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July 27, 2018

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, Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001

Dear Sir,

Sub: Annual Report for the financial year 2017-2018

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 2018 approved and adopted by the shareholders at the 40th Annual General Meeting held on 26th July 2018.

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 fortieth annual general meeting of the members of Cholamandalam Investment and Finance Company Limited will be held at 4 p.m. on Thursday, 26 July, 2018 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, 2018 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 45% approved by the board of directors on 30 January, 2018 on the outstanding equity shares of ₹ 10/- each of the company for the year ended 31 March, 2018 and paid to those equity shareholders whose name appeared in the register of members as on 12 February, 2018 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, 2018 and be paid to those members, in case of shares held in physical form, whose names appear in the register of members as on 26 July, 2018 and in case of beneficial holders whose shares are held in dematerialised form as on 26 July, 2018, 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 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, bearing registration no.101049W as the statutory auditors of the company from the conclusion of fortieth annual general meeting till the conclusion of forty fourth annual general meeting at a remuneration of ₹ 41 lakhs for FY 18-19 including the actual travelling and out of pocket expenses incurred in connection with the audit in addition to taxes as applicable be and is hereby ratified.

   RESOLVED FURTHER THAT the board of directors of the company (including any committee thereof) be and is hereby authorised to fix the remuneration payable to the statutory auditors of the company, from time to time including the actual travelling and out of pocket expenses incurred in connection with the audit, in addition to taxes as applicable, during the appointed period till the conclusion of forty fourth annual general meeting.

SPECIAL BUSINESS:

CERTIFIED TRUE COPY
For CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
P. SUJATHA
Company Secretary

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

   RESOLVED THAT pursuant to the provisions of section 149, 150, 152, 161, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s)

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or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the company, Mr. Ashok Kumar Barat (holding DIN 00492930), an additional director, holding office up to the date of this annual general meeting be and is hereby appointed as an independent director of the company not liable to retire by rotation, to hold office for a term of 5 consecutive years effective 31 October, 2017 up to 30 October, 2022.

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

   RESOLVED THAT pursuant to the provisions of section 152, 161 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) and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the company, Mr. M. M. Murugappan (holding DIN 00170478), an additional director, holding office up to the date of this annual general meeting be and is hereby appointed as a director of the company liable to retire by rotation.

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

   RESOLVED THAT in supersession of the resolutions passed earlier and pursuant to the provisions of section 180(1)(c) 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 consent of the members be and is hereby accorded to the board of directors of the company (hereinafter referred to as "the board" which term shall be deemed to include any committee thereof), to borrow from time to time such sum or sums of money as they may deem fit notwithstanding however, that the total borrowings exceed the aggregate of paid-up capital and free reserves of the company, provided however that the aggregate of amounts so borrowed and outstanding at any one time (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed an amount of ₹ 60,000 crores.

8. 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, if any, of the Companies Act, 2013 ("the Act") 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, RBI Directions 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 fortieth annual general meeting until the conclusion of the forty first annual general meeting, up to an amount not exceeding ₹ 18,000 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 : 31 May, 2018

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. 5, 6, 7 & 8 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, 20 July, 2018 to Thursday, 26 July, 2018 (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 26 July, 2018. Members are encouraged to utilise the electronic clearing service (ECS) for receiving dividends by registering their bank mandates.
9. The Members vide resolution dated 27 July, 2017 had appointed M/s. S. R. Batliboi & Associates LLP, chartered accountants, as statutory auditors of the company from the conclusion of 39th AGM till the conclusion of the 44th AGM subject to ratification of such appointment by members at every AGM. The requirement of ratification by members at every AGM is omitted vide notification dated May 7, 2018 issued by the Ministry of Corporate affairs. Accordingly, a one time ratification till the conclusion of 44th AGM is proposed.
10. 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).
11. 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.
12. The Company has transferred the unclaimed or un-encashed dividends for financial years up to 2010 and unclaimed shares to the Investor Education and Protection Fund (IEPF) established by the Central Government. The company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account. Members who have a valid claim to any unclaimed dividends which are not yet transferred are advised to write to the company's RTA immediately. The detailed dividend history, due dates for transfer to IEPF, and the details of unclaimed amounts lying with the company in respect of dividends declared since 2011 are available on the website of the company, www.cholamandalam.com. Also, pursuant to section 124(2) of the Act, the company has uploaded details of unpaid and unclaimed amounts lying with the company in respect of dividends declared in financial year 2017, on the website of the company.

It may be noted that a reminder has been sent for unclaimed / unpaid dividend in respect of those members having unclaimed dividends. Members attention is particularly drawn to the "General Shareholders Information" section of the annual report in respect of unclaimed / unpaid dividend.

13. 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.
14. Copies of the annual report for 2018, notice of the 40th 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.
15. Members may also note that the notice of the 40th AGM and the annual report for 2018 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.
16. 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.
17. 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.
18. 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.
19. 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 : 31 May, 2018

P. Sujatha
Company Secretary

ANNEXURE TO THE NOTICE

A. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (the Act):

Item No.5 - Appointment of Mr. Ashok Kumar Barat as an independent director:

Pursuant to the provisions of section 161 of the Act and based on the recommendation of the nomination and remuneration committee, Mr. Ashok Kumar Barat was appointed as an additional director of the company on 31 October, 2017 and holds office up to the date of this AGM. Details of his qualification, experience, expertise and the information pursuant to regulation 36(3) of Listing Regulations and Secretarial Standards on General Meetings are disclosed below. The company has received a notice in writing from a member under the provisions of section 160 of the Act proposing the candidature of Mr. Barat as a director. Mr. Barat has given a declaration to the board that he meets the criteria of independence as provided under section 149 of the Act as well as under applicable provisions of the Listing Regulations. In the opinion of the board, Mr. Barat fulfills the conditions specified in the Act and rules made there under for appointment as an independent director (ID). Pursuant to the provisions of section 149 of the Act, an ID shall hold office for a term up to five consecutive years on the board of a company and shall not be liable to retire by rotation. Accordingly, the board recommends the appointment of Mr. Barat as an ID for a term of five years. In compliance with the provisions of

section 149 read with schedule IV of the Act and applicable provisions of the Listing Regulations, the appointment of Mr. Barat is being placed before the members for their approval.

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

Item No.6 - Appointment of Mr. M. M. Murugappan as a director liable to retire by rotation:

Pursuant to the provisions of section 161 of the Act and based on the recommendation of the nomination and remuneration committee, Mr. M. M. Murugappan was appointed as an additional director of the company on 31 May, 2018 and holds office up to the date of this AGM. The company has received a notice in writing from a member under the provisions of section 160 of the Act proposing the candidature of Mr. Murugappan as a director. Accordingly, the board recommends the appointment of Mr. Murugappan as a director liable to retire by rotation.

In compliance with the provisions of section 152 of the Act and applicable provisions of the Listing Regulations, the appointment of Mr. Murugappan is being placed before the members for their approval.

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

Item No.7 - Approval of borrowing powers of the Company:

Under section 180(1)(c) of the Act, sanction of the company is required for enabling the board of directors to borrow money in excess of paid-up share capital and free reserves of the company by way of a special resolution. At the annual general meeting held on 31 July, 2014, sanction was accorded by the members by way of a special resolution to the board of directors to borrow money over and above the aggregate of the paid-up share capital and free reserves of the company up to a limit of ₹ 40,000 crores. In view of the increased volume of operations of the company planned for the next few years, it is considered necessary to increase the borrowing limits of the company to ₹ 60,000 crores. Hence, the resolution as set out in item no.7 is being sought, by way of a special resolution, pursuant to section 180(1)(c) of the Act seeking approval of the shareholders to authorise the directors to borrow in excess of the aggregate of the paid-up capital and free reserves up to a sum not exceeding ₹ 60,000 crores.

The board recommends the resolution as set out in item no.7 of the Notice for approval of the members.

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

Item No.8 - 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 proposes to borrow up to ₹ 18,000 crores by way of NCDs during the period from the conclusion of 40th 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 as set out in item no.8 of the Notice for approval of the members.

None of the directors, key managerial personnel of the company and their relatives are 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 the Director	Mr. N. Srinivasan	Mr. Ashok Kumar Barat	Mr. M.M. Murugappan
DIN	00123338	00492930	00170478
Date of Birth	6 October, 1957	5 December, 1956	12 November, 1955
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 the executive vice chairman & managing director for a period of two years with effect from 19 August, 2017	30 October, 2017 - Appointed as an additional director of the company	31 May, 2018 - Appointed as an additional director of the company. Had earlier served as a non executive director on the board from January 2015 till October 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, Fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India	Holds a degree in Bachelor of Technology in Chemical Engineering from University of Madras and a Master of Science in Chemical Engineering from University of Michigan
Expertise in specific functional areas	Has 34 years of experience in the areas of corporate finance, legal, projects and general management	Has varied experience in the fields of Finance, M&A, Strategy and Governance. He has worked in different roles, operational and staff, as a CFO, Managing Director and CEO and Country Manager	Has over 40 years of experience in the diverse areas including strategy & business development, technology, R&D and human resources
Number of meetings of the board attended during the year	Attended all 7 meetings of the board held during the year	Attended all 4 meetings of the board during the year in his tenure	Attended all 3 meetings of the board held during his tenure
Directorships in other companies (including foreign companies	1. TI Financial Holdings Limited (TIFHL) 2. Cholamandalam MS General Insurance Company Limited (Chola MS) 3. Cholamandalam MS Risk Services Limited 4. Cholamandalam Health Insurance Company Limited 5. White data Systems India Private Limited	1. Mahindra Intertrade Limited (Mahindra) 2. DCB Bank Limited 3. Wacker Metroak Chemicals Private Limited 4. The Council of EU Chambers of Commerce in India 5. Pro Green Holdings Limited (Foreign Company, UAE)	1. Tube Investments of India Limited 2. TI Financial Holdings Limited 3. Cholamandalam MS General Insurance Company Limited (Chola MS) 4. Wendt India Ltd. (Wendt) 5. Carborundum Universal Limited (CUMI) 6. Mahindra and Mahindra Limited (M&M) 7. Cyient Limited (Cyient) 8. Coromandel International Ltd (CIL) 9. Ambadi Investments Limited (AIL) 10. Murugappa Organo Water Solutions Private Limited

Name of the Director	Mr. N. Srinivasan	Mr. Ashok Kumar Barat	Mr. M.M. Murugappan
			11. M. M. Muthiah Research Foundation 12. Idea Lab (India) Private Limited 13. IIT Madras Research Park 14. Volzhsky Abrasive Works
Memberships in board committees of other companies (includes membership details of all committees)	**Chairman** 1. Investment Committee - Chola MS 2. Business Committee - Chola MS **Member** 1. Audit Committee - Chola MS & TIFHL 2. Stakeholder Relationship Committee - CIFCL & TIFHL 3. Nomination & Remuneration Committee - Chola MS 4. Corporate Social Responsibility Committee - CIFCL & TIFHL 5. Risk Management Committee - CIFCL & Chola MS 6. Business Committee - CIFCL 7. Management Committee - Chola MS 8. Policyholders' Protection Committee - Chola MS	**Chairman** 1. Audit Committee - DCB 2. Fraud Reporting & Monitoring Committee - DCB **Member** 1. Audit Committee - Mahindra 2. Nomination & Remuneration Committee - CIFCL 3. Risk Management Committee 4. Capital Raising Committee 5. Willful Defaulters Review Committee	**Chairman:** 1. Audit Committee - Cyient, 2. Stakeholder Relationship Committee - TII, CUMI, Wendt, TIFHL 3. CSR – TIFHL, CholaMS 4. Risk Management Committee - Cyient 5. Shares and Debentures Committee - TII 6. Governance Nomination and Remuneration Committee - M&M 7. R & D Committee - M&M 8. Management Committee - CholaMS **Member:** 1. Audit Committee - M&M, AIL, 2. Nomination and Remuneration Committee - TII, Cyient, TIFHL, 3. CSR Committee - AIL, 4. Risk Management Committee - M&M & CholaMS 5. Investment Committee - CUMI, CholaMS, 6. Borrowing Committee - AIL, 7. Share Transfer Committee - AIL, 8. Business Committee - CholaMS
No. of shares held in the company	25,000 equity shares of ₹ 10 each	Nil	18,418 equity shares of ₹ 10 each
Inter-se relationship with any other directors or KMP of the company	Nil	Nil	Nil
Details of remuneration sought to be paid	Refer corporate governance report	Commission of ₹ 7.50 lakhs as recommended by the shareholders at the AGM 2014 of the company	Commission of ₹ 7.50 lakhs as recommended by the shareholders at the AGM 2014 of the company
Details of remuneration last drawn	Refer corporate governance report	Not Applicable	Refer corporate governance report

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 40th annual general meeting (AGM) scheduled to be held on Thursday, the 26 July, 2018 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 19 July, 2018 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. 19 July, 2018.

