07-10-2016	(1,07,663)	Sale	92,84,508	5.94
				14-10-2016	(76,377)	Sale	92,08,131	5.89
				21-10-2016	(42,092)	Sale	91,66,039	5.87
				30-12-2016	(37,75,089)	Sale	53,90,950	3.45
				20-01-2017	(53,90,950)	Sale	-	0.00
		-	-	31-03-2017	-	-	-	-
2	NORWEST VENTURE PARTNERS X FII - MAURITIUS	70,82,726	4.54	31-03-2016	-	No movement during the year	70,82,726	4.54
		70,82,726	4.53	31-03-2017	-		70,82,726	4.53
3	INTERNATIONAL FINANCE CORPORATION	59,15,676	3.79	31-03-2016			59,15,676	3.79
				17-06-2016	(37,569)	Sale	58,78,107	3.76
				30-06-2016	(1,29,299)	Sale	57,48,808	3.68
				01-07-2016	(76,867)	Sale	56,71,941	3.63
				08-07-2016	(80,890)	Sale	55,91,051	3.58
				15-07-2016	(15,47,929)	Sale	40,43,122	2.59
				22-07-2016	(4,85,446)	Sale	35,57,676	2.28
				29-07-2016	(5,92,000)	Sale	29,65,676	1.90
		29,65,676	1.90	31-03-2017			29,65,676	1.90

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2016) / end of the year (31-03-2017)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
4	AMANSA HOLDINGS PRIVATE LIMITED	58,00,000	3.71	31-03-2016			58,00,000	3.71
				26-08-2016	(3,02,987)	Sale	54,97,013	3.52
				09-09-2016	(1,00,000)	Sale	53,97,013	3.45
				28-10-2016	(80,000)	Sale	53,17,013	3.40
				25-11-2016	(2,37,675)	Sale	50,79,338	3.25
				02-12-2016	(10,79,338)	Sale	40,00,000	2.56
				03-03-2017	(40,00,000)	Sale	-	0.00
		-	-	31-03-2017			-	-
5	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C	7,20,720	0.46	31-03-2016			7,20,720	0.46
				08-04-2016	1,25,000	Purchase	8,45,720	0.54
				15-04-2016	1,100	Purchase	8,46,820	0.54
				27-05-2016	3,00,000	Purchase	11,46,820	0.73
				10-06-2016	22,000	Purchase	11,68,820	0.75
				15-07-2016	(53,850)	Sale	11,14,970	0.71
				22-07-2016	(22,000)	Sale	10,92,970	0.70
				29-07-2016	(12,000)	Sale	10,80,970	0.69
				05-08-2016	(66,000)	Sale	10,14,970	0.65
				12-08-2016	(6,200)	Sale	10,08,770	0.65
				09-09-2016	7,00,000	Purchase	17,08,770	1.09
				07-10-2016	1,47,205	Purchase	18,55,975	1.19
				27-01-2017	15,38,000	Purchase	33,93,975	2.17
				17-02-2017	1,20,000	Purchase	35,13,975	2.25
				03-03-2017	14,70,000	Purchase	49,83,975	3.19
				24-03-2017	25,000	Purchase	50,08,975	3.21
				31-03-2017	85,000	Purchase	50,93,975	3.26
		50,93,975	3.26	31-03-2017			50,93,975	3.26
6	OPPENHEIMER DEVELOPING MARKETS FUND	-	-	31-03-2016			-	-
				02-12-2016	14,81,384	Purchase	14,81,384	0.95
				23-12-2016	3,67,066	Purchase	18,48,450	1.18
				30-12-2016	1,47,219	Purchase	19,95,669	1.28
				06-01-2017	28,11,401	Purchase	48,07,070	3.08
				03-02-2017	64,379	Purchase	48,71,449	3.12
				31-03-2017			48,71,449	3.12
7	CREADOR I, LLC	42,27,727	2.71	31-03-2016			42,27,727	2.71
				20-05-2016	(1,00,000)	Sale	41,27,727	2.64
				03-06-2016	(17,60,000)	Sale	23,67,727	1.52
				17-06-2016	(23,67,727)	Sale	-	0.00
		-	-	31-03-2017			-	-
8	HDFC SMALL & MIDCAP FUND	41,92,800	2.69	31-03-2016			41,92,800	2.69
				17-06-2016	(1,84,323)	Sale	40,08,477	2.57
				15-07-2016	(1,15,677)	Sale	38,92,800	2.49
				18-11-2016	1,11,605	Purchase	40,04,405	2.56
				25-11-2016	45	Purchase	40,04,450	2.56
				25-11-2016	(3,80,000)	Sale	36,24,450	2.32
		36,24,450	2.32	31-03-2017			36,24,450	2.32
9	SBI MAGNUM GLOBAL FUND	40,57,840	2.60	31-03-2016			40,57,840	2.60
				08-04-2016	5,00,000	Purchase	45,57,840	2.92
				22-04-2016	(39,292)	Sale	45,18,548	2.89
				29-04-2016	(23,200)	Sale	44,95,348	2.88
				06-05-2016	(33,000)	Sale	44,62,348	2.86
				03-06-2016	(14,000)	Sale	44,48,348	2.85

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2016) / end of the year (31-03-2017)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				10-06-2016	(75,000)	Sale	43,73,348	2.80
				17-06-2016	(1,05,766)	Sale	42,67,582	2.73
				24-06-2016	1,00,000	Purchase	43,67,582	2.80
				30-06-2016	(1,80,147)	Sale	41,87,435	2.68
				15-07-2016	(1,597)	Sale	41,85,838	2.68
				22-07-2016	87,000	Purchase	42,72,838	2.74
				29-07-2016	60,000	Purchase	43,32,838	2.77
				29-07-2016	(7,900)	Sale	43,24,938	2.77
				12-08-2016	(1,14,203)	Sale	42,10,735	2.70
				09-09-2016	2,59,000	Purchase	44,69,735	2.86
				23-09-2016	(1,08,600)	Sale	43,61,135	2.79
				07-10-2016	(9,000)	Sale	43,52,135	2.79
				28-10-2016	(39,000)	Sale	43,13,135	2.76
				04-11-2016	(17,500)	Sale	42,95,635	2.75
				11-11-2016	(2,00,000)	Sale	40,95,635	2.62
				25-11-2016	(3,67,400)	Sale	37,28,235	2.39
				02-12-2016	(5,90,000)	Sale	31,38,235	2.01
				16-12-2016	(1,89,500)	Sale	29,48,735	1.89
		29,48,735	1.89	31-03-2017			29,48,735	1.89
10	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND	8,15,254	0.52	31-03-2016			8,15,254	0.52
				03-06-2016	(30,000)	Sale	7,85,254	0.50
				17-06-2016	(75,000)	Sale	7,10,254	0.45
				22-07-2016	1,50,000	Purchase	8,60,254	0.55
				26-08-2016	27,000	Purchase	8,87,254	0.57
				02-09-2016	48,000	Purchase	9,35,254	0.60
				09-09-2016	6,46,700	Purchase	15,81,954	1.01
				30-09-2016	1,65,255	Purchase	17,47,209	1.12
				07-10-2016	90,000	Purchase	18,37,209	1.18
				14-10-2016	83,000	Purchase	19,20,209	1.23
				21-10-2016	43,000	Purchase	19,63,209	1.26
				28-10-2016	2,41,000	Purchase	22,04,209	1.41
				04-11-2016	57,000	Purchase	22,61,209	1.45
				11-11-2016	1,35,708	Purchase	23,96,917	1.53
				18-11-2016	1,95,000	Purchase	25,91,917	1.66
				25-11-2016	1,10,500	Purchase	27,02,417	1.73
				02-12-2016	1,52,000	Purchase	28,54,417	1.83
				09-12-2016	21,500	Purchase	28,75,917	1.84
				16-12-2016	1,35,000	Purchase	30,10,917	1.93
				23-12-2016	71,273	Purchase	30,82,190	1.97
				30-12-2016	50,000	Purchase	31,32,190	2.00
				06-01-2017	6,25,000	Purchase	37,57,190	2.40
				13-01-2017	80,000	Purchase	38,37,190	2.46
				20-01-2017	1,11,000	Purchase	39,48,190	2.53
				27-01-2017	7,80,000	Purchase	47,28,190	3.03
				03-02-2017	1,10,000	Purchase	48,38,190	3.10
				10-02-2017	10,000	Purchase	48,48,190	3.10
				03-03-2017	3,00,000	Purchase	51,48,190	3.29
				03-03-2017	(20,000)	Sale	51,28,190	3.28

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2016) / end of the year (31-03-2017)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				10-03-2017	20,000	Purchase	51,48,190	3.29
				10-03-2017	(84,149)	Sale	50,64,041	3.24
				17-03-2017	1,03,000	Purchase	51,67,041	3.31
				17-03-2017	(2,24,407)	Sale	49,42,634	3.16
				24-03-2017	(10,00,000)	Sale	39,42,634	2.52
				31-03-2017	(2,00,000)	Sale	37,42,634	2.39
		37,42,634	2.39	31-03-2017			37,42,634	2.39
11	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	-	-	31-03-2016			-	-
				08-04-2016	50,000	Purchase	50,000	0.03
				15-04-2016	1,57,656	Purchase	2,07,656	0.13
				22-04-2016	92,344	Purchase	3,00,000	0.19
				13-05-2016	1,00,000	Purchase	4,00,000	0.26
				20-05-2016	1,559	Purchase	4,01,559	0.26
				27-05-2016	1,04,356	Purchase	5,05,915	0.32
				03-06-2016	1,55,864	Purchase	6,61,779	0.42
				17-06-2016	57,834	Purchase	7,19,613	0.46
				24-06-2016	2,00,279	Purchase	9,19,892	0.59
				30-06-2016	5,045	Purchase	9,24,937	0.59
				15-07-2016	1,53,585	Purchase	10,78,522	0.69
				22-07-2016	1,36,466	Purchase	12,14,988	0.78
				29-07-2016	2,55,000	Purchase	14,69,988	0.94
				05-08-2016	25,000	Purchase	14,94,988	0.96
				02-09-2016	98,832	Purchase	15,93,820	1.02
				09-09-2016	9,24,564	Purchase	25,18,384	1.61
				16-09-2016	(2,753)	Sale	25,15,631	1.61
				23-09-2016	50,000	Purchase	25,65,631	1.64
				30-09-2016	1,74,962	Purchase	27,40,593	1.75
				07-10-2016	7,775	Purchase	27,48,368	1.76
				14-10-2016	-317	Sale	27,48,051	1.76
				28-10-2016	(15,000	Sale	27,33,051	1.75
				11-11-2016	69,000	Purchase	28,02,051	1.79
				18-11-2016	50,000	Purchase	28,52,051	1.83
				16-12-2016	(55,191)	Sale	27,96,860	1.79
				23-12-2016	(18,147)	Sale	27,78,713	1.78
				30-12-2016	6,046	Purchase	27,84,759	1.78
				30-12-2016	(31,174)	Sale	27,53,585	1.76
				06-01-2017	4,353	Purchase	27,57,938	1.76
				13-01-2017	(19,969)	Sale	27,37,969	1.75
				20-01-2017	49,578	Purchase	27,87,547	1.78
				27-01-2017	20	Purchase	27,87,567	1.78
				03-02-2017	1,01,000	Purchase	28,88,567	1.85
				24-02-2017	555	Purchase	28,89,122	1.85
				03-03-2017	3,00,000	Purchase	31,89,122	2.04
				10-03-2017	26,539	Purchase	32,15,661	2.06
				17-03-2017	5,131	Purchase	32,20,792	2.06
				24-03-2017	-200	Sale	32,20,592	2.06
				31-03-2017	4,691	Purchase	32,25,283	2.06
		32,25,283	2.06	31-03-2017			32,25,283	2.06

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2016) / end of the year (31-03-2017)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
12	CORNALINA	29,57,838	1.89	31-03-2016			29,57,838	1.89
	ACQUISITION (FII)			09-09-2016	(29,57,838)	Sale	-	-
	LIMITED	-	-	31-03-2017			-	-
13	UTI - LONG TERM	20,36,765	1.30	31-03-2016			20,36,765	1.30
	EQUITY FUND			15-04-2016	28,048	Purchase	20,64,813	1.32
	(TAX SAVING)			13-05-2016	(345)	Sale	20,64,468	1.32
				24-06-2016	4,05,000	Purchase	24,69,468	1.58
				15-07-2016	(1,38,830)	Sale	23,30,638	1.49
				29-07-2016	(5,211)	Sale	23,25,427	1.49
				05-08-2016	18,000	Purchase	23,43,427	1.50
				26-08-2016	(1,40,000)	Sale	22,03,427	1.41
				02-09-2016	(5,755)	Sale	21,97,672	1.41
				09-09-2016	45,000	Purchase	22,42,672	1.44
				16-09-2016	1,35,000	Purchase	23,77,672	1.52
				16-09-2016	(1,15,047)	Sale	22,62,625	1.45
				23-09-2016	(93,322)	Sale	21,69,303	1.39
				30-09-2016	(18,000)	Sale	21,51,303	1.38
				11-11-2016	(5,000)	Sale	21,46,303	1.37
				18-11-2016	40,316	Purchase	21,86,619	1.40
				16-12-2016	(1,652)	Sale	21,84,967	1.40
				23-12-2016	(4,000)	Sale	21,80,967	1.40
				27-01-2017	(30,675)	Sale	21,50,292	1.38
				03-02-2017	(34,916)	Sale	21,15,376	1.35
				24-02-2017	(14,567)	Sale	21,00,809	1.34
				03-03-2017	(351)	Sale	21,00,458	1.34
				10-03-2017	(2,38,457)	Sale	18,62,001	1.19
				24-03-2017	(10,991)	Sale	18,51,010	1.18
				31-03-2017	(4,824)	Sale	18,46,186	1.18
		18,46,186	1.18	31-03-2017			18,46,186	1.18
14	CARTICA CAPITAL	-	-	31-03-2016			-	-
	LTD			17-03-2017	1,07,324	Purchase	1,07,324	0.07
				24-03-2017	12,06,869	Purchase	13,14,193	0.84
				31-03-2017	3,33,045	Purchase	16,47,238	1.05
		16,47,238	1.05	31-03-2017			16,47,238	1.05
15	APAX GLOBAL	13,11,905	0.84	31-03-2016			13,11,905	0.84
	ALPHA LIMITED			09-09-2016	(5,03,550)	Sale	8,08,355	0.52
				07-10-2016	(9,337)	Sale	7,99,018	0.51
				14-10-2016	(6,623)	Sale	7,92,395	0.51
				21-10-2016	(3,500)	Sale	7,88,895	0.50
				06-01-2017	(3,24,911)	Sale	4,63,984	0.30
				20-01-2017	(4,63,984)	Sale	-	-
		-	-	31-03-2017			-	-

Notes:

1. The shares of the company are traded on a daily basis and hence the dates above refer to the benpos date.
2. The above list comprises Top 10 shareholders as on 01-04-2016 and as on 31-03-2017.

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

SN.	Name of the Director / KMP	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		End of the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Directors:							
1.	Mr. M.B.N. Rao	At the beginning 01-04-2016 & end of the year 31-03-2017 (No change in the shareholding position during the year)	NIL	Not applicable	NIL	Not applicable	NIL	Not applicable
2.	Mr. N. Srinivasan		25,000	0.016	25,000	0.016	25,000	0.016
3.	Mr. V. Srinivasa Rangan		4,000	0.003	4,000	0.003	4,000	0.003
4.	Mr. Nalin Mansukhlal Shah		NIL	Not applicable	NIL	Not applicable	NIL	Not applicable
5.	Ms. Bharati Rao		NIL	Not applicable	NIL	Not applicable	NIL	Not applicable
6.	Mr. Vellayan Subbiah (KMP)		2,45,493	0.157	2,45,493	0.157	2,45,493	0.157
7.	Mr. M.M. Murugappan		8,748	0.006	346 Market Purchase		9,094	0.006
	KMP:							
8. a)	Mr. D. Arul Selvan	At the beginning - 01-04-2016	22,151	0.014				
b)		30-05-2016			(3,000) - Market Sale			
c)		02-06-2016			(1,496) - Market Sale			
d)		16-09-2016			(2,655) - Market Sale		15,000	
		As at the end of the year - 31-03-2017					15,000	0.010
9.	Ms. P. Sujatha	At the beginning - 01-04-2016	20,527	0.013				
		As at the end of the year – 31-03-2017					20,527	0.013

V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT

₹ in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	17,11,151.64	5,46,470.00	1.19	22,57,622.83
ii. Interest due but not paid	-	-	0.04	0.04
iii. Interest accrued but not due	22,620.42	28,220.68	-	50,841.10
Total (i+ii+iii)	**17,33,772.06**	**5,74,690.68**	**1.23**	**23,08,463.97**
Change in indebtedness during the financial year				
• Addition	11,30,200.33	9,19,750.00	-	20,49,950.33
• Reduction	9,74,394.83	9,12,500.00	1.08	18,86,895.31
Net Change	**1,55,806.11**	**7,250.00**	**(1.08)**	**1,63,055.02**
Indebtedness at the end of the financial year				
i. Principal Amount	18,66,957.74	5,53,720.00	0.15	24,20,677.89
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	61,040.70	15,712.20	-	76,752.90
Total (i+ii+iii)	**19,27,998.44**	**5,69,432.20**	**0.15**	**24,97,430.79**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

SN.	Particulars of Remuneration	Vellayan Subbiah, Managing Director (₹ in lakhs)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	334.84
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	33.57
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, specify	-
5.	Others, please specify	34.13
	Total (A)	**402.54**
	Ceiling as per the Act	5,527.88

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				
1.	**Independent Directors**	**M.B.N. Rao**	**V. Srinivasa Rangan**	**Nalin Mansukhlal Shah**	**Bharati Rao**	**Total Amount (₹ in lakhs)**
	- Fee for attending board / committee meetings	4.70	4.55	4.10	4.70	18.05
	- Commission	15.00	7.50	7.50	7.50	37.50
	- Others, please specify	-	-	-	-	-
	Total (1)	**19.70**	**12.05**	**11.60**	**12.20**	**55.55**
2.	**Other Non-Executive Directors**	**N. Srinivasan**	**M.M. Murugappan**			**Total Amount (₹ in lakhs)**
	- Fee for attending board committee meetings	4.05	3.95			8.00
	- Commission	7.50	7.50			15.00
	- Others, please specify	-	-			-
	Total (2)	**11.55**	**11.45**			**23.00**
	Total (B)=(1+2)					**78.55**
	Total Managerial Remuneration					**78.55**
	Overall Ceiling as per the Act					1,105.58

Note:

The above indicates the commission payable for FY 17.

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

₹ in lakhs

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	**Chief Financial Officer**	**Total**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	81.96	90.80	172.76
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3.06	4.34	7.40
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option a. Allotment of Shares (including premium)	-	-	-
	b. Share application money pending allotment	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	8.75	10.43	19.18
	Total	**93.77**	**105.57**	**199.34**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES AGAINST THE COMPANY / DIRECTORS / OFFICERS IN DEFAULT

There were no penalties, punishment or compounding of offences during the year ended 31 March, 2017.

Annexure-III

CSR Report

Annual Report on Corporate Social Responsibility (CSR) Activities

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

   The company's CSR Policy is inspired by the belief in helping its stakeholders "enter a better life". While pursuing the business strategy of introducing products that give consumers a belief and faith in a better life, company operates in a manner that not just continues to generate an attractive return for its stakeholders, but also minimizes the impact on the environment.

   A CSR framework has been formulated that identifies, involves, influences and impacts its key stakeholders in ensuring holistic development of the trucking community, focussing on Swachha Bharat Mission, promoting health care facilities, enabling education and vocational training for the customers, supply chain partners, employees and the community we live in.

   Company's Strategic Directions

   The key focus areas where development programmes have been initiated are:

   (i) **Holistic development of trucking community**- Ensuring holistic development of the trucking community (truck owners, drivers and their dependents), who not only are company's customer segment but who also are key partners in its supply chain, through innovative programmes.

   (ii) **WASH (Water, Sanitation and Hygiene)**-While addressing this component of Swachha Bharat Mission, company's focuses on a set of social priorities and outcomes of ensuring the availability, storage and distribution of water, the designing and construction of toilets for specific target groups (eg. transport nagars, impoverished communities) and creating systems of disposal and treatment for solid and liquid waste. Stakeholders include groups directly or indirectly affected by WASH. They include communities that require sanitation services, at schools, at villages and transport nagars.

   (iii) **Health Care Facilities** - Creating an impact on the health behavior of the stakeholders through awareness programmes, health check-ups, provision of medicine & treatment facilities, providing per-natal & post-natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.

   (iv) **Education** - Promoting of education especially among children through non-formal education programmes.

   With its strong belief that social responsibility should be carried out as a blended activity along with business and not just as a mere obligation, the company tries its best to involve itself in nation building through dedicated efforts of educating and empowering people, especially the disadvantaged.

   Web link to the company's CSR policy is as follows:

   http://www.cholamandalam.com/Company-policies.aspx

2. **The composition of the CSR committee:**

   Mr. M M Murugappan, Chairman (Non-executive Director)

   Ms. Bharati Rao (Independent Director)

   Mr. Vellayan Subbiah (Managing Director)

3. **Average net profit of the company for last three financial years:**

   ₹ 69,273.10 lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

   ₹ 1,385.46 lakhs

5. **Details of CSR spend during the financial year:**

₹ in lakhs

Program	Execution Partner	Amount
AMM- Education program with TI Matriculation & Higher Secondary School	A.M.M. Foundation (AMM)	115.00
AMM program with Valliammai Achi Hospital		50.00
AMM supported Murugappa Youth Football Academy		15.00
MCRC research program on Water Security & Water Use efficiency	Shri AMM Murugappa Chettiar Research Centre (MCRC)	60.00
MCRC research program on Solar Energy based devices - Rural Use		20.00
MCRC research program on Sustainable Agricultural Practices		56.15

5. Details of CSR spend during the financial year: (Contd.)

₹ in lakhs

Program	Execution Partner	Amount
MCRC research program Nutritional food - Rural Communities	MCRC	80.00
AMM program with Sir Ivan Stedeford Hospital	AMM	332.00
Conservation program for Youth	IMCTF (The initiative for Moral and cultural training foundation)	10.00
Construction of RO Water Plant in Transport Nagar - Hathkhoj Bhilai	Bala Vikasa Social Service Society (Bala Vikasa)	19.00
Scholarship program for children	Christel House Trust	2.00
Development of school infrastructure	Isha Vidhya	33.60
Holistic development of Villages	Isha Outreach	101.18
Learning through Arts Program for Rural Children	Madras Craft Foundation	4.00
Arts and Museum Management internship Program		8.00
Promotion of arts and cuture through folk art		9.00
Research on the Weavers of Real Madras Handkerchief		4.00
Construction of RO Water Plants - Semi Arid Region - Nanded	Bala Vikasa	48.43
Education Program for Underprivileged	Aid India (Eureka School)	9.57
Drive and Thrive: Health camps for trucking community	Nalamdana	22.99
Eye camps for trucking community	Sight Savers	33.15
Improve Life: Health camps for trucking community	World vision	49.20
Toilet Complexes in Transport Nagar	Sulabh International	23.90
Master Plan for expansion of Madras Crocodile Bank Trust	Madras Crocodile Bank Trust (MCBT)	64.00
Conservation programs for birds	Nature Conservation Foundation (NCF)	40.00
Construction of Old age home at Sringeri	Vanaprahastha Ashram	5.00
Health, Hygiene & sanitation education to children through communication materials	Give me a chance foundation	3.08
Sanitation and water program in Odisha	Rashtriya Grameen Vikas Nidhi (RGVN) (Women Education and Environment)	61.23
Scholarships program with IIT	IIT Madras	30.00
Mobile Health Van in Kesuva Village	Sevalaya	31.85
Conservation of agrarian species	Sharadha Ashram	0.00
RO Water plant in Pandri	Bala Vikasa	8.14
Administrative Expenses	Administrative Expenses	36.60
Grand Total		**1,386.04**

a. Total amount to be spent for the financial year: ₹ 1,385.46 lakhs

b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is detailed below:

(1) SN.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) projects or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct (D) or through implementing agency (IA)
				₹ in lakhs			
1	AMM- Education program with TI Matriculation & Higher Secondary School	Education	Chennai-Tamil Nadu	115.00	115.00	115.00	IA
2	AMM program with Valliammai Achi Hospital	Health	Kanyakumari-Tamil Nadu	50.00	50.00	50.00	IA

c. Manner in which the amount spent during the financial year is detailed below: (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SN.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct (D) or through implementing agency (IA)
				₹ in lakhs			
3	AMM supported Murugappa Youth Football Academy	Rural Sports	Chennai-Tamil Nadu	15.00	15.00	15.00	IA
4	MCRC research program on Water Security & Water Use efficiency	Education	Chennai-Tamil Nadu	60.00	60.00	60.00	IA
5	MCRC research program on Solar Energy based devices - Rural Use	Education	Chennai-Tamil Nadu	20.00	20.00	20.00	IA
6	MCRC research program on Sustainable Agricultural Practices	Education	Chennai-Tamil Nadu	56.15	56.15	56.15	IA
7	MCRC research program Nutritional food - Rural Communities	Education	Chennai-Tamil Nadu	80.00	80.00	80.00	IA
8	AMM program with Sir Ivan Stedeford Hospital	Health	Chennai-Tamil Nadu	332.00	332.00	332.00	IA
9	Conservation program for Youth	Environment Sustainability	Chennai-Tamil Nadu	10.00	10.00	10.00	IA
10	Construction of RO Water Plant in Transport Nagar - Hathkhoj Bhilai	WASH	Bhilai-Chhatisgarh	19.00	19.00	19.00	IA
11	Scholarship program for children	Education	Chennai-Tamil Nadu	2.00	2.00	2.00	IA
12	Development of school infrastructure in Nagercoil for Isha Vidhya	Education	Nagercoil-Tamil Nadu	33.60	33.60	33.60	IA
13	Holistic development of Villages Development Project	Rural	Coimbatore-Tamil Nadu	101.18	101.18	101.18	IA
14	Learning through Arts Program for Rural Children	Art & Culture	Chengalpattu-Tamil Nadu	4.00	4.00	4.00	IA
15	Arts and Museum Management internship Program	Art & Culture	Chengalpattu-Tamil Nadu	8.00	8.00	8.00	IA

c. Manner in which the amount spent during the financial year is detailed below: (Contd.)

(1) SN.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) projects or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct (D) or through implementing agency (IA)
					₹ in lakhs		
16	Promotion of arts and culture through folk art	Art & Culture	Chengalpattu-Tamil Nadu	9.00	9.00	9.00	IA
17	Research on the Weavers of Real Madras Handkerchief	Art & Culture	Chengalpattu-Tamil Nadu	4.00	4.00	4.00	IA
18	Construction of RO Water Plants - Semi Arid Region – Nanded	WASH	Nanded-Maharashtra	48.43	48.43	48.43	IA
19	Education Program for Underprivileged	Education	Kancheepuram-Tamil Nadu	9.57	9.57	9.57	IA
20	Drive and Thrive: Health camps for trucking community	Health	Chennai-Tamil Nadu	22.99	22.99	22.99	IA
21	Eye camps for trucking community	Health	Delhi; Kanpur and Shahjahanpur - Uttar Pradesh; Keonjhar, Khorda, and Ganjam - Odisha	33.15	33.15	33.15	IA
22	Improve Life: Health camps for trucking community	Health	Hyderabad - Telangana; Guwahati - Assam	49.20	49.20	49.20	IA
23	Toilet Complexes in Transport Nagar	WASH	Raipur - Chhatisgarh	23.90	23.90	23.90	IA
24	Master Plan for expansion of Madras Crocodile bank Trust	Environment Sustainability	Chennai - Tamil Nadu	64.00	64.00	64.00	IA
25	Conservation programs for birds with NCF	Environment Sustainability	Mysore-Karnataka	40.00	40.00	40.00	IA
26	Construction of Old age home at Sringeri	Senior Citizens support	Sringeri-Karnataka	5.00	5.00	5.00	IA
27	Health, Hygiene & sanitation education to children through communication materials	Education	Nagercoil-Tamil Nadu	3.08	3.08	3.08	IA

c. Manner in which the amount spent during the financial year is detailed below: (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SN.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) projects or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct (D) or through implementing agency (IA)**
				₹ in lakhs			
28	Sanitation and water program in Odisha	WASH	Angul-Odisha	61.23	61.23	61.23	IA
29	Scholarships program with IIT	Education	Chennai-Tamil Nadu	30.00	30.00	30.00	IA
30	Mobile Health Van in Kesuva Village	Health	Kancheepuram-Tamil Nadu	31.85	31.85	31.85	IA
31	RO Water plant in Pandri	WASH	Raipur-Chhatisgarh	8.14	8.14	8.14	IA
32	Administrative Expenses	Administrative Expenses		36.60	36.60	36.60	D
	Total			**1,386.04**	**1,386.04**	**1,386.04**	

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

Not applicable

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the company.

On behalf of the board

Place : Chennai
Date : April 28, 2017

Vellayan Subbiah
Managing Director

M.M. Murugappan
Chairman – CSR Committee

Annexure-IV

Information under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the board's report for the year ended 31 March, 2017

Nature of Disclosure	Particulars		
a) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	**Name of the Director / Designation**	**% increase of remuneration in 2017 as compared to 2016**	**Ratio of Remuneration to Median Remuneration of employees**
	Mr. M.B.N. Rao, Non-executive / Independent Chairman	8.38%	2.58:1
	Mr. N. Srinivasan, Non-executive / Vice Chairman	5.19%	1.51:1
	Mr. V. Srinivasa Rangan, Non-executive / Independent Director	8.71%	1.58:1
	Mr. Nalin Mansukhlal Shah, Non-executive/ Independent Director	4.31%	1.52:1
	Ms. Bharati Rao, Non-executive / Independent Director	18.85%	1.60:1
	Mr. M.M. Murugappan, Non-executive Director	10.92%	1.50:1
	Mr. Vellayan Subbiah, Managing Director (MD)	19.14%	52.75:1
b) Percentage increase in remuneration of CFO, CS in the financial year	**Name of the KMP / Designation**	**% increase in remuneration in 2017 as compared to 2016**	
	Mr. D. Arul Selvan, Chief Financial Officer	11.59%	
	Ms. P. Sujatha, Company Secretary	10.65%	
c) Percentage increase in median remuneration of employees in the financial year	24.03% increase in median remuneration		
d) Number of permanent employees on the rolls of company (as of 31 March, 2017)	6,776		
e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	For employees other than managerial personnel who were in employment for the whole of FY 16 and FY 17, the average increase is 13%. The average increase for managerial personnel (MD) is 13.79%.		
f) Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is in line with the remuneration policy of the company.		

On behalf of the board

Place : Chennai
Date : April 28, 2017

M.B.N. Rao
Chairman

Management Discussion and Analysis

The company has travelled another year, in pursuit of excellence for all its stakeholders. In spite of a turbulent year with low growth rates and stiff competition from banks, the performance of the company continued to be encouraging on all fronts. It has geared itself to face new challenges, and capitalise on new opportunities. This discussion aims to review the environment and our actions to continue the refined aggression in our growth ambitions going forward.

MACROECONOMIC OVERVIEW:

Global economic growth slowed down to 2.3%, as global trade got stagnated, weak investment and policy uncertainty increased. A moderate recovery is expected in FY 18, with global growth forecast to increase to 2.7%*. This is driven primarily by improvement in emerging market and developing economies (EMDE). With the expected increased commodity prices, commodity exporters' growth is expected to pick up in EMDE. Fiscal stimulus in major economies may boost global growth above expectations.

Despite global uncertainties, India's growth in first half of FY 17, was driven by robust public and private consumption. Consumption was supported by lower energy costs, public sector salary and favourable monsoon rains. Economic activity also benefited from a pick-up in FDI and increase in public infrastructure spending.

Coming to non-banking finance company (NBFC) industry, India Ratings and Research (Ind-Ra) has maintained a stable outlook on the NBFC sector and on the major NBFCs rated by it for FY 18. The sector is expected to continue expanding the assets classes and take higher market share at the cost of mid-sized banks.

The agency predicted large NBFCs to grow 16% year-on-year (YoY) in FY 17 and 21% YoY in FY 18, which on the system-wide basis would be close to one third of the total system's incremental credit.

Both the regulator and government have been maintaining a favourable stance towards the NBFC sector; starting with the latest announcement where SME loans up to ₹ 2 crores by NBFCs will be covered under the credit guarantee fund trust for micro and small enterprises and the government notification, covering systemically important NBFCs under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). These measures would strengthen the NBFCs' ability to lend and mitigate loss given default while speeding up recovery timelines.

With the company's major funding stake in the auto sector, the outlook remains positive. The growth in the sector is estimated around 6%-9% primarily driven by the volume increase in passenger vehicles and light commercial vehicles amidst expected de-growth in medium and heavy commercial vehicles (MHCVs) due to slowdown in the industrial activity. While the auto growth numbers are reported in unit terms, there is a higher growth achievement in value terms due to inflation, advent of new technology resulting in higher cost, and more importantly a continuous shift from lower tonnage to higher tonnage across product categories. This augurs well for NBFCs whose asset size is dependent on the value of the asset funded. The Company dynamically monitors critical parameters, to keep ahead of the curve.

INDUSTRY GROWTH PROSPECTS

AUTO INDUSTRY

The growth trajectory of auto industry is expected to be robust in the coming years due to improvement in infrastructure, mining and agriculture activities. The construction of new highways and expansion of existing roads will increase the requirements of cement, steel, road building materials, tippers and construction equipment etc., which will improve demand of vehicles across product categories. Agricultural growth and increase in rural household income through various developmental activities will improve rural demand for FMCG and white goods, which in turn will benefit the transport sector as they are the prime movers for such commodities. LCV sales is expected to rebound with better private final consumption expenditure (PFCE). Over the long-term, the fortunes of Indian commercial vehicle manufacturers appear buoyant with the sales of all three major segments (MHCV, LCV and Buses) projected to grow at a healthy pace. The car and MUV segment is also poised to grow due to better reach & branch network in the country. The demographic profile of our country and the increasing nucleus family model will increase demand for cars over the next few years.

*Source: World Bank Report - June 2017

During FY 17, the domestic CV industry sales registered a growth of 3.3% in volumes in comparison to a growth of 11.5% in FY 16 owing to dwindling replacement demand by large-fleet operators (LFOs), and slow growth in industrial output. The green shoots of recovery in the Indian commercial vehicle sector were seen towards the end of the year where all major CV manufacturers have registered buoyant sales in the last two months of FY 17. Some segments like tippers and buses have posted rapid growth albeit sales growth is yet to expand across sub-segments.

Domestic commercial vehicle industry is poised to grow between 3%-4% in FY 18. MHCV sales growth is expected to decline in FY 18, owing to dwindling replacement demand and advancement of purchases in the latter half of FY 17 to avoid price rise on account of BS-IV implementation. There is also uncertainty regarding the logistics scenario post GST, which is likely to lead to postponement of purchases. Growth in the bus segment is expected to be 7%-9% in FY 18 largely due to pick up in the school and staff segments. LCV sales growth is likely to hover between 5%-7% in FY 18, because of high redistribution freight and expected boost in private spending from low interest rates and lower inflation.

The passenger vehicles and utility segment is likely to grow at 7%-9% in FY 18 aided by lower penetration, better economic growth. Income growth and the lower cost of capital primarily drive passenger vehicles demand. The cost of ownership is expected to remain subdued with no estimated sharp rise in crude oil prices. Additionally, implementation of GST is expected to impact vehicle prices.

HOME EQUITY

For home equity business, the year started with a very positive note with a healthy disbursement growth. This was in line with CRISIL research estimated market growth of 21%-23% for FY 17 which was then revised downwards, in Q3, to 14%-16% for FY 17 due to muted economic activity and the demonetization impact. As per CRISIL research, the total assets under management (AUM) for home equity loans for NBFCs is estimated to be ₹ 1,07,200 crores at end of FY 17.

Despite the slowdown in the growth rate, loan against property (LAP) continues to be a focus area of expansion for new players in the industry. It still continues to be seen as secured lending product that offers better returns in the long run. Industry players witnessed new-comers entering the home equity business or existing housing finance companies (HFCs) expanding their mortgage book AUM to compensate for the drop in the home loans. Aggressive lending practice due to increased competition resulted in dropping of the lending rates.

It is expected that as the economic activity improves in the country, driven by government initiatives, the home equity market is set to return to much healthier levels.

Key growth drivers for the home equity business are:

a. Increased requirement of funds by self-employed non-professionals to support their business growth and to tap bigger opportunities;

b. Promotion and increased awareness of the product;

c. Preferred product as compared to personal loans, as home equity attracts lower interest rates;

d. Business turnover declaration is expected to improve and this would increase the need for working capital and business loans and

e. Low levels of mortgage penetration in India.

HOME LOANS

ICRA estimates that the mortgage (including housing finance) portfolio of NBFCs stood at ₹ 99,300 crores as on 30 June, 2016, registering a 29% YoY growth.

The affordable housing segment has grown at a faster pace than the overall industry growth for HFCs. As per ICRA's estimates, the total loan book of all the players in the affordable housing segment stood at ₹ 96,000 crores as on 31 March, 2016 indicating a growth of 28% during FY 16. Within this, the new players in the affordable housing finance space grew at a much faster pace of 82% during FY 16.

In ICRA's opinion, opportunities for growth are high for the segment, given the current low penetration levels as well as the government thrust on the affordable housing segment. However, competition in the segment could intensify further even as new HFCs, Small Finance Banks (SFBs) and Micro Finance Institutions (MFIs) look to enter this space.

ICRA's estimates indicate that the affordable housing finance market could grow to around ₹ 4-8 trillion over the next seven years provided the supply side constraints are addressed.

ICRA expects the new players in this segment to continue to grow by more than 50% over the medium term.

CRISIL has pegged the growth forecast of the housing credit will be in the range of 18%-20% CAGR till FY 20 and the business estimates that the affordable housing segment is expected to grow at much faster rate.

To spur further growth in the affordable housing segment, the Government of India has extended the Credit Linked Subsidy scheme under the Housing for All by 2022 (Pradhan Mantri Awas Yojana) to loans of value up to ₹ 12 lakhs (from the earlier limit of ₹ 6 lakhs) and also extended the eligibility to the middle income category apart from the economically weaker section (EWS) and lower income group (LIG) recognized earlier. This action is likely to expand the eligible borrower base for Credit Linked Subsidy Scheme and improve affordability of the borrowers owing to lower equated monthly installments (EMIs) and hence reduce their debt burden. While this could create a wider set of borrowers with access to formal credit channels leading to higher growth potential in the affordable housing segment, the extent of growth would hinge on the supply of such houses as well.

BUSINESS ANALYSIS

VEHICLE FINANCE

The vehicle finance (VF) business posted a disbursement growth of 17% and PBT growth of 23% in FY 17. The disbursements during the year were ₹ 14,471 crores against ₹ 12,383 crores in the previous year. The PBT during the year was ₹ 686 crores against ₹ 555 crores in the previous year. The division continued its focus on strengthening its business operations and improving asset quality which helped in reduction of its Gross Non-Performing Assets (GNPA) from 3.7% to 2.9% (4 months overdue). During the year, the division started considering GNPA at 3 months overdue levels. The net credit losses (NCL) to average assets has come down to 1.4% from 1.6 % when compared to the previous year. The VF division will continue to remain optimistic and remain focused on maintaining a balance between growth and asset quality.

The new business Initiatives introduced during the year, such as Third party logistics & Trip loans, Dealer Plus for Used business and Vishesh Cards for retaining existing customers will also help in spurring business growth and income levels in FY 18 and beyond. The sharp focus on asset quality has helped in significant reduction of NCL and GNPA. The business will continue to have product-wise focus on collections to build a healthy portfolio.

The comprehensive organizational restructuring initiative carried out in FY 16, is now well embedded and the team is working cohesively to drive overall profitability through higher revenue generation and tighter control on net credit losses through better portfolio management.

Implementation of tablet based system for business origination with the help of online credit scoring, risk-based pricing and collection monitoring system has been successfully implemented across all branches. Other digital initiatives like Customer Facing App with customer service module (CSM), Pay Now feature and Gaadi Bazaar (Vehicle Auction platform) reflect our drive to capitalize technological advancements to support and sustain our growth ambitions.

In order to further increase our market presence from the current branch network of 698, the VF business will add more branches, spread across the country, which will primarily focus on acquiring new customers in the rural market, to provide better reach for our customers to enable repeat business and to improve proximity for better collection.

The VF business has won the Mahindra Transport Excellence Awards 2016 for “Commercial Vehicle Financier of the year” under the category “Alternate Thinking” second time in a row.

KEY STRATEGIC INITIATIVES TAKEN DURING THE YEAR

- Focused on enhancement of branch profitability by increasing revenue through desired product mix and by providing value added services to customers.
- Focused on improving portfolio quality by keeping track of infant delinquency through joint collection drive by sales, credit ops, collection and legal teams.
- Launch of new line of business through Third Party Logistics and Trip Loan business.
- Roll out of digital initiatives like Customer Facing App with Customer Service Module and Pay Now feature.
- Increased revenue through shortfall recovery and charges collection through a structured approach.
- Entered into preferred financier tie-ups with manufacturers and increased engagement with the used vehicle dealers to drive disbursements.

HOME EQUITY

Managed assets for the business grew by 8.48% during FY 17 and stood at ₹ 9,593 crores as against ₹ 8,851

crores during FY 16. This is despite a 12.1% drop in the disbursements during FY 17. The overall disbursements during FY 17 stood at ₹ 3,056 crores against ₹ 3,476 crores during FY 16, due to a sharp slowdown in the home equity (HE) market. The company continues to expand its reach in the HE business and has added 14 branches during the year, taking the total branch count to 123 at the end of FY 17.

The delinquency levels has increased which was largely due to depressed macroeconomic scenario in FY 17. With the extension of SARFAESI Act to NBFCs, (effective September 2016 onwards), the company has started to enforce the Act on delinquent customers for recovery of dues. The business expects to see better resolutions during FY 18. The company adopted early, the provisioning for 3 months overdue from this financial year which resulted in a GNPA of 5.77%.

Competition continues to intensify with more and more NBFCs and PSU banks moving towards this lucrative and fast growing business as they are facing growth constraints in credit off take across product lines. This has led to an aggressive pricing scenario amongst industry players in the segment. To stand out in such competitive environment, the company remains highly focused on building and maintaining a stable and long-term relationship with its customers and channel partners. The company has always been focusing on a faster turnaround time (TAT) leading to better customer service. With this focus, the business is confident of continued progress on its growth trajectory.

The business continues to focus on self-occupied residential properties as its preferred asset class - a safer asset class to lend against. Its target segment continues to be the self-employed, non-professional customers. The business has built deep expertise in understanding and assessing this customer segment.

The business operates out of 123 branches and will continue to expand geographically, reaching out to customers in the Tier 3 and Tier 4 cities which offers low risk and high return market potential.

HOME LOANS

The affordable home loans (HL) business was launched in FY 13 and has been growing at a steady rate. The business is at present operating from 90 branches in the states of Tamil Nadu, Karnataka, Andhra Pradesh, Gujarat, Rajasthan and Maharashtra. The business will continue to expand into newer markets during this year as well.

The customer base for this business is over 3,500 and the total AUM stands at ₹ 517.90 crores. The total disbursements, at ₹ 325 crores for FY 17, registered a healthy growth of 86% over the previous year which was at ₹ 174 crores. The AUM grew at 96% over the previous year.

The business witnessed a slight slowdown in the disbursements for home loans in the months following demonetisation. However the revival in the disbursement volumes has been much better towards the end of year primarily driven by geo-expansion.

The prime focus of the business is the self-employed non-professional customers seeking to buy / construct a new home.

CORPORATE FINANCE

Under corporate finance, the business offers short-term financing products such as bill discounting and working capital loans. AUM in this business stood at ₹ 379 crores as of March 2017 against ₹ 423 crores as of March 2016. The business will continue its increased focus on MSME loans in FY 17.

RURAL FINANCE

The Rural Finance product was carried out at 100 Mana Gromor centres during FY 17. Mana Gromor centres are the retail outlets operated by Coromandel International Ltd, where the company finances the agri input procurement needs of the farming community. The number of Mana Gromor centres is proposed to be increased to 200 during FY 18.

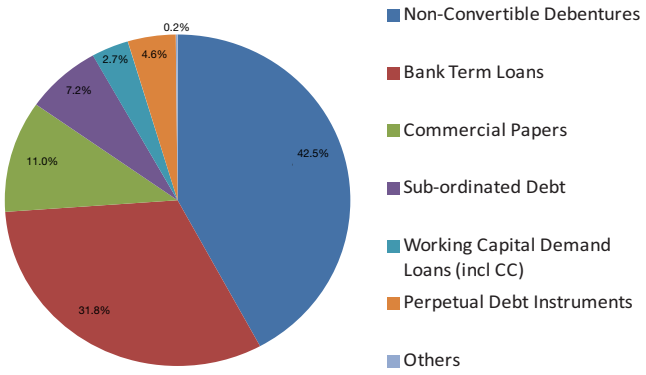
ASSET LIABILITY MANAGEMENT

During FY 17, the company maintained its strong asset liability management (ALM) position by optimizing the mix of borrowings between bank borrowings and market borrowings, while ensuring that the cost of funds is kept low. The company was successful in getting subscription for its Commercial Paper (CP) and Non-Convertible Debentures (NCDs) from banks apart from Mutual Funds (MF). The ALM position was also strengthened with long-term borrowings in the form of medium-term loans and medium/long-term NCDs which contributed ~75% of the incremental borrowings.

Sale of receivables by way of securitisation/bilateral assignments amounting to ₹ 4,741 crores helped in the matching of inflows and outflow, over the tenure of the loan book as well as reducing the borrowing costs.

RESOURCES & TREASURY

During the year, the company shifted the mix of borrowings towards market borrowings from bank funding to support the growth of its businesses at lower interest rates. This was done without compromising the right mix of long and short-term borrowings and thereby maintaining a healthy asset liability position. The borrowing profile as on 31 March, 2017, is given below:



BANK BORROWING

In FY 17, the company mobilised ₹ 4,159 crores of medium-term loans and ₹ 7 crores (net) as working capital and cash credit facilities from banks. The company was successful in getting support for its money market issuances from banks through subscription of CPs and NCDs. Also the company successfully negotiated Foreign Currency Term Loans (FCTLs) to the tune of ₹ 2,374 crores from banks on a fully hedged basis, targeted at lower borrowing costs as compared to Marginal Cost Based Lending Rates (MCLR) based borrowings.

MARKET BORROWING

During FY 17, the company raised ₹ 3,615 crores and repaid ₹ 3,676 crores of CPs. CP outstanding as at the end of the year was ₹ 2,665 crores. Medium and long-term secured NCDs to the tune of ₹ 7,143 crores (net) (previous year ₹ 2,216 crores) were mobilised at competitive rates. At the end of FY 17, outstanding NCD stood at ₹ 10,299 crores (previous year ₹ 4,847 crores). New investor profiles were added to ensure no undue concentration in any single/group of investors. The shift to higher NCD issuances was aimed at reducing the borrowing costs as compared to bank term loans.

MOVEMENT IN INTEREST COST

The company's interest cost as a percentage of average borrowings decreased from 9.7% in FY 16 to 9.1% in FY 17. Interest cost was monitored closely and by selecting the right mix of borrowings, kept under control.

Though the availability of bank loans to NBFCs remained robust, MCLR remained range bound till Q3 of FY 17. In Q4 of FY 17 a significant reduction of MCLR by banks, ranging from 50-148 bps was offered which helped lower borrowing costs further.

The money market rates also lowered effective Q2, after ICRA announced a positive outlook on the company's senior debt rating as compared to a stable outlook. A further relief on cost of borrowings was experienced in tandem with reduction in Repo rates in the beginning of H2 of FY 17. The company had proactively adopted the strategy of leveraging its banking relationship by way of subscription to its money market instruments. The company continued to build on its diversified investor base without losing sight of effective cost management.

Securitisation of receivables to the tune of ₹ 4,741 crores at lower rates resulted in good savings of interest costs. The benefits of the low interest cost on these deals will continue to accrue to the company in subsequent financial years.

CAPITAL ADEQUACY RATIO (CAR)

As at the end of FY 17, the capital adequacy ratio stood at 18.6% (Tier I: 13.6% and Tier II: 5.0%)

INVESTMENTS

The company's investments of ₹ 238.54 crores include investments in subsidiaries of ₹ 68.37 crores (net of provisions), investments in pass through certificates of ₹ 168.86 crores and investments in equity shares of ₹ 1.31 crores.

FINANCIAL REVIEW

The company's aggregate loan disbursements grew by 13% from ₹ 16,380 crores in FY 16 to ₹ 18,591 crores in FY 17. This was primarily on account of a 17% growth in vehicle finance disbursements. Home equity disbursements de-grew by 12% over previous year. The total AUM for the company as a whole grew by 15% (YoY) and the growth of on-balance sheet assets was 15%. The business AUM (including on book and assigned and net of provisions) in FY 17 stood at ₹ 34,167 crores as against ₹ 29,650 crores recorded in FY 16.

The company follows a prudent and stringent provisioning policy, and creates provision over and above the prescribed norms by RBI. Considering the improved collections performance during the year and as a matter of prudence, the company decided to advance its adoption of the RBI regulations relating to recognition of NPAs at 3 months overdue and also increased its standard asset provisions from 0.35% to 0.40% (Which is mandatory only from FY 18). Consequently, the early adoption resulted in a GNPA of 4.7% and NNPA of 3.2% in FY 17 as compared to a GNPA of 4.5% and NNPA of 3.0% in FY 16 at 3 months overdue basis.

The company achieved a PBT Return on Total Assets (PBT - ROTA) of 3.9% in FY 17 as compared to 3.6% in FY 16. This was attained through balanced disbursement mix, robust collection of over-dues and lower cost of funds, resulting in better profitability. Net Income Margin (NIM) remained strong at 8.6% in spite of higher income reversals due to shift to 3 months overdues. Expenses to average asset ratio was also stable at 3.6% in spite of few one-time expenses incurred such as VAT liability on repossessed vehicles in Maharashtra, and higher costs of collection during demonetisation period. Loan losses & provisions to average assets dropped from 1.7% to 1.1% which was the main driver to improve ROTA in FY 17.

The net profit after tax for the year rose by 26% to ₹ 719 crores from ₹ 568 crores in the previous year. Earnings per share for the year stood at ₹ 46.01 and the book value per share stood at ₹ 276 as against ₹ 37.50 and ₹ 234 in the previous year respectively.

HUMAN RESOURCES (HR)

The key HR Interventions for FY 17 focused on digitisation, decentralisation & value stream mapping of HR processes. The focus was more on strategic business partnering in order to meet the organizational goals through improved process efficiencies, enhanced customer service and higher employee engagement. Our L&D initiatives encouraged employee learning and helped business build a competent managerial team through structured learning practices.

Key Achievements of FY 17:

- 985 employees were hired in FY 17, of which 781 hired in management grade and the balance 204 in supervisory grade. Employee referral continues to be the major pool for sourcing.
- As part of the HR lean management initiative, a value stream mapping was introduced for key HR processes. The team studied the current state and mapped the future state map (FSM) for the following process:
  - On-boarding
  - Employee transfer
  - Employee separation

The future state map of these process has been implemented and reviewed on regular basis for enhanced employee experience.

- Employee separation Module (E-Exit), Employee transfer module was launched online in people power.
- Employee Self Service module was launched wherein employees can raise, request for service letters and download it from People Power (HRMS).
- Digitised records of all employee personnel files have been created. The digitised records are uploaded in people power, this ensures quick retrieval of employee records.
- An online solution was rolled out to capture employee attendance sign in. People Power, our HR system is now accessible on mobile by all employees providing them information related to policies, downloading of payslips, leave application management & daily attendance key in.
- Alternate Sourcing Channel Development for off roll employee mobilisation was deployed to address the challenge to source trained sales field executives (SFEs) in far off locations. In east zone, the company tied up with an Agency partnered with National Skill Development Authority-Govt. of India Project for mobilising fresh graduates from market to deploy trained SFEs for the company. This model is a cost free sourcing model as the project is funded by Govt. of India. Similar models for sourcing were deployed in south and west zones through ICICI Skills Academy. This model ensured readily available manpower as per the business timelines.

Learning & Development:

During the year, various learning & development programs have been rolled out for enhancing the organisational capabilities.

Functional training:

- PBT, ROTA, products, processes has been carried out for vehicle finance business.

- Debt recovery agent training for HE business across locations.
- Technology roll out of the Tablet project and facilitation of the process training for the workforce.
- Vishesh - training for the new business team.

Competency Training:

- Competency training on personal effectiveness, team management, time management, assertiveness, goal setting and sense of urgency.
- Training on innovation through design thinking.
- Personal finance manager nurturing program for employees to handle their cash flow to meet their short term goal & long term financial goal.
- Customer centricity and leadership journey program for the HE Business.

The company has in place a prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the calendar year 2016, the ICC did not receive any complaints.

TECHNOLOGY INITIATIVES

Digitisation has been the core focus for the technology function across mobility, analytics, core applications and infrastructure domains, as the company strongly believes that digital technology would be an integral component for business growth.

With Mobility 2.0 (Project LEAP), over 8,500 of our field force has been enabled with the Tab based solution that vastly enhances customer experience while improving operational excellence. The company has been able to optimise resource utilization and delivered improved TAT by ensuring that all processes being digitized undergo a LEAN review.

Continuing in the mobility space, the mobile application for our customers provides 'Pay Now' facility for customers to carry our NEFT/RTGS/Debit card based payment. Point of sale (POS) devices were also deployed across our branches, to reinforce our commitment to the Government's digital transaction push. Gaadi Bazaar, a mobile platform for brokers to list used cars and participate in auctions, was launched - deepening broker relations while helping to realize better value for used vehicles.

During the course of the year, a new MIS solution was also launched that delivers better insight into business and financial performance. Intuitive data visualisation, along with ability to drill down to branch level performance, provides deeper insight into highs and lows and drive more focused growth.

The core lending and the general ledger accounting platforms were also upgraded to newer technology solutions. The underlying technology stack along with core infrastructure was also enhanced to a more resilient architecture, enabling the solutions to handle some of the highest loads ever seen in the history of the company.

RISK MANAGEMENT

The company is committed to creating value for its stakeholders through sustainable business growth and with that intent has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business, the company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining such value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's effective management practice.

Risk Management Framework: The company's risk management framework is based on (a) clear understanding and identification of various risks (b) disciplined risk assessment by evaluating the probability and impact of each risk (c) Measurement and monitoring of risks by establishing Key Risk Indicators with thresholds for all critical risks and (d) adequate review mechanism to monitor and control risks.

The company has a well-established risk reporting and monitoring framework. The in-house developed risk monitoring tool, Chola Composite Risk Index, highlights the movement of top critical risks. This provides the level and direction of the risks, which are arrived at based on the two level risk thresholds for the identified Key Risk Indicators and are aligned to the overall company's risk appetite framework approved by the board. The company also developed such risk reporting and monitoring mechanism for the risks at business / vertical level. The company identifies and monitors risks periodically. This process enables the company to reassess the top critical risks in a changing environment that need to be focused on.

Risk Governance structure: The company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of

the company directly as well as through a board constituted risk management committee. The committee, which meets a minimum of four times a year, reviews the risk management policy, implementation of risk management framework, monitoring of critical risks, and review of various other initiatives with a structured annual plan. The risk management division has established a comprehensive risk management framework across the business and provides appropriate reports on risk exposures and analysis in its pursuit of creating awareness across the company about risk management. The company's risk management initiatives and risk MIS are reviewed monthly by the managing director and business heads. The key risks faced by the company are credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risk, which are broadly classified as credit risk, market risk and operational risk.

CREDIT RISK

Credit risk arises when a borrower is unable to meet financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

The company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises. Also, being in asset financing business, most of the company's lending is covered by adequate collaterals from the borrowers. During the year under review, the company achieved major milestones in the area of credit risk management. The company developed a business decision model for its largest retail portfolio, vehicle finance, to help the segment plan the volume with adequate pricing of risk at regional level for the respective portfolio, reckoning the risk characteristics of the micro-markets. It also developed a credit scoring model to assess the credit worthiness of the individual retail borrowers for underwriting decisions and adequately pricing them with respect to the risks assessed.

MARKET RISK

Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The company's exposure to market risk is a function of asset liability management activities. The company is exposed to interest rate risk and liquidity risk.

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices.

The company's exposure to market risk is a function of asset liability management. The company is exposed to interest rate risk and liquidity risk. The company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self-assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The company also undertakes Risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of self-certification and internal financial controls adherence, thereby, reducing enterprise exposure.

The company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc. Periodic testing is carried

out to address gaps in the framework, if any. DR and BCP audits are conducted on a periodical basis to provide assurance regarding the effectiveness of the company's readiness.

The company is continuously engaged in creating risk awareness and culture across the organisation through training on risk management tools and communication through risk e-newsletters.

INTERNAL CONTROL SYSTEMS

An internal control framework, including internal financial controls, encompass clear delegation of authority and standard operating procedures, which are available across all businesses and functions. Clear segregation of duties exists between various functions. Key operational processes (finance and operations) are centralised at head office for better control. The company has instituted a strong IT security system to ensure information security. All policies are reviewed and approved by the board on a periodic basis.

The company adopts a co-sourced model of internal audit. Both the in-house internal audit department and M/s. Price Waterhouse & Co. Bangalore LLP, the company's external internal auditors, execute a rigorous audit calendar spanning multiple business processes. Internal audit team conducts an independent review of the design and operating effectiveness of internal financial controls established by the management and recommends improvements. Critical audit observations are shared with the audit committee on a quarterly basis to effectively monitor controls and implement recommendations.

On compliance matters, a methodical system of monthly self-assessment exists in all functions. A robust mechanism is in place to control, detect and prevent fraud. The investigations are reviewed by a disciplinary committee comprising senior management members and chaired by the managing director.

The internal financial control systems are constantly monitored both by an in-house team as well as the external internal auditors. The risk and control matrices are reviewed by the internal audit team on a quarterly basis, control measures are tested and results are communicated to the Audit committee. These measures have helped in ensuring the adequacy and operating effectiveness of internal financial controls.

The statutory auditors of the company have also certified on the existence and operating effectiveness of the internal financial controls relating to financial reporting as of March 2017.

RESULT OF OPERATIONS

Balance Sheet

The company's balance sheet size has steadily grown, compared to the previous year. A summarised version of the same is given below:

₹ in crores

Particulars	March 2017	March 2016	Growth %
Assets			
Business Assets	28,416	25,910	10%
Other Assets	2,305	1,978	17%
TOTAL	**30,721**	**27,888**	**10%**
Liabilities			
Net worth	4,313	3,657	18%
Borrowings	24,207	22,576	7%
Other Liabilities	2,201	1,655	33%
TOTAL	**30,721**	**27,888**	**10%**
Off-Balance Sheet Assets	6,263	4,164	50%
Total AUM	**36,984**	**32,052**	**15%**

STATEMENT OF PROFIT & LOSS

The company's PBT increased from ₹ 871 crores in FY 16 to ₹ 1,106 crores in FY 17.

The summarised version is given below:

₹ in crores

Particulars	March 2017	March 2016	Growth %
Disbursements	**18,591.26**	**16,380.28**	**13%**
Income	4,660.35	4,193.71	11%
Cost of Funds	-2,230.80	-2,050.77	9%
Net Margin	**2,429.55**	**2,142.94**	**13%**
Operating Expenses	-1,013.34	-844.93	20%
Provisions and Losses	-310.63	-427.24	-27%
Profit Before Tax (PBT)	**1,105.58**	**870.77**	**27%**
Current and Deferred Tax	-386.84	-302.32	28%
Profit After Tax (PAT)	**718.74**	**568.45**	**26%**

Key Ratios

Particulars	March 2017	March 2016	Growth %
Net Income Margin	8.6%	8.7%	-1%
Return on Equity - PAT	18.1%	16.7%	8%
Return on Total Assets - PAT	2.6%	2.3%	12%
Total Assets under Management (₹ in crores)	36,984	32,053	15%
Earnings Per Share - Basic in ₹	46.01	37.50	23%
Market Price - as of 31st March (in ₹)	964.45	713.45	35%
Market Capitalisation - as of 31st March (₹ in crores)	15,072	11,140	35%
CAR	18.6	19.7	-6%
Operating Expenses to Assets	3.6	3.4	6%
Profit Before Tax to Income	23.7	20.8	14%

% of AUM

Particulars	March 2017	March 2017	March 2016
Non-Performing Assets (NPA) recognition timeline	3 months overdue	4 months overdue	4 months overdue
Gross Non-Performing Assets (GNPA)	4.66	3.54	3.55
Provisions	1.47	1.37	1.41
Net Non-Performing Assets (NNPA)	3.19	2.17	2.14
Provision Coverage on GNPA	31.64	38.67	39.76

KEY PARTNERSHIPS AND TIE-UPS

Particulars	Institution
Life Insurance business	HDFC Standard Life Insurance Company Limited
General Insurance business	Cholamandalam MS General Insurance Company Limited
Manufacturer Tie ups	Tata Motors Limited
	Mahindra & Mahindra Limited
	Ashok Leyland Limited
	SML Isuzu Limited
	Force Motors Limited
	Daimler India Commercial Vehicles
	Eicher Polaris
	John Deere India
	Mahindra Gujarat Tractors Limited
	Sany India
	Hyundai Construction Equipment India
	Escorts Construction Equipment
	Action Construction Equipment Limited
	Terex India
	Royal Enfield India

CONSOLIDATED RESULTS

The consolidated profit after tax for the year under review was ₹ 719.43 crores in FY 17, as against ₹ 574.68 crores in FY 16.

On behalf of the board

Place : Chennai
Date : April 28, 2017

M.B.N. Rao
Chairman

Report on Corporate Governance

Corporate governance is about commitment to values and ethical business conduct. It is also about how an organisation is managed viz., its corporate and business structure, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial position of the company, its performance and ownership forms part of the corporate governance.

CORPORATE GOVERNANCE PHILOSOPHY

The company is committed to the highest standards of corporate governance in all its activities and processes.

The company has always believed in and practices the highest standards of corporate governance since its inception. The board recognises that governance expectations are constantly evolving and it is committed to keeping its standards of transparency and dissemination of information under continuous review to meet both letter and spirit of the law and its own demanding levels of business ethics.

The company believes that sound corporate governance practices are crucial to the smooth and efficient operation of a company and its ability to attract investment, protect the rights of its stakeholders and provide shareholder value. Everything the company does is defined and conditioned by the high standards of governance, which serve its values. The company firmly believes in and follows the below quote:

"The fundamental principle of economic activity is that no man you transact with will lose; then you shall not."

The corporate governance philosophy of the company is driven by the following fundamental principles:

- Adhere to corporate governance standards beyond the letter of law;
- Maintain transparency and high degree of disclosure levels;
- Maintain a clear distinction between the personal interest and the corporate interest;
- Have a transparent corporate structure driven by business needs; and
- Ensure compliance with applicable laws.

BOARD OF DIRECTORS

The corporate governance practices of the company ensure that the board of directors (the board) remains informed, independent and involved in the company and that there are ongoing efforts towards better governance to mitigate "non-business" risks.

The board is fully aware of its fiduciary responsibilities and recognises its responsibilities to shareholders and other stakeholders to uphold the highest standards in all matters concerning the company and has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes.

The board is committed to representing the long-term interests of the stakeholders and in providing effective governance over the company's affairs and exercise reasonable business judgment on the affairs of the company.

The company's day to day affairs are managed by the managing director, assisted by a competent management team, under the overall supervision of the board. The company has in place an appropriate risk management system covering various risks that the company is exposed to, including fraud risks, which are discussed and reviewed by the audit committee and the board every quarter.

The company's commitment to ethical and lawful business conduct is a fundamental shared value of the board, the senior management and all employees of the company. Consistent with its values and beliefs, the company has formulated a Code of Conduct applicable to the board and senior management. Further, the company has also adopted a Code of Conduct to regulate, monitor and report trading by insiders in the securities of the company and a whistle blower policy for reporting any concerns or grievances by directors / employees / customers and vendors in their dealings with the company. In order to ensure that the mechanism is effective and as prescribed, direct access to the chairman of the audit committee is provided to the complainant.

Composition

The board has been constituted in a manner as per regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Companies Act, 2013 (the Act). The board has a mix of executive / non-executive and independent directors, including a woman director to ensure proper governance and management. The board members have collective experience in diverse fields like banking, audit, finance, compliance and technology. The directors are elected based on their qualification and experience in varied fields. None of the directors are *inter-se* related.

Familiarisation programme for directors

The company's independent directors are eminent professionals with several decades of experience in banking and financial services industry and are fully conversant and familiar with the business of the company. The company has an ongoing familiarisation programme for all directors with regard to their roles, duties, rights, responsibilities in the company, nature of the industry in which the company operates, the business model of the company, etc. The programme is embedded in the regular meeting agenda where alongside the review of operations information on the industry, competition and company strategy are presented on a quarterly basis. The details of the familiarisation programme attended by directors are available on the website of the company (web link: *http://www.cholamandalam.com/files/media/Familiarisation-programme-imparted-to-Independent-Directors.pdf*).

At the time of induction of a director on the board of the company, a formal invitation to join the board of the company is sent out along with a brief introduction about the company. A copy of the company's latest annual report and the schedule of the upcoming board / committee meetings for the calendar year is forwarded to the director. The director is explained in detail the compliances required of him / her under the Act, the Listing Regulations and other relevant regulations and his / her affirmation is taken with respect to the same. By way of an introduction to the company, a directors' handbook comprising a compendium of the role, powers and duties to be performed by a director as well as the internal guidelines is given to every new director. The handbook is updated periodically for regulatory and other policy changes and updated copies of the handbooks are provided to all the directors. Additionally, the company's code of conduct which *inter alia* explains the values and beliefs of the company, functions, duties and responsibilities as a director of the company, including the duties of independent directors in terms of the Act is given to the director at the time of joining and on an annual basis. Further, there is a detailed quarterly discussion and presentation on review of operations of the company and the regulatory updates impacting the business which helps the director familiarise himself / herself with the company, its business and the regulatory framework in which the company operates.

The details of directors as at 31 March, 2017, including the details of their other board directorship and committee membership reckoned in line with regulation 26 of the Listing Regulations and the Act as well as their shareholdings, are given below:

Name of the directors	Executive / Non-executive / Independent / Promoter	No. of directorship including CIFCL* (Out of which as chairman)	No. of shares held in the company	No. of board committee membership including CIFCL** (Out of which as chairman)
Mr. M.B.N. Rao	Non-executive / Independent director / Chairman	13 (2)	NIL	10 (6)
Mr. N. Srinivasan	Non-executive / Vice chairman	4	25,000	5 (1)
Mr. V. Srinivasa Rangan	Non-executive / Independent director	13	4,000	9
Mr. Nalin Mansukhlal Shah	Non-executive / Independent director	11	NIL	10 (5)
Ms. Bharati Rao	Non-executive / Independent director	10	NIL	8 (1)
Mr. M.M. Murugappan	Non-executive / Promoter director	14 (5)	9,074	9 (4)
Mr. Vellayan Subbiah	Managing director / Promoter director	6 (1)	2,45,493	3

* for the purpose of directorship / committee membership, all private companies and section 8 companies have been considered.

** only chairmanship / membership of audit committee and stakeholders' relationship committee have been considered.

The independent directors of the company provide an annual certificate of independence in accordance with section 149(7) of the Act, to the company which is taken on record by the board. All the board members, including independent directors, have opportunity and access to interact with the management.

Separate meeting of independent directors

During the year under review, in line with the requirement under section 149(8) and schedule IV of the Act, the independent directors had a separate meeting on 15 March, 2017 without the presence of the non-independent directors and management team.

Board Meetings

The board meets at regular intervals with an annual calendar and a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The board is regularly briefed and updated on the key activities of the business and is provided with briefings and presentations on operations, quarterly financial statements and other matters concerning the company. Besides, information about statutory compliance, minutes of all the subsidiary companies and committees of the board and information as required under the Listing Regulations are also provided to the directors on a quarterly basis. The board at every meeting also reviews the important regulatory changes and correspondence between two meetings.

The dates of the board meetings are fixed in advance for the full calendar year to enable maximum attendance from directors. During the year, the board met 7 times on 13 April, 2016, 29 April, 2016, 29 July, 2016, 27 October, 2016, 25 January, 2017, 15 March, 2017 and 21 March, 2017. The Act, read with the relevant rules made there under, facilitates the participation of a director in board / committee meetings through video conferencing or other audio visual means. Accordingly, the company also provides the option to participate in the meeting through video conferencing to enable the directors' participation at the meetings.

The board periodically reviews the matters required to be placed before it and *inter alia* reviews and approves the quarterly financial statements, corporate strategies, business plan, annual budgets and capital expenditures. It monitors the overall performance and reviews other matters which require the board's attention.

The board also takes on record the declarations and confirmations made by the managing director, chief financial officer and company secretary, regarding compliances of all laws on a quarterly basis.

COMMITTEES OF THE BOARD

The board has constituted various committees to support the board in discharging its responsibilities.

There are six committees constituted by the board - audit committee, stakeholders' relationship committee, corporate social responsibility committee, nomination and remuneration committee, risk management committee and business committee.

The board at the time of constitution of each committee fixes the terms of reference and also delegates powers from time to time. Various recommendations of the committees are submitted to the board for approval. The minutes of the meetings of all the committees are circulated to the board for its information.

AUDIT COMMITTEE

Terms of Reference

The committee acts as a link between the board, the statutory auditors and the internal auditors. The role of the audit committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements, adequacy of internal financial controls and risk management systems, findings of internal audits/ investigations, whistle blower policy, monitoring the usage of funds from issue proceeds, to grant approvals for related party transactions which are in the ordinary course of business and on an arm's length basis, scrutiny of inter-corporate loans and investments, besides recommending the appointment/ removal of the statutory auditors, the internal auditors and fixing their remuneration and review of the effectiveness of audit process.

Composition & Meetings

The committee comprises five non-executive directors with four of them being independent directors. As at 31 March, 2017, the committee comprised Mr. Nalin Mansukhlal Shah, independent director as the chairman, Mr. M.B.N. Rao, Mr. N. Srinivasan, Mr. V. Srinivasa Rangan and Ms. Bharati Rao as its members and Mr. Vellayan Subbiah, managing director as an invitee. The company secretary acts as the secretary to the committee. During the year, the committee met 8 times. All members of audit committee have knowledge of financial management, audit and accounts. The statutory auditors, the internal auditors and senior management are invited to attend all the meetings of the committee. The company has in place a system for an independent meeting of the committee with the statutory and internal auditors without the presence of the non-independent directors and management team on a half-yearly basis.

NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The role of the committee is to determine the company's policy on remuneration to executive directors, including periodic increments in salary. The committee is also empowered to determine the annual commission / incentives of the executive directors and the minimum remuneration of the executive directors in the event of inadequacy of profits besides implementing, remuneration including commission payable to non-executive directors, administering and monitoring the employee stock option plan / schemes of the company. The terms of reference *inter alia* includes the role of the committee to further consider and recommend persons who are qualified for board positions, evaluate directors performance prior to recommendation for re-appointments, persons who are qualified to be in senior management, formulate the criteria for determining qualifications, positive attributes and independence of a director and devising a policy on board diversity. Decisions for selecting a director is based on the merit, qualification, competency and the company's business

needs. Such candidates shall be free of conflict of interest that would interfere with their ability to discharge their duties. The recommendations of the committee are placed before the board for its approval.

Composition & Meetings

As at 31 March, 2017, the committee comprised Mr. V. Srinivasa Rangan, independent director as the chairman, Mr. M.M. Murugappan and Ms. Bharati Rao as its members. Majority of the members of this committee comprise independent directors. The committee had five meetings during the year ended 31 March, 2017.

REMUNERATION OF DIRECTORS

Remuneration Policy

The success of any organisation in achieving good performance and governance depends on its ability to attract quality individuals on the board.

The company has in place a remuneration policy which is guided by the principles and objectives as enumerated in section 178 of the Act.

Currently, the managing director is the only executive director on the board. The compensation to the managing director is within the scale approved by the shareholders. The elements of compensation comprise a fixed component and a performance incentive. The compensation is determined based on the level of responsibility and scales prevailing in the industry. The managing director is not paid sitting fees for any board / committee meetings attended by him.

The compensation to the non-executive directors takes the form of commission on profits. Though the shareholders have approved payment of commission up to one per cent of the net profits of the company for each year calculated as per the provisions of section 198 of the Act, the actual commission paid to the directors is restricted to a fixed sum within the above limit annually on the basis of their tenor in office during the financial year. The sum is reviewed periodically taking into consideration various factors such as performance of the company, time devoted by the directors in attending to the affairs and business of the company and the extent of responsibilities cast on the directors under various laws and other relevant factors. Depending on the time and efforts put in by the directors towards the affairs of the company, the directors are also paid a differential remuneration.

The non-executive directors are also paid sitting fees subject to the statutory ceiling for all board and committee meetings attended by them.

Criteria for Board Nomination

The nomination and remuneration committee is responsible for identifying persons for initial nomination as directors and evaluating incumbent directors for their continued service. The committee has formulated a charter in terms of the provisions of the Act, regulation 19(4) of the Listing Regulations and RBI Regulations applicable for non-banking finance companies, which *inter alia*, deals with the personal traits, competencies, experience, background and other fit and proper criteria. These attributes shall be considered for nominating candidates for board positions / re-appointment of directors.

Criteria for appointment in senior management

The nomination and remuneration committee is responsible for identifying persons who are qualified to be appointed in senior management. The committee has formulated the charter in terms of the provisions of the Act and the Listing Regulations, which *inter alia*, deals with the criteria for identifying persons who are qualified to be appointed in senior management. These attributes shall be considered for nominating candidates for senior management position.

Performance Evaluation

In terms of the provisions of the Act and the Listing Regulations, the board carries out an annual performance evaluation of its own performance, the directors individually including the managing director carries out a self as well as a peer evaluation and the individual committees carries out an evaluation of the working of the committees. The performance evaluation of the independent directors is carried out by the entire board. The performance of the chairman and the non-independent directors are carried out by the independent directors. Chairman anchors the sessions on self, peer, committee and board effectiveness evaluations. Chairman of the nomination and remuneration committee anchors the session on chairman evaluation.

Policy on Board diversity

The nomination and remuneration committee has devised a policy on board diversity which sets out the approach to diversity on the board of the company. The policy provides for having a truly diverse board comprising of appropriately qualified people with a broad range of experience relevant to the business of the company.

Remuneration of managing director:

Details of the remuneration of the managing director for the year ended 31 March, 2017 are as follows:

₹ in lakhs

Name of the Managing Director	Salary	Allowance	Incentive*	Perquisites & Contributions	Total
Mr. Vellayan Subbiah	100.95	143.63	106.06	51.89	402.54

* Provisional and subject to determination by the nomination and remuneration committee and the same will be paid after adoption of accounts by the shareholders at the annual general meeting.

Mr. Vellayan Subbiah is not eligible for any severance fee. Service contract and the notice period are as per the terms of agreement entered into by him with the company.