The remote e-voting facility begins on Monday, the 23 July, 2018 (9:00 a.m. Indian Standard Time) and ends on Wednesday, the 25 July, 2018 (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 19 July, 2018, 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-3822 (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 - 40th 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-3822 (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 19 July, 2018.

(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 19 July, 2018, 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.

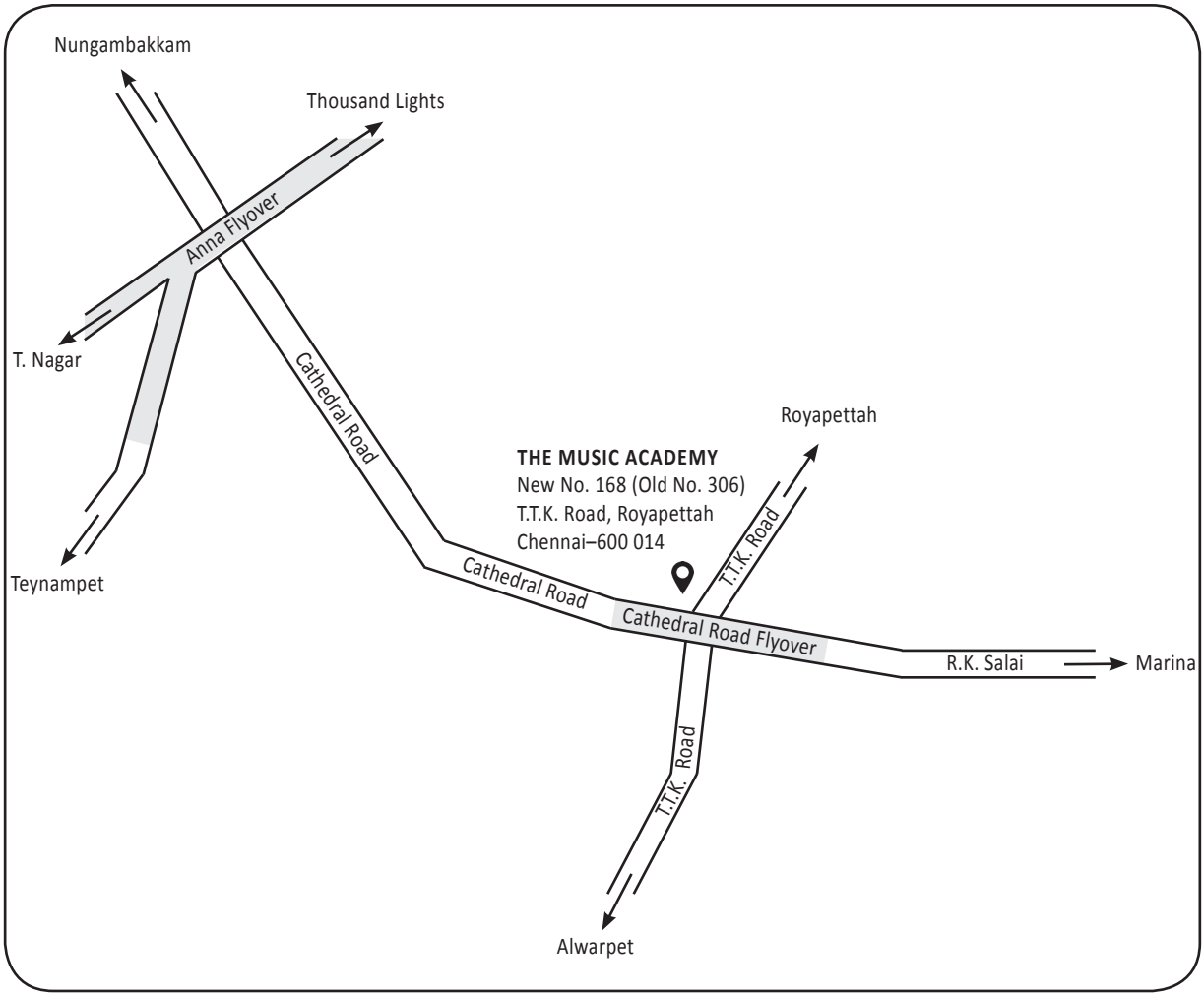
(v) Members who have cast their votes through remote e-voting may also attend the AGM. However, those members are not entitled to cast their vote again in the AGM.

(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 27 July, 2018 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



CREATING VALUE



FOR 40 YEARS

Cholamandalam Investment and Finance Company Limited

Annual Report 2017 - 18



Chola

Enter a better life

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.

CREATING VALUE FOR 40 YEARS



SNAPSHOT OF ANNUAL REPORTS THROUGH THE YEARS

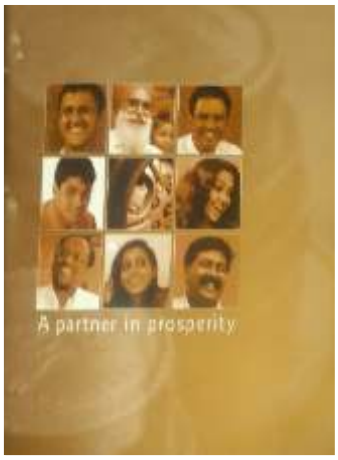






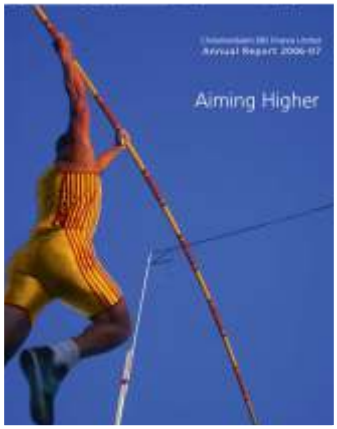












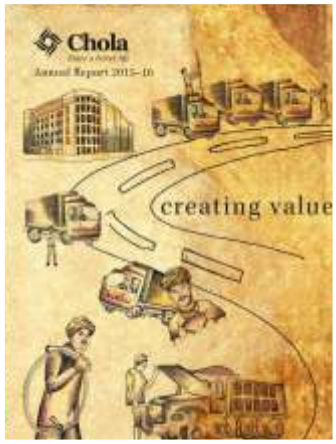














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CORPORATE INFORMATION

BOARD OF DIRECTORS

M.B.N. Rao

N. Srinivasan

V. Srinivasa Rangan

Bharati Rao

Ashok Kumar Barat

M.M. Murugappan

Arun Alagappan

SECRETARY

P. Sujatha

Phone: 044 30007172 (B) 30007055 (D)

Fax: 044 25346464

E-mail: sujathap@chola.murugappa.com

AUDITORS

M/s. S.R. Batliboi & Associates LLP

Chartered Accountants,

6th & 7th Floor, - "A" Block

Tidel Park, (Module 601, 701 & 702)

No.4 Rajiv Gandhi Salai, Taramani,

Chennai 600 113

Phone: 044-66548100

Fax No.:044-22540120

REGISTERED OFFICE

Dare House,

No. 2, N.S.C. Bose Road, Parrys,

Chennai - 600 001

CORPORATE IDENTITY NUMBER

L65993TN1978PLC007576

REGISTRAR & SHARE TRANSFER AGENT

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

A part of the INR 329 Billion Murugappa Group – founded in 1900, one of India's leading business conglomerates with 28 businesses including 9 listed companies traded in NSE & BSE and workforce of 35,000 employees.

OUR GUIDING VALUES

INTEGRITY

We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward 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 benefits our size and also reflects our humility.

Cholamandalam Investment and Finance Company Limited (Chola), incorporated in 1978 as the financial services arm of the Murugappa Group. Chola commenced business as an equipment financing company and has today emerged as a comprehensive financial services provider offering vehicle finance, home loans, home equity loans, SME loans, investment advisory services, stock broking and a variety of other financial services to customers.

Chola operates from 870 branches across India with assets under management above INR 42,900 Crores. The subsidiaries of Chola are Cholamandalam Securities Limited (CSEC), Cholamandalam Home Finance Limited (CHFL) (formerly Cholamandalam Distribution Services Limited) and White Data Systems India Private Limited (WDSI).

The vision of Chola is to enable customers enter a better life. Chola has a growing clientele of over 8 lakh happy customers across the nation. Ever since its inception and all through its growth, the company has kept a clear sight of its values. The basic tenet of these values is a strict adherence to ethics and a responsibility to all those who come within its corporate ambit - customers, shareholders, employees and society.

OUR VISION

Enable Customers to Enter a Better Life.

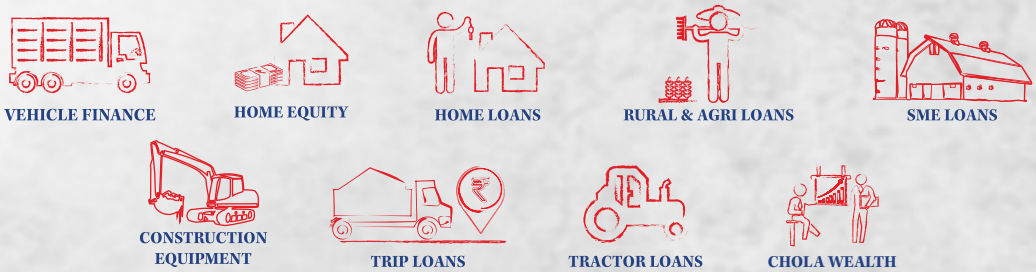
OUR MISSION

Customer First:
Switch from product focussed to customer focussed

Improving Efficiencies:
Long term Customer focus requires profitability and sustainability

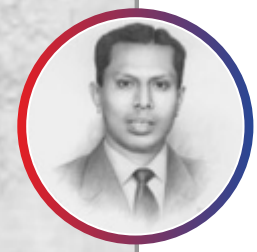
People Power:
People are our Primary Asset. Happier people = Happier Customers

PRODUCTS WE OFFER



KEY MILESTONES IN 40 YEARS

FY 1978-1985



- Incorporated in August 1978 as part of the Murugappa Group
- Mr. AMM Arunachalam was then the Chairman
- Started as a leasing company and Chola was the second leasing company in the country

FY 1985-2000

- Strategic partnership with Standard Chartered Bank
- Commenced Vehicle Finance Business
- Started Chola Securities
- Opened branches in other parts of the country



FY 2000-2005



- Started Chola Distribution
- Launched Heavy Commercial Vehicle Loans, Light Commercial Vehicle Loans and 3 Wheeler Loans
- Expanded to over 120 branches
- In 2003 Chola celebrated 25 years with Mr. M. A. Alagappan as Chairman

FY 2006-2010

- Joint Venture with DBS Bank Singapore
- Commenced Consumer Finance & Home Equity Loans
- Launched e-broking & Retail Loans
- 4,00,000 plus customer base
- Exited Consumer Finance Business



FY 2011



- Obtained AFC Status
- Terminated JV with DBS
- Infused Capital of ₹ 2500 mn
- Focus was on Prime & Shubh VF business
- Key player among NBFCs in Home Equity business

FY 2012

- Total AUM crossed ₹ 130 bn
- Infused Capital of ₹ 2,120 mn
- Commenced Tractor Business
- Added 1,50,000 more customers
- Launch of online payment processing
- Dedicated customer service cell



FY 2013



- Total AUM crossed ₹ 200 bn
- Infused Capital of ₹ 3,000 mn
- Commenced Home Loans Business

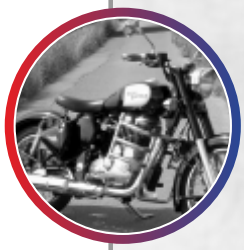
FY 2014

- Total AUM crossed ₹ 250 bn
- CARE Rating upgraded to AA
- Launched Construction Equipment Finance
- Launch of several IT enabled initiatives
  - Dealer & Customer Portal
  - QTRAC (workflow automation)
  - Retail Management System



FY 2015

- Infused Capital of 5,000 mn through CCPS
- India Ratings upgraded to AA
- Adopted GNPA Recognition at 150 days
- Expanded to over 500 branches
- Launch of two-wheeler loans & Rural Finance
- Launch of Tablets to enhance customer experience
- Focus on Lean Concepts in Operations



FY 2016

- Strengthening of product portfolio
- Invested in White Data Systems India Ltd with 63% stake
- Adopted GNPA Recognition at 120 days
- Total AUM crossed ₹ 300 bn



FY 2017

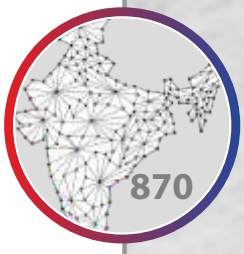
Launched several new initiatives that aim at creating value to the customer

- Trip Loans for working capital requirements of borrowers
- Chola Vishesh, prepaid loyalty card
- Chola Customer Facing App
- Dealer Plus application for used car & truck dealers
- Gaadi Bazaar mobile App for buying & selling used commercial vehicles
- Launch of iLoads logistics platform for transporters and load service providers
- Total AUM crossed ₹ 369 bn
- Adopted GNPA Recognition at 90 days
- Expanded to over 700 branches

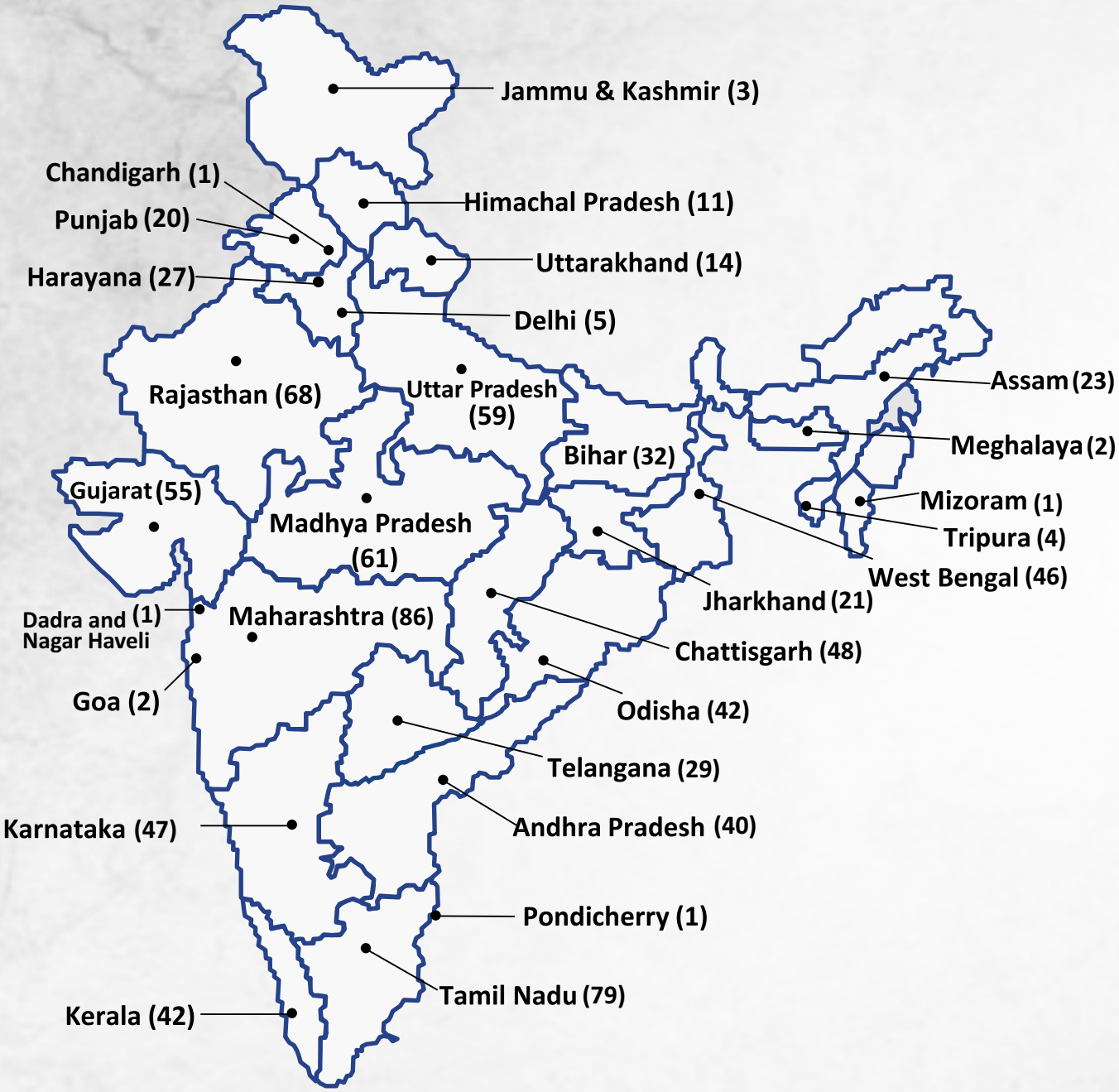


FY 2018

- India Rating and CARE upgraded Long term rating to AA+
- Total AUM crossed ₹ 429 bn
- Expanded to over 870 branches
- Home Loans awarded "Best Performing Primary Lending Institution" in disbursing Pradhan Mantri Gramin Awaas Yojana (PMAY) subsidy to customers during the year 2017-2018 by HUDCO

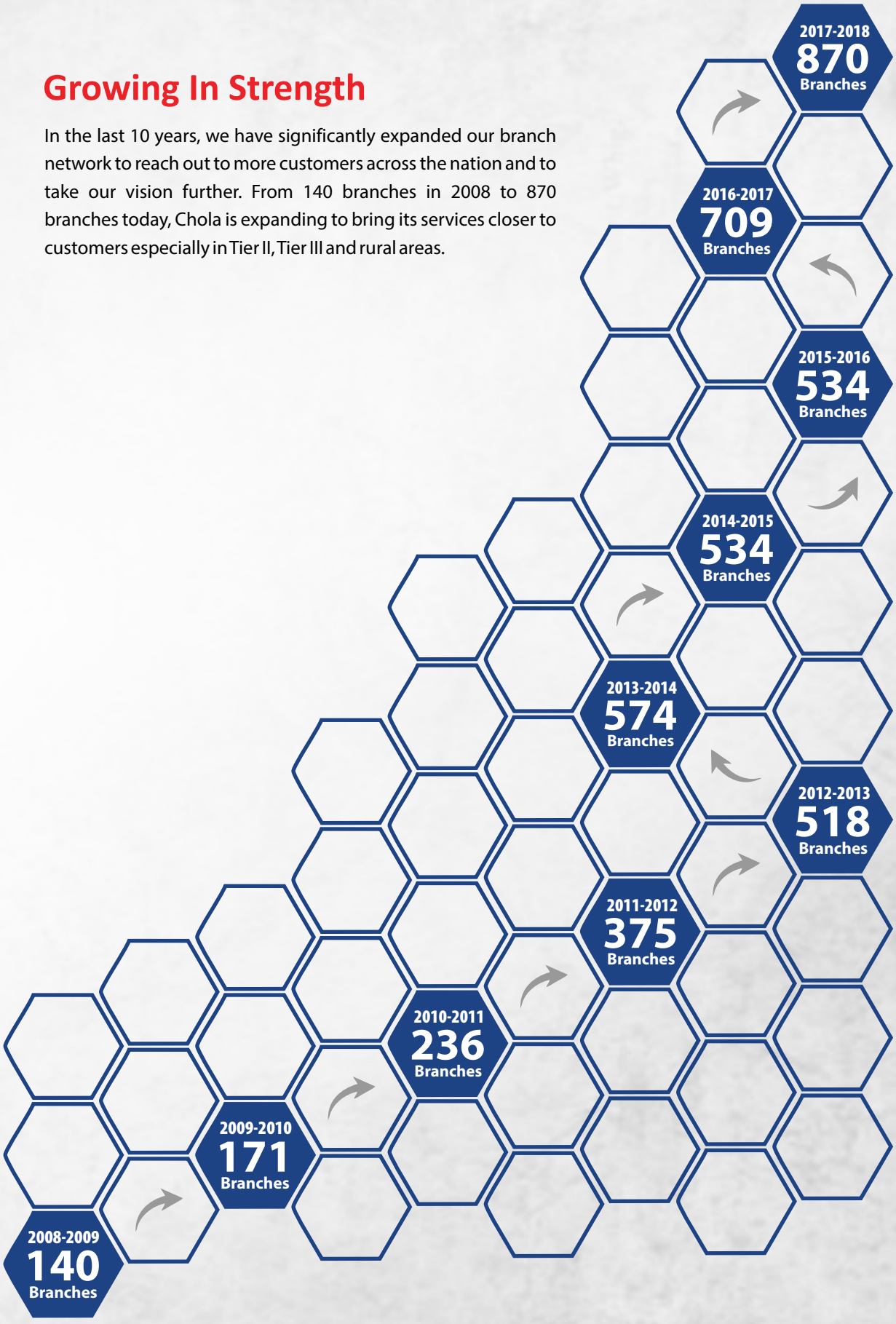


OUR PRESENCE



Growing In Strength

In the last 10 years, we have significantly expanded our branch network to reach out to more customers across the nation and to take our vision further. From 140 branches in 2008 to 870 branches today, Chola is expanding to bring its services closer to customers especially in Tier II, Tier III and rural areas.



MESSAGE FROM THE MANAGING DIRECTOR



MR. N SRINIVASAN
Executive Vice Chairman &
Managing Director

"Chola has carried on the good work in FY 2018. The Profit After Tax (PAT) for the year is ₹ 974 crores, a growth of 36% over the last financial year."

Dear Shareholders

I have great pleasure in communicating with you on the key highlights of the year that went by.

The year that was:

The Financial Year 2017-18 has been one of the best years for the company. Several records were broken. Overall, the Company grew disbursements by 35% and the Assets under Management by 25%. PAT grew by 36% and Return on Equity improved to 20.78%. The most significant action was in reducing the Non Performing Assets to 2.9% from 4.7%, a year ago. Reflecting all this, the market capitalisation of the company surged to ₹ 27,224 crores (as on 30th April 2018) and the Rating Agencies upgraded the long term rating of the Company to AA+, one notch higher than what it was.

Your company has two main lines of business viz., Vehicle Finance and Home Equity. Home Loans and other businesses are in early stage and are yet to be scaled up.

Economic Environment:

Fiscal year 2017-18, albeit a slow start, heralded the return of consumer spending and 'growth' for commercial vehicles industry. Vehicle manufacturers across segments reported double digit growth after many years.

- The heavy commercial vehicles (HCV) grew by 11% YoY with a volume of 2,64,958 units.
- Light commercial vehicle (LCV) grew by 17% YoY with a volume of 3,88,325 units.
- The Mini LCV grew by 33% with a volume of 2,30,238 units,

The other segments viz., the passenger vehicles, two-wheelers, tractors and construction equipment also recorded strong growth. These augured well for your company and we could consolidate our

position and increase our market share across segments/ manufacturers. Both liquidity and interest rates were soft during major part of the year and we could ride the growth backed by the availability of cheaper money. The Home Equity business focussed on resolution of non performing assets besides regaining its growth momentum. Due to intense competition, this business witnessed margin pressure.

The year ahead (FY 18-19):

While the momentum in the growth of commercial / passenger vehicles and tractors have continued in Q1 of FY 18-19, there are external risks, clouding the overall economic scenario. Higher oil prices, higher trade/ current account deficit, weakening Rupee, all have an impact on the macro economy. RBI has already effected a rate hike of 0.25 bps in the recent policy and the market interest rates are hardening.

Despite this, FY 2018-19 promises to be a better year for the rural economy. Prediction of a normal monsoon, good agricultural output, implementation of minimum support price (MSP) of the Government, are expected to boost the farmers' income. Implementation of various infra projects and the continued growth of the road sector will further augment rural income and create a demand for motor vehicles.

Prediction of a normal monsoon, good agricultural output, implementation of minimum support price (MSP) of the Government, are expected to boost the farmers' income. Implementation of various infra projects and the continued growth of the road sector will further augment rural income and create a demand for motor vehicles.

Your company is confident of maintaining its growth in the vehicle financing business. The home equity business is expected to return to normal growth in FY 18-19 by spreading its wings in 60 more locations. We will also resolve and bring down the non-performing assets of this business through a set of specific action plans. The Government's emphasis on housing for all, benefits announced for smaller units and credit linked subsidy scheme to end users is giving a big impetus to the growth of affordable housing segment. We are targeting to grow significantly in this segment. The Board has approved setting up of an independent housing finance company (HFC) considering the opportunity in the home loans segment and the home loans business will be scaled up in the new HFC, which will be a wholly owned subsidiary of this company.

Your company is a large player in the Vehicle Financing space; with 870 branches located pan India and a strong relationship with all OEMs in the country. We continue to make significant investments in people, technology and analytics capabilities, to redefine the business model, aiming superior processes and decision making. These are expected to position the company to grow non-linear, handling higher volume with efficiency and better profitability.

I gratefully acknowledge the contribution of all the employees and the support of all stakeholders and look forward to an exciting year ahead.