Remuneration of Non-executive directors

Directors of the company were paid a sitting fee of ₹ 25,000/- for every meeting of board, audit committee and business committee and ₹ 15,000/- for every meeting of stakeholders' relationship committee, nomination and remuneration committee, risk management committee and corporate social responsibility committee during FY 17. The details of commission provided / sitting fees paid to non-executive directors for the year ended 31 March, 2017 are as follows:

Name of the Director	Commission	Sitting Fees paid	Total
Mr. M.B.N. Rao	-*	4.70	4.70
Mr. N. Srinivasan	7.50	4.05	11.55
Mr. V. Srinivasa Rangan	7.50	4.55	12.05
Mr. Nalin Mansukhlal Shah	7.50	4.10	11.60
Ms. Bharati Rao	7.50	4.70	12.20
Mr. M.M. Murugappan	7.50	3.95	11.45
TOTAL	**37.50**	**26.05**	**63.55**

* Mr. M.B.N. Rao, chairman waived the commission of ₹ 15 lakhs entitled to him for the FY 17.

Note:

Commission will be paid subject to deduction of tax as applicable, after the adoption of accounts by the shareholders at the annual general meeting.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Terms of Reference

The role of the committee includes formulation of shareholders' servicing plans and policies, consideration of valid share transfer requests with folios beyond 5000 shares, share transmissions, issue of duplicate share certificates, issue of share certificates for split, rematerialisation, consolidation of shares, etc. The committee also monitors and reviews the mechanism of share transfers, dematerialisation of shares and payment of dividends. It further looks into the redressing of shareholders' grievances like non-receipt of balance sheet, non-receipt of declared dividends and determining, monitoring and reviewing the standards for resolution of shareholders' grievances.

During the year, the company had received two complaints from the shareholders which have been resolved. There were no investor complaints pending as at 31 March, 2017.

Composition & Meetings

As at 31 March, 2017, the committee comprised Mr. N. Srinivasan as the chairman and Mr. Vellayan Subbiah as its member. Ms. P. Sujatha, company secretary is the compliance officer. During the year, the committee held two meetings.

RISK MANAGEMENT COMMITTEE

Terms of Reference

The role of the committee includes review of the risk management policy developed by the management, review of the annual risk management framework document and implementation of the actions planned in and periodical review of the process for systematic identification and assessment of the business risks. Besides, the committee periodically monitors the critical risk exposures by specialised analysis and quality reviews and reports to the board the details of any significant developments, identify and make recommendations to the board, to the extent necessary on resources and staffing required for effective risk management and the action taken to manage the exposures and carry out any other function as may be necessary to ensure that an effective risk management system is in place.

Composition & Meetings

As at 31 March, 2017, the committee comprised Mr. V. Srinivasa Rangan as the chairman, Mr. M.B.N. Rao, Mr. Nalin Mansukhlal Shah, Mr. Vellayan Subbiah as its members and Mr. N. Srinivasan and the various business and functional heads of the company as invitees. The committee held four meetings during the year ended 31 March, 2017.

BUSINESS COMMITTEE

Terms of Reference

The role of the committee includes review of the business of the company, including approval and review of business proposals beyond certain financial limits, review and recommend new product note to the board for approval, approve borrowings within the limits prescribed by the board, approve assignment of receivables and oversee the asset liability management system of the company.

Composition & Meetings

As at 31 March, 2017, the business committee comprised Mr. M.B.N. Rao as the chairman and Mr. N. Srinivasan, Mr. M.M. Murugappan and Mr. Vellayan Subbiah as its members. The senior management is invited to attend the meetings of the committee. The committee held four meetings during the year.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference

The role of the committee includes formulation and recommendation of a corporate social responsibility (CSR) policy for the company, recommend the amount of expenditure to be incurred on the CSR activities, monitor the CSR policy of the company from time to time and institute a transparent monitoring mechanism for implementing the CSR activities and carry out any other function or activity as may be required to ensure that the CSR objectives are met.

Composition & Meetings

As at 31 March, 2017, the committee comprised Mr. M.M. Murugappan as the chairman, Ms. Bharati Rao and Mr. Vellayan Subbiah as its members. The committee held three meetings during the year ended 31 March, 2017.

ATTENDANCE AT BOARD, COMMITTEE AND GENERAL MEETINGS

Name of the directors	Board	Audit committee	Stakeholders Relationship committee	Nomination & Remuneration committee	Business committee	Risk management committee	Corporate Social Responsibility committee	Attendance at last AGM
Mr. M.B.N. Rao	7	7	NA	NA	3	3	NA	No
Mr. N. Srinivasan	7	8	2	NA	4	NA	NA	Yes
Mr. V. Srinivasa Rangan	7	7	NA	4	NA	3	NA	Yes
Mr. Nalin Mansukhlal Shah	6	8	NA	NA	NA	4	NA	Yes
Ms. Bharati Rao	6	8	NA	5	NA	NA	3	Yes
Mr. M.M. Murugappan	7	NA	NA	5	4	NA	3	Yes
Mr. Vellayan Subbiah	7	NA	2	NA	4	4	3	Yes

GENERAL BODY MEETINGS

Particulars of venue, date and time of the previous three annual general meetings are given below:

Year	Date and Time	Venue
2014	31 July, 2014 at 4.00 p.m.	The Music Academy, New No.168 (Old No.306), T.T.K Road, Royapettah, Chennai - 600 014
2015	31 July, 2015 at 4.00 p.m.	-do-
2016	29 July, 2016 at 4.00 p.m.	-do-

DETAILS OF SPECIAL RESOLUTIONS PASSED

Particulars of special resolutions passed in the previous three annual general meetings are given below:

Date of AGM	Details
31 July, 2014	1. Borrowing money up to ₹ 40,000 crores under section 180(1)(c) of the Act 2. Issue of securities on private placement basis under section 42 of the Act 3. Payment of remuneration to non-executive directors under section 197 of the Act 4. To sell, mortgage and / or create charge under section 180(1)(a) of the Act
31 July, 2015	Issue of securities on private placement basis under section 42 of the Act
29 July, 2016	-do-

POSTAL BALLOT

During the year, the company passed special resolutions for the following items through postal ballot:

- Alteration of the object clause in the Memorandum of Association (MOA) of the company.
- Alteration of the existing Articles of Association (AOA) of the company by adoption of a new set of AOA in substitution.
- Approval of the company's employee stock option plan 2016 (ESOP 2016) and for grant of stock options to employees of the company under ESOP 2016.
- Approval for the grant of stock options to employees of the company's subsidiaries under ESOP 2016.

The postal ballot was conducted in accordance with the procedure laid down under section 110 of the Act read with rules made there under, by CS. Mr. G. Subramaniam of M/s. R. Sridharan & Associates, company secretaries. All the above resolutions were passed with requisite majority by the shareholders on 3 January, 2017, being the last date of receipt of duly completed postal ballot form/e-voting. The results of the postal ballot are as follows:

1. Special resolution pertaining to alteration of the object clause in the MOA of the company :

Particulars	No. of ballots	No. of shares (votes)	% on total shares (votes) received
Assent	493	11,51,15,106	99.997
Dissent	21	3,546	0.003
Total	**514**	**11,51,18,652**	**100.00**

2. Special resolution pertaining to alteration of the existing AOA of the company by adoption of a new set of AOA in substitution:

Particulars	No. of ballots	No. of shares (votes)	% on total shares (votes) received
Assent	475	11,27,03,610	97.902
Dissent	39	24,15,042	2.098
Total	**514**	**11,51,18,652**	**100.00**

3. Special resolution pertaining to the approval of the ESOP 2016 and for grant of stock options to employees of the company under ESOP 2016:

Particulars	No. of ballots	No. of shares (votes)	% on total shares (votes) received
Assent	465	11,19,08,604	97.887
Dissent	44	24,15,728	2.113
Total	**509**	**11,43,24,332**	**100.00**

4. Special resolution pertaining to the approval of grant of stock options to employees of the company's subsidiaries under ESOP 2016:

Particulars	No. of ballots	No. of shares (votes)	% on total shares (votes) received
Assent	464	11,19,07,693	97.886
Dissent	45	24,16,639	2.114
Total	**509**	**11,43,24,332**	**100.00**

Proposed resolutions through postal ballot:
As of now, there is no proposal for passing any resolution through postal ballot.

COMPLIANCE REPORT

A detailed compliance report is placed before the board every quarter and highlights of the report is circulated to the board along with the agenda every quarter. The company secretary submits a compliance certificate to the board on a quarterly basis. The board reviews the compliance of all applicable laws every quarter and gives appropriate directions, wherever necessary.

SECRETARIAL AUDIT

The company annually conducts a secretarial audit by an independent practicing company secretary. For the year ended 31 March, 2017, M/s. R. Sridharan & Associates, company secretaries, have conducted the secretarial audit and the certificate was placed before the board and attached to this report.

RECONCILIATION OF SHARE CAPITAL AUDIT

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The certificate issued by an independent practicing company secretary is submitted to the stock exchanges and is also placed before the board of directors.

CODE OF CONDUCT

The board has laid down a "Code of Conduct" for all the board members and the senior management of the company and the Code of Conduct has been posted on the website of the company. Annual declaration confirming compliance of the code is obtained from every person covered by the code of conduct. A declaration to this effect signed by Mr. Vellayan Subbiah, managing director is attached to this report.

PREVENTION OF INSIDER TRADING CODE

The board has adopted a code to regulate, monitor and report trading by insiders in securities of the company. The code *inter alia* requires pre-clearance for dealing in the securities of the company and prohibits the purchase or sale of securities of the company while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The board has further approved the code for practices and procedures for fair disclosure of unpublished price sensitive information. The code has also been hosted on the website of the company.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The auditors' certificate on compliance of corporate governance norms is annexed to the report.

CEO/CFO CERTIFICATION

Mr. Vellayan Subbiah, managing director and Mr. D. Arul Selvan, executive vice president & CFO have given a certificate to the board with regard to financial statements, compliance and internal control systems as contemplated under regulation 17(8) of the Listing Regulations.

Subsidiary companies

A policy on material subsidiaries has been formulated and the same is posted on the company's website (weblink: *http://www.cholamandalam.com/company-policies.aspx)*. The financial statements of subsidiary companies are tabled at the audit committee and board meetings every quarter. The company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company during the previous financial year or has generated 20% of the consolidated income of the holding company during the previous financial year.

DISCLOSURES

Related party transactions

All related party transactions that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no material transactions with related parties i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large.

Suitable disclosures as required in compliance with accounting standards with related parties are disclosed in note 31 of the financial statements in the annual report.

The board has put in place a policy on related party transactions and the same has been uploaded on the company's website (weblink: *http://www.cholamandalam.com/company-policies.aspx*).

Penalties

There were no penalties, strictures imposed on the company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The company is in financial services business and has no exposure to commodity price risk and commodity hedging activities. In respect of certain computer related purchases involving payment in foreign currency wherein the payment is made basis the rate prevailing on date of payment and as per the terms mentioned in contract. To this extent, if the currency movement is adverse, the payment would be impacted by such currency exposure.

Whistle blower mechanism

The company has established a whistle blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimisation of directors / employees / customers who avail of the mechanism and also for appointment of an ombudsperson who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct access to the chairperson of the audit committee. During the year, no personnel have been denied access to the audit committee.

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The company has complied with all mandatory requirements of corporate governance norms as enumerated in chapter IV of the Listing Regulations. The requirements of regulation 17 to regulation 27 of the Listing Regulations and clauses (b) to (i) of the sub-regulation (2) of regulation 46 to the extent applicable to the company have been complied with as disclosed in this report.

The company has also adopted the following discretionary requirements specified in Part E of Schedule II in terms of regulation 27(1) of the Listing Regulations:

i. Modified opinion(s) in Audit Report: Company's financial statements have unmodified audit opinions.

ii. Separate posts of chairman and CEO: The positions of the chairman and the MD are separate.

iii. Reporting of internal auditor: The internal auditors of the company directly report to the audit committee.

MEANS OF COMMUNICATION

The audited financial results, quarterly results and other major announcements like notices of board meetings, book closures were published in Business Line and Dinamani and are also available on the company's website *www.cholamandalam.com.* Press releases are given in the leading newspapers and also posted on the company's website. The investors' presentations and call transcripts are also posted on the company's website. The company has posted a shareholder's satisfaction survey on its website to ascertain the level of the shareholders satisfaction. Further, the shareholding pattern and presentations made to analysts and investors from time to time are also displayed on the website of the company.

MANAGEMENT DISCUSSION & ANALYSIS

A management discussion & analysis forms part of the annual report.

GENERAL SHAREHOLDER INFORMATION

A separate section on the above has been included in the annual report.

On behalf of the board

Place : Chennai
Date : April 28, 2017

M.B.N. Rao
Chairman

Declaration on Code of Conduct

This is to confirm that the board has laid down a Code of Conduct for all board members and senior management of the company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the Code of Conduct of the company for the year ended 31 March, 2017, as envisaged in Schedule V under regulation 34(3) of the Listing Regulations.

Place : Chennai
Date : April 28, 2017

Vellayan Subbiah
Managing Director

Independent Auditor's Certificate on Corporate Governance

TO THE MEMBERS OF

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 26 September, 2016.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2017.

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Bhavani Balasubramanian
Partner
Membership No.22156

Place : Chennai
Date : 28 April, 2017

General Shareholders Information

REGISTERED OFFICE

"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001.

CORPORATE IDENTITY NUMBER (CIN)

L65993TN1978PLC007576

ANNUAL GENERAL MEETING

Date	Time	Venue
27 July, 2017	4 p.m.	The Music Academy, New No.168 (Old No.306), T.T.K. Road, Royapettah, Chennai - 600 014

FINANCIAL YEAR

1 April to 31 March.

DATES OF BOOK CLOSURE

Friday, the 21 July, 2017 to Thursday, the 27 July, 2017 (both days inclusive).

DIVIDEND PAYMENT DATE

The board at its meeting held on 25 January, 2017 had approved payment of an interim dividend on the equity shares for the financial year ending 31 March, 2017 at the rate of 35% (₹ 3.50 per equity share of ₹ 10/- each) and fixed a record date as 7 February, 2017. The dividend was paid to all the shareholders by 15 February, 2017.

The Board at its meeting held on 28 April, 2017 has further recommended payment of a final dividend of 20% (₹ 2 per equity share of ₹ 10/- each), for the year ended 31 March, 2017. The same will be paid within 7 days upon declaration by the shareholders at the ensuing annual general meeting.

LISTING ON STOCK EXCHANGES

Equity Shares:

BSE Limited Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001. Stock Code: 511243	**National Stock Exchange of India Limited** Exchange Plaza, Plot No.C-1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Stock Code: CHOLAFIN EQ

Debt Securities:

The Wholesale Debt Market (WDM) Segment of NSE and F - Class Segment of BSE Limited.

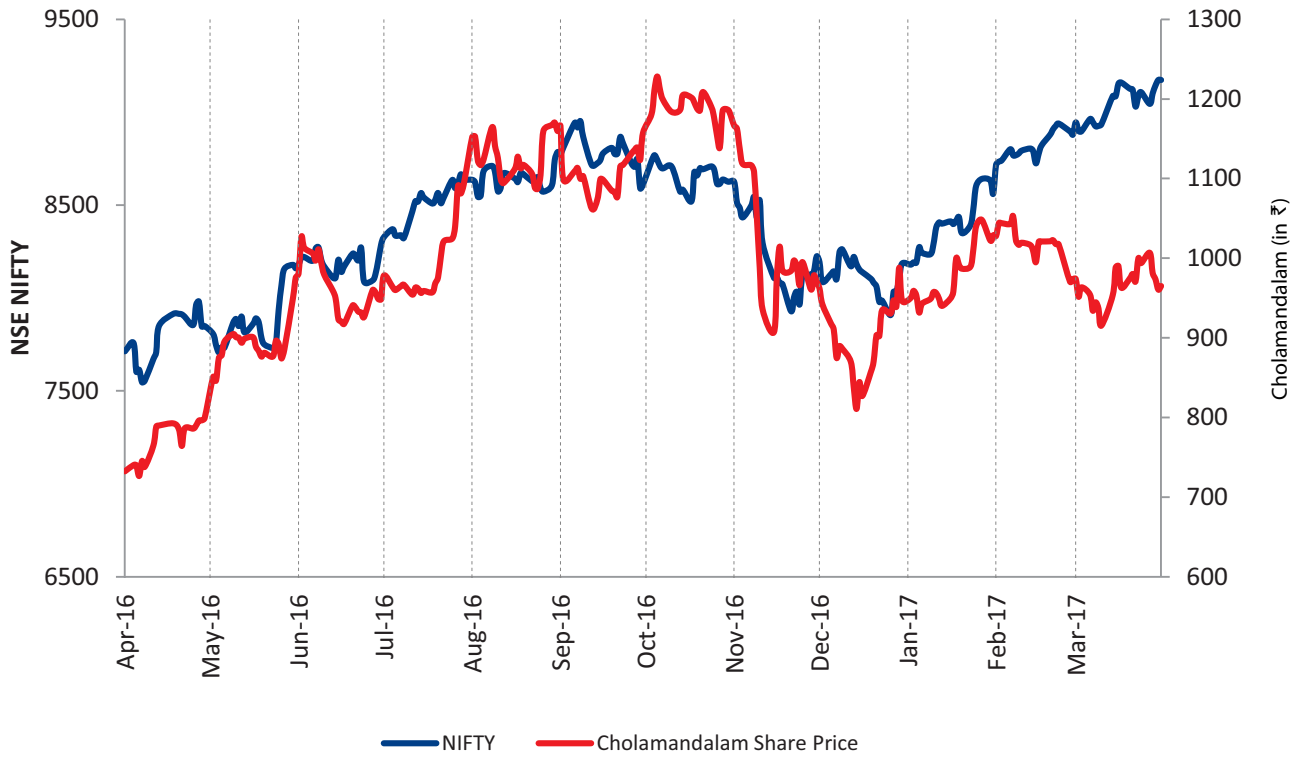
The listing fees for both equity shares and debt securities for FY 17 were paid to the above stock exchanges.

SHARE PRICE DATA

(in ₹)

Month	BSE			NSE		
	High	Low	Vol.	High	Low	Vol.
April, 2016	797.95	725.05	4,00,382	799.20	694.10	10,61,490
May, 2016	979.75	846.75	26,12,232	975.55	846.10	21,60,192
June, 2016	1,027.00	915.95	1,57,233	1,026.70	917.60	50,30,155
July, 2016	1,092.00	953.35	13,10,828	1,092.35	954.20	38,64,880
August, 2016	1,166.95	1,087.50	7,79,396	1,170.25	1,087.25	25,43,496
September, 2016	1,175.70	1,062.65	33,06,123	1,166.10	1,062.15	1,36,28,562
October, 2016	1,227.50	1,135.55	4,29,668	1,228.15	1,139.15	17,26,426
November, 2016	1,170.05	899.90	13,26,331	1,166.45	907.35	67,32,656
December, 2016	982.15	816.50	4,15,082	988.20	810.75	85,45,470
January, 2017	1,045.80	930.00	71,06,865	1,048.10	931.80	28,20,606
February, 2017	1,049.30	972.45	1,67,510	1,052.75	970.35	64,86,724
March, 2017	997.30	917.65	8,65,674	1,006.80	915.35	70,30,391

Cholamandalam share price performance in comparison with NSE NIFTY



REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Pvt. Ltd., is the Registrar and Share Transfer Agent (RTA) for handling the physical and electronic registry work. The shareholders are requested to address their share related requests / queries to the RTA.

The contact details of the RTA are as follows:

Karvy Computershare Pvt. Ltd.
(Unit: Cholamandalam Investment and Finance Company Limited)
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032, Telangana
Phone: 040-67161514; Fax: 040-23420814
Toll free: 1800-345-4001
E-mail: einward.ris@karvy.com; Website: www.karvy.com
Contact person: Mrs. Varalakshmi P - Asst. General Manager-RIS

TRUSTEES FOR THE DEBENTURE HOLDERS

The company has appointed IDBI Trusteeship Services Limited and Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited), as debenture trustees registered with SEBI, as the trustees on behalf of the debenture holders. The trustees will protect the interest of the debenture holders in the event of any default by the company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the company.

The contact details of the Trustees are as follows:

1. IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001
Phone : 022-40807035
Website : www.idbitrustee.co.in
E-mail : itsl@idbitrustee.com
Contact person : Ms. Anjalee Athalye, Asst. Vice President (Operations)

2. Catalyst Trusteeship Limited
(Formerly GDA Trusteeship Limited)
GDA House, Plot No. 85, Bhusari Colony (Right),
Paud Road, Pune - 411 038
Phone : 020-2528 0081
Website : www.catalysttrustee.com
E-mail : dt@ctltrustee.com
Contact person : Ms. Madhura Gokhale - Senior Manager

Share Transfer System

For speedy processing of share transfers, the board has delegated powers to approve share transfers to the managing director up to certain limits and beyond that to the stakeholders' relationship committee. Depending on the number of requests received, share transfers are processed every week.

Dematerialisation of shares and liquidity

The company has signed agreements with both depositories in the country, namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The company's shares are in the list of compulsory demat settlement. As of 31 March, 2017, 99.72% of the company's shares were held in dematerialised form. The company's shares are regularly traded on National Stock Exchange of India Limited and BSE Limited, in electronic form under the ISIN: INE121A01016.

However, there are still 4,371 shareholders holding 0.28% of the company's shares in physical form. Those shareholders whose shares are held in physical mode may consider moving to dematerialised mode as it is a safer and easier way to hold and to transact in shares.

Nomination facility

The company is accepting nomination forms from shareholders in the prescribed form. All those who are desirous of making a nomination are requested to contact the RTA. The shareholders holding shares in dematerialised form are requested to forward their nomination instructions to the concerned depository participants. Nomination is only optional and can be cancelled or varied by a shareholder at any time.

Payment of dividend through NACH

The company uses National Automated Clearing House (NACH) facility for payment of dividends directly to the bank accounts of shareholders. The shareholders may use the facility by providing the bank account number to the depository participant / RTA, as may be relevant, to enable the company to effect the dividend payment through the NACH mode.

Green initiative in corporate governance

The Companies Act, 2013 (the Act) and the underlying rules permit companies to send various documents including the financial statements through electronic mode to the shareholders. To support the green initiative and to receive all documents, notices, including annual reports and other communications of the company, shareholders are requested to register the e-mail ID with the depository participant, if the holding is in electronic mode. If shares are held in physical mode, the shareholders may give a positive consent in writing to RTA for receiving by electronic mode.

Details of complaints received and redressed

During the year, two investor service complaints relating to transmission of shares were received and both the complaints were resolved. There were no investor service complaints pending as on 31 March, 2017.

Contact details of the designated official for assisting and handling investor grievances

The contact details of the designated official for assisting and handling investor grievances are as below:

Ms. P. Sujatha, Company Secretary
"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai-600 001
Phone: 044 30007172 (bd.) 30007055 (d). Fax: 044 25346464
E-mail: sujathap@chola.murugappa.com
investors@chola.murugappa.com

Payment of unclaimed / unpaid dividend

In respect of unclaimed dividends, the company sends periodical reminders to the shareholders before transferring the matured but unclaimed dividends to the investor education and protection fund (IEPF) established by the central government. The dividends that are lying unclaimed / unpaid for a period of seven consecutive years are transferred from time to time to IEPF. However, during the year the company did not have any unpaid and unclaimed dividends for remittance to IEPF.

Year wise details of the dividends to be transferred to IEPF are given below:

FY to which the dividend relates	Date of declaration	Due date for transfer to IEPF
2010 - Interim	26 April, 2010	31 May, 2017
2011 - Final	28 July, 2011	01 September, 2018
2012 - Interim	31 January, 2012	07 March, 2019
- Final	30 July, 2012	04 September, 2019
2013 - Interim	18 January, 2013	23 February, 2020
- Final	31 July, 2013	04 September, 2020
2014 - Interim	29 January, 2014	05 March, 2021
- Final	31 July, 2014	04 September, 2021
2015 - Interim	27 January, 2015	03 March, 2022
- Final	31 July, 2015	04 September, 2022
2016 - Interim	29 January, 2016	05 March, 2023
- Final	29 July, 2016	03 September, 2023
2017 - Interim	25 January, 2017	01 March, 2024

Transfer of Equity Shares to IEPF Suspense Account

In accordance with the provisions of sections 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF), company is required to transfer the shares in respect of which dividend remains unpaid or unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said rules, the company had published a notice in the newspapers inviting the shareholders attention to the aforesaid rules. The company had also sent out individual communication to the concerned shareholders whose shares are liable to be transferred to IEPF Account, pursuant to the said rules and also displayed the details of such shareholders and shares due for transfer on the website of the company at *www.cholamandalam.com.*

Unclaimed Suspense Account

In terms of regulation 34(3) of the Listing Regulations, all the shares issued in physical form pursuant to a public issue or any other issue, which remain unclaimed have been transferred into one folio in the name of unclaimed suspense account and dematerialised. The voting rights of these shares shall remain frozen till the rightful owner of such shares claims the shares. The details regarding the shares which are in the unclaimed suspense account are given below:

SN.	Description	Total No. of cases	Total shares
1	No. of shareholders and outstanding shares lying in the unclaimed suspense account at the beginning of the year	11	761
2	No. of shareholders who approached for transfer of shares from unclaimed suspense account during the year	-	-
3	No. of shareholders to whom shares were transferred from the unclaimed suspense account during the year	-	-
4	No. of shareholders and outstanding shares lying in the unclaimed suspense account at the end of the year	11	761

Distribution of Shareholding as on 31 March, 2017

No. of shares held	No. of shareholders	No. of shares	(%) of shareholding
1 - 5000	29,095	29,59,057	1.89
5001 - 10000	1,536	11,35,145	0.73
10001 - 20000	758	11,01,361	0.70
20001 - 30000	268	6,70,158	0.43
30001 - 40000	129	4,51,283	0.29
40001 - 50000	100	4,56,915	0.29
50001 - 100000	183	13,06,967	0.84
100001 & Above	330	14,81,96,647	94.83
TOTAL	**32,399**	**15,62,77,533**	**100.00**

SHAREHOLDING PATTERN

Category	As on 31 March, 2017	
	No. of shares	% of shareholding
Promoter and Promoter group	8,29,54,229	53.08
Multilateral Financial Institution	29,65,676	1.90
Foreign Institutional / Portfolio Investors	3,23,55,776	20.70
Alternative Investment Fund	2,88,671	0.18
Private Corporate Bodies / NBFCs	61,29,141	3.92
Mutual Funds / Trust / Banks	2,18,33,542	13.97
Resident Individuals and others	97,50,598	6.24
TOTAL	**15,62,77,633**	**100.00**

OUTSTANDING GDRs/ADRs ETC.

The company has not issued any GDR / ADR or any convertible instruments that is likely to impact the equity share capital of the company.

COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK AND COMMODITY HEDGING ACTIVITIES

The company is in financial services business and has no exposure to commodity price risk and commodity hedging activities. In respect of certain computer related purchases involving payment in foreign currency wherein the payment is made basis the rate prevailing on the date of payment and as per the terms mentioned in contract. To this extent, if the currency movement is adverse, the payment would be impacted by such currency exposure.

LOCATION

The company operates out of 709 branches across the country.

On behalf of the board

Place : Chennai
Date : 28 April, 2017

M.B.N. Rao
Chairman

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the company: **L65993TN1978PLC007576**
2. Name of the company: **Cholamandalam Investment and Finance Company Limited**
3. Registered office address: **"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600001**
4. Website: ***www.cholamandalam.com***
5. E-mail id: **investors@chola.murugappa.com**
6. Financial Year reported: **01.04.2016 - 31.03.2017**
7. Sector(s) that the company is engaged in (industrial activity code-wise):

NIC Code	Group	Description
K	649	Financial Services - Lending

8. List three key services that the company provides (as in balance sheet):
   Key services rendered by the company are
   1. Vehicle Finance
   2. Home Equity
   3. Corporate Finance
9. Total number of locations where business activity is undertaken by the company
   (a) Number of international locations (Provide details of major 5): **Nil**
   (b) Number of national locations: **709 branches**
10. Markets served by the company – local / state / national / international: **National**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid Up capital: ₹ **156.28 crores**
2. Total turnover: ₹ **4,660.35 crores**
3. Total profit after taxes: ₹ **718.74 crores**
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **Refer CSR report**
5. List of activities in which expenditure in 4 above has been incurred: **Refer CSR report**

SECTION C: OTHER DETAILS

1. Does the company have any subsidiary company/companies?

   Yes, the company has three subsidiaries as on 31.03.2017 namely:
   1. Cholamandalam Securities Limited
   2. Cholamandalam Distribution Services Limited and
   3. White Data Systems India Private Limited

2. Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

   BR initiatives of the parent company are generally followed by the subsidiary companies to the extent possible.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the company does business with, participate in the BR initiatives of the company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

   No

SECTION D: BR INFORMATION

1. Details of director/directors responsible for BR:
   (a) Details of the director/director responsible for implementation of the BR policy/policies:
   1. Director Identification Number (DIN): **01138759**
   2. Name: **Vellayan Subbiah**
   3. Designation: **Managing Director**

(b) Details of the BR head:

SN.	Particulars	Details
1	DIN (if applicable)	**01138759**
2	Name	**Vellayan Subbiah**
3	Designation	**Managing Director**
4	Telephone number	**044 - 3000 7172**
5	E-mail id	**vellayan@chola.murugappa.com**

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

SN.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	*http://www.cholamandalam.com/company-policies.aspx*								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

* National standards

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

SN.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR performance is assessed annually.

(b) Does the company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, *http://www.cholamandalam.com/company-policies.aspx*. Report is published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - To conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The policy extends to the company, its subsidiaries and its business associate.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Particulars	Received	Resolved	Pending
Customer complaints	1,366	1,355	11
Shareholder complaints	2	2	-

Principle 2 - To provide services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   Not applicable - The company being a NBFC is not engaged in a business concerning design of products/services that could raise social concerns, economic risks and/or hazardous opportunities.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   Not applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Not applicable

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes, the company procures goods and services from local and small producers, including communities surrounding their place of work wherever possible.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Not applicable

Principle 3 - To promote the well being of all employees

1. Please indicate the total number of employees **- 6,776**
2. Please indicate the total number of employees hired on temporary/contractual/casual basis **- 4,994**
3. Please indicate the number of permanent women employees **- 158**
4. Please indicate the number of permanent employees with disabilities **- 2**
5. Do you have an employee association that is recognized by management **- No**
6. What percentage of your permanent employees is members of this recognized employee association? **- Not applicable**

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

SN.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	-	-
2	Sexual harassment	-	-
3	Discriminatory employment	-	-

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

   Safety Campaign (Helmet Drive) across 170 locations covering 6000+ participants

   Skill training - 928 employees

   Competency training - 278 employees

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

1. Has the company mapped its internal and external stakeholders? Yes/No.

   Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Not applicable.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Yes, please refer CSR Report for reference.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

   The policy on human rights cover the company, customers and its associates.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   The company received 864 customer complaints and 2 shareholder complaints during the financial year. All the complaints were resolved satisfactorily by the management.

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

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.

   The policy is applicable only to the company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

   Not applicable

3. Does the company identify and assess potential environmental risks? Y/N.

   Not applicable

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.:

   No

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Not applicable

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of FY.

   Nil

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   - **South India Hire Purchase Association**
   - **Finance Companies' Association (India)**
   - **Finance Industry Development Council**
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes. Representations had been submitted to the Government and regulatory authorities on various matters for the improvement of public good on areas relating to governance and administration, economic reforms, inclusive development policies and sustainable business principles.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes, please refer CSR Report for reference.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Yes, please refer CSR Report for reference.
3. Have you done any impact assessment of your initiative?

   We have done impact assessment study for the FY 16.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   Please refer CSR report for reference.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes, in both of these projects the community is motivated to contribute 20% of the water purification machine cost. The cost will be mobilized by way of membership fee from the beneficiary families. The villagers also provide installation space for the machine.

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Nil
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)

   Not Applicable.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No
4. Did your company carry out any consumer survey/consumer satisfaction trends?

   Yes, customer satisfaction surveys are carried out periodically and trends measured.

Financial Section



Independent Auditor's Report

TO THE MEMBERS OF

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:

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

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

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts;

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

      iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.: 008072S

Bhavani Balasubramanian
Partner
(Membership No.: 22156)

Place : Chennai
Date : April 28, 2017

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary

Annexure "A" to the Independent Auditor's Report (Contd.)

to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.: 008072S

Bhavani Balasubramanian
Partner
(Membership No.: 22156)

Place : Chennai
Date : April 28, 2017

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged in favour of Trustees for the benefit of debenture holder as security for Redeemable Non-Convertible Debentures, are held in the name of the Company based on the Trust Deed executed between the Trustees and the Company.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans, to a company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014 as amended, as applicable to the Company, with regard to the deposits accepted from the public prior to November 1, 2006. However, in respect of overdue amounts to totalling to ₹ 0.11 lakhs, payments have not been made as per instructions received from the Central Bureau of Investigation. Other than the above, according to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

Annexure "B" to the Independent Auditor's Report (Contd.)

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Involved ₹ in lakhs
Income Tax Act, 1961	Tax and Interest	Commissioner of Income Tax (Appeals)	2008-09, 2009-10, 2011-12, 2012-13, 2013-14	22,454.00
Income Tax Act, 1961	Tax and Interest	Appellate Tribunal (ITAT)	1990-91, 1991-92, 2003-04	12.99
Tamil Nadu General Sales Tax Act, 1959	TNGST	Madras High Court	1995-96	986.98
Tamil Nadu VAT Act, 2006	Sales Tax	Tamil Nadu Sales Tax Appellate Tribunal	2006-07 to 2013-14	1208.80
Tamil Nadu VAT Act, 2006	Sales Tax	Joint Commissioner of Commercial Taxes	2014-15	64.90
Central Sales tax Act, 1956	Sales Tax	Sales Tax Appellate Tribunal	1995-96	11.83
Bihar Finance Act, 1981	Sales Tax	Sales Tax Appellate Tribunal	1993-94 and 1994-95	2.19
Gujarat Sales Tax Act, 1969	Sales Tax	Sales Tax Appellate Tribunal	1997-98	2.03
Delhi Sales Tax Act, 1975	Sales Tax	Deputy Commissioner of Sales Tax	1990-91	7.58
Odisha VAT Act, 2004	Sales Tax	Joint Commissioner of Sales Tax (Appeals)	2006-2011	42.00
Odisha VAT Act, 2004	Sales Tax	Odisha Sales Tax Appellate Tribunal	February 2012 to March 2014	268.56
Karnataka Sales Tax Act	Sales Tax	Karnataka Sales Tax Liability	2006-07 to 2012-13	357.46

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

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

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

Annexure "B" to the Independent Auditor's Report (Contd.)