Best Wishes,
N. Srinivasan

BOARD OF DIRECTORS



Mr. M.B.N. Rao
(70 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 Vice Chairman of Commercial Bank of India, Moscow (a joint venture of State Bank of India and Canara Bank)
- Has over 48 years of varied experience in the 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 Apollo Munich Health Insurance Company Limited, 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
(60 years) DIN : 00123338
(Executive Vice Chairman & Managing Director)

- Associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.
- 34 years of experience in the areas of corporate finance, legal, projects and general management.
- Is a Member of Murugappa Corporate Advisory Board and director on the Boards of TI Financial Holdings Limited (Formerly 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. Appointed as Vice Chairman in January, 2012 and as the Executive Vice Chairman & Managing Director effective 19 August, 2017.



Mr. V. Srinivasa Rangan
(58 years) DIN : 00030248
(Independent Director)

- Is a graduate in Commerce, Associate member of Cost Accountants of India and the Institute of Chartered Accountants of India.
- Has over 35 years of experience in corporate finance , treasury 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, True North Corporate Private Limited, TVS Credit Services 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.
- Was a member of the RBI's committee on the Asset Securitisation and Mortgage Backed Securitisation.
- Was a member of the Technical Group formed by National Housing Bank for setting up of a Secondary Mortgage Market Institution in India
- Joined the Board of Chola in July, 2011.



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

- Is a post graduate in Economics and a Certified Associate of the Indian Institute of Banking & Finance.
- Has over 46 years of varied experience in the fields of project finance, International Operations, 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 Carborundum Universal Limited, Wheels India Ltd, Can Fin Homes Limited, SBI Capital Markets Ltd., SBI Caps (UK), SBICAP Securities Ltd., SBI Global Factors Ltd., Tata Tele Services Ltd., Neuland Laboratories Ltd., and Delphi-TVS Diesel Systems Ltd.
- Joined the Board of Chola in July, 2014.



Mr. Ashok Kumar Barat
(61 years)
DIN: 00492930
(Independent Director)

- Graduate in Commerce, a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.
- Has varied experience in the fields of Finance, M&A, Strategy and Governance. He has worked in different roles, operational and staff, as a CFO, Managing Director and CEO and Country Manager.
- Is a director on the Board's of DCB Bank Limited, Mahindra Intertrade Limited and Wacker Metroark Chemicals Private Limited (a subsidiary of Wacker Chemie AG).
- Was the Managing Director and Chief Executive Officer of Forbes & Company Limited from 2008 till his retirement in 2016.
- Worked with Hindustan Lever Limited (now Unilever), Pepsi, Electrolux, Telstra and Heinz. Was the past President of the Bombay Chamber of Commerce and Industry.
- Joined the Board of Chola in October, 2017.



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

- Is the Executive Chairman of Murugappa Corporate Advisory Board.
- Has over 40 years of experience in diverse areas including strategy & business development, technology, R&D and human resources.
- Holds a Bachelor's degree in Chemical Engineering from the AC College of Technology, University of Madras, India and a Master of Science Degree in Chemical Engineering from the University of Michigan, Ann Arbor, Michigan, USA.
- Is the non-executive chairman of TI Financial Holdings Limited, Cholamandalam MS General Insurance Company Ltd, Coromandel International Limited, Tube Investments of India Limited and Carborundum Universal Limited.
- Is an independent director on the boards of companies outside the Murugappa Group such as Mahindra & Mahindra Ltd. and Cyient Ltd.
- Served on the Board of Governors of IIT Madras, for six years till November 2011 and has enabled many industry – academic partnerships. Now serves on the board of the IIT-Madras Research Park and is a mentor to many companies incubated there.
- Is a Trustee of the Group's AMM Foundation, actively involved in the development of various citizenship initiatives, particularly in education, health care, performing arts and sports.
- Appointed as an additional director of Chola on 31st May 2018. Had earlier served as a non-executive director on the Board of Chola from January 2015 till October 2017.



Mr. Arun Alagappan
(41 years)
DIN: 00291361
(Executive Director)

- Graduate in Commerce, holds Masters in Business Administration from Cardiff Business School.
- 18 years of experience in various units of the group viz., Parryware, Tube products of India and lastly as the President of TI Cycles.
- Was instrumental in forging the alliance with Roca and under his leadership, TI Cycles has grown into an INR 14.8 Billion business, with leading indigenous brands like BSA, Hercules, Montra, Lady Bird and affiliation with international brands like Ridley, Bianchi, Cannondale.
- Is on the Boards of Cholamandalam Home Finance Limited, Lakshmi Machine Works Limited, Roca Bathroom Product Private Limited and few other Murugappa group Companies.
- Is appointed as the Executive Director in Chola effective 19 August, 2017.



Market Leaders

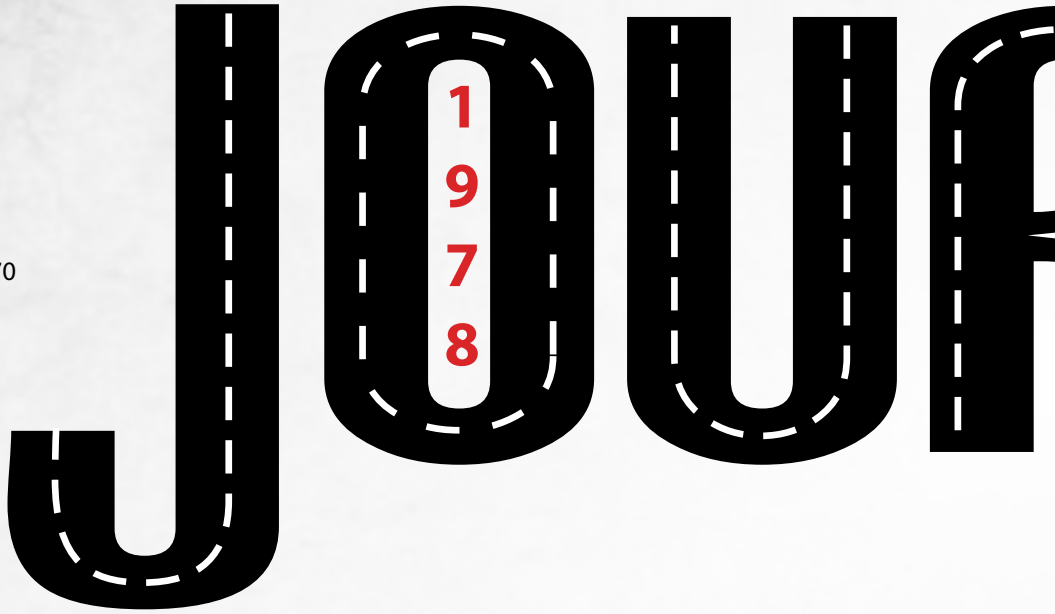
- Pioneers in Corporate Hire Purchase & Car Finance in the1980's
- Second leasing company to start in the country



Creating Value for Equity Share Holder

Value to investors by way of market capitalization - from ₹ 840 crores in 2008 to ₹ 22662 crores as on March 2018.

CREATING VALUE





Getting closer to customers

From 120 branches in 2000 to 870 branches till date.



Helping millions enter a better life

2 lakh customers in 2000 to 8 lakh plus customers till date.



Growing employees to serve more customers

200 plus employees in 2000 to 6700 plus employees today.





Moving to Digital

Loan application, follow-up, approval and post disbursement process is now completely online on Chola App.



Our branch is customer's doorstep

Tablets are used by Sales & Collection Force to update customer's requirement including KYC at customer's doorstep so that no branch visit is required.



Happy Trips for Transport Operators

We offer Trip Loans to transport operators as working capital, helping them run their business more successfully.

RNEY

FOR FORTY YEARS



Vishesh Card

Chola offers pre-paid loyalty card to its customers.



Creating Entrepreneurs for 4 decades

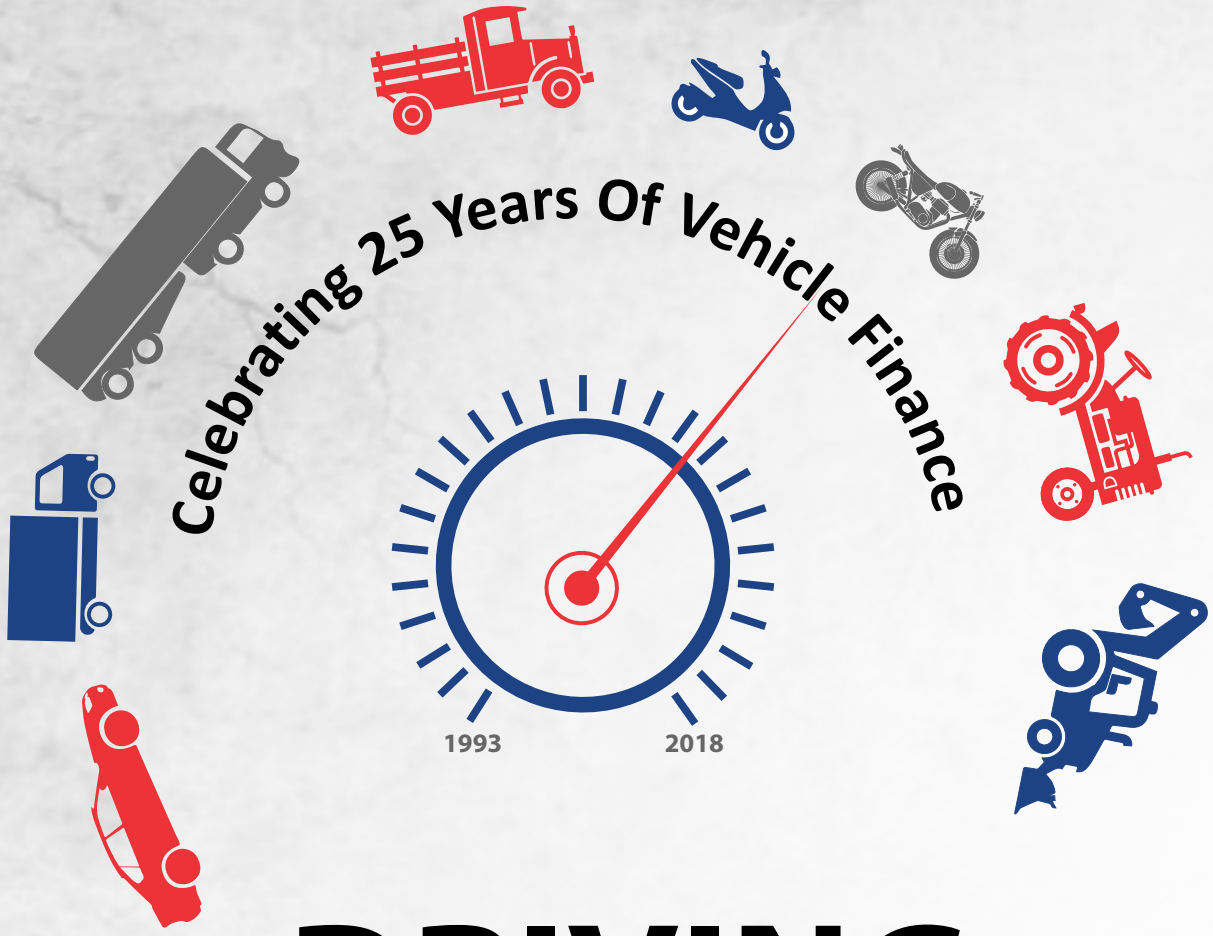
Chola opened the doors of opportunity for many small and medium sized entrepreneurs by providing financial assistance at the right time.



Transforming drivers to fleet owners

Customers of Vehicle Finance who started with just one vehicle a decade ago, today own a fleet of over 50 vehicles.





DRIVING PROGRESS

Two Wheeler Loans | Heavy Commercial Vehicle Loans | Tractor Loans | Car & MUV Loans

Construction Equipment Loans | Trip Loans | Light Commercial Vehicle Loans

Small Commercial Vehicle & Three Wheeler Loans | Used Vehicle Loans

Highlights of 25 years journey

1993-1998

Pioneers in Car Finance

- One of the largest car financiers in the market
- Branched out from south and opened branches in Mumbai, Ahmedabad, Nagpur, Raipur, Pune, Indore, Baroda and Nashik

2000-2010

Commenced Finance for HCV, LCV, Tractors & Three-Wheelers

- Built a franchise network with more than 200 franchisees and expanded operations in west and north

2010-2011

Earned status of Preferred Financier with leading manufacturers and dealers

- Primary focus on Prime & Shubh
- Opened 65 new branches across the country
- 147% increase in growth

2011-2012

Creating value for the rural segment

Increase in penetration in rural markets encouraged us to commence Tractor Finance and also finance for farm equipments. Within the first year of operation, we gained a 3.5% market share.