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is required to be registered under section 45-I of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.: 008072S

Bhavani Balasubramanian
Partner
(Membership No.: 22156)

Place : Chennai
Date : April 28, 2017

Balance Sheet

As at March 31, 2017

₹ in lakhs

	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	15,634.29	15,621.10
Reserves and surplus	4	4,15,632.92	3,50,117.20
		4,31,267.21	**3,65,738.30**
Share Application Money pending Allotment	23 a	**18.13**	**2.51**
Non-current liabilities			
Long-term borrowings	5	15,10,457.38	10,93,473.00
Other long-term liabilities	6	19,692.59	8,201.94
Long-term provisions	7	58,620.67	49,277.22
		15,88,770.64	**11,50,952.16**
Current liabilities			
Short-term borrowings	5	3,36,664.03	3,97,441.64
Trade payables			
i) Dues to Micro and Small Enterprises	27	-	-
ii) Other Trade payables		27,512.50	19,639.32
Current maturities of long-term borrowings	5	5,73,556.33	7,66,707.00
Other current liabilities	8	1,05,681.89	72,825.20
Short-term provisions	7	8,643.70	15,524.92
		10,52,058.45	**12,72,138.08**
TOTAL		**30,72,114.43**	**27,88,831.05**
ASSETS			
Non-current assets			
Fixed assets	9		
(i) Tangible assets		11,812.68	10,541.35
(ii) Intangible assets		2,195.43	590.95
		14,008.11	**11,132.30**
Non-current investments	10	19,244.33	6,468.30
Deferred tax assets (Net)	11	31,515.64	28,149.34
Receivables under financing activity	12	19,93,995.69	18,18,765.84
Long-term loans and advances	13	11,723.34	6,716.24
Other non-current assets	14	54,156.06	44,851.18
		21,24,643.17	**19,16,083.20**
Current assets			
Current investments	15	4,610.21	188.70
Cash and cash equivalents	16	48,697.95	49,047.18
Receivables under financing activity	12	8,47,526.00	7,72,247.07
Short-term loans and advances	13	5,110.27	3,732.67
Other current assets	14	41,526.83	47,532.23
		9,47,471.26	**8,72,747.85**
TOTAL		**30,72,114.43**	**27,88,831.05**

See accompanying Notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the **Board of Directors**

Bhavani Balasubramanian
Partner

M.B.N. Rao
Chairman

Date : April 28, 2017
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Vellayan Subbiah
Managing Director

Statement of Profit and Loss

For the year ended March 31, 2017

₹ in lakhs

	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Revenue			
- Revenue from operations	17	4,65,955.28	4,19,246.60
- Other income	18	79.45	123.93
Total Revenue		**4,66,034.73**	**4,19,370.53**
Expenses			
- Finance costs	19	2,23,079.96	2,05,077.61
- Business origination outsourcing		17,841.95	22,582.64
- Employee benefits expense	20	40,264.41	25,394.80
- Other operating expenses	21	39,416.09	34,381.89
- Depreciation and amortisation expense	9	3,811.34	2,133.13
- Provisions and loan losses	22	31,063.34	42,723.77
Total Expenses		**3,55,477.09**	**3,32,293.84**
Profit before tax		**1,10,557.64**	**87,076.69**
Tax expense/(benefit)			
- Current tax			
- Current year		41,804.93	40,018.79
- Prior years		245.47	-
- Deferred tax	11	(3,366.30)	(9,787.21)
Net tax expense		38,684.10	30,231.58
Profit for the year		**71,873.54**	**56,845.11**
Earnings per equity share of ₹ 10 each	23 b		
- Basic		46.01	37.50
- Diluted		45.99	37.46

See accompanying Notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the **Board of Directors**

Bhavani Balasubramanian
Partner

M.B.N. Rao
Chairman

Date : April 28, 2017
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Vellayan Subbiah
Managing Director

Cash Flow Statement

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Cash Flow from Operating Activities				
Profit Before Tax		**1,10,557.64**		**87,076.69**
Adjustments for :-				
Depreciation and amortisation expense	3,811.34		2,133.13	
Provisions/(reversal of provisions) - Long-Term				
- Standard Assets (Net)	586.46		3,313.30	
- Non-Performing Assets under Financing Activity (Net)	8,756.99		14,474.14	
- Credit Enhancement and Servicing Costs on Assets De-recognised(Net)	-		(565.88)	
- Diminution in Value of Investments	(500.00)		-	
Provisions/(reversal of provisions) - Short-Term				
- Standard Assets (Net)	(3,897.74)		4,359.59	
- Compensated Absences(Net)	289.18		148.95	
- Contingencies	486.00		2,461.54	
Loss on Repossessed Assets (Net)	20,263.75		20,158.66	
Loss assets written off	5,853.88		868.66	
Finance Costs	2,23,079.96		2,05,077.61	
Loss on Sale of Fixed Assets (Net)	0.91		32.53	
Liability no longer required written back	(12.07)		(43.55)	
Profit on Sale of Current Investments (Net)	(1,281.90)		(709.02)	
Gain on prepayment of Commercial paper and Debentures (Net)	-		(84.26)	
Interest Income on deposits	(5,038.45)		(5,465.29)	
Interest Income on Investments	(173.25)		(26.87)	
		2,52,225.06		**2,46,133.24**
Operating Profit Before Working Capital Changes		**3,62,782.70**		**3,33,209.93**
Adjustments for :-				
(Increase)/Decrease in operating Assets - Current/short-term				
- Receivables under Financing Activity (including Repossessed Assets)	(5,74,843.78)		(4,24,308.75)	
- Other Current Assets	4,643.35		(2,566.10)	
- Loans and advances	(2,377.60)	(5,72,578.03)	(1,774.17)	(4,28,649.02)
(Increase)/Decrease in operating Assets - Non Current/Long-term				
- Receivables under Financing Activity	(1,75,229.85)		(2,71,968.92)	
- Other Non Current Assets	(9,965.01)		14,704.49	
- Loans and advances	(259.79)	(1,85,454.65)	370.83	(2,56,893.60)
Securitisation / Assignment of Receivables		4,74,101.53		3,01,696.74
Increase/(Decrease) in operating liabilities				
- Current & Short-term liabilities		16,228.59		7,206.94
- Long-term liabilities		10,083.27		51.21
Cash Flow generated used in Operations		1,05,163.41		(43,377.80)
Finance Costs paid	(1,95,779.47)		(2,04,399.17)	
Interest Received on Bank Deposits and Other Investments	5,190.88		5,568.45	
Profit on Sale of Current Investments (Net)	1,281.90		709.02	
Direct Taxes Paid	(47,890.98)	(2,37,197.67)	(39,865.19)	(2,37,986.89)
Net Cash Used in Operating Activities (A)		**(1,32,034.26)**		**(2,81,364.69)**

Cash Flow Statement (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Cash Flow from Investing Activities				
Bank Deposits and Unpaid Dividend Accounts (See Note below)	1,137.70		(7,363.34)	
Purchase of Fixed Assets	(5,650.77)		(7,541.80)	
Proceeds from Sale of Fixed Assets	55.97		111.85	
Long-term investment in Subsidiaries	-		(800.00)	
Inter corporate Deposit placed with subsidiary	1,000.00		-	
Purchase of Other Investments	(28,09,000.00)		(12,21,800.00)	
Proceeds from Other Investments	27,92,302.46		12,22,691.02	
Net Cash Used in Investing Activities (B)		**(20,154.64)**		**(14,702.27)**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		254.79		274.60
Proceeds from issue of long-term debentures	7,41,800.00		2,63,080.00	
Redemption of long-term debentures	(1,74,040.00)		(1,75,290.00)	
Borrowing - Term Loan from Banks	4,15,900.33		3,93,500.00	
Repayment - Term Loans from Banks	(7,57,176.63)		(3,01,150.00)	
Proceeds from Inter - Corporate Deposits - Subsidiary	1,050.00		1,000.00	
Repayment of Inter - Corporate Deposits - Subsidiary	-		(500.00)	
Increase / Decrease in short-term borrowings	(64,477.60)	1,63,056.10	1,29,457.62	3,10,097.62
Decrease in Fixed Deposits		(1.08)		(7.21)
Dividends Paid (Including Distribution Tax)		(10,332.44)		(6,679.79)
Net Cash From Financing Activities (C)		**1,52,977.37**		**3,03,685.22**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**788.47**		**7,618.26**
Cash and Cash Equivalents at the Beginning of the Year		26,615.83		18,997.57
Cash and Cash Equivalents at the End of the Year		27,404.30		26,615.83
Note:				
Cash and Cash Equivalents at the End of the Year as per Balance Sheet		48,697.95		49,047.18
Less: Balance in Current Accounts held for Unpaid Dividends		46.35		36.33
Less: Bank Deposits held for More than Three Months		2,172.28		451.09
Less: Bank Deposits under Lien		19,075.02		21,943.93
		27,404.30		26,615.83

See accompanying Notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the **Board of Directors**

Bhavani Balasubramanian
Partner

M.B.N. Rao
Chairman

Date : April 28, 2017
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Vellayan Subbiah
Managing Director

Notes forming part of the Financial Statements

For the year ended March 31, 2017

Cholamandalam Investment and Finance Company Limited ("the company") is one of the premier diversified non-banking finance companies in India, engaged in providing vehicle finance, home loans and corporate mortgage loans. The company through its subsidiaries, is also engaged in the business of broking, distribution of financial products and freight data solutions.

1. Significant Accounting Policies

a) Basis of accounting and preparation of Financial Statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act 2013 and Companies (Accounting Standard) Amendment Rules 2016, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India (RBI) for Systemically Important Non-deposit taking Non-Banking Finance Companies (NBFC-ND-SI).

b) Use of Estimates

Preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised prospectively in the periods in which the results are known.

c) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d) Revenue Recognition

Interest Income is recognised under the Internal Rate of Return method to provide a constant periodic rate of return on net investment outstanding on the loan contracts. In the case of Non-Performing Loans, interest income is recognised upon realisation, as per the RBI guidelines. Unrealised interest recognised as income in the previous period is reversed in the month in which the loan is classified as Non Performing.

Interest income on bill discounting is recognised over the tenure of the instrument so as to provide a constant periodic rate of return.

Interest spread on bilateral assignment or securitisation of receivables is recognised over the tenor of the underlying assets as per the RBI Guidelines.

Loss, if any, in respect of securitisation and assignment is recognised upfront.

Service Charges are recognised on issue of delivery instruction to the dealer/manufacturer in respect of the assets financed or on release of disbursement amount, whichever is earlier, and when there is no uncertainty in receiving the same.

Additional interest, cheque bounce charges, field visit charges and other penal / servicing charges are recognised as income on realisation due to uncertainty in their collection.

Income from non-financing activity is recognised as per the terms of the respective contract on accrual basis.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

Interest income on bonds and deposits and pass through certificates is recognised on accrual basis.

Profit / loss on sale of investments is recognised at the time of sale or redemption.

Dividend Income is recognised when the right to receive dividend is established.

e) Fixed Assets, Depreciation and Impairment

Tangible fixed assets/Depreciation:

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure on fixed assets after their purchase / completion is capitalised, only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of certain categories of assets as provided below, in whose case the life of the assets has been assessed as under, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacement.

Useful life of assets as per Schedule II:

Asset Description	Estimated Useful Life
Buildings	60 years
Plant and Machinery -Computer Equipment	3 years
Office Equipment	5 years
Leasehold improvements	Lease Period or 5 years, whichever is lower

Useful life of assets based on the Management's estimation:

Asset Description	Estimated Useful Life
Plant and Machinery -Others*	5 years
Furniture and Fixtures*	5 years
Vehicles*	5 years

*Estimated useful life of these assets is based on usage and replacement policy of such assets.

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of acquisition.

Intangible assets / Amortisation:

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any, and are amortised over their estimated useful life on the straight-line method as follows:

Asset Description	Estimated Useful Life
Intangible Assets – Computer Software	License Period or 3 years, whichever is lower

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

The carrying amount of assets is reviewed at each Balance Sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of net selling price of the assets and its value in use.

f) Investments

Investments which are long-term in nature are stated at cost. Provisions made for diminution in value, if it is of nature other than temporary.

Current investments are individually valued at the lower of cost and fair value.

Cost of investments include acquisition charges such as brokerage, fees and duties.

g) Receivables under Financing Activity, Provisioning and De-recognition

All loan exposures to borrowers with instalment structure are stated at the full agreement value after netting off:

(i) Unearned income

(ii) Instalments appropriated up to the Balance Sheet date

Provision for Standard Assets is made as per internal estimates, based on past experience, realisation of security, and other relevant factors, on the outstanding amount of Standard Assets for all types of lending, subject to the minimum provisioning requirements specified by the RBI.

Provision for Non-Performing Assets is made as per the provisioning norms approved by the Board for each type of lending activity, subject to the minimum provisioning requirements specified by the RBI.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

The company sells loan receivables by way of securitisation or direct assignment. On such sale, assets are derecognised on transfer of significant risks and reward to the purchaser and fulfilling of the true sale criteria specified in the RBI guidelines on securitisation and direct assignment.

h) Repossessed Assets

Repossessed Assets are valued at the lower of cost and the estimated net realisable value.

i) Retirement and Other Benefits

(i) Defined Contribution Plans:

Provident Fund: Contributions to the Regional Provident Fund Commissioner to secure retiral benefits in respect of Employees' Provident Fund and Employees' Family Pension Fund, based on the statutory provisions as per the Employee Provident Fund Scheme. The company has no liability for future Provident Fund benefits other than its contribution and recognises such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Employees' State Insurance: The company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Superannuation: The company contributes a sum equivalent to 15% of eligible employees' salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The company has no liability for future Superannuation Fund benefits other than its contribution and recognises such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

(ii) Defined Benefit Plan

Expenditure for defined benefit gratuity plan is calculated as at the Balance Sheet date in a manner that distributes expenses over the employees working lives. These commitments are valued at the present value of expected future payments and with consideration for calculated future salary increases.

The company makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur.

(iii) Long-term compensated absences

The company treats its liability for long-term compensated absences based on actuarial valuation as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur.

While the long-term compensated absences is treated as long-term employee benefit for measurement purpose, it is presented as current provision in the Balance Sheet since the company does not have an unconditional right to defer its settlement for 12 months after its reporting date.

(iv) Other-short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

j) Foreign Currency Transactions

The company translates foreign currency transactions into Indian Rupees at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Indian

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

Rupees at the rate of exchange prevailing at the Balance Sheet date. Exchange differences arising on the settlement of monetary items or on reporting the company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

The company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract or similar instrument is amortised as expense or income over the life of the contract. Exchange differences on such contract are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation of a forward exchange contract or similar instrument is recognised as income or expense for the period.

k) Derivative Accounting

The company enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing assets and liabilities in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

l) Hedge Accounting

The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by ICAI. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

m) Lease Accounting

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

n) Business Origination and Outsourcing

Business origination and outsourcing represents expenditure incurred for sourcing, processing of a loan and back office activities through external service providers. It is recognised in the Statement of Profit and Loss in the period incurred.

o) Service Tax Input Credit

Service Tax Input Credit is accounted for in the books in the period when the underlying service received is accounted and when there is no uncertainty in availing / utilising the same.

p) Taxation

Income Tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax: Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting income, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

the tax rates and the tax laws enacted or substantively enacted as at the reporting date..

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves is recognised in reserves and not in the Statement of Profit and Loss.

q) Employee share based payments

In respect of stock options granted pursuant to the company's Employee Stock Option Schemes, the company determines the compensation cost based on the intrinsic value method and it is amortised on a straight-line basis over the vesting period.

r) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when the company has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for –

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

s) Segment Reporting

The company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

t) Finance Costs

Interest on borrowings is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings. Discount on commercial papers and zero Coupon bonds is amortised over the tenor of the underlying instrument. Premium payable on redemption of debentures is accrued over the tenor of the debentures.

Ancillary costs incurred in connection with the arrangement of borrowings, including borrowings sanctioned but not availed, is amortised on a straight-line basis, over the tenure of the respective borrowings. Unamortised borrowing costs remaining, if any, are fully expensed off as and when the related borrowings are prepaid / cancelled.

u) Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

The balance of Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

v) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary-items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

w) Operating Cycle

Assets and Liabilities are classified as Current and Non-Current based on the Operating Cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realised and settled, within a period of 12 months from the date of Balance Sheet have been classified as Current and other assets and liabilities are classified as Non-current. All Non-performing assets are classified as Non-Current.

2. a) Early adoption of Provision for Non-performing assets and Standard assets

The Reserve Bank of India has prescribed the revised asset classification norms and provisioning norms which are required to be adopted in a phased manner over a period of three years commencing from the financial year ended March 31, 2016.

In the previous year (March 31, 2016), the company had early adopted the provisioning for standard assets to the extent they are required to be complied by March 31, 2018 and the revised asset classification norms to the extent they are required to be complied by March 31, 2017. Further, on a prudent basis, the company had created a one-time additional provision of ₹ 5,480 lakhs in previous year against standard assets.

In the current year (March 31, 2017), the company has early adopted the revised norms / provisions to the extent they are required to be complied by March 31, 2018.

b) Pursuant to the MCA notification dated March 30, 2017, Accounting Standards 4, Contingencies and Events occurring after the Balance Sheet date, has been revised to state that the dividends declared after the balance sheet date but before the financial statements are approved are not recognised as a provision at the balance sheet date, as there is no obligation existing as that date.

c) Disclosure pursuant to Ministry of Corporate Affairs Notification No. 17/62/2015-CL-V (Vol. I)dated March 30, 2017

₹ in lakhs

Particulars	Specified Bank Notes	Other denomination notes*	Total
Closing cash in hand as on 08.11.2016	154.22	4.57	158.79
(+) Permitted receipts	-	39,103.76	39,103.76
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	154.22	38,931.61	39,085.83
Closing cash in hand as on 30.12.2016	-	176.72	176.72

*Includes amount directly deposited by borrowers into company's bank accounts.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017		As at March 31, 2016	
NOTE : 3 SHARE CAPITAL	**Nos.**	**Amount**	**Nos.**	**Amount**
AUTHORISED				
Equity Shares of ₹ 10 each with voting rights	24,00,00,000	24,000.00	24,00,00,000	24,000.00
Preference Shares of ₹ 100 each	5,00,00,000	50,000.00	5,00,00,000	50,000.00
		74,000.00		**74,000.00**
ISSUED				
Equity Shares of ₹ 10 each with voting rights	15,64,14,287	15,641.43	15,62,82,398	15,628.24
1% Compulsorily Convertible Preference Shares (CCPS) of ₹ 100 each - (Fully converted on September 2, 2015 into 1,22,85,012 equity shares)		-		-
		15,641.43		**15,628.24**
SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 10 each with voting rights	15,62,77,533	15,627.75	15,61,45,644	15,614.56
Add : Forfeited Shares	1,30,900	6.54	1,30,900	6.54
		15,634.29		**15,621.10**

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

₹ in lakhs

Particulars	As at March 31, 2017		As at March 31, 2016	
Equity Shares (Note (b)(i))	**Nos.**	**Amount**	**Nos.**	**Amount**
At the beginning of the year	15,61,45,644	15,614.56	14,36,69,203	14,366.92
Conversion of CCPS	-	-	1,22,85,012	1,228.50
Issued during the year - Employees Stock Option (ESOP) Scheme	1,31,889	13.19	1,91,429	19.14
Outstanding at the end of the year	**15,62,77,533**	**15,627.75**	**15,61,45,644**	**15,614.56**
Forfeited shares				
Equity Shares - Amount originally paid up	**1,30,900**	**6.54**	**1,30,900**	**6.54**
1% Compulsory Convertible Preference Shares (Note (b)(ii))				
At the beginning of the year	-	-	5,00,00,000	50,000.00
Issued during the year on preferential basis	-	-	-	-
Conversion of CCPS into Equity Shares	-	-	(5,00,00,000)	(50,000.00)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

b) (i) Terms/rights attached to Equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend.

Repayment of capital will be in proportion to the number of equity shares held.

b) (ii) Terms/rights attached to Preference shares

The CCPS have been converted into 1,22,85,012 equity shares of ₹ 10 each on September 2, 2015 at a conversion price of ₹ 407 per share (including premium of ₹ 397 per share) and have been subscribed by Dynasty Acquisition (FDI) Ltd. The preferential dividend is cumulative and paid in full upto the conversion date.

c) Equity Shares held by Holding/Entity having Significant influence over the company

Particulars	As at March 31, 2017	As at March 31, 2016
Tube Investments of India Limited - Holding company upto August 31, 2015 and Entity having Significant influence over the company from September 01, 2015	7,22,33,019	7,22,33,019

d) Details of shareholding more than 5% shares in the company

Equity Shares

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	% holding in the class	Nos.	% holding in the class
Tube Investments of India Limited	7,22,33,019	46.22	7,22,33,019	46.27
Dynasty Acquisitions FDI Limited	-	-	1,22,85,012	7.87

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

e) Shares reserved for issue under options

Refer Note 34 for details of shares reserved for issue under options.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 4 RESERVES AND SURPLUS		
Capital Reserve	**3.97**	**3.97**
Capital Redemption Reserve (Refer Note 4.1)	**3,300.00**	**3,300.00**
Securities Premium Account		
Balance at the beginning of the year	1,66,195.45	1,17,103.14
Add: Premium on conversion of Compulsorily Convertible Preference Shares (Refer 3b(ii))	-	48,771.50
Add: Premium on ESOPs exercised	225.98	320.81
Closing balance at the end of the year	**1,66,421.43**	**1,66,195.45**
Statutory Reserve (Refer Note 4.2)		
Balance at the beginning of the year	47,046.48	35,046.48
Add: Amount transferred from surplus in the Statement of Profit and Loss	15,000.00	12,000.00
Closing balance at the end of the year	**62,046.48**	**47,046.48**
General Reserve		
Balance at the beginning of the year	1,08,776.51	78,776.51
Add: Amount transferred from surplus in the Statement of Profit and Loss	30,000.00	30,000.00
Closing balance at the end of the year	**1,38,776.51**	**1,08,776.51**
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	24,794.79	18,661.94
Profit for the year	71,873.54	56,845.11
Less:		
Dividend		
Equity for previous year (Refer Note 4.3)	(0.89)	(0.45)
Equity Interim - Paid ₹ 3.50 per share (March 31, 2016 - ₹ 2.50 per share)	(54,69.31)	(39,02.95)
Equity - Proposed (Refer Note 4.4 & 2b) (March 31, 2016 - ₹ 2.00 per share)	-	(31,22.91)
Preference	-	(212.33)
Distribution tax on Equity Dividend	(1,113.60)	(1430.39)
Distribution tax on Preference Dividend	-	(43.23)
Transfer to Statutory Reserve	(15,000.00)	(12,000.00)
Transfer to General Reserve	(30,000.00)	(30,000.00)
Net surplus in the Statement of Profit and Loss at the end of the year	**45,084.53**	**24,794.79**
Total Reserves and Surplus	**4,15,632.92**	**3,50,117.20**

4.1 Represents the amount transferred for a sum equal to the nominal value of shares redeemed during prior years.

4.2 Represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934.

4.3 Represents dividend payment relating to previous year in respect of 44,470 shares (March 31, 2016 - 45,251) shares which were allotted to the employees under the ESOP Scheme, 2007 after March 31, 2017 but before July 27, 2017 (book closure date).

4.4 The Board of Directors of the company have recommended a final dividend of 20% being ₹ 2 per share on the equity shares of the company, for the year ended March 31, 2017 which is subject to approval of shareholders. Consequently the proposed dividend has not been recorded in the books in accordance with AS-4 (Revised).

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 5 BORROWINGS (Refer Note 5.3)				
LONG - TERM				
Redeemable Non-Convertible Debentures				
Medium-Term - Secured - Refer Note 5.1 (i) & 5.2 (i) to (iii)	6,78,400.00	3,15,620.00	3,51,520.00	1,69,040.00
Subordinated Debt - Unsecured - Refer Note 5.2 (iv) & 5.2 (v)	1,65,800.00	1,45,800.00	7,500.00	5,000.00
Perpetual Debt - Unsecured - Refer Note 5.2 (vi)	1,10,070.00	1,10,070.00	-	-
Term Loans				
Rupee Loans from Banks - Secured - Refer Note 5.1 (ii) & 5.2 (vii)	3,39,066.00	5,21,633.00	2,01,567.33	5,90,367.00
Foreign currency Loans from Banks - Secured - Refer Note 5.1(ii) & 5.2 (vii)	2,17,121.38	-	12,969.00	-
Inter-corporate Deposits - Unsecured from subsidiaries (Refer Note 31)(c)	-	350 .00	-	2,300.00
	15,10,457.38	**10,93,473.00**	**5,73,556.33**	**7,66,707.00**
The above amount includes:				
Secured borrowings	12,34,587.38	8,37,253.00	5,66,056.33	7,59,407.00
Unsecured borrowings	2,75,870.00	2,56,220.00	7,500.00	7,300.00
Amount disclosed under the head "Current Maturities of Long-term borrowings"	-	-	(5,73,556.33)	(7,66,707.00)
	15,10,457.38	**10,93,473.00**	-	-
SHORT - TERM				
Working Capital Demand loans and Cash Credit from Banks				
- Secured - (Refer Note 5.1(iii))	-	-	66,314.03	1,14,491.64
- Unsecured	-	-	-	10,000.00
Commercial Papers - Unsecured	-	-	2,66,500.00	2,72,600.00
Inter-corporate Deposits - Unsecured from subsidiaries (Refer Note 31)(c)	-	-	3,850.00	350.00
	-	-	**3,36,664.03**	**3,97,441.64**
The above amount includes:				
Secured borrowings	-	-	66,314.03	1,14,491.64
Unsecured borrowings	-	-	2,70,350.00	2,82,950.00
	-	-	**3,36,664.03**	**3,97,441.64**

5.1 Security

(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge on assets under hypothecation relating to automobile financing, corporate mortgage loans and loans against immovable property and pari passu charge on immovable property situated at Ahmedabad and Chennai.

(ii) Term loans from banks are secured by way of specific charge on assets under hypothecation relating to automobile financing and loans against immovable property.

(iii) Working Capital Demand loans and Cash Credit from banks are secured by way of floating charge on assets under hypothecation and other current assets.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

5.2 Details of Debentures

(i) Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Rate of interest %
250	10,00,000	2,500	-	Nov-26	8.55
50	10,00,000	500	-	Mar-22	8.35
800	10,00,000	8,000	-	Apr-20	8.10 to 9.02
500	10,00,000	5,000	-	Mar-20	9.02
2,000	10,00,000	20,000	-	Feb-20	8.02
2,750	10,00,000	27,500	7,000	Nov-19	8.10 to 9.10
4,000	10,00,000	40,000	-	Oct-19	8.15 to 8.20
3,850	10,00,000	38,500	-	Sep-19	8.06 to 8.30
750	10,00,000	7,500	7,500	Aug-19	9.90
300	10,00,000	3,000	3,000	Jul-19	9.90
2,750	10,00,000	27,500	1,000	Jun-19	9.13 to 9.90
5,750	10,00,000	57,500	-	May-19	8.90 to 9.20
850	10,00,000	8,500	-	Apr-19	8.96 to 9.20
6,300	10,00,000	63,000	3,000	Mar-19	7.95 to 8.27
3,700	10,00,000	37,000	-	Feb-19	7.98 to 8.05
2,000	10,00,000	20,000	-	Dec-18	8.20
2,350	10,00,000	23,500	8,500	Nov-18	7.80 to 9.10
6,400	10,00,000	64,000	22,500	Sep-18	8.27 to 11.00
500	10,00,000	5,000	5,000	Aug-18	9.03
5,450	10,00,000	54,500	-	Jun-18	8.95 to 9.13
11,430	10,00,000	1,14,300	18,800	May-18	8.96 to 9.65
400	10,00,000	4,000	4,000	Apr-18	9.10 to 9.11
11,550	10,00,000	1,15,500	38,500	Mar-18	8.15 to 9.35
3,250	10,00,000	32,500	-	Feb-18	8.90
2,500	10,00,000	25,000	25,000	Dec-17	10.50
2,450	10,00,000	24,500	24,500	Nov-17	8.90 to 9.55
550	10,00,000	5,500	5,500	Aug-17	9.00
650	10,00,000	6,500	6,500	Jul-17	9.90
5,755	10,00,000	57,550	57,550	Jun-17	8.90 to 9.90
65	10,00,000	650	650	May-17	9.24 to 9.25
1,500	10,00,000	15,000	15,000	Apr-17	9.35
750	10,00,000	-	7,500	Mar-17	9.10 to 9.52
250	10,00,000	-	2,500	Jan-17	10.25
550	10,00,000	-	5,500	Nov-16	9.18 to 9.19
2,000	10,00,000	-	20,000	Sep-16	11.00
550	10,00,000	-	5,500	Aug-16	8.91 to 9.81
450	10,00,000	-	4,500	Jul-16	9.90
5,300	10,00,000	-	53,000	Jun-16	9.65 to 9.90
2,550	10,00,000	-	25,500	May-16	9.40 to 9.60
		9,14,000	**3,77,500**		

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
500	10,00,000	5,000	-	Apr-20	13,54,976	3,54,976
800	10,00,000	8,000	-	Apr-20	12,74,682	2,74,682
750	10,00,000	7,500	-	Sep-19	12,98,729	2,98,729
80	10,00,000	800	-	Jul-19	12,66,148	2,66,148
500	10,00,000	5,000	5,000	Jul-19	13,63,101	3,63,101
80	10,00,000	800	800	Apr-19	13,08,150	3,08,150
250	10,00,000	2,500	2,500	Apr-19	13,13,730	3,13,730
250	10,00,000	2,500	2,500	Mar-19	16,23,240	6,23,240
100	10,00,000	1,000	1,000	Mar-19	16,19,345	6,19,345
160	10,00,000	1,600	1,600	Feb-19	16,35,566	6,35,566
580	10,00,000	5,800	5,800	Nov-18	13,57,496	3,57,496
100	10,00,000	1,000	1,000	Jul-18	13,02,320	3,02,320
150	10,00,000	1,500	1,500	Jul-18	12,59,970	2,59,970
100	10,00,000	1,000	1,000	May-18	15,80,260	5,80,260
250	10,00,000	2,500	2,500	Apr-18	13,01,077	3,01,077
60	10,00,000	600	600	Apr-18	12,95,193	2,95,193
250	10,00,000	2,500	-	Mar-18	11,26,095	1,26,095
110	10,00,000	1,100	1,100	Dec-17	13,60,923	3,60,923
110	10,00,000	1,100	1,100	Oct-17	13,17,130	3,17,130
850	10,00,000	8,500	8,500	Aug-17	11,88,380	1,88,380
100	10,00,000	1,000	1,000	Aug-17	13,20,598	3,20,598
75	10,00,000	750	750	Jul-17	13,23,949	3,23,949
100	10,00,000	1,000	1,000	Jun-17	11,76,932	1,76,932
50	10,00,000	500	500	Jun-17	11,86,518	1,86,518
135	10,00,000	1,350	1,350	Jun-17	11,89,472	1,89,472
43	10,00,000	430	430	Jun-17	11,87,498	1,87,498
170	10,00,000	1,700	1,700	Jun-17	13,11,675	3,11,675
267	10,00,000	2,670	2,670	Jun-17	13,14,349	3,14,349
75	10,00,000	750	750	May-17	11,88,908	1,88,908
70	10,00,000	700	700	May-17	11,87,780	1,87,780
120	10,00,000	1,200	1,200	May-17	11,90,320	1,90,320
200	10,00,000	2,000	2,000	May-17	11,90,740	1,90,740
150	10,00,000	1,500	1,500	May-17	11,92,760	1,92,760
100	10,00,000	1,000	1,000	Apr-17	11,86,652	1,86,652
20	10,00,000	200	200	Apr-17	11,85,196	1,85,196
135	10,00,000	1,350	1,350	Apr-17	11,88,908	1,88,908
570	10,00,000	5,700	5,700	Apr-17	11,88,907	1,88,907
140	10,00,000	1,400	1,400	Apr-17	11,88,344	1,88,344
42	10,00,000	420	420	Apr-17	11,90,320	1,90,320
100	10,00,000	-	1,000	Jan-17	11,55,522	1,55,522

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option (Contd.)

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
600	10,00,000	-	6,000	Dec-16	12,07,943	2,07,943
1000	10,00,000	-	10,000	Dec-16	11,47,158	1,47,158
93	10,00,000	-	930	Dec-16	11,42,218	1,42,218
50	10,00,000	-	500	Dec-16	11,38,193	1,38,193
250	10,00,000	-	2,500	Nov-16	11,98,622	1,98,622
80	10,00,000	-	800	Nov-16	11,96,826	1,96,826
500	10,00,000	-	5,000	Oct-16	11,36,517	1,36,517
210	10,00,000	-	2,100	Sep-16	12,04,369	2,04,369
145	10,00,000	-	1,450	Aug-16	12,06,965	2,06,965
190	10,00,000	-	1,900	Aug-16	12,02,972	2,02,972
80	10,00,000	-	800	Aug-16	12,05,120	2,05,120
40	10,00,000	-	400	Aug-16	12,04,987	2,04,987
100	10,00,000	-	1,000	Aug-16	12,07,458	2,07,458
100	10,00,000	-	1,000	Jul-16	12,12,495	2,12,495
236	10,00,000	-	2,360	Jun-16	12,01,019	2,01,019
250	10,00,000	-	2,500	May-16	13,17,510	3,17,510
50	10,00,000	-	500	May-16	13,30,118	3,30,118
250	10,00,000	-	2,500	May-16	13,14,733	3,14,733
180	10,00,000	-	1,800	Apr-16	12,09,052	2,09,052
		85,920	**1,07,160**			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Put option date	Rate of interest %
500	10,00,000	5,000	-	Mar-19	Feb-18	8.90
2500	10,00,000	25,000	-	Sep-19	Sep-17	8.20
		30,000	**-**			

₹ in lakhs

	Non - Current		Current		Total	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Redeemable at par - No put call option	6,31,300	2,53,500	2,82,700	1,24,000	9,14,000	3,77,500
Redeemable at premium - No put call option	47,100	62,120	38,820	45,040	85,920	1,07,160
Redeemable at par - with put option	-	-	30,000	-	30,000	-
	6,78,400	**3,15,620**	**3,51,520**	**1,69,040**	**10,29,920**	**4,84,660**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

(iv) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Rate of interest %
100	10,00,000	1,000	-	Nov-26	9.20
150	10,00,000	1,500	1,500	Jun-24	11.00
50	10,00,000	500	500	May-24	11.00
250	10,00,000	2,500	2,500	Apr-24	11.00
250	10,00,000	2,500	2,500	Mar-24	11.00
200	10,00,000	2,000	2,000	Feb-24	11.00
250	10,00,000	2,500	2,500	Jan-24	11.00
2000	10,00,000	20,000	-	Nov-23	9.08 to 9.20
500	10,00,000	5,000	-	Oct-23	9.08
150	10,00,000	1,500	1,500	Sep-23	11.00
600	10,00,000	6,000	6,000	Dec-22	11.05 to 11.25
3,150	10,00,000	31,500	31,500	Nov-21	10.02
1,000	10,00,000	10,000	10,000	Jun-21	11.30
1,000	10,00,000	10,000	10,000	May-21	11.30
100	10,00,000	1,000	1,000	Mar-21	11.00
100	10,00,000	1,000	1,000	Feb-21	11.00
150	10,00,000	1,500	1,500	Oct-20	11.00
500	10,00,000	5,000	5,000	Jul-20	10.70
115	10,00,000	1,150	1,150	May-20	11.00
1,000	10,00,000	10,000	10,000	Apr-20	11.00
750	10,00,000	7,500	7,500	Dec-19	11.50
700	10,00,000	7,000	7,000	Jun-19	11.40
1,500	10,00,000	15,000	15,000	May-19	11.70 to 11.75
100	10,00,000	1,000	1,000	Nov-18	10.55
250	10,00,000	2,500	2,500	Sep-18	11.25
895	10,00,000	8,950	8,950	Aug-18	12.25
620	10,00,000	6,200	6,200	Jun-18	10.55 to 12.25
750	10,00,000	7,500	7,500	Nov-17	12.75
150	10,00,000	-	1,500	Mar-17	11.25
350	10,00,000	-	3,500	Feb-17	11.15
		1,71,800	**1,50,800**		

(v) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
150	10,00,000	1,500	-	Nov-23	17,57,947	7,57,947
		1,500	**-**			

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

	Non - Current		Current		Total	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Redeemable at par - No put call option	1,64,300	1,45,800	7,500	5,000	1,71,800	1,50,800
Redeemable at premium - No put call option	1,500	-	-	-	1,500	-
Total	**1,65,800**	**1,45,800**	**7,500**	**5,000**	**1,73,300**	**1,50,800**

(vi) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Maturity Date - Perpetual (Call option available; with prior approval of RBI)	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
500	5,00,000	2,500	2,500	Aug-24	12.80
174	10,00,000	1,740	1,740	Jul-24	12.90
500	5,00,000	2,500	2,500	Jun-24	12.90
500	5,00,000	2,500	2,500	Feb-24	12.90
50	10,00,000	500	500	Jan-24	12.60
1,031	10,00,000	10,310	10,310	Dec-23	12.50 to 12.60
245	10,00,000	2,450	2,450	Oct-23	12.60
1,000	5,00,000	5,000	5,000	Oct-23	12.90
300	10,00,000	3,000	3,000	Feb-23	12.80
1,450	10,00,000	14,500	14,500	Dec-22	12.70 to 12.80
860	5,00,000	4,300	4,300	Sep-22	12.75
2,000	5,00,000	10,000	10,000	Aug-22	12.90
200	5,00,000	1,000	1,000	Mar-22	12.50
700	5,00,000	3,500	3,500	Jan-22	12.50
3,500	5,00,000	17,500	17,500	Dec-21	12.50 to 12.95
320	5,00,000	1,600	1,600	Aug-21	12.50
413	5,00,000	2,065	2,065	Jul-21	12.50
2,021	5,00,000	10,105	10,105	Jun-21	12.50
3,000	5,00,000	15,000	15,000	Oct-20	12.05
		1,10,070	**1,10,070**		

(vii) Details of term loans

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding			
			Non - Current		Current	
			As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Base Rate / MCLR	< 1year	1	-	-	82,500	2,65,000
		2	-	-	-	6,000
		3	-	-	10,000	-
		4	-	-	-	30,000
	1-2 years	1	20,000	72,460	-	-
		2	4,567	14,920	4,567	15,000
		3	-	24,000	-	28,000
		4	30,000	44,000	-	14,000

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

(vii) Details of term loans (Contd.)

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding			
			Non - Current		Current	
			As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
		5	-	20,000	-	30,000
		8	8,000	-	8,000	-
	2 - 3 years	1	83,500	75,000	-	-
		3	10,000	9,133	5,000	4,367
		4	20,000	30,000	-	-
		5	20,000	51,000	-	19,000
		8	-	27,500	-	2,500
		9	10,000	-	8,000	-
		10	-	16,000	-	4,000
Base Rate/ MCLR +						
spread (0.05% to 0.40%)	< 1year	1	-	-	21,500	1,25,000
		2	-	-	14,000	-
		6	-	-	-	15,000
	1-2 years	1	80,000	40	-	-
		2	-	80	-	-
		3	5,000	-	10,000	-
		4	18,000	7,500	18,000	22,500
	2-3 years	1	-	80,000	-	-
		3	-	-	-	-
		4	-	30,000	-	-
		5	-	-	-	-
Rate based on						
3 Month T Bill + Spread	< 1year	1	-	-	-	10,000
Fixed Rate	< 1year	1	-	-	20,000	-
	1-2 years	1	30,000	20,000	-	-
	2-3 years	1	23,323	-	-	-
Total			**3,62,390**	**5,21,633**	**2,01,567**	**5,90,367**
USD Overnight LIBOR + Spread	1-2 years	1	-	-	12,969	-
USD 3M LIBOR + Spread	1-2 years	1	28,735	-	-	-
USD 6M LIBOR + Spread	1-2 years	1	48,471	-	-	-
	2-3 years	1	1,16,592	-	-	-
Total			**1,93,798**	**-**	**12,969**	**-**

5.3 The company has not defaulted in the repayment of dues to its lenders.

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 6 OTHER LONG - TERM LIABILITIES		
Advance from Customers	73.63	85.56
Interest accrued but not due on borrowings	9,226.33	7,818.94
Financial liabilities on derivative transactions	10,102.59	-
Deferred Rent	290.04	297.44
	19,692.59	**8,201.94**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Long-Term		Short-Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 7 PROVISIONS				
Provision for Employee Benefits				
- Compensated Absences (Refer Note 29 B)	-	-	1,481.27	1,192.09
	-	-	1,481.27	1,192.09
Other Provisions				
Provision for Standard Assets (Refer Note 33 and Note 2a)	7,461.44	6,874.98	3,422.52	7,320.26
Provision for Non-performing Assets (Refer Note 33 and Note 2a)	51,159.23	42,402.24	-	-
Provision for Contingencies (Refer Note 33)	-	-	2,947.54	2,461.54
Provision for Contingent Service Tax claims (Refer Note 33)	-	-	792.37	792.37
Proposed Dividend - Equity (Refer Note 4.4 and 2b)	-	-	-	3,122.91
Provision for Distribution tax on proposed				
Dividend - Equity (Refer Note 4.4 and 2b)	-	-	-	635.75
	58,620.67	49,277.22	7,162.43	14,332.83
	58,620.67	**49,277.22**	**8,643.70**	**15,524.92**

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 8 OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings / other deposits	67,526.57	43,022.16
Income received in advance	157.93	173.35
Unpaid Dividend (Refer Note 8.1)	46.35	36.33
Fixed deposits including interest accrued thereon - Matured and unclaimed (Refer Note 8.2 and 8.3)	0.15	1.23
Advances from customers	2,162.53	2,351.78
Security Deposits received	345.26	535.25
Remittances payable - Derecognised assets (Refer Note 16.1)	33,167.32	24,571.49
Insurance premium collected from customers	-	1,114.28
Statutory dues	388.51	519.86
Other liabilities*	1,887.27	499.47
	1,05,681.89	**72,825.20**
* includes		
Dues to subsidiaries - Cholamandalam Securities Limited	-	0.34
Cholamandalam Distribution Services Limited	-	0.14
White Data Systems India Private Limited	0.50	-
Gratuity Payable (Refer Note 29 A)	1,077.60	171.59

8.1 There are no amounts of Unpaid Dividend due and outstanding to be credited to the Investor Education and Protection Fund (IEPF)

8.2 As at March 31, 2017, in respect of overdue amounts totalling to ₹ 0.11 lakh (March 31, 2016 - ₹ 0.11 lakh), payments have not been made as per instructions received from the Central Bureau of Investigation.