2012-2013

Contributing to Customer Delight

- Launch of SMS service
- Online processing of payments
- Organized "Customer Meets" to get customer feedback

2013-2014

Introducing products that create more value

- Launched Tractor, Retail & Direct
- Commenced Construction Equipment Finance
- Implemented Centralised Call Centre

2014-2015

Technology enablers to business

- Tablets provided to sales and collection executives for better customer engagement
- Launch of Two-Wheelers Loans

2016-2018

Adding value through New Initiatives

Chola App – Fast & Convenient

Through the App, customers can apply for a loan, upload KYC documents, pay EMIs, download statements, raise a request, etc.,

Trip Loans

Provides working capital which is in line with our customers' business requirements.

Gaadi Bazaar

App for buying and selling used commercial vehicles with the facility to conduct an online auction for registered buyers.

Vishesh Card

Chola offers pre-paid loyalty card to its customers.

Dealer Plus

Application developed for used car dealers, truck dealers and brokers. The application helps maintain inventory stock pricing, cost of vehicles, expense incurred on account of each vehicle, etc.

Mutual value through strategic tie-ups

We provide technology, communication and manpower support to manufacturers and dealers to improve sales especially in the untapped markets.

HOME EQUITY

10 years of standing strong and weathering the storms of the Home Equity market reflects our commitment to our customers and all our stakeholders. Our customers are at the heart of everything we do. We have maintained a stable portfolio and we offer the best turn-around-time in the industry. The last couple of years we have invested in technology and are completely focused on enhancing the customer experience and the way customers engage with us.



Growing Nationwide Presence

148 branches across the nation and growing to benefit more customers.

Enabling a better life

Our focus is on the middle socio economic class and self employed non professionals.

Enhancing Digital Experience

Loan application and approval process is completely online. Chola App provides convenience and speed.

Personalized Service

For personalized service, sales & collection executives visit customer doorstep and complete all process from their location using Tablets to upload KYC, check CIBIL score, etc.

Centralised call centre

We are readily accessible whenever customers need help. Chola's centralised call centre offers quick and prompt help.

Milestones

2017 - 2018
Assets Under Management stood at ₹ 9,997 crores

2016-2017
Home Equity operations expanded to more than 130 branches and asset book crossed ₹ 9500 crores mark

2015 -2016
Achieved a PBT of ₹ 260 crores

2013 - 2014
Home Equity achieved ₹ 100 crores of PBT

2012 - 2013
Home Equity received Murugappa Star Performer Award in Medium Business category

2011 - 2012
Assets Under Management crossed ₹ 2000 crores

2010 - 2011
Achieved ₹ 1000 crores of Disbursement with operations expanded to North, West and South States

2009 - 2010
Achieved ₹ 500 crores of Disbursement

2008 - 2009
Expanded Operations to 17 branches

2007-2008
Start of Business with Operations in 5 branches across 3 states

CORPORATE SOCIAL RESPONSIBILITY

Chola's CSR Policy is inspired by the belief in helping its stakeholders "enter a better life". Chola operates in a manner of providing a holistic development for its key stake holders, its customers primarily the marginalized communities of the transport sector.

A CSR framework has been formulated with the focus on Swachha Bharat Mission, promoting Water & Sanitation Facilities (WASH). Other CSR initiatives include providing health care facilities, education and vocational training for the customers, supply chain partners, employees and the community we live in.

Holistic Development of Trucking Community

- Health & Eye Camps for truck drivers and their families
- Vocational training for alternate livelihoods
- Construction of toilet complexes at Transport Nagars
- Installation of RO water plants for drinking water

Rural Development

- General Health Awareness Programmes
- Providing health check-ups, medicines & treatment
- Awareness on prevention of female foeticide
- Pre-natal & post-natal healthcare facilities

Health Care

- Mobile Health Vans providing basic healthcare facilities
- Financial support to integrated health clinics in remote areas
- Support towards expansion of hospital facilities
- Free eye screening camps in villages

Water & Sanitation

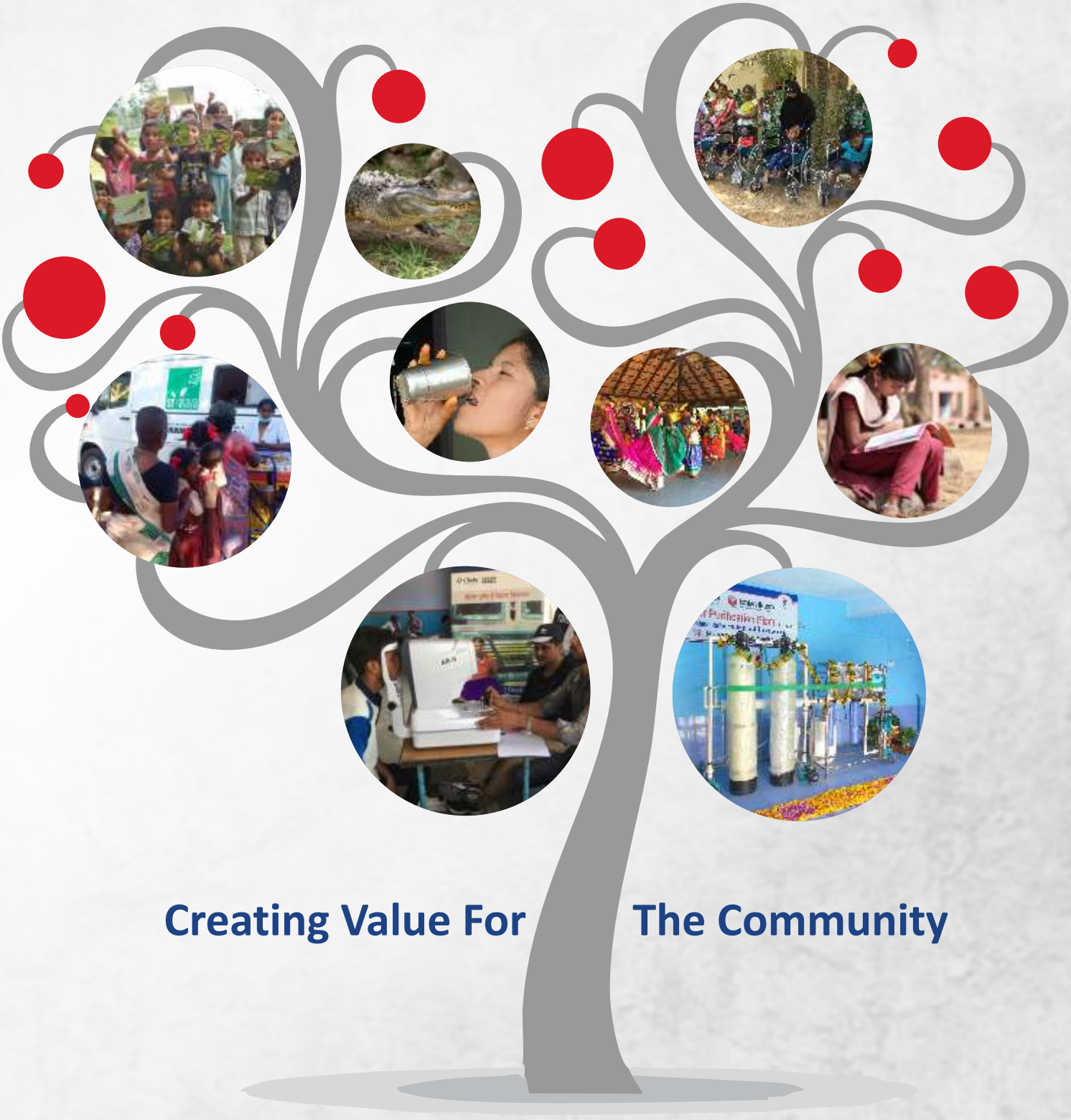
- Awareness programs on health, hygiene & water conservation
- Any Time Water using Reverse Osmosis technology
- Solar powered water supply
- Smart toilets for women and children

Environment Sustainability

- Creating awareness on nature conservation
- Awareness on protecting endangered bird species
- Infrastructural support to protect Crocodiles, Komodo species, etc.
- Involving children through activity based approach

Arts, Culture & Heritage

- Extending support to Art Museums
- Thematic cultural celebrations of different states
- Learning through visual and performing arts
- Internship facilities for Arts Management students



Creating Value For The Community

BUSINESS HIGHLIGHTS

Particulars (₹ in crores)	FY18	FY17	FY16	FY15	FY 14
Branch Network (in nos.)	870	709	534	534	574
Disbursement	25,114	18,591	16,380	12,808	13,114
Assets Under Management (AUM) (Net)	42,879	34,167	29,650	25,453	23,253
Net Income Margin (NIM)	3,118	2,430	2,143	1,731	1,492
Operating profit	1,828	1,416	1,298	982	834
Profit After Tax (PAT)	974	719	568	435	364
Key Ratios (in %)					
NIM	9.7	8.6	8.7	7.9	7.7
Expense Ratio	4.0	3.6	3.4	3.4	3.4
Gross Non-Performing Assets	2.9	4.7	4.5	4.7	3.8
Net Non-performing Assets	1.7	3.2	3.0	3.4	2.5
NPA Provisioning Norms (Days)*	90	90	90	90	90
Tier I Capital	13.3	13.6	13.3	13.0	10.4
Tier II Capital	5.1	5.0	6.4	8.2	6.8
Capital Adequacy Ratio	18.4	18.6	19.7	21.2	17.2
Return on Total Assets - PAT	3.0	2.6	2.3	2.0	1.9
Return on Equity	20.8	18.0	16.7	15.8	17.1
Growth Ratios (in %)					
AUM Growth	25.5	15.2	16.5	9.5	22.4
Disbursement Growth	35.1	13.5	28	-2.3	8.2
NIM Growth	28.3	13.4	23.8	16.0	30.3
PBT Growth	34.2	27.0	32.5	19.4	22.1
Book Value per Share Growth	20.2	15.9	16.3	27.3	16.8

*comparative figures have been provided for GNPA and NNPA at 90 days provisioning norms for FY 14 to FY16

Disbursements — CAGR - 18%

(₹ in crores)

FY 14	13,114
FY 15	12,808
FY 16	16,380
FY 17	18,591
FY 18	25,114

Business AUM (Net) — CAGR - 17%

(₹ in crores)

FY 14	23,253
FY 15	25,452
FY 16	29,650
FY 17	34,167
FY 18	42,879

Income — CAGR - 14%

(₹ in crores)

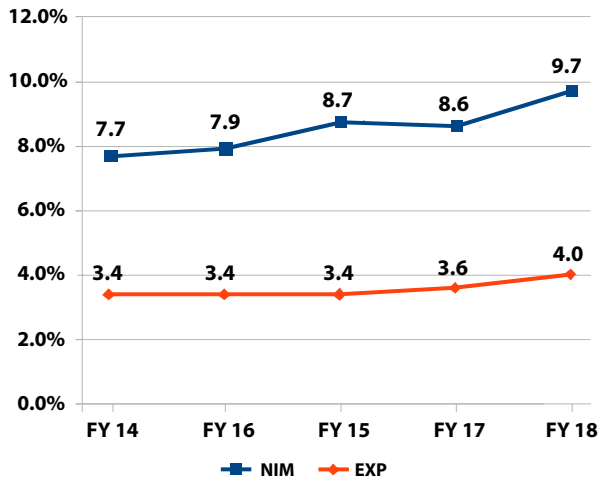
FY 14	3,263
FY 15	3,691
FY 16	4,194
FY 17	4,660
FY 18	5,426

Profit Before Tax — CAGR - 28%

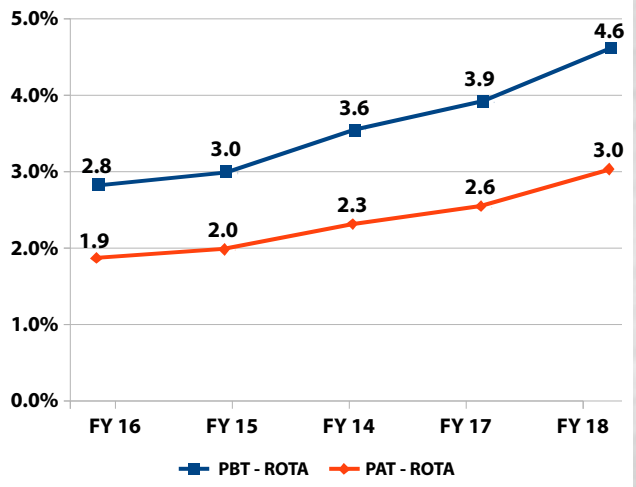
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FY 14	550
FY 15	657
FY 16	871
FY 17	1,106
FY 18	1,483

NIM and Expense Ratio — in %

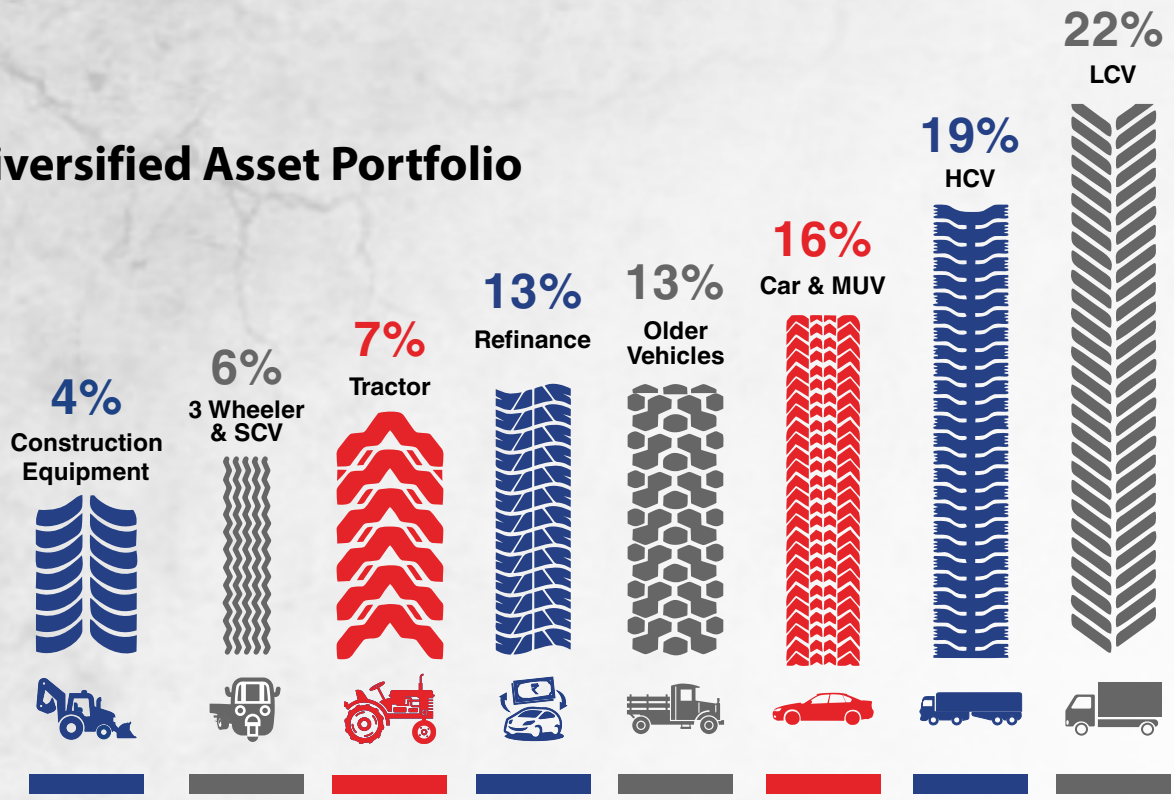


ROTA — in %



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
- Good penetration in Tier II and Tier III towns
- In-house highly experienced sales and collections team
- Low employee turnover
- Good internal control processes
- Customised products offered for target customers
- Strong collections management

Disbursements — CAGR - 19%

(₹ in crores)



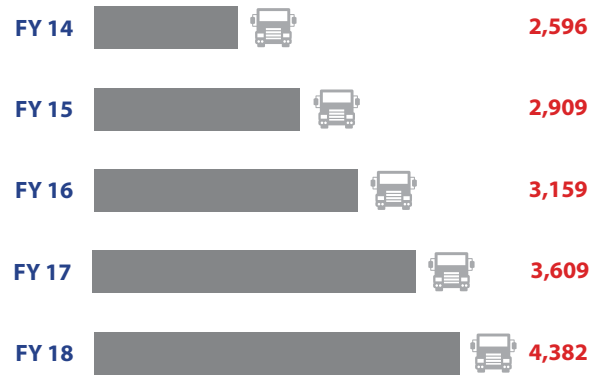
Business AUM (Net) — CAGR - 17%

(₹ in crores)



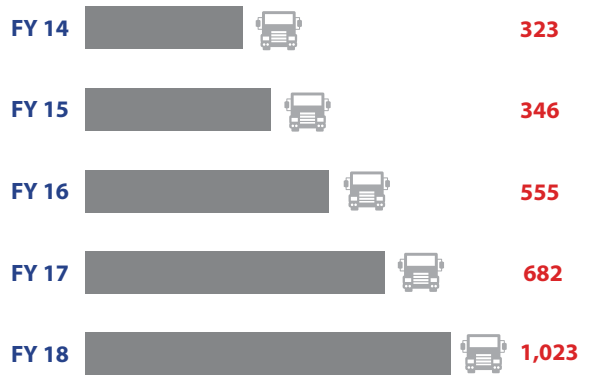
Income — CAGR - 14%

(₹ in crores)

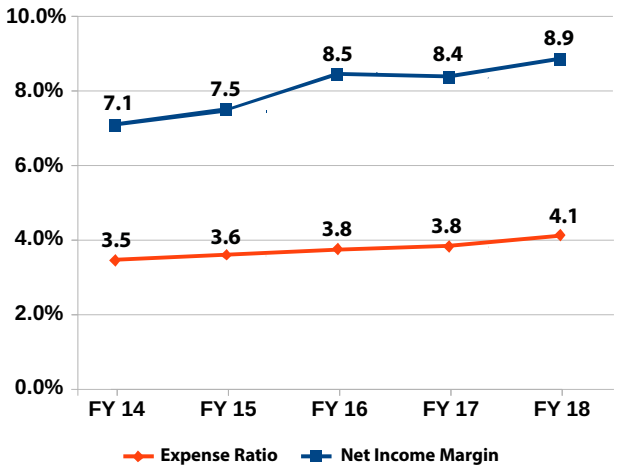


Profit Before Tax — CAGR - 33%

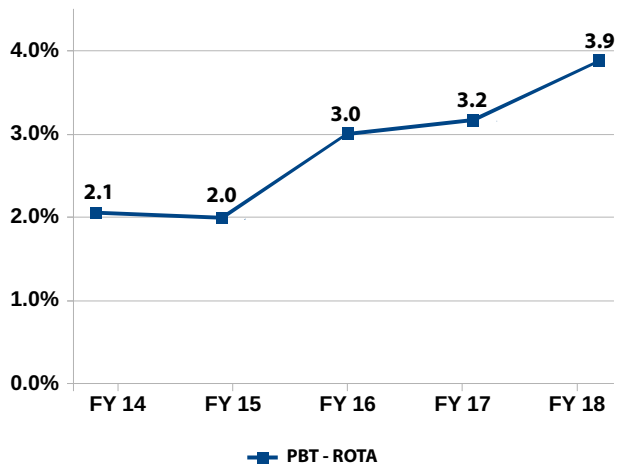
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NIM and Expense Ratio — in %



ROTA — in %

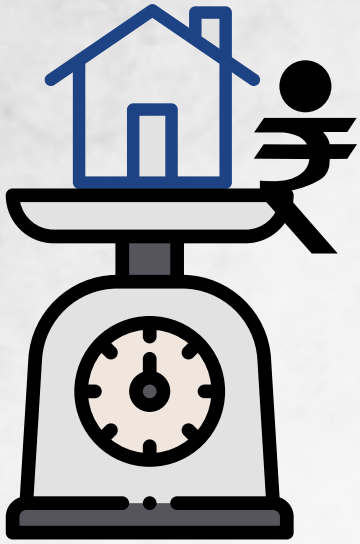


BUSINESS REVIEW - HOME EQUITY

Asset Class

Self occupied residential property

Long tenor loans serviced across 148 locations Pan India



Customer Segment

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

Key Differentiators

Process Differentiator

One of the best turnaround times in the industry

Personalised service to customers through direct interaction with each customer

Pricing

Fee Income adequate to cover origination & credit cost

Leverage cross sell opportunities for additional income

Effective cost management

Underwriting Strategy

Personal visit by credit manager

Assess both collateral and repayment capacity to ensure credit quality

Structure

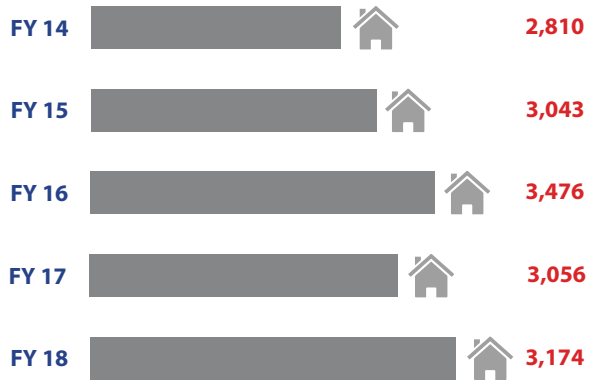
Separate verticals for sales, credit & collections to drive focus

Convergence of verticals at senior levels

Each vertical has independent targets vis-à-vis their functions

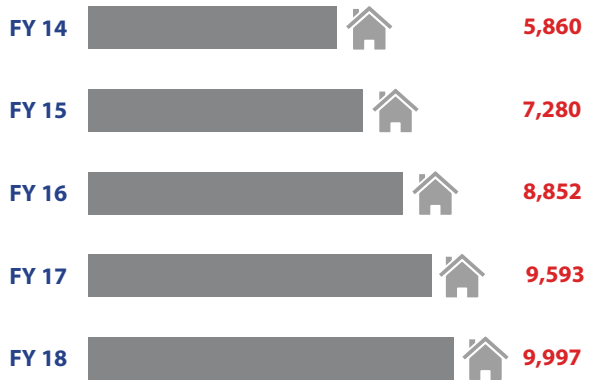
Disbursements — CAGR - 3%

(₹ in crores)



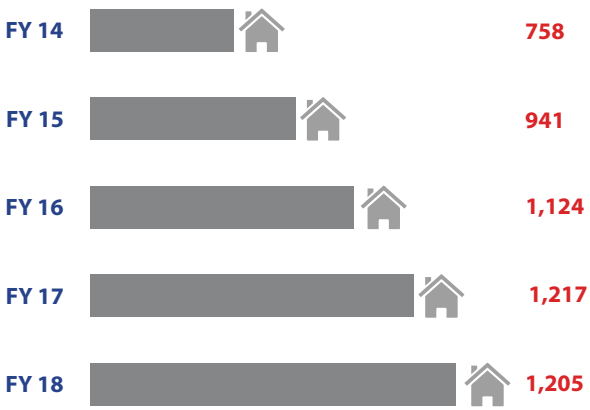
Business AUM (Net) — CAGR - 14%

(₹ in crores)



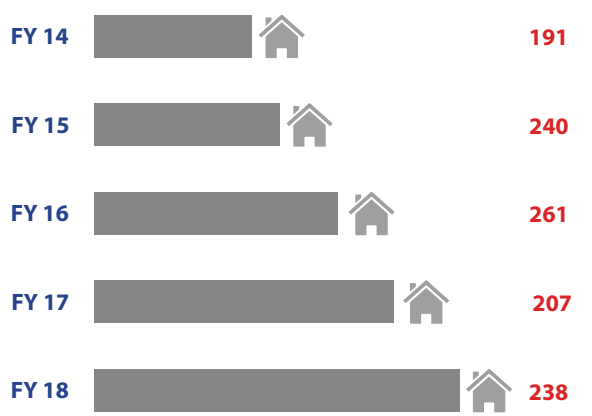
Income — CAGR - 12%

(₹ in crores)

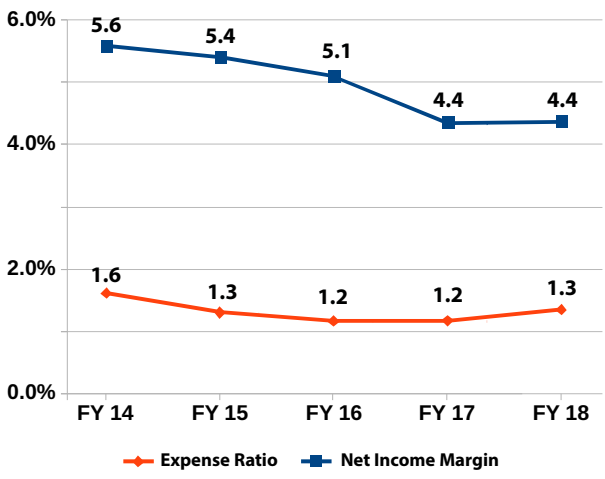


Profit Before Tax — CAGR - 6%

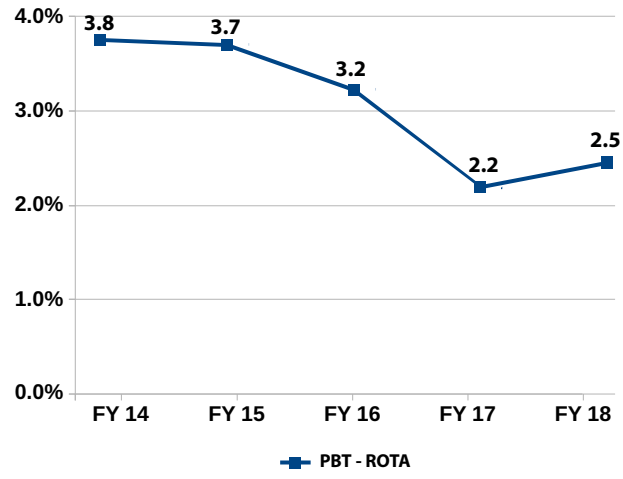
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NIM and Expense Ratio — in %



ROTA — in %



BUSINESS REVIEW - HOME LOANS

Chola offers Home Loans for self construction, for purchase of ready to occupy homes and balance transfer of existing home loan. We believe in creating value that is sustainable and difficult to replicate. Value for home buyers is not just the purchase of a home; it's the fulfilment of their dreams. Chola provides affordable housing finance to the self-employed non-professionals segment in Tamil Nadu, Andhra Pradesh, Rajasthan, Karnataka, Gujarat and Maharashtra.