8.3 Pursuant to the company obtaining a fresh Certificate of Registration dated December 11, 2006 from the Reserve Bank of India (RBI) for carrying on the business of Non-Banking Financial Institution without accepting public deposits and consequent to its decision to exit from deposit accepting activities effective November 1, 2006, the company has a total deposit of ₹ 0.29 lakh as at March 31, 2017 (March 31, 2016 - ₹ 2.75 lakhs) in an Escrow Account, as directed by the RBI. Also refer Note 16.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 9 FIXED ASSETS

As at March 31, 2017

₹ in lakhs

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block as at	
	Cost as at March 31, 2016	Additions	Deletions	Cost as at March 31, 2017	Upto March 31, 2016	Provided for the year	Withdrawn during the year	Cost as at March 31, 2017	March 31, 2017	March 31, 2016
Property Plant and Equipment										
Tangible Asset										
Freehold Land	3,956.19	-	-	3,956.19	-	-	-	-	3,956.19	3,956.19
Buildings (Refer Note below)	3,471.22	-	-	3,471.22	847.66	48.06		895.72	2575.50	2,623.56
Plant and Machinery	5,078.28	1,274.35	75.65	6,276.98	3,176.9	1,221.55	75.38	4,323.07	1,953.91	1,901.38
Office Equipment	1,855.97	722.4	18.25	2,560.12	1,356.48	373.69	12.38	1,717.79	842.33	499.49
Furniture and Fixtures	1,895.07	608.07	3.81	2,499.33	1,438.15	487.85	3.73	1,922.27	577.06	456.92
Leasehold Improvements	2,470.18	1,117.53	0.73	3,586.98	1,928.32	529.60	0.69	2,457.23	1,129.75	541.86
Vehicles	877.90	464.51	159.68	1,182.73	320.09	197.80	109.05	408.84	773.89	557.81
Total	**19,604.81**	**4,186.86**	**258.12**	**23,533.55**	**9,067.60**	**2,858.55**	**201.23**	**11,724.92**	**11,808.63**	**10,537.21**
Investment Property	11.46	-	-	11.46	7.32	0.09		7.41	4.05	4.14
Total - 1	**19,616.27**	**4,186.86**	**258.12**	**23,545.01**	**9,074.92**	**2,858.64**	**201.23**	**11,732.33**	**11,812.68**	**10,541.35**
Intangible Asset										
- Computer Software	3,548.00	2,557.18	-	6,105.18	2,957.05	952.70	-	3,909.75	2,195.43	590.95
Total - 2	**3,548.00**	**2,557.18**	**-**	**6,105.18**	**2,957.05**	**952.70**	**-**	**3,909.75**	**2,195.43**	**590.95**
Grand Total (1+2)	**23,164.27**	**6,744.04**	**258.12**	**29,650.19**	**12,031.97**	**3,811.34**	**201.23**	**15,642.08**	**14,008.11**	**11,132.30**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 9 FIXED ASSETS (Contd.)

As at March 31, 2016

₹ in lakhs

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block as at	
	Cost as at March 31, 2015	Additions	Deletions	Cost as at March 31, 2016	Upto March 31, 2015	Provided for the year	Withdrawn during the year	Cost as at March 31, 2016	March 31, 2016	March 31, 2015
Property Plant and Equipment										
Tangible Asset										
Freehold Land	464.19	3,492.00	-	3,956.19	-	-	-	-	3,956.19	464.19
Buildings (Refer Note below)	3,452.31	18.91	-	3,471.22	800.00	47.66	-	847.66	2,623.56	2,652.31
Plant and Machinery	3,543.07	1,700.62	165.41	5,078.28	2,652.59	687.36	163.05	3,176.90	1,901.38	890.48
Office Equipment	1,756.60	165.93	66.56	1,855.97	1,177.72	234.34	55.58	1,356.48	499.49	578.88
Furniture and Fixtures	1,963.69	151.11	219.73	1,895.07	1,332.97	281.88	176.70	1,438.15	456.92	630.72
Leasehold Improvements	2,410.86	299.21	239.89	2,470.18	1,737.60	428.89	238.17	1,928.32	541.86	673.26
Vehicles	886.48	243.33	251.91	877.90	308.42	177.29	165.62	320.09	557.81	578.06
Total	**14,477.20**	**6,071.11**	**943.50**	**19,604.81**	**8,009.30**	**1,857.42**	**799.12**	**9,067.60**	**10,537.21**	**6,467.90**
Investment Property	11.46	-	-	11.46	7.23	0.09	-	7.32	4.14	4.23
Total -1	**14,488.66**	**6,071.11**	**943.50**	**19,616.27**	**8,016.53**	**1,857.51**	**799.12**	**9,074.92**	**10,541.35**	**6,472.13**
Intangible Asset			-			-	-			
- Computer Software	3,231.77	505.48	189.25	3,548.00	2,870.68	275.62	189.25	2,957.05	590.95	361.09
Total - 2	**3,231.77**	**505.48**	**189.25**	**3,548.00**	**2,870.68**	**275.62**	**189.25**	**2,957.05**	**590.95**	**361.09**
Grand Total (1+2)	**17,720.43**	**6,576.59**	**1,132.75**	**23,164.27**	**10,887.21**	**2,133.13**	**988.37**	**12,031.97**	**11,132.30**	**6,833.22**

Note:

Cost of Buildings (Office Premises / flats) is inclusive of undivided interest in land.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 10 NON - CURRENT INVESTMENTS (valued at cost unless stated otherwise)		
Trade Investments - Unquoted		
Investment in Equity shares of subsidiaries		
Cholamandalam Distribution Services Limited 4,24,00,000 Equity shares of ₹ 10 each fully paid up	4,240.00	4,240.00
Cholamandalam Securities Limited 2,25,00,014 Equity shares of ₹ 10 each fully paid up	2,250.00	2,250.00
White Data System India Private Limited 12,75,917 Equity shares of ₹ 10 each fully paid up	800.00	800.00
	7,290.00	7,290.00
Less: Provision for diminution in the value of investment	(453.00)	(953.00)
Total (a)	6,837.00	6,337.00
Non Trade Investments - Unquoted		
Investment in Equity shares -		
Amaravathi Sri Venkatesa Paper Mills Limited 2,93,272 Equity shares of ₹ 10 each fully paid up	129.04	129.04
Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up	0.10	0.10
The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up	0.25	0.25
Chola Insurance Services Private Ltd. 19,133 Equity shares of ₹ 10 each fully paid up	1.91	1.91
Investment in other shares -		
Chennai Willingdon Corporate Foundation 5 shares of ₹ 10 each : Cost ₹ 50 only	0	0
Total (b)	131.30	131.30
Investment in Pass Through Certificates - Unquoted		
Platinum Trust Dec 2013	-	29.66
Platinum Trust Dec 2013 Tranche III	-	74.16
Platinum Trust Feb 2014 Tranche III	-	56.51
Platinum Trust Mar 2014	-	28.37
Platinum Trust Aug 2016	390.81	-
Platinum Trust Aug 2016 Tranche II	1,023.72	-
Platinum Trust Sep 2016	849.33	-
Platinum Trust Sep 2016 Tranche II	1,084.95	-
Platinum Trust Nov 2016	1,103.76	-
Platinum Trust Dec 2016	688.22	-
Platinum Trust Dec 2016 Tranche II	665.78	-
Platinum Trust Jan 2017	916.91	-
Platinum Trust Feb 2017	1,918.97	-
Platinum Trust Feb 2017 Tranche -II	1,445.39	-
Platinum Trust Feb 2017 Tranche -III	1,231.92	-
Platinum Trust Mar 2017	1,160.29	-
Platinum Trust Mar 2017 Tranche-II	1,550.38	-
Platinum Trust Mar 2017 Tranche-III	1,597.03	-
Platinum Trust Mar 2017 Tranche -IV	1,258.78	-
	16,886.24	188.70
Amount disclosed under Current Investments	(4,610.21)	(188.70)
Total (c)	12,276.03	-
Total Non-current Investments (a + b + c)	**19,244.33**	**6,468.30**

All Investments represented above are made in India

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 11 DEFERRED TAX ASSETS (Net)		
Deferred Tax Assets		
Provision for Standard Assets	3,766.72	4,912.69
Provision for Non-Performing Assets	15,544.53	14,674.57
Provision for Repossessed Automobile assets	1,141.31	979.04
Provision for Contingent Service Tax	274.22	274.22
Interest Income Derecognised on Non- Performing Assets	7,273.98	5,265.83
Unrealised Excess Interest Spread on Assignment/Securitisation	2,246.12	1,851.91
Provision for Contingencies	1,020.08	851.89
Provision for Compensated Absences and Gratuity	885.58	471.94
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	471.49	518.32
Others	234.47	102.94
(A)	**32,858.50**	**29,903.35**
Deferred Tax Liability		
Unamortised Prepaid Finance Charges	1,342.86	1,754.01
(B)	**1,342.86**	**1,754.01**
Net Deferred Tax Assets (A) - (B)	**31,515.64**	**28,149.34**
Deferred Tax benefit in the Statement of Profit and Loss	**3,366.30**	**9,787.21**

₹ in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 12 RECEIVABLES UNDER FINANCING ACTIVITY				
Secured				
Automobile Financing (Refer Note 12.1)	12,00,472.96	10,60,567.36	7,12,764.44	6,65,205.40
Loans against Immovable Properties	6,94,032.97	6,81,318.71	46,469.72	48,811.89
Construction Equipment Financing	42,036.48	21,518.46	23,365.86	10,709.12
Loans against Securities	1,328.87	2,266.21	297.27	500.41
Other Loans	835.02	484.21	-	-
Amount Retained on Assigned Assets	10,330.18	14,877.78	1,108.75	1,337.60
Instalments and Other Dues from Borrowers (Refer Note 12.2 & 12.3)	42,950.67	37,326.37	35,389.24	23,725.49
Total (a)	**19,91,987.15**	**18,18,359.10**	**8,19,395.28**	**7,50,289.90**
Unsecured				
Loans to Automobile Dealers	547.83	354.01	9,746.04	10,087.75
Bills Discounted	1,322.96	-	13,665.83	10,700.63
Other Loans	100.92	3.80	4,563.20	1,106.51
Instalments and Other Dues from Borrowers (Refer Note 12.2 & 12.4)	36.83	48.93	155.65	62.27
Total (b)	**2,008.54**	**406.74**	**28,130.72**	**21,957.16**
Total receivables under financing activity (a + b)	**19,93,995.69**	**18,18,765.84**	**8,47,526.00**	**7,72,247.07**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 12 RECEIVABLES UNDER FINANCING ACTIVITY (Contd.)				
12.1 Secured means exposures secured wholly or partly by hypothecation of automobile assets and / or pledge of securities and / or equitable mortgage of property and/ or corporate guarantees or personal guarantees and/ or undertaking to create a security.				
12.2 Refer Note 7 for Provision for Non-Performing Assets. No adjustment to the above classification of Secured / Unsecured has been made on account of such provisioning.				
12.3 Secured Instalments and Other Dues from Borrowers include amounts outstanding for more than 6 months from the due date.	30,536.65	27,916.87	-	-
12.4 Unsecured Instalments and Other Dues from Borrowers include amounts outstanding for more than 6 months from the due date.	36.83	48.93	-	-
Of the above:				
Considered Good	18,39,493.30	17,16,580.98	8,47,526.00	7,72,247.07
Others - Non - Performing Assets	1,54,502.39	1,02,184.86	-	-
	19,93,995.69	**18,18,765.84**	**8,47,526.00**	**7,72,247.07**

₹ in lakhs

Particulars	Long-Term		Short-Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 13 LOANS AND ADVANCES				
Unsecured - considered good (unless otherwise stated)				
Capital Advances	535.56	1,628.83	-	-
Security Deposits	757.19	509.82	831.57	713.73
Inter- corporate Deposit placed with subsidiary (Refer Note 31 (b))	-	-	1,000.00	-
Prepaid expenses	43.91	31.49	741.32	473.81
Service tax input credit	-	-	300.21	324.76
Advance tax (net of provision for tax ₹ 159,693.61 lakhs; March 31, 2016 - ₹ 117,660.02 lakhs)	10,386.68	4,546.10	-	-
Other advances *	-	-	2,237.17	2,220.37
	11,723.34	**6,716.24**	**5,110.27**	**3,732.67**
* includes				
Dues from Subsidiaries:-				
Cholamandalam Securities Limited	-	-	0.64	-
Cholamandalam Distribution Services Limited	-	-	0.31	23.37
Disputed Sales tax / Value Added tax paid under protest	-	-	1,418.28	1,394.33

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 14 OTHER ASSETS				
Unsecured - considered good (unless otherwise stated)				
Deposits with Banks as collateral towards assets derecognised	48,155.44	40,983.39	-	-
Prepaid Finance Charges	3,207.66	3,867.79	1,307.38	1,200.43
Prepaid Discount on Commercial Papers	-	-	9,767.98	10,603.49
Repossessed Automobile assets*	-	-	2,202.35	2,856.66
Interest and Other Income Accrued but Not Due				
- on Loans to Customers	-	-	20,857.70	27,590.17
- on Deposits and Investments	-	-	219.14	198.32
Financial assets on derivative transactions	2,792.96	-	-	-
Other Accruals and receivables**	-	-	7,172.28	5,083.16
	54,156.06	**44,851.18**	**41,526.83**	**47,532.23**
* Net of provision			3,334.34	2,830.58

** includes - ₹ 4,426.43 lakhs (March 31, 2016 - ₹ 3,920.29 lakhs) receivable from the assignees / investors on remittance of the dues towards derecognised assets referred in Note 8

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 15 CURRENT INVESTMENTS (valued at lower of cost and fair value, unless stated otherwise)		
Current Portion of Long-term Investment in Pass Through Certificates - Unquoted	4,610.21	188.70
	4,610.21	**188.70**

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 16 CASH AND CASH EQUIVALENTS		
Cash on hand	3,596.98	5,056.71
Cheques, drafts on hand	2,740.12	2,014.65
Balances with banks		
- In Current Accounts	21,067.20	18,377.67
- In Deposit Accounts - Original maturity 3 months or less	-	1,166.80
- In Deposit Accounts - Original maturity more than 3 months	2,172.28	451.09
- In earmarked accounts		
- In Unpaid Dividend Accounts	46.35	36.33
- Deposits with Banks as collateral towards assets derecognised	67,222.61	62,917.00
- Amount disclosed under Non-current bank balances (Refer Note 14)	(48,155.44)	(40,983.39)
	19,067.17	21,933.61
- Public deposit Escrow Account	0.29	2.75
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	7.56	7.57
	48,697.95	**49,047.18**

Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 (Cash Flow Statements) is ₹ 27,404.30 lakhs (March 31, 2016 - ₹ 26,615.83 lakhs).

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 16 CASH AND CASH EQUIVALENTS (Contd.)

16.1 Balances with Banks on Current Account include amounts collected in respect of assets de-recognised on account of Assignment/Securitisation of Receivables pending remittance to the assignees. Refer Note 8.

16.2 Balance on Deposit Accounts - Free of lien includes deposits amounting to ₹ 1,622 lakhs (March 31, 2016 - ₹ 175.07 lakhs) which have an original maturity of more than 12 months.

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 17 REVENUE FROM OPERATIONS		
Income from Operations		
(a) Income from Financing Activities		
i) Interest		
- Automobile Financing	2,94,676.90	2,58,276.71
- Loans against Immovable Properties	94,596.43	95,058.66
- Construction Equipment Financing	5,865.58	2,644.48
- Loans against Securities	324.32	355.51
- Loans to Automobile dealers	1,120.07	969.69
- Bills Discounting	1,650.24	612.57
- Other Loans	1,016.14	343.77
- Interest spread on assignment/securitisation	21,028.26	20,534.34
ii) Other Operating Revenue		
- Automobile Financing	30,934.40	26,039.12
- Loans against Immovable Properties	6,321.05	6,999.39
- Construction Equipment Financing	367.37	177.23
- Other Loans	298.32	154.75
(b) Interest Income		
- Deposits placed as collateral towards assets derecognised	4,939.85	5,365.41
- Other Deposits	98.60	99.88
- Long Term Investment - Pass Through Certificates	173.25	26.87
(c) Gain on prepayment of Commercial Paper and Debentures (Net) (Refer Note 17.1)	-	84.26
Total (A)	**4,63,410.78**	**4,17,742.64**
Other Operating Income		
(d) Profit on sale of current investments	1,281.90	709.02
(e) Servicing and Collection fee on Securitisation / Assignment	1,191.42	744.49
(f) Others	71.18	50.45
Total (B)	**2,544.50**	**1,503.96**
Total (A+B)	**4,65,955.28**	**4,19,246.60**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 17 REVENUE FROM OPERATIONS (Contd.)		
17.1 Gain on Prepayment of Commercial Paper and Debentures		
Book Value (including interest accrued) on the date of prepayment	-	41,500.00
Consideration paid for prepayment	-	41,415.74
Net Gain	-	**84.26**

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 18 OTHER INCOME		
Other Non-operating Income		
Rent	18.24	30.38
Miscellaneous Income (Refer Note 18.1)	61.21	93.55
	79.45	**123.93**
18.1 Miscellaneous Income includes		
Liability no longer required written back	12.07	43.55
Receipt of insurance claim	49.14	50.00

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 19 FINANCE COSTS		
Interest Expense		
- Debentures	1,03,051.55	81,303.23
- Bank Loans	84,421.93	1,02,426.39
- Inter - corporate Deposits	265.39	259.29
Discount on Commercial Papers	24,937.03	17,936.80
Others		
- Amortisation of ancillary borrowing costs	9,416.24	2,070.95
- Bank charges	987.82	1,080.95
	2,23,079.96	**2,05,077.61**

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 20 EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Commission (Refer Note 29 B)	35,597.68	22,677.53
Contribution to Provident and Other Funds		
- Employees' Provident Fund	1,413.50	822.37
- Superannuation Fund	179.24	158.95
- Gratuity Fund (Refer Note 29 A)	1,320.58	301.90
Staff Welfare Expenses	1,753.41	1,434.05
	40,264.41	**25,394.80**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 21 OTHER OPERATING EXPENSES		
Rent (Refer Note 21.1 & 21.2)	3,688.98	3,057.01
Electricity Charges	908.27	766.29
Rates and Taxes (Refer Note 21.3)	6,822.38	5,444.10
Communication Costs	2,039.55	1,537.42
Travelling and Conveyance	4,187.78	2,320.61
Advertisement Expenses	766.73	548.38
Insurance	626.30	397.81
Repairs and Maintenance		
- Buildings	13.71	10.99
- Others	206.44	129.42
Printing and Stationery	943.26	769.33
Information Technology Expenses	2,121.99	1,709.91
Auditors' Remuneration (Refer Note 26)	87.14	54.55
Professional Charges	2,690.39	2,014.79
Operating Lease Rental Expense	-	25.17
Loss on Sale of Fixed Assets (Net)	0.91	32.53
Commission to Directors	52.50	55.00
Sitting Fees to Directors	26.05	20.40
Recovery Charges (Refer Note 21.5)	12,534.11	14,158.21
Corporate Social Responsibility Expenditure	1,386.03	929.94
Miscellaneous Expenses (Refer Note 21.4)	442.12	449.58
	39,544.64	34,431.44
Less : Expenses Recovered	(128.55)	(49.55)
	39,416.09	**34,381.89**
21.1 Lease equalisation charge included in Rent	89.87	41.37
21.2 Cancellable operating lease entered for office space	3,688.98	3,057.01
21.3 Rates and Taxes include -		
Service tax	2,882.01	2,861.89
Value added tax	3,144.99	2,461.54
21.4 Miscellaneous Expenses includes:		
Donation To Electoral Trust	-	50.00
Other Donations	12.00	160.00
21.5 Net of reversal of provision for servicing costs on assets derecognised	-	115.29

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 22 PROVISIONS AND LOAN LOSSES		
Loss Assets Written Off (Net)	5,853.88	868.66
Loss on Repossessed Assets (Net)	20,263.75	20,158.66
Provision for Non-Performing Assets (Refer Note 2a & 33)	28,465.92	27,249.24
Provision Released for Non-Performing Assets on recovery/write off (Refer Note 22.1 & 33)	(19,708.93)	(13,225.68)
	34,874.62	35,050.88
(Reversal)/Provision for Standard Assets (Net) (Refer Note 2a & 33)	(3,311.28)	7,672.89
Reversal of provision for dimunition in value of investment	(500.00)	-
	31,063.34	**42,723.77**
22.1 Includes reversal of provision for credit enhancements on assets derecognised	-	450.59

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

23 a) Share application money pending allotment as at March 31, 2017 represents amount received towards 10,261 equity shares (1,340 Equity shares – March 31, 2016) of the company pursuant to ESOP scheme and have been subsequently alloted.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 23 b) EARNINGS PER SHARE		
Profit After Tax (₹ in lakhs)	**71,873.54**	**56,845.11**
Preference Dividend Paid (including tax thereon) (₹ in lakhs)	-	255.56
Profit After Tax Attributable to Equity Shareholders (₹ in lakhs)	**71,873.54**	**56,589.55**
Weighted Average Number of Equity Shares (Basic)	15,62,24,388	15,09,04,759
Add: Dilutive effect relating to ESOP/CCPS	64,382	1,51,237
Weighted Average Number of Equity Shares (Diluted)	15,62,88,770	15,10,55,996
Earnings per Share - Basic (₹)	**46.01**	**37.50**
Earnings per Share - Diluted (₹)	**45.99**	**37.46**
Face Value Per Share (₹)	**10.00**	**10.00**

Note:
Earnings per Share calculations are done in accordance with Accounting Standard 20 (AS 20) "Earnings per Share".

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 24 ASSETS DE-RECOGNISED		
a) On Securitisation		
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions	30	21
Outstanding securitised Assets in books of SPV	5,48,230.24	2,90,523.00
Less: Collections not yet due to be remitted to SPV*	24,846.33	20,013.99
Outstanding securitised Assets as per books	5,23,383.91	2,70,509.01
Total amount of exposure to comply with Minimum Retention Ratio (MRR)		
a) Off Balance Sheet Exposure		
• First Loss	-	-
• Others	28,553.77	9,225.92
b) On Balance Sheet Exposure		
• First Loss – Cash collateral	67,222.61	62,917.00
• Others		
i) Second Loss – Cash Collateral	-	-
ii) Investment in PTC	16,886.24	188.70
Amount of Exposures to Securitisation transactions Other than MRR	Nil	Nil
Book value of Assets sold	8,78,067.48	6,48,583.22

* excludes interest collected from customers on securitised assets.

b) On Bilateral assignment

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Number of Assignment Transactions	3	3
Outstanding Assigned Assets in books of Assignee*	1,06,326.68	1,50,649.72
Less: Collections not yet due to be remitted to Assignee#	3,376.32	4,711.30
Outstanding Assigned Assets as per books	1,02,950.36	1,45,938.42
Total amount of exposure		
a) Off Balance Sheet Exposure	-	-
• First Loss	-	-
• Others	-	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 24 ASSETS DE-RECOGNISED (Contd.)		
b) On Balance Sheet Exposure	-	-
• First Loss – Cash Collateral	-	-
• Others	11,438.93	16,215.38
Book value of Assets sold	1,85,429.64	1,85,429.64

excludes interest collected from customers on assigned assets

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 25 DETAILS OF OUTSTANDING DERIVATIVES		
(i) Outstanding Derivatives: (Notional principal amount)		
For hedging (Currency & Interest rate derivatives)	2,37,400.00	-
(ii) Marked to Market positions – Asset / (Liability)	(10,102.59)	-
(iii) Foreign currency exposure not hedged by derivative instrument or otherwise	-	-

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 26 AUDITORS' REMUNERATION (Net of Service Tax Input Credit)		
Statutory Audit	39.00	28.00
Interim Audit & Limited Review	18.00	16.00
Tax Audit	4.00	3.00
Other Services	24.80	6.45
Reimbursement of Expenses	1.34	1.10
Total	**87.14**	**54.55**

NOTE : 27 MICRO, SMALL & MEDIUM ENTERPRISES

Based on and to the extent of the information received by the company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSME as at 31 March 2017.

The relevant particulars are furnished below:

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Principal amount due to suppliers under MSMED Act, as at the year end	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 28 a) EXPENDITURE IN FOREIGN CURRENCIES		
Travel	10.95	14.81
Interest and processing charges for subordinated debt	3.45	3.36
Membership fees	2.21	2.10
Rating fees	117.42	89.51
Others	4.03	-
Professional charges	23.43	5.21
b) REMITTANCES IN FOREIGN CURRENCIES		
Purchase of fixed assets	582.70	223.86
c) DIVIDEND PAID IN FOREIGN CURRENCY		
Preference Dividend		
• Amount remitted	-	212.33
• Total No. of Non-resident shareholders	-	1
• Total No. of Shares held by them to which dividend relates	-	5,00,00,000
Equity Dividend		
• Amount remitted	245.70	307.13
• Total No. of Non-resident shareholders	1	1
• Total No. of Shares held by them to which dividend relates	1,22,85,012	1,22,85,012

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 29 A) GRATUITY		
Details of Actuarial Valuation:		
Projected Benefit Obligation at the beginning of the year	**1,269.94**	**1020.17**
Current Service Cost	344.29	12.91
Interest Cost	101.52	76.37
Actuarial Losses	977.39	291.65
Benefits Paid	(182.39)	(131.16)
Projected Benefit Obligation at the end of the year	**2,510.74**	**1,269.94**
Change in Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	1,098.35	818.56
Expected Returns on Plan Assets	87.81	76.68
Employer's Contribution	414.57	331.92
Benefits Paid	(182.39)	(131.16)
Actuarial Gains / (Losses)	14.81	2.35
Fair Value of Plan Assets at the end of the year	**1,433.15**	**1,098.35**
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	2,510.74	1,098.35
Liability at the End of the Year	1,433.15	1,269.94
Amount Recognised in the Balance Sheet under Note 8 - Other liabilities	**(1,077.60)**	**(171.59)**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 29 A) GRATUITY (Contd.)		
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	344.29	12.91
Interest on Obligation	101.52	76.37
Expected Return on Plan Assets	(87.81)	(76.68)
Net Actuarial Losses recognised in the Year	962.58	289.30
Net cost recognised in the Statement of Profit and Loss	**1,320.58**	**301.90**
Assumptions		
Discount Rate	6.90% p.a.	8.00% p.a.
Future salary increase	7.50% p.a.	5.00% p.a.
Attrition Rate		
- Senior management	13% p.a.	1% p.a
- Middle management	13% p.a.	2% p.a
- Others	13% p.a.	3% p.a
Expected rate of return on Plan Assets	7.50% p.a.	8.00% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Major categories of plan assets (managed by LIC) as a percentage of fair value of total plan assets		
• Government Securities	Refer Note 1 below	61.67%
• Bonds, debentures and other fixed income instruments		31.35%
• Equity Shares		6.98%

Other Disclosures:

₹ in lakhs

Benefit	2016-17	2015-16	2014-15	2013-14	2012-13
Projected Benefit Obligation	2,510.74	1,269.94	1,020.17	806.93	538.57
Fair Value of Plan Assets	1,433.15	1,098.35	818.56	793.05	549.90
Surplus/(Deficit)	**(1,077.60)**	**(171.59)**	**(201.61)**	**(13.88)**	**11.33**

₹ in lakhs

Experience Adjustments (Refer Note 2 below)	2016-17	2015-16	2014-15	2013-14
Actuarial Loss on Obligations	977.39	291.65	211.39	148.11
Actuarial (Gain)/Loss on Plan Assets	(14.81)	(2.35)	12.33	(5.43)

Notes:

1. The expected return on plan assets for the year ended March 31, 2017 is as furnished by LIC. The entire plan assets are managed by LIC and the data on plan assets as on March 31, 2017 have not been furnished.
2. The details of Experience adjustments have been disclosed to the extent of information available.
3. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
4. Estimated amount of contribution to the funds during the year ended March 31, 2017 as estimated by the Management is ₹ 1,923 lakhs (March 31, 2016 ₹ 300 lakhs)
5. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 29 B) COMPENSATED ABSENCES		
Details of Actuarial Valuation		
Projected Benefit Obligation at the beginning of the year		
Balance as at the beginning of the year	**1,192.09**	**1,043.14**
Compensated absences reassessed on actuarial basis at the beginning of the year	-	-
Current Service Cost	252.15	114.11
Interest Cost	95.31	79.01
Actuarial Losses	95.72	66.96
Benefits Paid	(154.00)	(111.13)
Projected Benefit Obligation at the end of the year – Refer Note 7 – Other Provisions	**1,481.27**	**1,192.09**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	252.15	114.11
Past Service Cost reversed	-	-
Interest on Obligation	95.31	79.01
Net Actuarial Losses recognised in the year	95.72	66.96
Net cost recognised in the Statement of Profit and Loss – under Salaries, Bonus & Commission in Note 20	**443.18**	**260.08**
Assumptions		
Discount Rate	6.90% p.a.	8.00% p.a.
Future salary increase	7.50% p.a.	5.00% p.a.
Attrition Rate		
- Senior management	13% p.a.	1% p.a.
- Middle management	13% p.a	2% p.a.
- Others	13% p.a.	3% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08 Ultimate

Other Disclosures:

₹ in lakhs

Experience Adjustments (Refer Note 2 below)	2016-17	2015-16	2014-15	2013-14
Actuarial Loss/(Gain) on Obligations	95.72	66.96	18.43	140.89

Notes:

1. The company has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2017.
2. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
4. The details of Experience adjustments have been disclosed to the extent of information available.

NOTE : 30 SEGMENT REPORTING

The company is primarily engaged in the business of financing. All the activities of the company revolve around the main business. Further, the company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 “Segmental Reporting”.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 31 RELATED PARTY DISCLOSURES

List of Related Parties (As per AS-18):

- **Holding company:** Tube Investments of India Limited (upto August 31, 2015).
- **Entity having significant influence over the company :** Tube Investments of India Limited (from September 1, 2015)
- **Entity having significant influence over Holding company:** Murugappa Holdings Limited (up to August 31, 2015)
- **Joint venture of Holding company :** Cholamandalam MS Risk Services Limited (upto August 31, 2015)
- **Subsidiaries:** Cholamandalam Securities Limited, Cholamandalam Distribution Services Limited, White Data Systems India Private Limited (from March 16, 2016)
- **Fellow Subsidiary:** Cholamandalam MS General Insurance company Limited (upto August 31, 2015)
- **Key Managerial Personnel:** Mr. Vellayan Subbiah, Managing Director

Additional related parties as per Companies Act, 2013:

- Mr. D. Arul selvan, Chief Financial Officer
- Ms. P. Sujatha, Company Secretary

Note:

Related party relationships are as identified by the Management and relied upon by the Auditors.

₹ in lakhs

Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
a) Tube Investments of India Limited		
Dividend Payments		
- Equity shares	3,972.81	2,528.15
Rent (including hiring) receipts	13.91	17.59
Expenses – Reimbursed	-	1.85
Net Amount Receivable/(Due) as at year end		
Rental Deposit	(0.90)	(0.90)
Others	2.62	1.31
b) Cholamandalam Securities Limited		
Interest Receipts	22.18	13.19
Rent payments	-	-
Rent (including hiring) receipts	49.77	61.08
Payments for services availed	41.37	44.85
Expenses – Reimbursed	10.07	15.01
Amount received towards reimbursement of Expenses	61.32	45.41
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	3.33
Subscription to Equity Share Capital	-	-
Advances/Deposits given	10,550.00	10,200.00
Advances/Deposits recovered	9,550.00	10,200.00
Net Amount Receivable/(Due) as at year end		
Advances Receivable	1,000.00	-
Others	0.64	1.67
c) Cholamandalam Distribution Services Limited		
Interest Payments	265.39	259.29
Rent payments	4.36	8.65
Rent (including hiring) receipts	13.91	43.74
Expenses – Reimbursed	3.20	2.39
Amount received towards reimbursement of Expenses	125.10	69.12
Purchase of Fixed Assets	-	8.23
Advances/Deposits availed	6,250.00	1,000.00
Advances/Deposits repaid	5,400.00	500.00
Net Amount Receivable/(Due) as at year end with interest payable		
Advances Payable	(3,850.03)	(3,000.00)
Others	0.31	(0.14)

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 31 RELATED PARTY DISCLOSURES (Contd.)		
d) White Data Systems India Private Limited		
Amount received towards Reimbursement of Expenses	0.82	-
Payments for services availed	0.31	-
Expenses - Reimbursed	0.78	-
Interest earned	6.65	-
Loan given	407.30	-
Loan recovered	135.50	-
Net Amount Receivable/(Due) as at year end		
Loan Receivable including interest receivable	275.24	-
Others	(0.50)	-
		Six months ended 30.09.2015
e) Murugappa Holdings Limited		
Dividend payments – Equity shares - ₹ (September 30, 2015 - ₹176.00)		-
		Five months ended 31.08.2015
f) Cholamandalam MS General Insurance Company Limited		
Interest payments		429.77
Rent payments		5.62
Rent (including hiring) receipts		30.76
Payments for services availed		5.33
Receipts for services rendered		1,384.08
Receipts on settlement of insurance claim		2.13
Expenses – Reimbursed		0.63
	Year ended March 31, 2017	**Year ended March 31, 2016**
g) Key Managerial Personnel		
Vellayan Subbiah - Managing Director		
Remuneration	402.53	325.50
Dividend Payments	13.50	8.59
D. Arul Selvan - Chief Financial Officer		
Remuneration	105.57	114.69
Dividend Payments	0.88	1.02
Rental payments	2.40	2.40
P. Sujatha - Company Secretary		
Remuneration	93.77	132.74
Dividend Payments	1.12	0.70
Rental Payments	2.40	2.40

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 32 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Second loss credit enhancement facility towards securitisation transactions

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Counter Guarantees provided to banks	28,553.77	9,225.92

(b) Contested Claims not provided for:

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Income tax and Interest on Tax issues where the company has gone on appeal	30,849.56	27,473.49
Decided in the company's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	12.99	564.40
Sales Tax issues pending before Appellate Authorities in respect of which the company is on appeal. (payment made under protest is respect of above is included under loans and advances – Note 13)	2,843.31	2,575.53
Service Tax issues pending before Appellate Authorities in respect of which the company is on appeal.	13,693.46	-
Disputed claims against the company lodged by various parties under litigation (to the extent quantifiable)	6,273.80	5,543.73

i) The company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals / defence.

ii) It is not practicable for the company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) The company does not expect any reimbursement in respect of the above contingent liabilities.

iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(c) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - ₹ 963.60 lakhs (March 31, 2016 – ₹ 1,268.34 lakhs)

NOTE : 33 CHANGES IN PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2016	Additional Provision	Utilisation/ Reversal	As at March 31, 2017
Provision for Standard Assets (Refer Note 2a)	14,195.24	-	(3,311.28)	10,883.96
Provision for Non-Performing Assets (Refer Note 2a)	42,402.24	28,465.92	(19,708.93)	51,159.23
Provision for Contingent Service Tax claims	792.37	-	-	792.37
Provision for Contingencies	2,461.54	486.00	-	2,947.54

NOTE : 34 EMPLOYEE STOCK OPTION PLAN

ESOP 2007

The Board at its meeting held on June 22, 2007, approved an issue of Stock Options up to a maximum of 5% of the issued Equity Capital of the company (before Rights Issue) aggregating to 19,04,162 Equity Shares in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 subject to the approval of the shareholders under Section 81(1A) of the Companies Act, 1956. The Shareholders of the company at the Annual General Meeting held on July 30, 2007 approved the aforesaid issue of 19,04,162 Equity Shares of the company under one or more Employee Stock Option Scheme(s). The Compensation and Nomination Committee has approved the following grants to a list of senior level executives of the company and some of its Subsidiaries in accordance with the Stock Option Scheme-2007.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 34 EMPLOYEE STOCK OPTION PLAN (Contd.)

ESOP 2016

The Board at its meeting held on October 7, 2016, approved to create, and grant from time to time, in one or more tranches, not exceeding 31,25,102 Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the company including managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company), as may be decided by the board, exercisable into not more than 31,25,102 equity shares of face value of ₹ 10/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

ESOP 2007

Particulars		Date of Grant	Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised	Options Forfeited / Lapsed	Options Outstanding at the end of the year	
Grant No								Vested	Yet to vest
1	Original*	30-07-07	193.40	30-07-08	7,65,900	1,25,944	6,35,732	4,224	-
	CAA *	25-01-08	178.70	-	54,433	9,768	44,337	328	-
2	Original	24-10-07	149.90	24-10-08	70,400	-	70,400	-	-
3	Original	25-01-08	262.20	25-01-09	1,62,800	29,162	1,33,638	-	-
4	Original	25-04-08	191.80	25-04-09	4,68,740	1,51,716	3,10,955	6,069	-
5	Original	30-07-08	105.00	30-07-09	10,070	8,579	1,491	-	-
6	Original	24-10-08	37.70	24-10-09	65,600	26,814	38,786	-	-
7									
Tr I	Original	27-01-11	187.60	27-01-12	2,94,600	2,03,599	63,438	27,563	-
Tr II	Original	27-01-11	187.60	27-01-12	2,09,700	1,63,155	40,569	5,976	-
8	Original	30-04-11	162.55	30-04-12	1,13,400	43,721	46,197	23,482	-
9	Original	28-07-11	175.35	28-07-12	61,800	29,544	32,256	-	-
10	Original	27-10-11	154.55	27-10-12	1,95,680	1,34,869	50,488	10,323	-

* CAA- Corporate Action Adjustment

ESOP 2016

Particulars		Date of Grant	Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised	Options Forfeited / Lapsed	Options Outstanding at the end of the year	
Grant No								Vested	Yet to vest
1	Original	25-01-17	1,010.00	25-01-18	5,71,000	-		-	-

The fair value of options used to compute Proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

ESOP 2007

	Variables					
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
30-Jul-07	7.10% - 7.56%	3-6 years	40.64% -43.16%	5.65%	193.40	61.42
24-Oct-07	7.87% -7.98%	3-6 years	41.24% -43.84%	5.65%	149.90	44.25
25-Jan-08	6.14% -7.10%	3-6 years	44.58% -47.63%	5.65%	262.20	78.15
25-Apr-08	7.79% - 8.00%	2.5-5.5 years	45.78% - 53.39%	3.97%	191.80	76.74
30-Jul-08	9.14% - 9.27%	2.5-5.5 years	46.52% - 53.14%	3.97%	105.00	39.22
24-Oct-08	7.54% - 7.68%	2.5-5.5 years	48.2% - 55.48%	3.97%	37.70	14.01
27-Jan-11						
- Tranche I	8%	4 years	59.50%	10%	187.60	94.82
- Tranche II	8%	3.4 years	61.63%	10%	187.60	90.62

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 34 EMPLOYEE STOCK OPTION PLAN (Contd.)

ESOP 2007

	Variables					
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
30-Apr-11	8%	4 years	59.40%	25%	162.55	73.07
28-Jul-11	8%	4 years	58.64%	25%	175.35	79.17
27-Oct-11	8%	4 years	57.52%	25%	154.55	67.26

The shareholders of the company, at the 34th Annual General Meeting held on July 30, 2012, authorised extension of exercise period from 3 years from the date of vesting to 6 years from the date of vesting. Accordingly, the company has measured the fair value of the options using the Black Scholes model immediately before and after the date of modification to arrive at the incremental fair value arising due to the extension of the exercise period. The incremental fair value so calculated is recognised from the modification date over the vesting period in addition to the amount based on the grant date fair value of the stock options.

The incremental (benefit)/cost due to modification of the exercise period from 3 years to 6 years from the date of vesting for the year ended March 31, 2017 is ₹ Nil (March 31, 2016- ₹ 0.96 lakhs).

The fair value of the options has been calculated using the Black Scholes model on the date of modification.

The assumptions considered for the calculation of the fair value (on the date of modification) are as follows:

Variables	Post Modification
Risk Free Interest Rate	7.92%-8.12%
Expected Life	0.12 years - 6.25 years
Expected Volatility	28.28% - 63.00%
Dividend Yield	1.18%
Price of the underlying share in market at the time of the option grant	₹ 212.05

ESOP 2016

	Variables					
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
25-01-17	6.36% - 6.67%	3.5 - 6.51 years	33.39% - 34.47%	0.54%	1,010.00	405.09

Had compensation cost for the stock options granted under the Scheme been determined based on fair value approach, the company's net profit and earnings per share would have been as per the pro forma amounts indicated below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net Profit attributable to Equity Shareholders (as reported) (₹ lakhs)	71,873.54	56,589.55
Add: Stock based employee compensation expense included in net profit(₹ lakhs)	-	-
Less: Stock based compensation expense/(gain) determined under fair value based method (Proforma) (₹ lakhs)	193.82	(6.58)
Net Profit (Proforma) (₹ lakhs)	71,679.72	56,596.13
Basic Earnings per Share of ₹ 10 each (as reported) (₹)	46.01	37.50
Basic Earnings per Share of ₹ 10 each (pro forma) (₹)	45.88	37.50
Diluted Earnings per Share of ₹ 10 each (as reported) (₹)	45.99	37.46
Diluted Earnings per Share of ₹ 10 each (pro forma) (₹)	45.86	37.46

NOTE : 35 SHARING OF COSTS

The company shares certain costs / service charges with other companies in the Group. These costs have been allocated between the Companies on a basis mutually agreed between them, which has been relied upon by the Auditors.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007:

₹ in lakhs

SN.	Particulars	Amount Outstanding as at March 31, 2017	Amount Overdue
	Liabilities:		
(1)	**Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	- Secured	10,90,800.74	-
	- Unsecured	1,15,129.40	-
	(other than falling within the meaning of public deposits)		
	- Perpetual Debt Instrument	1,83,774.16	-
(b)	Deferred Credits	-	-
(c)	Term Loans	7,65,402.91	-
(d)	Inter-Corporate Loans and Borrowings	3,850.00	-
(e)	Commercial Paper	2,56,732.02	-
(f)	Other Loans	66,314.06	-
	(Represents Working Capital Demand Loans, Cash Credit from Banks & Fixed Deposits along with Interest Accrued but Not Due on above) [Refer Notes 1 and 2 below]		

₹ in lakhs

SN.	Particulars	Amount Outstanding as at March 31, 2016	Amount Overdue
	Liabilities:		
(1)	**Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	- Secured	5,20,614.12	-
	- Unsecured	1,15,149.57	
	(other than falling within the meaning of public deposits)		
	- Perpetual Debt Instrument	1,60,370.46	-
(b)	Deferred Credits	-	-
(c)	Term Loans	11,12,236.95	-
(d)	Inter-Corporate Loans and Borrowings	3,000.00	-
(e)	Commercial Paper	2,61,996.51	-
(f)	Other Loans	1,24,491.64	-
	(Represents Working Capital Demand Loans, Cash Credit from Banks & Fixed Deposits along with Interest Accrued but Not Due on above) [Refer Notes 1 and 2 below]		

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

Notes:

1. Though the company has become a Non-deposit taking Non-Banking Finance company, since the company still has fixed deposits from the public accepted prior to November 1, 2006 which have not yet been liquidated (Refer Note 8), the details of the same have been disclosed above.

2. Fixed Deposits include Matured / Unclaimed Deposits (together with Interest on Matured / Unclaimed Deposits) amounting to ₹ 0.15 lakhs as at March 31, 2017 (March 31, 2016 - ₹ 1.23 lakhs)

₹ in lakhs

SN.	Particulars	Amount Outstanding as at March 31, 2017	Amount Outstanding as at March 31, 2016
(2)	**Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below]: (including interest accrued)**		
(a)	Secured	7,69,163.62	7,61,692.45
(b)	Unsecured	30,282.23	22,506.88
(3)	**Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities**		
(i)	Lease Assets including Lease Rentals Accrued and Due:		
	(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 AFC Activities		
	(a) Loans where assets have been repossessed (Net)	2,202.35	2,856.66
	(b) Loans other than (a) above	20,62,933.55	18,34,403.75
(4)	**Break-up of Investments (net of provision for diminution in value):**		
	Current Investments:		
I	**Quoted:**		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities (Net of amortisation)	-	-
(v)	Others	-	-
II	**Unquoted:**		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

₹ in lakhs

SN.	Particulars	Amount Outstanding as at March 31, 2017	Amount Outstanding as at March 31, 2016
	Long-term Investments:		
I	**Quoted:**		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities (Net of amortisation)	-	-
(v)	Others	-	-
II	**Unquoted:**		
	Shares:		
	(a) Equity (Net of Provision for Diminution in Value of Investment)	6,968.31	6,468.31
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Others - Investment in Pass Through Certificates	16,886.24	188.70

₹ in lakhs

Category		Amount (Net of provision for Non-performing assets)		
		Secured	Unsecured	Total
(5)	**Borrower Group-wise Classification of Assets Financed as in (2) and (3) above**			
	As at March 31, 2017			
1.	Related Parties *			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same Group	-	-	-
	(c) Other Related Parties	-	275.23	275.23
2.	Other than Related Parties	27,62,628.06	15,809.37	27,78,437.43
	Total	**27,62,628.06**	**16,084.60**	**27,78,712.66**
	As at March 31, 2016			
1.	Related Parties *			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same Group	-	-	-
	(c) Other Related Parties	-	-	-
2.	Other than Related Parties	25,26,153.62	22,457.05	25,48,610.67
	Total	**25,26,153.62**	**22,457.05**	**25,48,610.67**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

₹ in lakhs

	Category	Market value / Break - up Value or Fair Value or Net Asset Value	Book Value (Net of Provisioning)
(6)	**Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :**		
	As at March 31, 2017		
1.	Related Parties *		
	(a) Subsidiaries	7,290.00	6,837.00
	(b) Companies in the Same Group	-	-
	(c) Other Related Parties	-	-
2.	Other than Related Parties	17,017.55	17,017.55
	Total	**24,307.55**	**23,854.55**
	As at March 31, 2016		
1.	Related Parties *		
	(a) Subsidiaries	7,290.00	6,337.00
	(b) Companies in the Same Group	-	-
	(c) Other Related Parties	-	-
2.	Other than Related Parties	320.01	320.01
	Total	**7,610.01**	**6,657.01**

₹ in lakhs

	Other Information	Amount Outstanding as at March 31, 2017	Amount Outstanding as at March 31, 2016
(7)			
(i)	Gross Non-Performing Assets		
	a) With Related Parties *	-	-
	b) With Others	1,54,502.39	1,02,184.86
(ii)	Net Non-Performing Assets		
	a) With Related Parties *	-	-
	b) With Others	1,03,343.16	59,782.62
(iii)	Assets Acquired in Satisfaction of Debt		
	a) With Related Parties *	-	-
	b) With Others	-	-

* Related Parties are as identified in Note 31 above.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

A. Disclosure Pursuant to Reserve Bank of India Notification RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014:

i. Capital Adequacy Ratio

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Tier I Capital	4,03,093.32	3,56,210
Tier II Capital	1,48,931.14	1,72,291
Total Capital	**5,52,024.46**	**5,28,501**
Total Risk Weighted Assets	29,61,406.53	26,85,488
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	13.61%	13.26%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	5.03%	6.42%
Total (%)	**18.64%**	**19.68%**
Amount of Subordinated Debt raised as Tier – II capital during the year	**27,500.00**	-
Amount raised by issue of Perpetual Debt instruments during the year	-	-

ii. Investments

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	24,307.54	7,610.00
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	453.00	953.00
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	23,854.54	6,657.00
(b) Outside India.	-	-
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	953.00	953.00
(ii) Add:Provisions made during the year	-	-
(iii) Less:Reversal of provision on account of merger	500.00	-
(iv) Closing balance	453.00	953.00

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

iii. Asset Liability Management

Maturity pattern of certain items of assets and liabilities –

As at March 31, 2017 **₹ in lakhs**

	Upto1 month	Over 1 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
Liabilities									
Borrowing from Banks	65,615	13,000	17,833	1,25,000	59,403	5,56,187	-	-	8,37,038
Market Borrowings	30,070	81,800	82,700	72,500	3,62,300	7,02,550	1,43,420	1,08,300	15,83,640
Assets									
Advances (Net of Provision for Non Performing Assets)	57,761	55,166	57,797	2,29,272	4,47,851	10,90,362	3,88,224	4,63,929	27,90,362
Investment (Net of Provision for Diminution in Value of Investments)	382	387	394	1,194	2,316	6,612	1,557	11,012	23,854

As at March 31, 2016 **₹ in lakhs**

	Upto1 month	Over 1 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
Liabilities									
Borrowing from Banks	77,492	9,000	47,500	2,21,667	3,59,200	5,21,633	-	-	12,36,492
Market Borrowings	1,800	93,100	1,23,860	86,150	1,44,380	3,15,320	90,950	1,65,570	10,21,130
Assets									
Advances (Net of Provision for Non Performing Assets)	47,869	51,367	58,205	1,92,730	4,22,076	9,81,956	3,47,504	4,46,904	25,48,611
Investment (Net of Provision for Diminution in Value of Investments)	19	18	17	45	58	32	-	6,468	6,657

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

iv. Exposure to the Real Estate Sector, both Direct and Indirect

₹ in lakhs

Category	As at March 31, 2017	As at March 31, 2016
(a) Direct Exposure (Net of Advances from Customers)		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
- individual housing loans upto ₹ 15 lakhs	51,252.13	57,306.11
- individual housing loans more than ₹15 lakhs	6,36,207.44	6,21,971.57
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retails space, multipurpose commercial premises, multi-family residential buildings,multi-tenanted commercial premises, industrial or warehouse space, hotels, and acquisition, development and construction etc.).		
- Fund Based	64,482.05	67,068.30
- Non Fund based		-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential		-
b. Commercial Real Estate		-
(b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		-
Total Exposure	**7,51,941.62**	**7,46,345.98**

Note:

The above summary is prepared based on the information available with the company.

v. Exposure to the Capital Market

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
(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;	-	-
(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;	1,626.14	2,766.62

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

v. Exposure to the Capital Market (Contd.)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
(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 stock brokers 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	**1,626.14**	**2,766.62**

vi. Other Regulator Registration

SN.	Regulator	Registration no
1	Ministry of Corporate Affairs	CIN: L65993TN1978PLC007576
2	Reserve Bank of India	Certificate of Registration dt. 09/06/2011, No. 07-00306

vii. Penalties levied by the above Regulators - Nil

viii. Ratings assigned by Credit Rating Agencies

Particulars	As at March 31, 2017	As at March 31, 2016
Commercial paper & Non-convertible Debentures - Short Term	ICRA A1+, CRISIL A1+	ICRA A1+, CRISIL A1+
Working Capital Demand Loans	ICRA A1+	ICRA A1+
Cash Credit	ICRA AA	ICRA AA
Bank Term Loans	ICRA AA	ICRA AA
Non-Convertible Debentures - Long term	ICRA AA, CARE AA, BWR AA+	ICRA AA, CARE AA
Subordinated Debt	ICRA AA, CARE AA, CRISIL AA, IND AA	ICRA AA, CARE AA, CRISIL AA, IND AA(ind)
Perpetual Debt	ICRA AA-, CARE AA-, IND AA-	ICRA AA-, CARE AA-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

ix. Concentration of Advances

₹ in lakhs

	As at March 31, 2017	As at March 31, 2016
Total Advances to twenty largest borrowers	24,420.96	23,130.60
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.86%	0.89%

x. Concentration of Exposures

₹ in lakhs

	As at March 31, 2017	As at March 31, 2016
Total Exposure to twenty largest borrowers/customers	24,420.96	23,130.60
Percentage of Exposures to twenty largest borrowers /Customers to Total Exposure of the NBFC on borrowers/customers.	0.86%	0.89%

xi. Concentration of NPAs

₹ in lakhs

	As at March 31, 2017	As at March 31, 2016
Total Exposure to top four NPA accounts	2,047.09	1,944.11

xii. Sector-wise NPAs as on March 31, 2017

₹ in lakhs

SN.	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2017	Percentage of NPAs to Total Advances in that sector as on March 31, 2016
1.	Agriculture & allied activities	2.16%	0.35%
2.	MSME	-	-
3.	Corporate borrowers	-	-
4.	Services	-	-
5.	Unsecured personal loans	-	-
6.	Auto loans (commercial vehicles)	4.71%	3.99%
7.	Other loans	7.40%	3.84%

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

xiii. Movement of NPAs (Also Refer Note 2)

₹ in lakhs

Particulars		March 31, 2017	March 31, 2016
(i)	Net NPAs to Net Advances(%)	3.70%	2.35%
(ii)	Movement of Gross NPA		
	(a) Opening balance	1,02,184.86	80,276.26
	(b) Additions during the year	1,02,059.88	65,240.64
	(c) Reductions during the year	(49,742.35)	(43,332.03)
	(d) Closing balance	1,54,502.39	1,02,184.86
(iii)	Movement of Net NPA		
	(a) Opening balance	59,782.62	52,348.16
	(b) Additions during the year	73,593.96	37,991.40
	(c) Reductions during the year	(30,033.42)	(30,556.94)
	(d) Closing balance	1,03,343.16	59,782.62
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	42,402.24	27,928.10
	(b) Provisions made during the year	28,465.92	27,249.24
	(c) Write-off / write-back of excess provisions	(19,708.93)	(12,775.10)
	(d) Closing balance	51,159.23	42,402.24

xiv. Customer Complaints

₹ in lakhs

Particulars	March 31, 2017	March 31, 2016
(a) Pending as at beginning of the year	Nil	8
(b) Received during the year	1,366	1,419
(c) Redressed during the year	1,355	1,427
(d) Pending as at end of the year	11	Nil

Note:

The above summary is prepared based on the information available with the company and relied upon by the Auditors.

NOTE : 37 DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2016 VIDE DNBS. PD. CC NO. 256/ 03.10.042/ 2011-12 DATED MARCH 02, 2012

There were 139 cases (March 31, 2016 - 62 cases) of frauds amounting to ₹ 3,026.69 lakhs (March 31, 2016 - ₹ 207.47 lakhs) reported during the year. The company has recovered an amount of ₹ 107.64 lakhs (March 31, 2016 - ₹ 42.83 lakhs). The un-recovered amounts are either pending settlement with the insurance companies or have been fully provided/ written off.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 38 DISCLOSURE PURSUANT TO SCHEDULE V OF CLAUSE A.2 OF REGULATION 34 (3) AND REGULATION 53(f) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

₹ in lakhs

SN.	Loans and Advances in the nature of Loans	Amount Outstanding as at March 31, 2017	Maximum Amount Outstanding during the year
(A)	To Subsidiaries		
	- Cholamandalam Securities Limited	1,000.00	1,900.00
	- Cholamandalam Distribution Services Limited	-	-
	- White Data Systems India Private Limited	271.80	291.30
(B)	To Associates	-	-
(C)	Where there is		
	(i) No repayment schedule	-	-
	(ii) Repayment beyond seven years	-	-
	(iii) No interest	-	-
	(iv) Interest below the rate as specified in section 372 A of the Companies Act, 1956/section 186 of the Companies Act, 2013	-	-
(D)	To Firms / Companies in which Directors are Interested (other than (A) and (B) above)	-	-
(E)	Investments by the loanee in the shares of Parent company and Subsidiary company	-	-

NOTE : 39 PREVIOUS YEAR'S FIGURES

Previous year's figures have been reclassified to conform with the current year's classification / presentation, wherever applicable.

For and on behalf of the **Board of Directors**

M.B.N. Rao
Chairman

Date : April 28, 2017
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Vellayan Subbiah
Managing Director

Independent Auditor's Report

TO THE MEMBERS OF

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Independent Auditor's Report (Contd.)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statement of three subsidiaries whose financial statements reflect total assets of ₹ 11,596 lakhs as at March 31, 2017, total revenues of ₹ 3,979 lakhs and net cash outflows amounting to ₹ 559 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of the subsidiaries referred in the Other Matters paragraph above we report, to the extent applicable, that:

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

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the subsidiary company's incorporated in India, internal financial controls over financial reporting.

Independent Auditor's Report (Contd.)

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

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and the other auditors by the Management of the respective Group entities.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.: 008072S

Bhavani Balasubramanian
Partner
(Membership No.: 22156)

Place : Chennai
Date : April 28, 2017

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company's subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure "A" to the Independent Auditor's Report (Contd.)

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.: 008072S

Bhavani Balasubramanian
Partner
(Membership No.: 22156)

Place: Chennai
Date : April 28, 2017

Consolidated Balance Sheet

As at March 31, 2017

₹ in lakhs

	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	15,634.29	15,621.10
Reserves and surplus	4	4,16,931.67	3,51,346.53
		4,32,565.96	**3,66,967.63**
Share Application Money pending Allotment	24 a	**18.13**	**2.51**
Minority Interest		**199.87**	**350.34**
Non-current liabilities			
Long-term borrowings	5	15,10,457.37	10,93,123.00
Other long-term liabilities	6	19,692.59	8,204.28
Long-term provisions	7	58,620.67	49,277.22
		15,88,770.63	**11,50,604.50**
Current liabilities			
Short-term borrowings	5	3,32,814.03	3,97,116.64
Trade payables – Total outstanding dues of			
i) Micro and Small Enterprises		-	-
ii) Creditors other than Micro and Small Enterprises		29,868.50	20,883.12
Current maturities of Long-term borrowings	5	5,73,556.33	7,64,407.00
Other current liabilities	8	1,05,964.32	73,024.07
Short-term provisions	7	8,699.98	15,569.14
		10,50,903.16	**12,70,999.97**
TOTAL		**30,72,457.75**	**27,88,924.95**
ASSETS			
Non-current assets			
Fixed assets	9		
(i) Tangible assets		11,968.50	10,631.51
(ii) Intangible assets		2,307.92	694.73
		14,276.42	**11,326.24**
Goodwill on Consolidation		700.88	700.88
Non-current investments	10	13,432.31	1,236.31
Deferred tax assets (Net)	11	31,537.70	28,238.82
Receivables under financing activity	12	19,93,995.69	18,18,765.84
Long-term loans and advances	13	12,389.63	7,313.52
Trade receivables	16	0.83	0.81
Other non-current assets	14	54,156.06	44,851.18
		21,20,489.52	**19,12,433.60**
Current assets			
Current investments	15	4,775.21	358.70
Trade receivables	16	2,184.07	1,153.27
Cash and Cash Equivalents	17	51,010.25	50,946.36
Receivables under financing activity	12	8,47,259.45	7,72,247.07
Short-term loans and advances	13	4,994.54	4,237.78
Other current assets	14	41,744.71	47,548.17
		9,51,968.23	**8,76,491.35**
TOTAL		**30,72,457.75**	**27,88,924.95**

See accompanying Notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the **Board of Directors**

Bhavani Balasubramanian
Partner

M.B.N. Rao
Chairman

Date : April 28, 2017
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Vellayan Subbiah
Managing Director

Consolidated Statement of Profit and Loss

For the year ended March 31, 2017

₹ in lakhs

	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Revenue			
- Revenue from operations	18	4,69,347.56	4,21,374.99
- Other income	19	336.59	220.40
Total Revenue		**4,69,684.15**	**4,21,595.39**
Expenses			
- Finance costs	20	2,22,792.39	2,04,794.91
- Business origination outsourcing		18,177.34	22,909.72
- Employee benefits expenses	21	41,409.19	26,217.52
- Other operating expenses	22	41,065.01	34,819.91
- Depreciation and amortisation expense	9	3,901.61	2,174.43
- Provisions and loan losses	23	31,595.41	42,733.92
Total Expenses		**3,58,940.95**	**3,33,650.41**
Profit before tax		**1,10,743.20**	**87,944.98**
Tax expense/(benefit):			
- Current Tax			
- Current year		41,984.43	40,182.93
- Prior years		245.76	2.96
- MAT Credit Entitlement			
- Current year		18.09	76.70
- Prior years		1.31	(5.52)
- Deferred tax	11	(3,298.88)	(9,776.71)
Net tax expense		38,950.71	30,480.36
Profit for the period before share of minority interest		**71,792.49**	**57,464.62**
Add : Share of Loss attributable to minority interest		150.47	3.32
Profit for the year		**71,942.96**	**57,467.94**
Earnings per equity share of ₹ 10 each	24 b		
- Basic		46.05	37.91
- Diluted		46.03	37.87

See accompanying Notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the **Board of Directors**

Bhavani Balasubramanian
Partner

M.B.N. Rao
Chairman

Date : April 28, 2017
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Vellayan Subbiah
Managing Director

Consolidated Cash Flow Statement

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Cash Flow from Operating Activities				
Profit Before Tax		**1,10,743.20**		**87,944.98**
Adjustments for :-				
Depreciation and amortisation expense	3,901.61		2,174.43	
Provisions/(reversal of provisions) - Long-Term				
- Standard Assets (Net)	586.46		3,313.30	
- Non-Performing Assets under Financing Activity (Net)	8,756.99		14,474.14	
- Doubtful debts	(224.97)		0.12	
- Credit Enhancement and Servicing Costs on Assets De-recognised(Net)	-		(565.88)	
Provisions/(reversal of provisions) - Short-Term				
- Standard Assets (Net)	(3,897.74)		4,359.59	
- Contingencies	486.00		2,449.54	
- Clawback	2.63		(10.41)	
- Doubtful debts	27.12		1.58	
- Compensated Absences(Net)	298.61		145.80	
Loss on Repossessed Assets (Net)	20,263.75		20,158.66	
Loss assets written off	5,853.88		868.66	
Finance Costs	2,22,792.39		2,04,794.91	
(Profit)/Loss on Sale of Fixed Assets (Net)	(0.16)		33.08	
Liability no longer required written back	(12.16)		(120.10)	
Profit on Sale of Current Investments (Net)	(1,474.85)		(728.52)	
Gain on prepayment of Commercial paper and Debentures (Net)	-		(84.26)	
Interest Income on deposits	(5,108.48)		(5,526.89)	
Interest Income on Investments	(173.25)		(26.87)	
Dividend on Investments	(10.46)		(11.06)	
		2,52,067.37		2,45,699.82
Operating Profit Before Working Capital Changes		**3,62,810.57**		**3,33,644.80**
Adjustments for :-				
(Increase)/Decrease in operating Assets - Current/Short-term				
- Receivables under Financing Activity (including Repossessed Assets)	(5,75,475.70)		(4,24,308.75)	
- Other Current Assets and Trade receivables	3,382.84		(2,523.22)	
- Loans and advances	(756.76)	(5,72,849.62)	(1,714.24)	(4,28,546.21)
(Increase)/Decrease in operating Assets - Non - Current/Long-term				
- Receivables under Financing Activity	(1,75,229.85)		(2,71,968.92)	
- Other Non-Current Assets and Trade receivables	(9,965.01)		14,777.03	
- Loans and advances	(226.10)	(1,85,420.96)	363.60	(2,56,828.29)
Securitisation/Assignment of Receivables		4,75,000.00		3,01,696.74
Increase in operating liabilities (Trade Payables & Other current liabilities)				
- Current & Short-term liabilities		17,424.44		6,836.59
- Other Long-term liabilities		10,080.92		53.17
Cash Flow generated from / (used in) Operations		1,07,045.35		(43,143.20)
Finance Costs paid	(1,95,491.90)		(2,04,116.47)	
Interest Received on Bank Deposits and Other Investments	5,261.56		5,627.49	
Profit on Sale of Current Investments (Net)	1,474.85		728.52	
Direct Taxes Paid	(47,976.48)	(2,36,731.97)	(40,007.46)	(2,37,767.92)
Net Cash Used in Operating Activities (A)		**(1,29,686.62)**		**(2,80,911.12)**

Consolidated Cash Flow Statement (Contd.)

For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Cash Flow from Investing Activities				
Bank Deposits and Unpaid Dividend Accounts (See Note below)	165.61		(7,258.81)	
Purchase of Fixed Assets	(5,812.21)		(7,707.52)	
Proceeds from Sale of Fixed Assets	62.40		128.05	
Purchase of Other Investments	(28,26,047.54)		(12,23,605.00)	
Proceeds from Sale/ Redemption of Other Investments	28,09,435.04		12,24,467.76	
Dividend Received on Investments	10.46		11.06	
Net Cash Used in Investing Activities (B)		**(22,186.24)**		**(13,964.46)**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital and Securities Premium (net of expenses)		254.79		274.60
Increase/(Decrease) in borrowings				
Proceeds from issue of long-term debentures	7,41,800.00		2,63,080.00	
Redemption of long-term debentures	(1,74,040.00)		(1,75,290.00)	
Borrowing - Term Loan from Banks	4,15,900.33		3,93,500.00	
Repayment - Term Loan from Banks	(7,57,176.63)		(3,01,150.00)	
Increase / (Decrease) in short-term borrowings	(64,302.61)	1,62,181.09	1,29,387.62	3,09,527.62
Decrease in Fixed Deposits		(1.08)		(7.21)
Dividends Paid (Including Distribution Tax)		(10,332.44)		(6,679.79)
Net Cash Flow From Financing Activities (C)		**1,52,102.36**		**3,03,115.22**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**229.50**		**8,239.64**
Cash and Cash Equivalents at the Beginning of the year		27,521.34		19,053.66
Cash and Cash Equivalents at the End of the year		**27,750.84**		**27,521.34**
Note:				
Cash and Cash Equivalents at the End of the year as per Balance Sheet		51,010.25		50,946.36
Less: Balance in Current Accounts held for Unpaid Dividends		46.35		36.33
Less: Bank Deposits held for More than Three Months		2,172.28		451.09
Less: Bank Deposits under Lien		21,040.78		22,937.60
		27,750.84		27,521.34

See accompanying Notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the **Board of Directors**

Bhavani Balasubramanian
Partner

M.B.N. Rao
Chairman

Date : April 28, 2017
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Vellayan Subbiah
Managing Director

Notes forming part of the Consolidated Financial Statements
For the year ended March 31, 2017

Cholamandalam Investment and Finance Company Limited ("the company") is one of the premier diversified non-banking finance companies in India, engaged in providing vehicle finance, home loans and corporate mortgage loans. The company, through its subsidiaries, is also engaged in the business of broking, distribution of financial products and freight data solutions.

1. Significant Accounting Policies

a) Principles of Consolidation

The consolidated financial statements relate to Cholamandalam Investment and Finance company Limited and its subsidiaries (hereinafter collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

(i) The Financial Statements of the company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating material intra-group balances and intra-group transactions and resulting in unrealised profits or losses, unless cost cannot be recovered.

(ii) Investments in entities where the company holds interest on a temporary basis and where it does not exercise significant influence / control are not considered for consolidation purposes.

(iii) The Financial Statements of the Subsidiaries in the Consolidation are drawn up to the same reporting date as that of the company i.e. March 31, 2017.

(iv) The excess of Cost to the company of its Investment in the Subsidiaries over the company's portion of Equity on the date of acquisition is recognised in the financial statements as Goodwill. The carrying value of goodwill arising on Consolidation is not amortised but tested for impairment as at the end of each reporting period.

(v) The excess of the company's portion of Equity of the Subsidiaries on the acquisition date over its Cost of Investment is treated as Capital Reserve.

(vi) Minority Interest in the Net Assets of the Consolidated Subsidiaries consists of:

a) The amount of Equity attributable to Minorities at the date on which the investment in the Subsidiary is made; and

b) The Minorities' share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

(vii) Minority Interest share in the Net Profit for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit After Tax of the Group.

b) Particulars of consolidation

The financial statements of the following subsidiaries (all incorporated in India) have been considered for consolidation:

Name of the Company	Percentage of Voting Power as on March 31, 2017	March 31, 2016
Cholamandalam Securities Limited (CSEC)	100.00%	100.00%
Cholamandalam Distribution Services Limited (CDSL)	100.00%	100.00%
White Data Systems India Private Limited	63.00%	63.00%

c) Basis of accounting and preparation of the financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India (RBI) for Systemically Important Non-deposit taking Non-Banking Finance Companies (NBFC-ND-SI).

d) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in the preparation of

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

e) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f) Revenue Recognition

Interest Income is recognised under the Internal Rate of Return method to provide a constant periodic rate of return on net investment outstanding on the Loan contracts. In the case of Non-Performing Loans, interest income is recognised upon realisation, as per the RBI guidelines. Unrealised interest recognised as income in the previous period is reversed in the month in which the loan is classified as Non-Performing.

Interest income on bill discounting is recognised over the tenure of the instrument so as to provide a constant periodic rate of return.

Service Charges are recognised on issue of delivery instruction to the dealer/manufacturer in respect of the assets financed or on release of disbursement amount, whichever is earlier, and when there is no uncertainty in receiving the same.

Additional Interest, cheque bounce charges, field visit charges and other penal / servicing charges are recognised as income on realisation due to uncertainty in their collection.

Interest spread on bilateral assignment or securitisation of receivables is recognised over the tenor of the underlying assets as per the RBI guidelines.

Loss, if any, in respect of securitisation and assignment is recognised upfront.

Income from non-financing activity is recognised as per the terms of the respective contract on accrual basis.

Brokerage Income on stock broking and other charges are recognised on the trade date of transaction upon confirmation of the transaction by the exchanges.

Income from depository services, finance charges on client dues are recognised on the basis of agreements entered into with the clients and when the right to receive the income is established.

Income from business of providing freight data solution, revenue from transaction fees are charged from the transporter on accrual basis on initiation of trip and in certain cases on receipt of POD from the transporter.

Interest income on bonds and deposits and pass through certificates is recognised on accrual basis.

Commission is recognised on an accrual basis based on contractual obligations and when there is no uncertainty in receiving the same. Commission income is net of service tax.

Profit / loss on sale of investments is recognised at the time of sale or redemption.

Dividend Income is recognised when the right to receive dividend is established.

g) Fixed Assets , Depreciation and Impairment

Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure on fixed assets after their purchase / completion is capitalised, only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of certain categories of assets as provided below, in whose case the life of the assets has been assessed as under taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacement.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

Useful life of assets as per Schedule II

Asset Description	Estimated Useful Life
Buildings	60 years
Plant and Machinery - Computer Equipment	3 years
Office Equipment	5 years
Leasehold improvements	Lease Period or 5 years, whichever is lower

Useful life of assets based on Management's estimation

Asset Description	Estimated Useful Life
Plant and Machinery - Others*	5 years
Furniture and Fixtures*	5 years
Vehicles*	5 years
Membership card of stock exchanges	10 years

*Estimated useful life of these assets are based on usage and replacement policy of such assets.

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of acquisition.

Intangible assets are amortised over their estimated useful life on straight line method as follows

Asset Description	Estimated Useful Life
Intangible Assets – Computer Software	License Period or 3 years,` whichever is lower

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

The carrying amount of assets is reviewed at each Balance Sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of net selling price of the assets and its value in use.

h) Investments

Investments which are long-term in nature are stated at cost. Provision is made for diminution in value if it is of nature other than temporary.

Current investments are individually valued at the lower of cost and fair value.

Costs of investments include acquisition charges such as brokerage, fees and duties.

Long-Term Investments are stated at cost other than the investment in the shares of Bombay Stock Exchange Limited, which is accounted at fair value based on the Expert Advisory Committee opinion on 'Accounting for conversion of membership rights of erstwhile BSE (AOP) into trading rights of BSEL and shares'. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

i) Receivables under Financing Activity, Provisioning and Derecognition

All loan exposures to borrowers with instalment structure are stated at the full agreement value after netting off

(i) Unearned income

(ii) Instalments appropriated up to the Balance Sheet date.

Provision for Standard Assets is made as per internal estimates, based on past experience, realisation of security, and other relevant factors, on the outstanding amount of Standard Assets for all types of lending subject to minimum provisioning requirements specified by the RBI.

Provision for Non-Performing Assets is made as per the provisioning norms approved by the Board for each type of lending activity subject to the minimum provisioning requirements specified by the RBI.

The company sells loan receivables by way of securitisation or direct assignment. On such sale, assets are derecognised on transfer of significant risks and reward to the purchaser and fulfilling of the true sale criteria specified in the RBI guidelines on securitisation and direct assignment.

j) Repossessed Assets

Repossessed Assets are valued at the lower of cost and the estimated net realisable value.

k) Retirement and Other Benefits

(i) Defined Contribution Plans:

Provident Fund: Contributions to the Regional Provident Fund Commissioner to secure retiral benefits in respect of Employees' Provident Fund and Employees' Family Pension Fund are based on the statutory provisions as per the Employee Provident Fund Scheme. The Group has no liability for the future Provident Fund benefits other than its contribution and recognises such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

Employees' State Insurance: The Group contributes to Employees' State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Superannuation: The Group contributes a sum equivalent to 15% of eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Group has no liability for future Superannuation Fund benefits other than its contribution and recognises such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

(ii) Defined Benefit Plan

Expenditure for defined benefit gratuity plan is calculated as at the Balance Sheet date in a manner that distributes expenses over the employees working lives. These commitments are valued at the present value of expected future payments and with consideration for calculated future salary increases.

The Group makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The Group accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur.

(iii) Long-Term Compensated Absences

The Group accounts its liability for long-term compensated absences based on actuarial valuation, as at the Balance Sheet date determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur.

While the long-term compensated absences is treated as long-term employee benefit for measurement purpose, it is presented as current provision in the Balance Sheet since the company does not have an unconditional right to defer its settlement for 12 months after its reporting date.