FEATURES

- 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

Disbursements — CAGR - 98%

(₹ in crores)

FY 14	39
FY 15	89
FY 16	175
FY 17	325
FY 18	606

Business AUM (Net) — CAGR - 121%

(₹ in crores)

FY 14	41
FY 15	121
FY 16	264
FY 17	518
FY 18	984





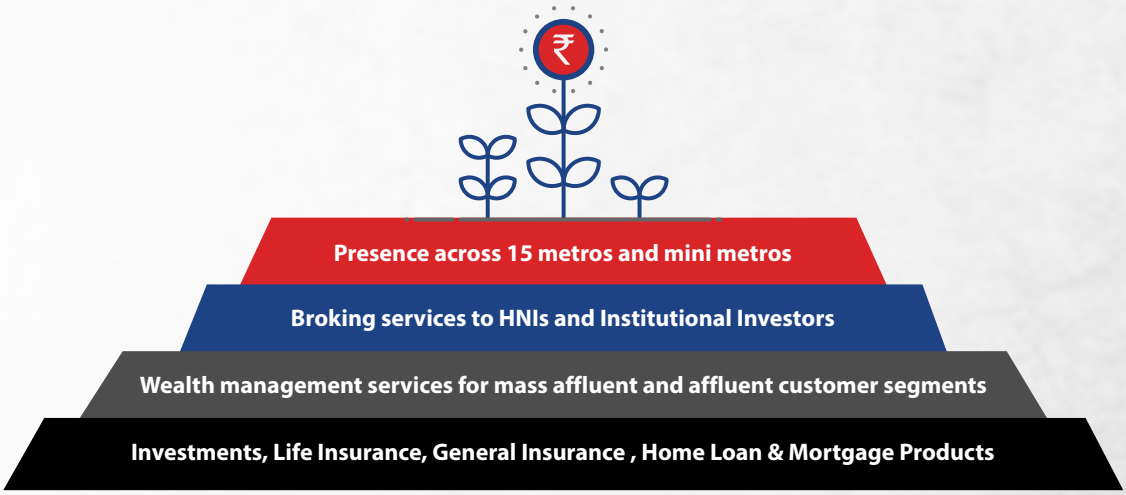
Awarded Best Performing Primary Lending Institution in disbursing Pradhan Mantri Gramin Awaas Yojana (PMAY) Subsidy to customers during the year 2017-18 by Housing & Urban Development Corporation Limited (HUDCO)

OUR SUBSIDIARIES

The subsidiaries of Chola are Cholamandalam Securities Limited (CSEC), Cholamandalam Home Finance Limited (CHFL) and White Data Systems India Private Limited (WDSI).

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 Home Finance Limited (CHFL)

Cholamandalam Home Finance Limited (CHFL) (formerly Cholamandalam Distribution Services Limited) is of the belief that every family should own a home. CHFL offers home loans to suit all budgets with convenient repayment options and fast track approval process. CHFL offers home loans for construction of houses, purchase of new home and balance transfer of the home loans from other financial institutions.

White Data Systems India Private Limited (WDSI)

White Data Systems India Private Limited (WDSI) is a subsidiary company of Chola and was incorporated in 2015 with a vision to improve reliability and quality of freight service. iLoads is a digital platform owned by WDSI that seamlessly connects load providers, logistics agents, brokers and transporters. 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 utilization, sustained growth and better economic opportunities.



FINANCIAL HIGHLIGHTS

Financial Year ended	2018	2017	2016	2015
Operating Results				
Total Income	5,42,576	4,66,035	4,19,371	3,69,119
Profit before tax	1,48,331	1,10,558	87,077	65,722
Profit after tax	97,412	71,874	56,845	43,516
Liabilities				
Shareholdes' Funds				
Equity	51,50,22	4,28,492	3,65,741	2,67,333
Preference		-	-	50,000
Loan Funds	31,90,227	24,10,910	22,57,622	19,47,524
Other Liabilities and Provisions	2,45,208	2,20,078	1,65,468	1,22,466
Total Liabilities	**39,50,457**	**30,59480**	**27,88,831**	**23,87,323**
Assets				
Fixed Assets (including assets leased out)	16,076	14,004	11,132	6,833
Investments	31,899	23,859	6,657	6,748
Receivables Under Financing Activity				
Automobile Financing	28,17,343	20,48,866	17,25,773	14,94,847
Loans against Immovable Property	8,49,121	7,59,756	7,30,131	6,97,429
Other Loans	53,651	32,826	1,35,109	26,078
Other Assets (net)	1,82,367	1,80,169	1,80,029	1,55,388
Total Assets (A)	**39,50,457**	**30,59,480**	**27,88,831**	**23,87,323**
De-recognised Assets (B)	6,23,360	6,26,334	4,16,433	3,54,824
Total Assets Under Management - (C) = (A) + (B)	**45,73,817**	**36,85,814**	**32,05,264**	**27,42,147**
Key Indicators				
Earnings per Equity Share - Basic (₹)	62.32	46.01	37.50	30.09
Earnings per Equity Share - Diluted (₹)	62.26	45.99	37.46	29.97
Dividend per Equity Share (₹)	6.50	5.50	4.50	3.50
Book Value per Equity Share (₹)	329.46	274.2	236.60	203.48
Market Price per Equity Share (₹)	1449.70	964.45	713.45	587.60

₹ in Lakhs

2014	2013	2012	2011	2010	2009
3,26,284	2,55,568	1,78,821	1,20,183	92,950	1,12,063
55,021	45,080	29,011	10,011	3,133	1,708
36,401	30,655	17,254	6,218	1,542	4,275
-	-	-	-	-	-
2,29,471	1,96,477	1,41,728	1,07,202	48,500	48,101
-	-	-	-	30,000	30,000
18,09,319	15,28,901	11,44,411	7,94,891	5,41,480	5,42,703
1,15,890	93,102	56,887	65,733	76,263	76,483
21,54,680	**18,18,480**	**13,43,026**	**9,67,826**	**6,96,243**	**6,97,287**
7,290	7,065	5,316	3,318	1,375	3,384
8,243	22,451	6,170	6,828	21,933	40,520
14,29,606	11,98,841	8,82,201	5,73,146	3,07,616	1,95,610
4,93,046	4,34,722	2,99,966	1,88,648	1,35,857	63,097
20,161	29,031	50,823	98,232	1,05,485	1,96,768
1,96,334	1,26,370	98,550	97,654	1,23,977	1,97,908
21,54,680	**18,18,480**	**13,43,026**	**9,67,826**	**6,96,243**	**6,97,287**
4,08,736	2,52,868	1,22,076	90,199	1,69,083	1,67,600
25,63,416	**20,71,348**	**14,65,102**	**10,58,025**	**8,65,326**	**8,64,887**
25.43	22.89	14.39	5.67	1.79	7.05
25.38	22.83	14.39	5.67	1.79	6.83
3.50	3.50	2.50	1.50	1.00	
160.25	137.29	106.92	89.87	73.04	72.43
288.10	271.35	185.05	172.60	93.75	25.85

Board's Report

BOARD'S REPORT

Your directors have pleasure in presenting the fortieth annual report together with the audited accounts of the company for the year ended 31 March, 2018.

FINANCIAL RESULTS

₹ in crores

Particulars	2017 - 18	2016 - 17
Gross Income	5,425.77	4,660.35
Profit Before Tax (PBT)	1,483.31	1,105.58
Profit After Tax (PAT)	974.12	718.74
Add: Balance brought forward	450.85	247.94
Amount available for appropriation	**1,424.97**	**966.69**
Adjustments / Appropriation:		
Transfer to statutory and other reserves	700.00	450.00
Dividend – Equity	101.60	54.70
Tax on dividend	20.68	11.14
Balance carried forward	602.69	450.85
TOTAL	**1,424.97**	**966.69**

SHARE CAPITAL

The paid up equity share capital of the company as at 31 March, 2018 is ₹ 156.33 crores including the increase during the year by ₹ 5.38 lakhs, consequent to allotment of shares upon exercise of stock options by employees under the company's employee stock option scheme 2007 and employee stock option scheme 2016.

OPERATIONS

During the year, your company achieved a 34% growth in profit before tax (PBT) and 25% growth in total assets under management. During the second half of the year the commercial vehicle (CV) industry saw a sharp recovery boosting sales of vehicles across.

Vehicle finance (VF) business recorded a disbursement growth of 42% buoyed by the recovery signals in the CV market. Disbursements in VF for the year were at ₹ 20,540 crores as against ₹ 14,471 crores in the previous year.

The business recorded a growth of 33% in closing managed assets and a PBT growth of 50%. With a relentless focus on collections, the business brought down the non performing assets to 2% of closing assets as compared to 4.2% as on 31 March, 2017.

Home equity (HE) business recorded a disbursement of ₹ 3,174 crores as against ₹ 3,056 crores in the previous year. The business faced huge rate competition from Banks which triggered lot of pre-closures leading to a marginal growth in assets under management by 4%.

Disbursements in home loans (HL) were at ₹ 606 crores as against ₹ 325 crores in the previous year and Micro, Small and Medium Enterprise (MSME) were at ₹ 629 crores as against ₹ 666 crores in the previous year. The rural agri financing business disbursed ₹ 97 crores as against ₹ 73 crores during the previous year. The new initiative line of businesses Vishesh and Trip Loans has recorded ₹ 67 crores of disbursements in its first year of launch.

The business assets under management (net of provisions) of the company as at 31 March, 2018 increased to ₹ 42,879 crores from ₹ 34,167 crores in the previous year, recording a growth of 25%.

The PBT for the year was at ₹ 1483.31 crores as against ₹ 1,105.58 crores in the previous year, recording a growth of 34%.

Profit after tax grew by 36% and was at ₹ 974.12 crores for the year as compared to ₹ 718.74 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 45% (₹ 4.50 per equity share) as approved by the board on 30 January, 2018 for the year ended 31 March, 2018.

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 65% (₹ 6.5 per equity share) for the year ended 31 March, 2018.

TRANSFER TO RESERVES

Your company has transferred a sum of ₹ 200 crores to statutory reserve as required under the Reserve Bank of India Act, 1934 and ₹ 500 crores to general reserves.

OUTLOOK

The company continues to focus and grow its two main business lines - VF and HE, while testing the waters in new businesses such as HL, MSME loans, and rural agri loans. The company continued its pilot of trip loans and Chola Vishesh the 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. All the amounts were repaid and there was no unclaimed / unpaid matured deposits lying in the escrow account and hence the escrow account was closed on 31 March, 2018.

CREDIT RATING

The credit rating details of the company as at 31 March, 2018 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 Debenture
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

* INDIA ratings and CARE ratings have upgraded the long term rating to IND AA+ (Stable) and CARE AA+ during the year.

The ratings as mentioned above were re-affirmed by the rating agencies during FY 18.

ASSET FINANCE COMPANY

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

CAPITAL ADEQUACY

The company's capital adequacy ratio was at 18.36% as on 31 March, 2018 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 two grants aggregating to 82,860 options to 15 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 as on 31 March, 2018 under ESOP 2016 is 6,05,513.