(iv) Other-Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

l) Foreign Currency Transactions

Foreign Currency Transactions are accounted at the exchange rates ruling on the date of the transaction. Foreign currency monetary items as at the Balance Sheet date are restated at the closing exchange rates. Exchange differences arising on actual payments/realisations and year-end restatements are dealt with in the Statement of Profit and Loss.

The Group enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract or similar instrument is amortised as expense or income over the life of the contract. Exchange differences on such contract are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation of a forward exchange contract or similar instrument is recognised as income or expense for the period.

m) Derivative Accounting

The Group enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing assets and liabilities in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions and translations.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

n) Hedge Accounting

The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by ICAI. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

o) Lease Accounting

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

p) Business Origination and Outsourcing

Business origination and outsourcing represents expenditure incurred for sourcing, processing of a loan and back office activities through external service providers. It is recognised in the Statement of Profit and Loss in the period incurred.

q) Service Tax Input Credit

Service Tax Input Credit is accounted for in the books in the period when the underlying service received is accounted and when there is no uncertainty in availing/ utilising the same.

r) Taxation

Income Tax: Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax: Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation, carry forward losses and items relating to capital losses are recognised if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

Minimum alternate tax (MAT) paid in a period is charged to the Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

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 it does not have convincing evidence that it will pay normal tax during the specified period.

s) Employee share based payments

In respect of stock options granted pursuant to the company's Employee Stock Option Schemes, the company determines the compensated cost based on the intrinsic value method and the compensation cost is amortised on a straight line basis over the vesting period.

t) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when the Group has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for :-

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

u) Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

v) Finance Costs

Interest on borrowings is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings. Discount on commercial papers and zero coupon bonds is amortised over the tenor of the underlying instrument. Premium payable on redemption of debentures is accrued over the tenor of the debenture.

Ancillary costs incurred in connection with the arrangement of borrowings, including borrowings sanctioned but not availed, is amortised on a straight-line basis, over the tenure of the respective borrowings. Unamortised borrowing costs remaining, if any, are fully expensed off as and when the related borrowings are prepaid / cancelled.

w) Share issue expenses

Share issue expenses are adjusted against the Securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is debited to the Statement of Profit and Loss.

x) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

y) Operating Cycle

Assets and Liabilities are classified as Current and Non-Current based on the Operating Cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realised and settled, within a period of 12 months from the date of Balance Sheet have been classified as Current and other assets and liabilities are classified as Non-current. All Non-performing assets are classified as Non-Current.

z) Provision for Claw Back of Commission Income

The estimated liability for claw back of commission income is recorded in the period in which the underlying revenue is recognised. These estimates are established using historical information on the nature, frequency and expected average cost of claw back and management estimates regarding possible future incidence. The estimates used for accounting of claw back claims are reviewed periodically and revisions are made as required.

2. a) Early adoption of Provision for Non-performing assets and Standard assets

The Reserve Bank of India has prescribed the revised asset classification norms and provisioning norms which are required to be adopted in a phased manner over a period of three years commencing from the financial year ended March 31, 2016.

In the previous year (March 31, 2016), the company had early adopted the provisioning for standard assets to the extent they are required to be complied by March 31, 2018 and the revised asset classification norms to the extent they are required to be complied by March 31, 2017. Further, on a prudent basis, the company had created a one-time additional provision of ₹ 5,480 lakhs in previous year against standard assets.

In the current year (March 31, 2017), the company has early adopted the revised norms / provisions to the extent they are required to be complied by March 31, 2018.

b) Pursuant to the MCA notification dated March 30, 2017, Accounting Standards 4, Contingencies and Events occurring after the Balance Sheet date, has been revised to state that the dividends declared after the balance sheet date but before the financial statements are approved are not recognised as a provision at the balance sheet date, as there is no obligation existing as that date.

c) Disclosure pursuant to Ministry of Corporate Affairs Notification No. 17/62/2015-CL-V (Vol. I) dated March 30, 2017

₹ in lakhs

Particulars	Specified Bank Notes	Other denomination notes*	Total
Closing cash in hand as on 08.11.2016	155.32	4.66	159.98
(+) Permitted receipts	-	39,107.97	39,107.97
(-) Permitted payments	-	3.56	3.56
(-) Amount deposited in Banks	155.32	38,931.61	39,086.93
Closing cash in hand as on 30.12.2016	-	177.46	177.46

*Includes amount directly deposited by borrowers into company's bank accounts.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

d) The company had invested ₹ 800 lakhs in the equity shares of White Data Systems India Private Limited on March 16, 2016 thereby acquiring 63% stake in that company through which the latter has become a subsidiary of the company. The effect of this acquisition is given below:

Goodwill on consolidation

₹ in lakhs

Particulars	As at March 31, 2016
Opening Balance	-
Add: On acquisition of subsidiary during the year	700.88
Closing Balance	700.88

Effect of acquisition of subsidiary

₹ in lakhs

Particulars	As at March 31, 2016
Liabilities as at date of acquisition	
Non-current liabilities	0.38
Current Liabilities	111.56
Assets as at date of acquisition	
Non-current assets	37.64
Current assets	231.63

₹ in lakhs

Particulars	For the period March 16, 2016 to March 31, 2016
Revenue	3.19
Expenses	9.63
Loss before tax	6.44
Loss after tax	8.97

e) **Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries.**

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount in ₹ Lakhs	As % of consolidated profit or loss	Amount in ₹ Lakhs
1	2	3	4	5
Cholamandalam Investment and Finance Company Limited	98.88%	4,27,732.66	99.20%	71,373.56
Subsidiaries				
1. Cholamandalam Distribution Services Limited	0.31%	1,337.14	0.85%	610.13
2. Cholamandalam Securities Limited	0.67%	2,907.43	0.30%	215.45
3. White Data Systems India Private Limited	0.14%	606.86	(0.35%)	(256.18)
TOTAL	**100.00%**	**4,32,584.09**	**100.00%**	**71,942.96**

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017		As at March 31, 2016	
NOTE : 3 SHARE CAPITAL	**Nos.**	**Amount**	**Nos.**	**Amount**
AUTHORISED				
Equity Shares of ₹ 10 each with voting rights	24,00,00,000	24,000.00	24,00,00,000	24,000.00
Preference Shares of ₹ 100 each	5,00,00,000	50,000.00	5,00,00,000	50,000.00
		74,000.00		**74,000.00**
ISSUED				
Equity Shares of ₹ 10 each with voting rights	15,64,14,287	15,641.43	15,62,82,398	15,628.24
		15,641.43		**15,628.24**
SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 10 each with voting rights	15,62,77,533	15,627.75	15,61,45,644	15,614.56
Add : Forfeited Shares	1,30,900	6.54	1,30,900	6.54
		15,634.29		**15,621.10**

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

₹ in lakhs

Particulars	As at March 31, 2017		As at March 31, 2016	
Equity Shares	**Nos.**	**Amount**	**Nos.**	**Amount**
Outstanding at the beginning of the year	15,61,45,644	15,614.56	14,36,69,203	14,366.92
Conversion of CCPS	-	-	1,22,85,012	1,228.50
Issued during the year - Employees Stock Option (ESOP) Scheme	1,31,889	13.19	1,91,429	19.14
Outstanding at the end of the year	**15,62,77,533**	**15,627.75**	**15,61,45,644**	**15,614.56**
Forfeited shares				
Equity Shares - Amount originally paid up	**1,30,900**	**6.54**	**1,30,900**	**6.54**
1 % Compulsory Convertible Preference Shares	-	-	5,00,00,000	50,000.00
At the beginning of the year				
Issued during the year on preferential basis	-	-	-	-
Conversion of CCPS into Equity Shares	-	-	(5,00,00,000)	(50,000.00)
Outstanding at the end of the year	-	-	-	-

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

b) (i) Terms/rights attached to Equity shares:

The company has only one class of equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend.

Repayment of capital will be in proportion to the number of Equity shares held.

b (ii) Terms/rights attached to Preference shares

The CCPS has been converted into 1,22,85,012 equity shares of ₹ 10 each on September 02, 2015 at a conversion price of ₹ 407 per share (including premium of ₹ 397 per share) and has been subscribed by Dynasty Acquisition (FDI) Ltd. The preferential dividend is cumulative and paid in full upto the Conversion Date.

c) Equity Shares held by Holding Company/Entity having significant influence over the company:

Particulars	As at March 31, 2017	As at March 31, 2016
Tube Investments of India Limited - Holding company upto August 31, 2015 and Entity having Significant influence over the company from September 01, 2015	7,22,33,019	7,22,33,019

d) Details of shareholding more than 5% shares in the company

Equity Shares

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	% holding in the class	Nos.	% holding in the class
Tube Investments of India Limited	7,22,33,019	46.22	7,22,33,019	46.27
Dynasty Acquisitions (FDI) Limited	-	-	1,22,85,012	7.87

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

e) Shares reserved for issue under options

Refer Note 33 for details of shares reserved for issue under options.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 4 RESERVES AND SURPLUS		
Capital Reserve	**3.97**	**3.97**
Capital Redemption Reserve (Refer Note 4.1)	**3,300.00**	**3,300.00**
Securities Premium Account		
Balance at the beginning of the year	1,66,698.50	1,17,103.14
Add: Premium on conversion of Compulsorily Convertible Preference Shares (Refer Note 3b (ii)	-	48,771.50
Add: Premium - White Data Systems India Private Limited	-	503.05
Add: Premium on ESOPs exercised	225.98	320.81
Closing balance at the end of the year	**1,66,924.48**	**1,66,698.50**
Statutory Reserve (Refer Note 4.2)		
Balance at the beginning of the year	47,046.48	35,046.48
Add: Amount transferred from surplus in the Statement of Profit and Loss	15,000.00	12,000.00
Closing balance at the end of the year	**62,046.48**	**47,046.48**
General Reserve		
Balance at the beginning of the year	1,10,967.33	80,967.33
Add: Amount transferred from surplus in the Statement of Profit and Loss	30,000.00	30,000.00
Closing balance at the end of the year	**1,40,967.33**	**1,10,967.33**
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	23,330.25	16,574.57
Profit for the year	71,942.96	57,467.94
Less:		
Dividend		
Equity for previous year (Refer Note 4.3)	(0.89)	(0.45)
Equity Interim - Paid (₹ 2.50 per share)	(5,469.31)	(3,902.95)
Equity - Proposed (₹ 2 per share) (Refer Note 4.4)	-	(3,122.91)
Preference	-	(212.33)
Distribution tax on Equity Dividend	(1,113.60)	(1,430.39)
Distribution tax on Preference Dividend	-	(43.23)
Transfer to Statutory Reserve	(15,000.00)	(12,000.00)
Transfer to General Reserve	(30,000.00)	(30,000.00)
Net surplus in the Statement of Profit and Loss at the end of the year	**43,689.41**	**23,330.25**
Total Reserves and Surplus	**4,16,931.67**	**3,51,346.53**

4.1 Represents the amount transferred for a sum equal to the nominal value of shares redeemed during prior years.

4.2 Represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934.

4.3 Represents dividend payment relating to previous year in respect of 44,470 shares (March 31, 2016 - 45,251) shares which were allotted to the employees under the ESOP Scheme, 2007 after March 31, 2017 but before July 27, 2017 (book closure date).

4.4 The Board of Directors of the company have recommended a final dividend of 20% being ₹ 2 per share on the equity shares of the company, for the year ended March 31, 2017 which is subject to approval of shareholders. Consequently the proposed dividend has not been recoreded in the books in accordance with AS-4 (Revised).

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 5 BORROWINGS (Refer Note 5.3)				
LONG-TERM				
Redeemable Non-convertible Debentures				
Medium Term - Secured - Refer Note 5.1 (i) & 5.2 (i) to (iii)	6,78,400.00	3,15,620.00	3,51,520.00	1,69,040.00
Subordinated debt - Unsecured - Refer Note 5.2 (iv) & 5.2 (v)	1,65,800.00	1,45,800.00	7,500.00	5,000.00
Perpetual debt - Unsecured-Refer Note 5.2 (vi)	1,10,070.00	1,10,070.00	-	-
Term Loans				
Rupee Loans from Banks - Secured - Refer Note 5.1 (ii) & 5.2 (vii)	3,39,066.00	5,21,633.00	2,01,567.33	5,90,367.00
Foreign currency loans from banks - Secured - Refer Note 5.1(ii) & 5.2 (vii)	2,17,121.37	-	12,969.00	-
	15,10,457.37	**10,93,123.00**	**5,73,556.33**	**7,64,407.00**
The above amount includes:				
Secured borrowings	12,34,587.37	8,37,253.00	5,66,056.33	7,59,407.00
Unsecured borrowings	2,75,870.00	2,55,870.00	7,500.00	5,000.00
Amount disclosed under the head "Current Maturities of Long-term borrowings"	-	-	(5,73,556.33)	(7,64,407.00)
	15,10,457.37	**10,93,123.00**	-	-
SHORT-TERM				
Working capital Demand loans and cash credit from Banks				
- Secured - (Refer Note 5.1(iii))	-	-	66,314.03	1,14,491.64
- Unsecured	-	-	-	10,000.00
Other Borrowings - Unsecured	-	-	-	25.00
Commercial paper - Unsecured	-	-	2,66,500.00	2,72,600.00
	-	-	3,32,814.03	3,97,116.64
The above amount includes:				
Secured borrowings	-	-	66,314.03	1,14,491.64
Unsecured borrowings	-	-	2,66,500.00	2,82,625.00
	-	-	**3,32,814.03**	**3,97,116.64**

5.1 Security

(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge on assets under hypothecation relating to automobile financing, corporate mortgage loans and loans against immovable property and pari passu charge on immovable property situated at Ahmedabad and Chennai.

(ii) Term loans from banks are secured by way of specific charge on assets under hypothecation relating to automobile financing and loans against immovable property.

(iii) Working Capital Demand loans and Cash Credit from banks are secured by way of floating charge on assets under hypothecation and other current assets.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

5.2 Details of Debentures

(i) Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Rate of interest %
250	10,00,000	2,500	-	Nov-26	8.55
50	10,00,000	500	-	Mar-22	8.35
800	10,00,000	8,000	-	Apr-20	8.10 to 9.02
500	10,00,000	5,000	-	Mar-20	9.02
2,000	10,00,000	20,000	-	Feb-20	8.02
2,750	10,00,000	27,500	7,000	Nov-19	8.10 to 9.10
4,000	10,00,000	40,000	-	Oct-19	8.15 to 8.20
3,850	10,00,000	38,500	-	Sep-19	8.06 to 8.30
750	10,00,000	7,500	7,500	Aug-19	9.90
300	10,00,000	3,000	3,000	Jul-19	9.90
2,750	10,00,000	27,500	1,000	Jun-19	9.13 to 9.90
5,750	10,00,000	57,500	-	May-19	8.90 to 9.20
850	10,00,000	8,500	-	Apr-19	8.96 to 9.20
6,300	10,00,000	63,000	3,000	Mar-19	7.95 to 8.27
3,700	10,00,000	37,000	-	Feb-19	7.98 to 8.05
2,000	10,00,000	20,000	-	Dec-18	8.20
2,350	10,00,000	23,500	8,500	Nov-18	7.80 to 9.10
6,400	10,00,000	64,000	22,500	Sep-18	8.27 to 11.00
500	10,00,000	5,000	5,000	Aug-18	9.03
5,450	10,00,000	54,500	-	Jun-18	8.95 to 9.13
11,430	10,00,000	1,14,300	18,800	May-18	8.96 to 9.65
400	10,00,000	4,000	4,000	Apr-18	9.10 to 9.11
11,550	10,00,000	1,15,500	38,500	Mar-18	8.15 to 9.35
3,250	10,00,000	32,500	-	Feb-18	8.90
2,500	10,00,000	25,000	25,000	Dec-17	10.50
2,450	10,00,000	24,500	24,500	Nov-17	8.90 to 9.55
550	10,00,000	5,500	5,500	Aug-17	9.00
650	10,00,000	6,500	6,500	Jul-17	9.90
5,755	10,00,000	57,550	57,550	Jun-17	8.90 to 9.90
65	10,00,000	650	650	May-17	9.24 to 9.25
1,500	10,00,000	15,000	15,000	Apr-17	9.35
750	10,00,000	-	7,500	Mar-17	9.10 to 9.52
250	10,00,000	-	2,500	Jan-17	10.25
550	10,00,000	-	5,500	Nov-16	9.18 to 9.19
2,000	10,00,000	-	20,000	Sep-16	11.00
550	10,00,000	-	5,500	Aug-16	8.91 to 9.81
450	10,00,000	-	4,500	Jul-16	9.90
5,300	10,00,000	-	53,000	Jun-16	9.65 to 9.90
2,550	10,00,000	-	25,500	May-16	9.40 to 9.60
		9,14,000	**3,77,500**		

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
500	10,00,000	5,000	-	Apr-20	13,54,976	3,54,976
800	10,00,000	8,000	-	Apr-20	12,74,682	2,74,682
750	10,00,000	7,500	-	Sep-19	12,98,729	2,98,729
80	10,00,000	800	-	Jul-19	12,66,148	2,66,148
500	10,00,000	5,000	5,000	Jul-19	13,63,101	3,63,101
80	10,00,000	800	800	Apr-19	13,08,150	3,08,150
250	10,00,000	2,500	2,500	Apr-19	13,13,730	3,13,730
250	10,00,000	2,500	2,500	Mar-19	16,23,240	6,23,240
100	10,00,000	1,000	1,000	Mar-19	16,19,345	6,19,345
160	10,00,000	1,600	1,600	Feb-19	16,35,566	6,35,566
580	10,00,000	5,800	5,800	Nov-18	13,57,496	3,57,496
100	10,00,000	1,000	1,000	Jul-18	13,02,320	3,02,320
150	10,00,000	1,500	1,500	Jul-18	12,59,970	2,59,970
100	10,00,000	1,000	1,000	May-18	15,80,260	5,80,260
250	10,00,000	2,500	2,500	Apr-18	13,01,077	3,01,077
60	10,00,000	600	600	Apr-18	12,95,193	2,95,193
250	10,00,000	2,500	-	Mar-18	11,26,095	1,26,095
110	10,00,000	1,100	1,100	Dec-17	13,60,923	3,60,923
110	10,00,000	1,100	1,100	Oct-17	13,17,130	3,17,130
850	10,00,000	8,500	8,500	Aug-17	11,88,380	1,88,380
100	10,00,000	1,000	1,000	Aug-17	13,20,598	3,20,598
75	10,00,000	750	750	Jul-17	13,23,949	3,23,949
100	10,00,000	1,000	1,000	Jun-17	11,76,932	1,76,932
50	10,00,000	500	500	Jun-17	11,86,518	1,86,518
135	10,00,000	1,350	1,350	Jun-17	11,89,472	1,89,472
43	10,00,000	430	430	Jun-17	11,87,498	1,87,498
170	10,00,000	1,700	1,700	Jun-17	13,11,675	3,11,675
267	10,00,000	2,670	2,670	Jun-17	13,14,349	3,14,349
75	10,00,000	750	750	May-17	11,88,908	1,88,908
70	10,00,000	700	700	May-17	11,87,780	1,87,780
120	10,00,000	1,200	1,200	May-17	11,90,320	1,90,320
200	10,00,000	2,000	2,000	May-17	11,90,740	1,90,740
150	10,00,000	1,500	1,500	May-17	11,92,760	1,92,760
100	10,00,000	1,000	1,000	Apr-17	11,86,652	1,86,652
20	10,00,000	200	200	Apr-17	11,85,196	1,85,196
135	10,00,000	1,350	1,350	Apr-17	11,88,908	1,88,908
570	10,00,000	5,700	5,700	Apr-17	11,88,907	1,88,907
140	10,00,000	1,400	1,400	Apr-17	11,88,344	1,88,344
42	10,00,000	420	420	Apr-17	11,90,320	1,90,320
100	10,00,000	-	1,000	Jan-17	11,55,522	1,55,522
600	10,00,000	-	6,000	Dec-16	12,07,943	2,07,943
1000	10,00,000	-	10,000	Dec-16	11,47,158	1,47,158
93	10,00,000	-	930	Dec-16	11,42,218	1,42,218
50	10,00,000	-	500	Dec-16	11,38,193	1,38,193
250	10,00,000	-	2,500	Nov-16	11,98,622	1,98,622
80	10,00,000	-	800	Nov-16	11,96,826	1,96,826

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option (Contd.)

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
500	10,00,000	-	5,000	Oct-16	11,36,517	1,36,517
210	10,00,000	-	2,100	Sep-16	12,04,369	2,04,369
145	10,00,000	-	1,450	Aug-16	12,06,965	2,06,965
190	10,00,000	-	1,900	Aug-16	12,02,972	2,02,972
80	10,00,000	-	800	Aug-16	12,05,120	2,05,120
40	10,00,000	-	400	Aug-16	12,04,987	2,04,987
100	10,00,000	-	1,000	Aug-16	12,07,458	2,07,458
100	10,00,000	-	1,000	Jul-16	12,12,495	2,12,495
236	10,00,000	-	2,360	Jun-16	12,01,019	2,01,019
250	10,00,000	-	2,500	May-16	13,17,510	3,17,510
50	10,00,000	-	500	May-16	13,30,118	3,30,118
250	10,00,000	-	2,500	May-16	13,14,733	3,14,733
180	10,00,000	-	1,800	Apr-16	12,09,052	2,09,052
		85,920	**1,07,160**			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Put option date	Rate of interest %
500	10,00,000	5,000	-	Mar-19	Feb-18	8.90
2500	10,00,000	25,000	-	Sep-19	Sep-17	8.20
		30,000	**-**			

₹ in lakhs

	Non - Current		Current		Total	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Redeemable at par - No put call option	6,31,300	2,53,500	2,82,700	1,24,000	9,14,000	3,77,500
Redeemable at premium - No put call option	47,100	62,120	38,820	45,040	85,920	1,07,160
Redeemable at par - with put option	-	-	30,000	-	30,000	-
	6,78,400	**3,15,620**	**3,51,520**	**1,69,040**	**10,29,920**	**4,84,660**

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

(iv) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Rate of interest %
100	10,00,000	1,000	-	Nov-26	9.20
150	10,00,000	1,500	1,500	Jun-24	11.00
50	10,00,000	500	500	May-24	11.00
250	10,00,000	2,500	2,500	Apr-24	11.00
250	10,00,000	2,500	2,500	Mar-24	11.00
200	10,00,000	2,000	2,000	Feb-24	11.00
250	10,00,000	2,500	2,500	Jan-24	11.00
2000	10,00,000	20,000	-	Nov-23	9.08 to 9.20
500	10,00,000	5,000	-	Oct-23	9.08
150	10,00,000	1,500	1,500	Sep-23	11.00
600	10,00,000	6,000	6,000	Dec-22	11.05 to 11.25
3,150	10,00,000	31,500	31,500	Nov-21	10.02
1,000	10,00,000	10,000	10,000	Jun-21	11.30
1,000	10,00,000	10,000	10,000	May-21	11.30
100	10,00,000	1,000	1,000	Mar-21	11.00
100	10,00,000	1,000	1,000	Feb-21	11.00
150	10,00,000	1,500	1,500	Oct-20	11.00
500	10,00,000	5,000	5,000	Jul-20	10.70
115	10,00,000	1,150	1,150	May-20	11.00
1,000	10,00,000	10,000	10,000	Apr-20	11.00
750	10,00,000	7,500	7,500	Dec-19	11.50
700	10,00,000	7,000	7,000	Jun-19	11.40
1,500	10,00,000	15,000	15,000	May-19	11.70 to 11.75
100	10,00,000	1,000	1,000	Nov-18	10.55
250	10,00,000	2,500	2,500	Sep-18	11.25
895	10,00,000	8,950	8,950	Aug-18	12.25
620	10,00,000	6,200	6,200	Jun-18	10.55 to 12.25
750	10,00,000	7,500	7,500	Nov-17	12.75
150	10,00,000	-	1,500	Mar-17	11.25
350	10,00,000	-	3,500	Feb-17	11.15
		1,71,800	**1,50,800**		

(v) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
150	10,00,000	1,500	-	Nov-23	17,57,947	7,57,947
		1,500	**-**			

₹ in lakhs

	Non - Current		Current		Total	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Redeemable at par - No put call option	1,64,300	1,45,800	7,500	5,000	1,71,800	1,50,800
Redeemable at premium - No put call option	1,500	-	-	-	1,500	-
Total	**1,65,800**	**1,45,800**	**7,500**	**5,000**	**1,73,300**	**1,50,800**

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

(vi) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at March 31, 2017 ₹ in lakhs	Balance as at March 31, 2016 ₹ in lakhs	"Maturity Date - Perpetual" (Call option available; with prior approval of RBI)	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
500	5,00,000	2,500	2,500	Aug-24	12.80
174	10,00,000	1,740	1,740	Jul-24	12.90
500	5,00,000	2,500	2,500	Jun-24	12.90
500	5,00,000	2,500	2,500	Feb-24	12.90
50	10,00,000	500	500	Jan-24	12.60
1,031	10,00,000	10,310	10,310	Dec-23	12.50 to 12.60
245	10,00,000	2,450	2,450	Oct-23	12.60
1,000	5,00,000	5,000	5,000	Oct-23	12.90
300	10,00,000	3,000	3,000	Feb-23	12.80
1,450	10,00,000	14,500	14,500	Dec-22	12.70 to 12.80
860	5,00,000	4,300	4,300	Sep-22	12.75
2,000	5,00,000	10,000	10,000	Aug-22	12.90
200	5,00,000	1,000	1,000	Mar-22	12.50
700	5,00,000	3,500	3,500	Jan-22	12.50
3,500	5,00,000	17,500	17,500	Dec-21	12.50 to 12.95
320	5,00,000	1,600	1,600	Aug-21	12.50
413	5,00,000	2,065	2,065	Jul-21	12.50
2,021	5,00,000	10,105	10,105	Jun-21	12.50
3,000	5,00,000	15,000	15,000	Oct-20	12.05
		1,10,070	**1,10,070**		

(vii) Details of term loans

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding			
			Non - Current		Current	
			As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Base Rate / MCLR	< 1year	1	-	-	82,500	2,65,000
		2	-	-	-	6,000
		3	-	-	10,000	-
		4	-	-	-	30,000
	1-2 years	1	20,000	72,460	-	-
		2	4,567	14,920	4,567	15,000
		3	-	24,000	-	28,000
		4	30,000	44,000	-	14,000
		5	-	20,000	-	30,000
		8	8,000	-	8,000	-
	2-3 years	1	83,500	75,000	-	-
		3	10,000	9,133	5,000	4,367
		4	20,000	30,000	-	-
		5	20,000	51,000	-	19,000
		8	-	27,500	-	2,500
		9	10,000	-	8,000	-
		10	-	16,000	-	4,000

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

(vii) Details of term loans (Contd.)

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding			
			Non - Current		Current	
			As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Base Rate/MCLR + spread (0.05% to 0.40%)	< 1year	1	-	-	21,500	1,25,000
		2		-	14,000	-
		6		-	-	15,000
	1-2 years	1	80,000	40	-	-
		2	-	80	-	-
		3	5,000	-	10,000	-
		4	18,000	7,500	18,000	22,500
	2-3 years	1		80,000	-	-
		3			-	
		4		30,000		-
		5		-		-
Rate based on 3 - Month T Bill + Spread	< 1year	1	-	-	-	10,000
Fixed Rate	< 1year	1	-	-	20,000	-
	1-2 years	1	30,000	20,000		-
	2-3 years	1	23,323	-		
Total			**3,62,390**	**5,21,633**	**2,01,567**	**5,90,367**
USD Overnight LIBOR + Spread	1-2 years	1	-	-	12,969	
USD 3M LIBOR + Spread	1-2 years	1	28,735	-	-	-
USD 6M LIBOR + Spread	1-2 years	1	48,471	-	-	-
	2-3 years	1	1,16,592	-	-	-
Total			**1,93,798**	**-**	**12,969**	**-**

5.3 The company has not defaulted in the repayment of dues to its lenders.

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 6 OTHER LONG - TERM LIABILITIES		
Advance from Customers	73.63	87.90
Interest accrued but not due on borrowings	9,226.33	7,818.94
Financial liabilities on derivative transactions	10,102.59	-
Deferred Rent	290.04	297.44
	19,692.59	**8,204.28**

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Long - Term		Short-Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 7 PROVISIONS				
Provisions for Employee Benefits				
- Compensated Absences (Refer Note 28 (b))	-	-	1,530.81	1,232.20
	-	-	1,530.81	1,232.20
Other provisions				
Provision for Standard Asset (Refer Note 32 and Note 2 a)	7,461.44	6,874.98	3,422.52	7,320.26
Provision for Non performing Assets (Refer Note 32 and Note 2 a)	51,159.23	42,402.24	-	-
Provision for Contingencies (Refer Note 32)	-	-	2,947.54	2,461.54
Provision for Contingent Service Tax Claims (Refer Note 32)	-	-	792.37	792.37
Provision for Clawback Commission (Refer Note 32)	-	-	6.74	4.11
Provision for taxation	-	-	-	-
Proposed Dividend - Equity (Refer note 2b & 4.4)	-	-	-	3,122.91
Provision for Distribution tax on proposed Dividend - Equity	-	-	-	635.75
	58,620.67	49,277.22	7,169.17	14,336.94
	58,620.67	**49,277.22**	**8,699.98**	**15,569.14**

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 8 OTHER CURRENT LIABILITIES		
Interest Accrued but Not Due on Borrowings / Other Deposits	67,526.57	43,022.16
Income received in advance	157.93	173.38
Unpaid Dividend (Refer Note 8.1)	46.35	36.33
Fixed Deposits including interest accrued there on - Matured and unclaimed (Refer Note 8.2 & 8.3)	0.15	1.23
Advances from customers/others	2,189.57	2,379.62
Security Deposit received	476.43	642.12
Remittance payables - Derecognised assets (Refer Note 17.1)	33,167.32	24,571.49
Insurance premium collected from customers	-	1,114.27
Statutory dues	456.19	571.15
Other liabilities *	1,943.81	512.32
	1,05,964.32	**73,024.07**
* Other liabilities include Gratuity Payable (Refer Note 28 (a))	1,097.14	177.81

8.1 There are no amounts of Unpaid Dividend due and outstanding to be credited to the Investor Education and Protection Fund (IEPF)

8.2 As at March 31, 2017, in respect of overdue amounts totalling to ₹ 0.11 lakh (March 31, 2016 - ₹ 0.11 lakh), payments have not been made as per instructions received from the Central Bureau of Investigation.

8.3 Pursuant to the company obtaining a fresh Certificate of Registration dated December 11, 2006 from the Reserve Bank of India (RBI) for carrying on the business of Non-Banking Financial Institution without accepting public deposits, consequent to its decision to exit from deposit accepting activities effective November 01, 2006, the company has a total deposit of ₹ 0.29 lakh as at March 31, 2017 (March 31, 2016 - ₹ 2.75 lakhs) in an Escrow Account, as directed by the RBI. Also refer Note 17.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2017

NOTE : 9 FIXED ASSETS

As at March 31, 2017

₹ in lakhs

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block as at	
	Cost as at March 31, 2016	Additions	Deletions	Cost as at March 31, 2017	Upto March 31, 2016	Provided for the year	Withdrawn during the year	Cost as at March 31, 2017	March 31, 2017	March 31, 2016
Property Plant and Equipment										
Tangible Asset (owned)										
Freehold Land	3,956.19	-	-	3,956.19	-	-	-	-	3,956.19	3,956.19
Buildings (Refer Note below)	3,471.22	-	-	3,471.22	847.66	48.06	-	895.72	2,575.50	2,623.56
Plant and Machinery	5,280.78	1,360.59	100.90	6,540.47	3,340.49	1,248.01	100.61	4,487.89	2,052.58	1,940.29
Office Equipment	1,894.69	745.28	23.88	2,616.09	1,376.39	379.81	12.67	1,743.53	872.56	518.30
Furniture and Fixtures	1,926.46	614.90	4.86	2,536.50	1,460.73	494.36	4.78	1,950.31	586.19	465.73
Leasehold improvements	2,470.18	1,117.53	0.73	3,586.98	1,928.32	529.60	0.69	2,457.23	1,129.75	541.86
Vehicles	907.42	464.51	160.08	1,211.85	325.98	203.65	109.46	420.17	791.68	581.44
Total	**19,906.94**	**4,302.81**	**290.45**	**23,919.30**	**9,279.57**	**2,903.49**	**228.21**	**11,954.85**	**11,964.45**	**10,627.37**
Investment Property	11.46			11.46	7.32	0.09		7.41	4.05	4.14
Total - 1	**19,918.40**	**4,302.81**	**290.45**	**23,930.76**	**9,286.89**	**2,903.58**	**228.21**	**11,962.26**	**11,968.50**	**10,631.51**
Intangible Asset (Acquired)										
Computer Software	4,134.52	2,611.22	-	6,745.74	3,439.79	998.03	-	4,437.82	2,307.92	694.73
Stock Exchange Membership Card	65.75	-	-	65.75	65.75	-	-	65.75	-	-
Total - 2	**4,200.27**	**2,611.22**	**-**	**6,811.49**	**3,505.54**	**998.03**	**-**	**4,503.57**	**2,307.92**	**694.73**
Grand Total (1 + 2)	**24,118.67**	**6,914.03**	**290.45**	**30,742.25**	**12,792.43**	**3,901.61**	**228.21**	**16,465.83**	**14,276.42**	**11,326.24**

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

NOTE : 9 FIXED ASSETS (Contd.)
As at March 31, 2016

₹ in lakhs

Description	Gross Block					Accumulated Depreciation and Amortisation					Net Block as at	
	Cost as at March 31, 2015	Additions	Deletions	Acquired during the year (White Data Systems India Private Limited)	Cost as at March 31, 2016	Upto March 31, 2015	Provided for the year	Withdrawn during the year	Acquired during the year (White Data Systems India Private Limited)	Upto March 31, 2016	March 31, 2016	March 31, 2015
Property Plant and Equipment												
Tangible Asset (owned)												
Freehold Land	464.19	3,492.00	-	-	3,956.19	-	-	-	-	-	3,956.19	464.19
Buildings (Refer Note below)	3,452.31	18.91	-	-	3,471.22	800.00	47.66	-	-	847.66	2,623.56	2,652.31
Plant and Machinery	3,836.50	1,736.46	297.14	4.96	5,280.78	2,937.60	697.14	294.78	0.53	3,340.49	1,940.29	898.90
Office Equipment	1,781.32	168.41	72.00	16.96	1,894.69	1,199.98	235.46	60.01	0.96	1,376.39	518.30	581.34
Furniture and Fixtures	1,994.33	153.06	221.93	1.00	1,926.46	1,351.39	288.12	178.90	0.12	1,460.73	465.73	642.94
Leasehold improvements	2,430.57	299.21	259.60	-	2,470.18	1,757.31	428.89	257.88	-	1,928.32	541.86	673.26
Vehicles	921.00	275.51	289.09	-	907.42	328.64	184.39	187.05	-	325.98	581.44	592.36
Total	**14,880.22**	**6,143.56**	**1,139.76**	**22.92**	**19,906.94**	**8,374.92**	**1,881.66**	**978.62**	**1.61**	**9,279.57**	**10,627.37**	**6,505.30**
Investment Property	11.46				11.46	7.23	0.09			7.32	4.14	4.23
Total - 1	**14,891.68**	**6,143.56**	**1,139.76**	**22.92**	**19,918.40**	**8,382.15**	**1,881.75**	**978.62**	**1.61**	**9,286.89**	**10,631.51**	**6,509.53**
Intangible Asset (Acquired)												
Computer Software	3,713.17	595.04	189.25	15.56	4,134.52	3,337.41	290.49	189.26	1.15	3,439.79	694.73	375.76
Stock Exchange Membership Card	170.75	-	105.00	-	65.75	168.56	2.19	105.00	-	65.75	-	2.19
Total - 2	**3,883.92**	**595.04**	**294.25**	**15.56**	**4,200.27**	**3,505.97**	**292.68**	**294.26**	**1.15**	**3,505.54**	**694.73**	**377.95**
Grand Total (1 + 2)	**18,775.60**	**6,738.60**	**1,434.01**	**38.48**	**24,118.67**	**11,888.12**	**2,174.43**	**1,272.88**	**2.76**	**12,792.43**	**11,326.24**	**6,887.48**

Note:

Cost of Buildings (Office Premises / flats) is inclusive of undivided interest in land.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 10 NON - CURRENT INVESTMENTS (valued at cost unless stated otherwise)		
Non Trade Investments		
Investment in Equity shares - **Unquoted**		
Amaravathi Sri Venkatesa Paper Mills Limited 2,93,272 Equity shares of ₹ 10 each fully paid up	129.04	129.04
Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up	0.10	0.10
The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up	0.25	0.25
Madras Stock Exchange Limited 2,85,000 Shares of ₹ 1 each fully paid up	0.15	0.15
Chola Insurance Services Limited 19,133 Shares of ₹ 10 each fully paid up	1.91	1.91
Investment in other shares - **Unquoted**		
Chennai Willingdon Corporate Foundation 5 shares of ₹ 10 each : Cost ₹ 50 only	0	0
Investment in other shares - **Quoted**		
Coromandel Engineering company Limited 25,00,100 shares of ₹ 10 each fully paid	500.25	500.25
Bombay Stock Exchange Limited 1,30,000 Shares of ₹ 1 each fully paid up	138.04	138.04
Investment in Venture Capital Fund - **Unquoted** Faering India Capital Evolving Fund	386.54	466.57
Investment in Pass Through Certificates - **Unquoted**		
Platinum Trust Feb 2014 Tranc III	-	56.51
Platinum Trust Dec 2013	-	29.66
Platinum Trust Mar 2014	-	28.37
Platinum Trust Dec 2013 Tranc III	-	74.16
Platinum Trust Aug 2016 TR II	390.81	
Platinum Trust Aug 2016	1,023.72	
Platinum Trust Sep 2016 TR II	849.33	
Platinum Trust Sep 2016	1,084.95	
Platinum Trust Dec16 TR II	1,103.76	
Platinum Trust Nov 2016	688.22	
Platinum Trust Dec 2016	665.78	
Platinum Trust Jan 2017	916.91	
Platinum Trust Feb 2017	1,918.97	
Platinum Trust Feb 2017 TR-III	1,445.39	
Platinum Trust Feb 2017-II	1,231.92	
Platinum Trust Mar 2017 TR-IV	1,160.29	
Platinum Trust Mar 2017 TR-III	1,550.38	
Platinum Trust Mar 2017 TR-II	1,597.03	
Platinum Trust Mar 2017	1,258.78	
Amount disclosed under Current Investments	(4,610.21)	(188.70)
	13,432.31	**1,236.31**
Aggregate Value of Unquoted Investments - At Cost	**13,432.31**	**1,236.31**
Aggregate Value of Quoted Investments - At cost	138.04	138.04
Market value of Quoted Investments	-	-

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 11 DEFERRED TAX ASSETS (Net)		
Deferred Tax Assets		
Provision for Standard Assets	3,766.72	4,912.69
Provision for Non-Performing Assets	15,544.53	14,674.57
Provision for Repossessed Automobile assets	1,141.31	979.04
Provision for Contingent Service Tax	274.22	348.60
Income Derecognised on Non-Performing Assets	7,273.98	5,265.83
Provision for Contingencies	1,020.08	851.89
Unrealised Excess Interest Spread on Assignment/Securitisation	2,246.12	1,851.91
Provision for compensated absences and gratuity	892.77	475.08
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961	479.11	531.47
Others	245.47	104.84
(A)	**32,884.31**	**29,995.92**
Deferred Tax Liability		
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	3.75	3.09
Unamortised Prepaid Finance Charges	1,342.86	1,754.01
(B)	**1,346.61**	**1,757.10**
Net Deferred Tax Assets (A) - (B)	**31,537.70**	**28,238.82**
Deferred Tax benefit in the Statement of Profit and Loss	**3,298.88**	**9,776.71**

₹ in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 12 RECEIVABLES UNDER FINANCING ACTIVITY				
Secured (Refer Note 12.1)				
Automobile Financing	12,00,472.96	10,60,567.36	7,12,764.44	6,65,205.40
Loans against Immovable Property	6,94,032.97	6,81,318.71	46,469.72	48,811.89
Construction Equipment Financing	42,036.48	21,518.46	23,365.86	10,709.12
Loans against Securities	1,328.87	2,266.21	297.27	500.41
Other Loans	835.02	484.21	-	-
Amount Retained on Assigned Assets	10,330.18	14,877.78	1,108.75	1,337.60
Instalments and Other Dues from Borrowers (Refer Note 12.2 & 12.3)	42,950.67	37,326.37	35,389.24	23,725.49
Total (a)	**19,91,987.15**	**18,18,359.10**	**8,19,395.28**	**7,50,289.91**
Unsecured				
Loan to Automobile Dealers	547.83	354.01	9,746.04	10,087.75
Bills Discounted	1,322.96	-	13,399.28	10,700.63
Other Loans	100.92	3.80	4,563.20	1,106.51
Instalments and Other Dues from Borrowers (Refer Note 12.2 & 12.4)	36.83	48.93	155.65	62.27
Total (b)	**2,008.54**	**406.74**	**27,864.17**	**21,957.16**
Total receivables under financing activity (a) + (b)	**19,93,995.69**	**18,18,765.84**	**8,47,259.45**	**7,72,247.07**

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 12 RECEIVABLES UNDER FINANCING ACTIVITY (Contd.)				
12.1 Secured means exposures secured wholly or partly by hypothecation of automobile assets and / or, pledge of securities and / or, equitable mortgage of property and/ or, corporate guarantees or personal guarantees and/ or, undertaking to create a security.				
12.2 Refer Note 7 for Provision for Non-Performing Assets. No adjustment to the above classification of Secured / Unsecured has been made on account of such provisioning.				
12.3 Secured Instalments and Other Dues from Borrowers include amounts outstanding for more than 6 months from the due date	30,536.65	27,916.87		
12.4 Unsecured Instalments and Other Dues from Borrowers include amounts outstanding for more than 6 months from the due date	36.83	48.93		
Of the above:				
Considered Good	18,39,493.30	17,16,580.98	8,47,259.45	7,72,247.07
Others - Non-Performing Assets	1,54,502.39	1,02,184.86	-	-
	19,93,995.69	18,18,765.84	8,47,259.45	7,72,247.07

₹ in lakhs

Particulars	Long-Term		Short-Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 13 LOANS AND ADVANCES				
Unsecured - considered good (unless otherwise stated)				
Capital Advances	546.92	1,648.74	-	-
Security Deposits	767.19	512.13	835.32	713.73
Deposits with Stock Exchanges	137.70	137.70	833.64	457.14
Prepaid expenses	47.27	35.38	776.46	507.36
Service tax input credit	17.43	-	300.21	324.76
Service tax input credit (considered doubtful)	175.31	232.61	-	-
Less: Provision	-	(224.97)	-	-
	175.31	7.64	-	-
Advance tax (net of provision for tax)	10,460.52	4,714.23	-	-
MAT Credit entitlement (net)	235.84	255.24	-	-
Other advances *	1.45	2.46	2,248.91	2,234.79
	12,389.63	**7,313.52**	**4,994.54**	**4,237.78**
* Other advances includes:-				
Gratuity (Refer Note 28 (a))	-	-	-	4.86
Disputed Sales tax / Value Added tax paid under protest	-	-	1,418.28	1,394.33

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 14 OTHER ASSETS				
Unsecured - considered good (unless otherwise stated)				
Deposit with Banks as collateral towards assets derecognised (Refer Note 17)	48,155.44	40,983.39	-	-
Prepaid Finance Charges	3,207.66	3,867.79	1,307.38	1,200.43
Prepaid Discount on Commercial Papers	-	-	9,767.98	10,603.49
Reposessed Automobile assets *	-	-	2,202.35	2,856.66
Interest and Other Income Accrued but Not Due				
- on Loans to Customers	-	-	20,857.70	27,590.17
- on Deposits and Investments	-	-	224.96	204.79
Financial assets on derivative transactions	2,792.96	-	-	-
Unbilled revenue	-	-	-	8.23
Other Accruals and receivables **	-	-	7,384.34	5,084.40
	54,156.06	**44,851.18**	**41,744.71**	**47,548.17**
* Net of Provision			3,484.34	2,830.58

** includes - ₹ 4,426.43 lakhs (March 31, 2016 - ₹ 3,920.29 lakhs) receivable from the assignees / investors on remittance of the dues towards derecognized assets referred in Note 8.

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 15 CURRENT INVESTMENTS (valued at lower of cost and fair value, unless stated otherwise - Non-Trade)		
Investments in Mutual Funds - **Unquoted**	165.00	170.00
Current Portion of Long-term Investment in Pass Through Certificates - **Unquoted**	4,610.21	188.70
	4,775.21	**358.70**

₹ in lakhs

Particulars	Long-Term		Short-Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
NOTE : 16 TRADE RECEIVABLES				
Secured - Considered Good	0.83	0.81	1,923.10	1,094.28
Unsecured - Considered Good	-	-	248.37	58.99
Unsecured - Considered Doubtful	94.51	94.53	75.51	35.79
Less:Provision for Doubtful Debts	(94.51)	(94.53)	(62.91)	(35.79)
	0.83	**0.81**	**2,184.07**	**1,153.27**
Trade Receivables outstanding for a period of more than 6 months from the due date				
Secured - Considered Good			24.02	23.81
Unsecured - Considered Doubtful			34.05	35.50

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 17 CASH AND CASH EQUIVALENTS		
Cash on hand	3,597.55	5,057.29
Cheques, Drafts on hand	2,740.12	2,014.65
Balances with banks		
- In Current Accounts (Refer Note 17.1)	21,383.17	18,432.60
- In Deposit Accounts - Original maturity 3 months or less	30.00	2,016.80
- In Deposit Accounts - Original maturity more than 3 months (Refer Note 17.2)	2,172.28	451.09
- In earmarked accounts (Refer Note 17.3)		
- In Unclaimed Dividend Accounts	46.35	36.33
- In Client and Exchange related Accounts	1,153.26	281.17
- In Deposit Accounts (Under Lien)	812.50	712.50
- Deposit with Banks as collateral towards assets derecognised	67,222.61	62,917.00
- Amount disclosed under Non current bank balances (Refer Note 8.3)	(48,155.44)	(40,983.39)
	19,067.17	21,933.61
- Public deposit Escrow Account (Refer Note 8.3)	0.29	2.75
- Other Deposit Account	7.56	7.57
	51,010.25	**50,946.36**

Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 (Cash Flow Statements) is ₹ 27,750.84 lakhs (March 31, 2016 - ₹ 27,521.34 lakhs).

17.1 Balances with Banks on Current Accounts and cash, cheques and drafts on hand include amounts collected in respect of assets de-recognised on account of Assignment /Securitisation of Receivables pending remittance to the assignees/ investors. Refer Note 8.

17.2 Balance on Deposit Accounts - Free of lien includes deposits amounting to ₹ 15.32 lakhs (March 31, 2016 - ₹ 175.07 lakhs) which have a residual maturity of more than 12 months.

17.3 Balances with banks in earmarked Deposits accounts includes Margin money deposits amounting to ₹ 812.50 lakhs (March 31, 2016 - ₹ 712.50 lakhs) held as lien for bank guarantees issued to stock exchanges.

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 18 REVENUE FROM OPERATIONS		
Income from Operations		
(a) Income from Financing Activities		
i) Interest		
- Automobile Financing	2,94,676.90	2,58,276.71
- Loans against Immovable Property	94,596.43	95,058.66
- Construction Equipment Financing	5,865.58	2,644.48
- Loans against Securities	324.32	355.51
- Loans to Automobile dealers	1,120.07	969.69
- Bills Discounting	1,643.59	612.57
- Other Loans	993.96	330.58
- Interest spread on assignment/securitisation	21,028.26	20,534.34
ii) Other Operating Revenue		
- Automobile Financing	30,934.40	26,039.12
- Loans against Immovable Property	6,321.05	6,999.39
- Construction Equipment Financing	367.37	177.23
- Other Loans	298.32	135.65
(b) Stock broking, Depository Operations and Allied Services	1,427.40	1,092.67

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 18 REVENUE FROM OPERATIONS (Contd.)		
(c) Retail Distribution Operations - Commission	657.30	967.14
(d) Freight Income	1,069.95	0.67
(e) Interest Income		
- Deposits placed as collateral towards assets derecognised	4,939.85	5,365.41
- Other Deposits	168.63	161.48
- Long Term Investment - Pass Through Certificates	173.25	26.87
(f) Gain on prepayment of Commercial Paper and Debentures (Net) (Refer Note 18.1)	-	84.26
Total (A)	**4,66,606.63**	**4,19,851.53**
Other Operating Income		
(g) Profit on sale of current investments	1,474.85	728.52
(h) Servicing and Collection fee on Securitisation / Assignment	1,191.42	744.49
(i) Others	74.66	50.45
Total (B)	**2,740.93**	**1,523.46**
Total (A+B)	**4,69,347.56**	**4,21,374.99**
Note:		
18.1 Gain on Prepayment of Commercial Paper and Debentures		
Book Value (including interest accrued) on the date of prepayment	-	41,500.00
Consideration paid for prepayment	-	41,415.74
Net Gain	-	**84.26**

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 19 OTHER INCOME		
Dividend Income from long-term investments	10.46	11.06
Rent	18.24	16.83
Profit on sale of fixed assets (net)	0.16	-
Miscellaneous Income (Refer Note 19.1)	307.73	192.51
	336.59	**220.40**
19.1) Miscellaneous Income includes:		
Liability no longer required written back	12.16	120.10
Receipt of insurance claim	49.14	50.00

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 20 FINANCE COSTS		
Interest Expense		
- Debentures	1,03,051.55	81,303.23
- Bank Loans	84,421.93	1,02,426.39
- Other Loans	0.49	-
Discount on Commercial Papers	24,937.03	17,936.80
Others		
- Amortisation of ancillary borrowing costs	9,380.24	2,034.95
- Bank charges	1,001.15	1,093.54
	2,22,792.39	**2,04,794.91**

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 21 EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus and Commission (Refer Note 28 (b))	36,613.30	23,413.15
Contribution to Provident and Other Funds		
Employees' Provident Fund	1,461.75	850.50
Superannuation Fund	186.77	167.81
Gratuity Fund (Refer Note 28 (a))	1,348.42	309.64
Staff Welfare Expenses	1,798.95	1,476.42
	41,409.19	**26,217.52**

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 22 OTHER OPERATING EXPENSES		
Rent (Refer Note 22.1 & 22.2)	3,728.52	3,151.26
Electricity Charges	928.75	790.52
Rates and Taxes (Refer Note 22.3)	6,854.37	5,466.24
Communication Cost	2,094.93	1,574.14
Traveling and Conveyance	4,254.16	2,360.85
Advertisement Expenses	774.77	548.38
Business Development Expenses	31.00	15.71
Insurance	656.49	419.84
Repairs and Maintenance		
- Buildings	13.71	11.00
- Others	223.43	153.52
Printing and Stationery	957.35	781.75
Information Technology Expenses	2,209.17	1,547.78
Auditors' Remuneration (Refer note 27)	106.19	69.30
Professional Charges	2,856.18	2,292.64
Loss on Sale of Fixed Assets (Net)	-	33.08
Commission to Directors	52.50	55.00
Sitting Fees to Directors	28.05	24.50
Recovery Charges (Refer Note 22.5)	12,534.11	14,158.21
Corporate Social Responsibility Expenditure	1,397.54	938.11

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 22 OTHER OPERATING EXPENSES (Contd.)		
Freight charges	987.73	-
Miscellaneous Expenses (Refer Note 22.4)	453.78	485.22
	41,142.73	**34,877.05**
Less : Expenses Recovered	(77.72)	(57.14)
	41,065.01	**34,819.91**
22.1 Lease equalisation charge included in Rent	89.87	41.37
22.2 Cancellable operating lease entered for office space included in Rent	3,638.65	3,109.89
22.3 Rates and Taxes include -		
Service Tax	2,882.01	2,861.89
Value added tax	3,144.99	2,461.54
22.4 Miscellaneous Expenses includes:		
Donation To Electoral Trust	-	50.00
Other Donations	12.00	160.00
22.5 Net of reversal of provision for servicing costs on assets derecognised	-	115.29

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 23 PROVISIONS AND LOAN LOSSES		
Loss Assets Written Off (Net)	5,853.88	868.66
Provision/Loss on Repossessed Assets(Net)	20,263.75	20,158.66
Provision for Non-Performing Assets (Refer Note 2 a & 32)	28,465.92	27,249.24
Provision Released for Non-Performing Assets on recovery/write off (Refer Note 23.1 & 32)	**(19,708.93)**	**(13,225.68)**
Total	**34,874.62**	**35,050.88**
Provision for Standard Assets (Net) (Refer Note 2 a & 32)	(3,311.28)	7,672.89
Provision for other doubtful debts and advances	30.07	9.60
Loss on sale of shares held as stock in trade (Net)	2.00	0.55
	31,595.41	**42,733.92**
23.1 Includes reversal of provision for credit enhancements on assets derecognised	-	450.59

24. a) Share application money pending allotment as at March 31, 2017 represents amount received towards 10,261 equity shares (1,340 Equity shares – March 31, 2016) of the company pursuant to ESOP scheme and have been subsequently alloted.

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 24 B EARNINGS PER SHARE		
Profit After Tax (₹ in lakhs)	**71,942.96**	**57,467.94**
Less: Preference Dividend (including tax thereon) (₹ in lakhs)	-	255.56
Profit After Tax Attributable to Equity Shareholders (₹ in lakhs)	**71,942.96**	**57,212.38**
Weighted Average Number of Equity Shares (Basic)	15,62,24,388	15,09,04,759
Add: Dilutive effect relating to ESOP/CCPS	64,382	1,51,237
Weighted Average Number of Equity Shares (Diluted)	15,62,88,770	15,10,55,996
Earnings per Share - Basic (₹)	**46.05**	**37.91**
Earnings per Share - Diluted (₹)	**46.03**	**37.87**
Face Value Per Share (₹)	10.00	10.00

Note:
Earnings per Share calculations are done in accordance with Accounting Standard 20 "Earnings per Share".

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 25 ASSETS DE-RECOGNISED		
a) On Securitisation		
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions	30	21
Outstanding securitised Assets in books of SPV	5,48,230.24	2,90,523.00
Less: Collections not yet due to be remitted to SPV* Outstanding securitised Assets as per books	24,846.33	20,013.99
	5,23,383.91	2,70,509.01
Total amount of exposure to comply with Minimum Retention Ratio (MRR)		
a) Off Balance Sheet Exposure		
• First Loss	-	-
• Others	28,553.77	9,225.92
b) On Balance Sheet Exposure		
• First Loss – Cash collateral	67,222.61	62,917.00
• Others	-	-
i) Second Loss – Cash Collateral	-	-
ii) Investment in PTC	16,886.24	188.70
Amount of Exposures to Securitisation transactions Other than MRR	Nil	Nil
Book value of Assets sold	8,78,067.48	6,48,583.22

* Excludes interest collected from customers on securitised assets.

b) On Bilateral assignment

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Number of Assignment Transactions	3	3
Outstanding Assigned Assets in books of Assignee*	1,06,326.68	1,50,649.72
Less: Collections not yet due to be remitted to Assignee#	3,376.32	4,711.30
Outstanding Assigned Assets as per books	1,02,950.36	1,45,938.42
Total amount of exposure		
a) Off Balance Sheet Exposure	-	-
• First Loss	-	-
• Others	-	-
b) On Balance Sheet Exposure		
• First Loss – Cash Collateral	-	-
• Others	11,438.93	16,215.38
Book value of Assets sold	1,85,429.64	1,85,429.64

excludes interest collected from customers on assigned assets

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
NOTE : 26 DETAILS OF OUTSTANDING DERIVATIVES		
i) Outstanding Derivatives: (Notional Principal Amount)		
For hedging (Currency & Interest rate derivatives)	2,37,400.00	-
ii) Marked to Market Positions – Asset/(Liability)	(10,102.59)	-
(iii) Foreign currency exposure not hedged by derivative instrument or otherwise	-	-

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 27 AUDITORS' REMUNERATION (Net of Service Tax Input Credit)		
Statutory Audit	48.10	36.35
Interim Audit & Limited Review	22.60	19.80
Tax Audit	5.35	4.10
Other Services	28.35	7.50
Reimbursement of Expenses	1.79	1.55
Total	**106.19**	**69.30**

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 28 a) GRATUITY		
Details of Actuarial Valuation:		
Projected Benefit Obligation at the Beginning of the year	1,324.24	1,065.86
Current Service Cost	354.03	21.93
Interest Cost	105.84	78.15
Actuarial Losses	995.65	292.29
Benefits Paid	(184.87)	(133.99)
Projected Benefit Obligation at the end of the year	**2,594.89**	**1,324.24**
Change in Plan Assets		
Fair Value of Plan Assets at the Beginning of the year	1,151.29	861.70
Expected Returns on Plan Assets	92.04	78.60
Actuarial Losses	15.06	4.12
Employer's Contribution	424.23	340.86
Benefits Paid	(184.87)	(133.99)
Fair Value of Plan Assets at the end of the year	**1,497.75**	**1,151.29**
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets at the End of the year	1,497.75	1,151.29
Liability at the End of the year	2,594.89	1,324.24
Amount Recognised in the Balance Sheet under Note 8 - Other liabilities & Note 13 – Loans and Advances	**(1,097.14)**	**(172.95)**
Cost of the Defined Benefit Plan for the year		
Current Service Cost	354.03	21.93
Interest on Obligation	105.84	78.15
Expected Return on Plan Assets	(92.04)	(78.60)
Net Actuarial Losses Recognized in the year	980.59	288.16
Net Cost Recognised in the Statement of Profit and Loss Note 21 - Employee benefits expenses	**1,348.42**	**309.64**
Assumptions		
Discount Rate	6.90% p.a.	8.00% p.a.
Future Salary Increase	7.50% p.a.	5.00% p.a.
Attrition Rate		
- Senior Management	13%/17%/33% p.a.	1% p.a.
- Middle Management	13%/17%/33% p.a.	2% p.a.
- Others	13%/17%/33% p.a.	3% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.	8.00% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 28 a) GRATUITY (Contd.)		
Major categories of plan assets (managed by LIC) as a percentage of fair value of total plan assets		
Government Securities		61.67%
Bonds, debentures and other fixed income instruments	Refer Note 1 below	31.35%
Equity Shares		6.98%

Other Disclosures:

₹ in lakhs

Benefit	2016-17	2015-16	2014-15	2013-14	2012-13
Projected Benefit Obligation	2,594.89	1,324.24	1,065.86	840.08	571.09
Fair Value of Plan Assets	1,497.75	1,151.29	861.70	831.73	585.78
Surplus/(Deficit)	**(1,097.14)**	**(172.95)**	**(204.16)**	**(8.35)**	**14.69**

₹ in lakhs

Experience Adjustments (Refer Note 2 below)	2016-17	2015-16	2014-15
Actuarial Loss on Obligations	995.65	292.29	215.25
Actuarial (Gain)/Loss on Plan Assets	(15.06)	(4.13)	11.10

Notes:

1. The expected return on plan assets is as furnished by LIC. The entire plan assets are managed by LIC and the data on plan assets as on March 31, 2017 and March 31, 2016 have not been furnished.
2. The details of Experience adjustments have been disclosed to the extent of information available.
3. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
4. Estimated amount of contribution to the funds during the year ended March 31, 2017 as estimated by the management is ₹ 1,962.28 lakhs (March 31, 2016 – ₹ 306.50 lakhs).
5. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 28 b) COMPENSATED ABSENCES		
Details of Actuarial Valuation:		
Projected Benefit Obligation at the beginning of the year		
Balance as at the beginning of the year	**1,232.20**	**1,086.40**
Current Service Cost	261.92	118.48
Interest Cost	98.02	82.42
Actuarial Losses	94.31	57.33
Benefits Paid	(155.64)	(112.43)
Projected Benefit Obligation at the end of the year under	**1,530.81**	**1,232.20**
Note 7 - Provisions		
Cost of the Defined Benefit Plan for the year		
Current Service Cost	261.92	118.48
Past Service Cost reversed	-	0.34
Interest on Obligation	98.02	82.42

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
NOTE : 28 b) COMPENSATED ABSENCES (Contd.)		
Actuarial Losses Recognised in the year	94.31	57.33
Net cost recognised in the Statement of Profit and Loss under Note 21- Employee benefits expenses	**454.25**	**258.57**
Assumptions		
Discount Rate	6.90% p.a.	8.00% p.a.
Future salary increase	7.50% p.a.	5.00% p.a.
Attrition Rate	13%/17%/33% p.a.	1% p.a.
- Senior management	13%/17%/33% p.a.	2% p.a.
- Middle management	13%/17%/33% p.a.	3% p.a
- Others		
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate

Other Disclosures:

₹ in lakhs

Experience Adjustments (Refer Note 4 below)	2016-17	2015-16	2014-15
Actuarial Loss/(Gain) on Obligations	94.31	57.33	17.71

Notes:

1. The Group has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2017.
2. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
4. The details of Experience adjustments have been disclosed to the extent of information available.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

NOTE : 29 SEGMENTAL REPORTING

The Management has identified the following reportable segments: ₹ in lakhs

	Financing		Others (*)		Eliminations		Consolidated Total	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
REVENUE								
External Revenue	4,65,926.45	4,19,233.41	3,421.11	2,141.58	-	-	4,69,347.56	4,21,374.99
Inter-segment Revenue	28.83	13.19	301.39	295.29	(330.22)	(308.48)	-	-
Total Revenue	**4,65,955.28**	**4,19,246.60**	**3,722.50**	**2,436.87**	**(330.22)**	**(308.48)**	**4,69,347.56**	**4,21,374.99**
RESULT								
Segment Result	1,09,978.20	86,966.29	428.57	758.29	-	-	1,10,406.77	87,724.58
Other Income	-	-	-	-	-	-	336.43	220.40
Net Profit Before Tax	-	-	-	-	-	-	1,10,743.20	87,944.98
Other Information								
Segment Assets	30,21,977.27	27,49,665.66	6,224.25	3,943.82	-	-	30,28,201.52	27,53,609.48
Unallocated Corporate Assets	-	-	-	-	-	-	44,256.23	35,315.47
Total Assets	**30,21,977.27**	**27,49,665.66**	**6,224.25**	**3,943.82**	**-**	**-**	**30,72,457.75**	**27,88,924.95**
Segment Liabilities	26,36,979.08	24,20,090.16	2,694.68	1,514.32	-	-	26,39,673.79	24,21,604.47
Unallocated Corporate Liabilities	-	-	-	-	-	-	199.87	350.34
Total Liabilities	**26,36,979.08**	**24,20,090.16**	**2,694.68**	**1,514.32**	**-**	**-**	**26,39,873.66**	**24,21,954.81**
Capital Expenditure	5,650.77	7,541.80	161.44	199.41	-	-	5,812.21	7,741.21
Depreciation and amortization	3,811.34	2,133.13	90.27	41.3	-	-	3,901.61	2,174.43
Other Non Cash Expenditure	32,326.45	45,175.41	(185.88)	(171.52)	-	-	32,140.57	45,003.89

(*) Consists of Distribution, Stock Broking and Freight Data Solutions business.

NOTE : 30 RELATED PARTY DISCLOSURES

List of Related Parties (As per AS-18):

- **Holding company:** Tube Investments of India Limited (upto August 31, 2015).
- **Entity having significant influence over the company :** Tube Investments of India Limited (from September 1, 2015)
- **Entity having significant influence over Holding company:** Murugappa Holdings Limited (up to August 31, 2015)
- **Joint venture of Holding company :** Cholamandalam MS Risk Services Limited (upto August 31, 2015)
- **Subsidiaries:** Cholamandalam Securities Limited, Cholamandalam Distribution Services Limited, White Data Systems India Private Limited (from March 16, 2016)
- **Fellow Subsidiary:** Cholamandalam MS General Insurance company Limited (upto August 31, 2015)
- **Key Managerial Personnel:** Mr. Vellayan Subbiah, Managing Director.

Additional related parties as per Companies Act, 2013:

- Mr. D. Arul Selvan, Chief Financial Officer
- Ms. P. Sujatha, Company Secretary

Note:

Related party relationships are as identified by the Management and relied upon by the Auditors.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

NOTE : 30 RELATED PARTY DISCLOSURES (Contd.) **₹ in lakhs**

Nature of Transaction	Year ended March 31, 2017	Year ended March 31, 2016
a) Tube Investments of India Limited		
Dividend Payments		
- Equity shares	3,972.81	2,528.15
Rent (including hiring) receipts	13.91	17.59
Expenses – Reimbursed	-	1.85
Receipts for services rendered	171.46	-
Net Amount Receivable/(Due) as at period/year end		
Rental deposit	(0.90)	(0.90)
Others	53.98	1.31
		Six Months ended September 30, 2015
b) Murugappa Holdings Limited		
Dividend payments – Equity shares - ₹ (September 30, 2015 - ₹176.00)	-	-
		Five Months ended August 31, 2015
c) Cholamandalam MS General Insurance Company Limited		
Interest payments		429.77
Rent payments		5.62
Rent (including hiring) receipts		30.76
Payments for services availed		6.49
Receipts for services rendered		1,596.51
Receipts on settlement of insurance claim		2.54
Amount received towards reimbursement of expenses		3.93
	Year ended March 31, 2017	**Year ended March 31, 2016**
d) Key Managerial Personnel		
Vellayan Subbiah - Managing Director		
Remuneration	402.53	325.50
Dividend Payments	13.50	8.59
D Arul Selvan - Chief Financial Officer		
Remuneration	105.57	114.69
Dividend Payments	0.88	1.02
Rental payments	2.40	2.40
P Sujatha - Company Secretary		
Remuneration	93.77	132.74
Dividend Payments	1.12	0.70
Rental Payments	2.40	2.40

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

NOTE : 31 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Second loss credit enhancement facility towards securitisation transactions:

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Counter Guarantees provided to Banks	28,553.77	9,225.92

(b) Contested Claims Not Provided for:

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Income tax and Interest on Tax issues where the Group is in appeal	30,849.56	27,537.20
Decided in the Group favour by Appellate Authorities and for which the Department is in further appeal with respect to Income Tax	12.99	564.40
Service Tax issues pending in respect of which the Group is under appeal	13,761.92	68.46
Sales Tax issues pending before Appellate Authorities in respect of which the Group is in appeal (payment made under protest is respect of above is included under loans and advances – Note 13)	2,843.31	2,575.53
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	1,625.00	-
Order in respect of alleged violations of the provisions of SEBI Act	7.00	7.00
Disputed claims against the Group lodged by various parties under litigation (to the extent quantifiable)	6,293.80	5,563.73

i) The Group is of the opinion that the above demands are not sustainable and expects to succeed in its appeals / defence.

ii) It is not practicable for the Group to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) The Group does not expect any reimbursement in respect of the above contingent liabilities.

iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - ₹ 997.26 lakhs (March 31, 2016 - ₹ 1,286.56 lakhs)

NOTE : 32 CHANGES IN PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2016	Additional Provision	Utilisation/ Reversal	As at March 31, 2017
Provision for Standard Assets (Refer Note 2 a)	14,195.24	-	(3,311.28)	10,883.96
Provision for Non-Performing Assets (Refer Note 2 a)	42,402.24	28,465.92	(19,708.93)	51,159.23
Contingent Service Tax Claims	792.37	-	-	729.37
Provision for Claw back Commission	4.11	2.63	-	6.74
Provision for Contingencies	2,461.54	486.00	-	2,947.54

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

NOTE : 33 EMPLOYEE STOCK OPTION PLAN

ESOP 2007

The Board at its meeting held on June 22, 2007, approved an issue of Stock Options up to a maximum of 5% of the issued Equity Capital of the company (before Rights Issue) aggregating to 19,04,162 Equity Shares in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 subject to the approval of the shareholders under Section 81(1A) of the Companies Act, 1956. The Shareholders of the company at the Annual General Meeting held on July 30, 2007 approved the aforesaid issue of 19,04,162 Equity Shares of the company under one or more Employee Stock Option Scheme(s). The Compensation and Nomination Committee has approved the following grants to a list of senior level executives of the company and some of its Subsidiaries in accordance with the Stock Option Scheme - 2007.

ESOP 2016

The Board at its meeting held on October 7, 2016, approved to create, and grant from time to time, in one or more tranches, not exceeding 31,25,102 Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the company including managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company), as may be decided by the board, exercisable into not more than 31,25,102 equity shares of face value of ₹ 10/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

ESOP 2007

Particulars		Date of Grant	Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised	Options Forfeited / Lapsed	Options Outstanding at the end of the year	
Grant No.								Vested	Yet to vest
1	Original*	30-07-07	193.40	30-07-08	7,65,900	1,25,944	6,35,732	4,224	-
	CAA *	25-01-08	178.70	-	54,433	9,768	44,337	328	-
2	Original	24-10-07	149.90	24-10-08	70,400	-	70,400	-	-
3	Original	25-01-08	262.20	25-01-09	1,62,800	29,162	1,33,638	-	-
4	Original	25-04-08	191.80	25-04-09	4,68,740	1,51,716	3,10,955	6,069	-
5	Original	30-07-08	105.00	30-07-09	10,070	8,579	1,491	-	-
6	Original	24-10-08	37.70	24-10-09	65,600	26,814	38,786	-	-
7-									
Tr I	Original	27-01-11	187.60	27-01-12	2,94,600	2,03,599	63,438	27,563	-
Tr II	Original	27-01-11	187.60	27-01-12	2,09,700	1,63,155	40,569	5,976	-
8	Original	30-04-11	162.55	30-04-12	1,13,400	43,721	46,197	23,482	-
9	Original	28-07-11	175.35	28-07-12	61,800	29,544	32,256	-	-
10	Original	27-10-11	154.55	27-10-12	1,95,680	1,34,869	50,488	10,323	-

* CAA- Corporate Action Adjustment

ESOP 2016

Particulars		Date of Grant	Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised	Options Forfeited / Lapsed	Options Outstanding at the end of the year	
Grant No.								Vested	Yet to vest
1	Original	25-01-17	1,010.00	25-01-18	5,71,000	-		-	-

The fair value of options used to compute Proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent consultant.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

NOTE : 33 EMPLOYEE STOCK OPTION PLAN (Contd.)

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

ESOP 2007

	Variables					
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
30-Jul-07	7.10% - 7.56%	3-6 years	40.64% -43.16%	5.65%	193.40	61.42
24-Oct-07	7.87% -7.98%	3-6 years	41.24% -43.84%	5.65%	149.90	44.25
25-Jan-08	6.14% -7.10%	3-6 years	44.58% -47.63%	5.65%	262.20	78.15
25-Apr-08	7.79% - 8.00%	2.5-5.5 years	45.78% - 53.39%	3.97%	191.80	76.74
30-Jul-08	9.14% - 9.27%	2.5-5.5 years	46.52% - 53.14%	3.97%	105.00	39.22
24-Oct-08	7.54% - 7.68%	2.5-5.5 years	48.2% - 55.48%	3.97%	37.70	14.01
27-Jan-11						
- Tranche I	8.00%	4 years	59.50%	10.00%	187.60	94.82
- Tranche II	8.00%	3.4 years	61.63%	10.00%	187.60	90.62
30-Apr-11	8.00%	4 years	59.40%	25.00%	162.55	73.07
28-Jul-11	8.00%	4 years	58.64%	25.00%	175.35	79.17
27-Oct-11	8.00%	4 years	57.52%	25.00%	154.55	67.26

The shareholders of the company, at the 34th Annual General Meeting held on July 30, 2012, authorised extension of exercise period from 3 years from the date of vesting to 6 years from the date of vesting. Accordingly, the company has measured the fair value of the options using the Black Scholes model immediately before and after the date of modification to arrive at the incremental fair value arising due to the extension of the exercise period. The incremental fair value so calculated is recognised from the modification date over the vesting period in addition to the amount based on the grant date fair value of the stock options.

The incremental (benefit)/cost due to modification of the exercise period from 3 years to 6 years from the date of vesting for the year ended March 31, 2017 is ₹ Nil (March 31, 2016 - ₹ 0.96 lakhs)

The fair value of the options has been calculated using the Black Scholes model on the date of modification.

The assumptions considered for the calculation of the fair value (on the date of modification) are as follows:

Variables	Post Modification
Risk Free Interest Rate	7.92%-8.12%
Expected Life	0.12 years - 6.25 years
Expected Volatility	28.28% - 63.00%
Dividend Yield	1.18%
Price of the underlying share in market at the time of the option grant.(₹)	₹ 212.05

ESOP 2016

	Variables					
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
25-01-17	6.36% - 6.67%	3.5 -6.51 years	33.39% -34.47%	0.54%	1,010.00	405.09

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2017

NOTE : 34 SHARING OF COSTS

The company and its subsidiaries shares certain costs / service charges with other companies in the Group. These costs have been allocated between the Group Companies on a basis mutually agreed to between them, which has been relied upon by the Auditors.

NOTE : 35 PREVIOUS YEAR'S FIGURES

Previous year's figures have been reclassified to conform with the current year's classification / presentation, wherever applicable.

For and on behalf of the **Board of Directors**

M.B.N. Rao
Chairman

Date : April 28, 2017
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Vellayan Subbiah
Managing Director

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/associate companies/joint ventures

Part "A": Subsidiaries

₹ in lakhs

Name of the subsidiary	**Cholamandalam Securities Limited**	**Cholamandalam Distribution Services Limited**	**White Data Systems India Private Limited**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2017	March 31, 2017	March 31, 2017
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable	Not applicable	Not applicable
Share capital	2,250.00	4,240.00	202.52
Reserves & surplus	(342.56)	947.14	337.66
Total assets	5,402.60	5,278.86	928.65
Total Liabilities	3,495.17	91.72	388.47
Investments	138.19	901.79	150.00
Turnover	1,533.18	1,339.94	1,107.44
Profit/(Loss) before taxation	268.23	834.80	(417.49)
Provision for taxation	52.78	224.67	(10.81)
Profit/(Loss) after taxation	215.45	610.13	(406.68)
Proposed Dividend	-	-	-
% of shareholding	100.00%	100.00%	63.00%
Names of subsidiaries which are yet to commence operations	Not applicable	Not applicable	Not applicable
Names of subsidiaries which have been liquidated or sold during the year	Not applicable	Not applicable	Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	**Not applicable**
Latest audited Balance Sheet Date	
Shares of Associate/Joint Ventures held by the company on the year end	
Number	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
Description of how there is significant influence	
Reason why the associate/joint venture is not consolidated	
Networth attributable to Shareholding as per latest audited Balance Sheet	
Profit / Loss for the year	
Considered in Consolidation	
Not Considered in Consolidation	
Names of associates or joint ventures which are yet to commence operations	
Names of associates or joint ventures which have been liquidated or sold during the year	

For and on behalf of the **Board of Directors**

M.B.N. Rao
Chairman

Date : April 28, 2017
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Vellayan Subbiah
Managing Director

Notes

Corporate Values & Beliefs

Murugappa Group

The Spirit of Murugappa Group comprises
"The Five Lights", each light representing one value of the Group.

Integrity

We value professional and personal integrity above all else. We achieve our goals by being honest and straight forward with all our stakeholders. We earn trust with every action, every minute of every day.

Passion

We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

Quality

We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

Respect

We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

Responsibility

We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that befits our size and also reflects our humility.

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
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murugappa