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 an employee stock option scheme 2007 (ESOP 2007). During the year, there have been no fresh grants under the scheme and there have 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, 2018 under the ESOP 2007 is 44,294.

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, 2018 are provided and disclosed on the website of the company (weblink: *http://www.cholamandalam/esop.aspx).*

DIRECTORS

Appointment:

During the year, Mr. N. Srinivasan was appointed as an executive vice chairman & managing director for a period of two years and Mr. Arun Alagappan was appointed as an executive director for a period of five years with effect from 19 August, 2017.

Further, the board at its meeting held on 30 October, 2017 appointed Mr. Ashok Kumar Barat as an additional director of the company, who shall hold office up to the date of ensuing AGM as an additional director. Mr. Barat is eligible for a term of office as an independent director up to 5 years with the approval of shareholders.

Reappointment:

Mr. N. Srinivasan, executive vice chairman & managing director, (EVC & MD) retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Retirement / Resignation:

The term of office of Mr. Nalin Mansukhlal Shah, independent director of the company expired at the 39th AGM held on 27 July, 2017 and accordingly he ceased to be a director. The term of office of Mr. Vellayan Subbiah, managing director expired at the close of business hours on 18 August, 2017.

Mr. M. M. Murugappan, non-executive director resigned from the office of directorship of the company effective the close of business hours on 31 October, 2017.

The board places on record its deep appreciation for the significant contributions made by Mr. Nalin Mansukhlal Shah and Mr. M. M. Murugappan as members of the Board and its sub-committees during their tenure of office. Further, the board acknowledges and places on record its deep appreciation to Mr. Vellayan Subbiah, former managing director for ably steering the company for the last 7 years and building the company from strength to strength.

DECLARATION FROM INDEPENDENT DIRECTORS

The independent directors (IDs) have submitted 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 fulfil 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. N. Srinivasan, EVC & MD (from 19 August, 2017)
2. Mr. Vellayan Subbiah, Managing Director (upto 18 August, 2017)
3. Mr. Arun Alagappan, Executive Director (from 19 August, 2017)
4. Mr. D. Arul Selvan, Chief Financial Officer and
5. 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 (MDA), highlighting the business-wise details is attached and forms part of this report. MDA 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 composition and category of directors, number of meetings of the board, composition of the various committees including the audit committee, nomination and remuneration committee, stakeholders relationship 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 statement is prepared in accordance with the Act and the relevant accounting standards form part of this annual report.

AUDITORS

M/s. S. R. Batliboi & Associates LLP, chartered accountants were appointed as statutory auditors of the company at the thirty ninth AGM held on 27 July, 2017 for a period of five years commencing from the conclusion of thirty ninth AGM till the forty fourth AGM subject to ratification by members at every AGM. Accordingly, your directors recommend the ratification of the appointment of M/s. S. R. Batliboi & Associates LLP, as statutory auditors of the company from the conclusion of the fortieth AGM till the conclusion of the forty first AGM of the company. The statutory auditors have confirmed their eligibility for appointment.

SECRETARIAL AUDIT

Pursuant to the provisions of the Act and the rules framed there under, M/s. R. Sridharan & Associates, company secretaries had undertaken a secretarial audit of the company for FY 18. The secretarial audit report is attached and forms part of this report and does not contain any qualification.

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 and 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 ₹ 17.56 crores and the company actually spent ₹ 17.57 crores towards CSR activities during FY 18, 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 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 ₹ 1.89 crores was incurred during the year under review. Foreign currency remittances made during the year was ₹ 10.30 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 ₹ 19.68 crores for the year ended 31 March, 2018 and made a PBT of ₹ 3.54 crores as against a PBT of ₹ 2.68 crores in the previous year.

CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED (CDSL)

CDSL recorded a gross income of ₹ 11.51 crores for the year ended 31 March, 2018 and made a PBT of ₹ 6.78 crores as against a PBT of ₹ 8.35 crores in the previous year.

WHITE DATA SYSTEMS INDIA PRIVATE LIMITED (WDSI)

WDSI recorded a gross income of ₹ 50.33 crores for the year ended 31 March, 2018 and made a loss of ₹ 4.34 crores as against loss of ₹ 4.18 crores in the previous year.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The company has complied with secretarial standards issued by the Institute of Company Secretaries of India in respect of Board Meetings and Annual General Meeting held during the 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 23, 2018

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, 2018 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, 2018; 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, 2018.

On behalf of the board

Place : Chennai
Date : April 23, 2018

M.B.N. Rao
Chairman

Annexure-I

Secretarial Audit Report

For The Financial Year Ended 31 March, 2018

[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 Identification 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, 2018 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, 2018 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 NBFC's

e) NBFC Public Deposits RBI Directions 1998

With respect to Fiscal laws, based on the information & 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. The changes in the composition of Board of Directors that took place during the period under review were carried in compliance with the provisions of the Act.

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. 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 Companies Act, 2013 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 Companies Act, 2013 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, 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

1. Obtained the approval of the Board of Directors at their meeting held on 20 December, 2017:
   - For issuance of 3500 masala bonds in the nature of Secured Redeemable, Non-Convertible Debentures of face value of ₹ 1 crore each at par aggregating to USD 500 million (₹ 3500 crores) in one or more tranches on private placement basis.
   - For setting up a Housing Finance Company as a subsidiary and approved necessary authorizations to make an application to National Housing Board.
2. Obtained the approval of Board of Directors at their meeting held on 27 March, 2018 for issuance of rated, unsecured Commercial Papers for an amount not exceeding ₹ 6,000 crores.
3. Issued secured redeemable non-convertible debentures for ₹ 4526 crores and unsecured redeemable nonconvertible debentures for ₹ 715 crores.
4. Redeemed secured redeemable non-convertible debentures for ₹ 3215.20 crores and unsecured redeemable non-convertible debentures for ₹ 75 crores.

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

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

Place : Chennai
Date : April 23, 2018

Annexure-II

Form No. MGT-9-Extract of Annual Return

As on the financial year ended 31 March, 2018

[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

1) Corporate Identity Number (CIN)	L65993TN1978PLC007576
2) Registration Date	17 August, 1978
3) Name of the Company	Cholamandalam Investment and Finance Company Limited
4) Category / Sub-Category of the Company	Public Company / Limited by shares
5) 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
6) Listed Company (Yes / No)	Yes
7) 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	99.06%

*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	TI Financial Holdings Limited (Formerly known as 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	46.21%	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 Old No. 24, New No. 39, Periaswamy 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:

S. No	Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% 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)	Individual / HUF	29,73,509	-	29,73,509	1.90	28,95,836	-	28,95,836	1.85	(0.05)
(b)	Central Government /State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	7,96,87,304	-	7,96,87,304	50.99	7,96,87,304	-	7,96,87,304	50.97	(0.02)
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	2,84,205	-	2,84,205	0.18	3,73,380	-	3,73,380	0.24	0.06
	Sub-Total A(1) :	**8,29,45,018**	**-**	**8,29,45,018**	**53.08**	**8,29,56,520**	**-**	**8,29,56,520**	**53.06**	**(0.01)**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/ Foreign Individuals)	9,211	-	9,211	0.01	-	-	-	-	(0.01)
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**9,211**	**-**	**9,211**	**0.01**	**-**	**-**	**-**	**-**	**(0.01)**
	Total A=A(1)+A(2)	**8,29,54,229**	**-**	**8,29,54,229**	**53.08**	**8,29,56,520**	**-**	**8,29,56,520**	**53.06**	**(0.02)**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	2,16,04,789	100	2,16,04,889	13.82	2,47,90,593	100.00	2,47,90,693	15.86	2.03
(b)	Financial Institutions /Banks	28,600	50	28,650	0.02	17,540	-	17,540	0.01	(0.01)
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-

(i) Category-wise Shareholding (Contd.)

S. No	Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% 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	
(f)	Foreign Institutional Investors	3,23,55,676	100	3,23,55,776	20.70	3,16,52,050	-	3,16,52,050	20.25	(0.46)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	29,65,676	-	29,65,676	1.90	-	-	-	-	(1.90)
(i)	Others - Alternate Investment Funds	2,88,671	-	2,88,671	0.18	10,38,127	-	10,38,127	0.66	0.48
	Sub-Total B(1) :	**5,72,43,412**	**250**	**5,72,43,662**	**36.63**	**5,74,98,310**	**100**	**5,74,98,410**	**36.12**	**0.15**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	56,36,248	5,261	56,41,509	3.61	52,33,129	2,647	52,35,776	3.35	(0.26)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	63,57,548	4,18,173	67,75,721	4.34	71,77,506	3,48,985	75,26,491	4.81	0.48
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	21,20,774	-	21,20,774	1.36	18,88,619	-	18,88,619	1.21	(0.15)
(c)	Others									
	Clearing Members	3,89,124	-	3,89,124	0.25	3,72,005	-	3,72,005	0.24	(0.01)
	Foreign Nationals	36	-	36	0.00	529	-	529	0.00	0.00
	IEPF	-	-	-	-	53,173	-	53,173	0.03	0.03
	NBFC	4,87,632	-	4,87,632	0.31	43,183	-	43,183	0.03	(0.28)
	Non Resident Indians	2,96,682	12,106	3,08,788	0.20	3,11,784	9,702	3,21,486	0.21	0.01
	Non Resident Indians - Non-repatriable	1,56,005	-	1,56,005	0.10	1,51,170	-	1,51,170	0.10	(0.00)
	Trusts	2,00,053	-	2,00,053	0.13	2,84,009	-	2,84,009	0.18	0.05
(d)	**Qualified Foreign Investor**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Sub-Total B(2) :	**1,56,44,102**	**4,35,540**	**1,60,79,642**	**10.29**	**1,55,15,107**	**3,61,334**	**1,58,76,441**	**10.16**	**(0.13)**
	Total B=B(1)+B(2):	**7,28,87,514**	**4,35,790**	**7,33,23,304**	**46.92**	**7,30,13,417**	**3,61,434**	**7,33,74,851**	**46.94**	**0.02**
	Total (A+B)	**15,58,41,743**	**4,35,790**	**15,62,77,533**	**100.00**	**15,59,69,937**	**3,61,434**	**15,63,31,371**	**100.00**	**0.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	**15,58,41,743**	**4,35,790**	**15,62,77,533**	**100.00**	**15,59,69,937**	**3,61,434**	**15,63,31,371**	**100.00**	

(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	-	-	-*	-	(0.15)
2.	M. V. Subbiah	1,52,578	0.10	-	3,14,925	0.20	-	0.10
3.	S. Vellayan	2,45,493	0.16	-	2,45,493	0.16	-	0.00
4.	A. Vellayan	27,157	0.02	-	27,157	0.02	-	0.00
5.	V. Narayanan	50,800	0.03	-	50,800	0.03	-	0.00
6.	V. Arunachalam	48,503	0.03	-	48,503	0.03	-	0.00
7.	A. Venkatachalam	41,921	0.03	-	41,921	0.03	-	0.00
8.	Arun Venkatachalam	80,750	0.05	-	80,750	0.05	-	0.00
9.	M. M. Murugappan	9,094	0.01	-	18,418	0.01	-	0.00
10.	M .M. Veerappan	9,211	0.01	-	-	-	-	(0.01)
11.	M. M. Muthiah	9,324	0.01	-	-	-	-	(0.01)
12.	M. M. Venkatachalam	65,525	0.04	-	94,826	0.06	-	0.02
13.	M. V. Muthiah	29,301	0.02	-	-	-	-	(0.02)
14.	M. V. Subramanian	7,153	0.00	-	-	-	-	0.00
15.	M. A. Alagappan	5,63,546	0.36	-	5,63,546	0.36	-	0.00
16.	Arun Alagappan	1,90,000	0.12	-	1,90,000	0.12	-	0.00
17.	M. A. M. Arunachalam	10,000	0.01	-	10,000	0.01	-	0.00
18.	E.I.D. Parry (India) Ltd.	393	0.00	-	393	0.00	-	0.00
19.	Coromandel International Ltd.	-	-	-	-	-	-	0.00
20.	New Ambadi Estates Pvt. Ltd.	-	-	-	-	-	-	0.00
21.	Murugappa Holdings Ltd.[$]	72,18,586	4.62	-	-	-	-	(4.62)
22.	Ambadi Enterprises Ltd.	58,276	0.04	-	58,276	0.04	-	0.00
23.	Ambadi Investments Ltd. (Formerly Ambadi Investments Pvt. Ltd) [# $]	-	-	-	72,19,374	4.62	-	4.62
24.	TI Financial Holdings Limited[@]	7,22,33,019	46.22	-	7,22,33,019	46.21	-	(0.01)
25.	Carborundum Universal Ltd.	100	0.00	-	100	0.00	-	0.00
26.	Murugappa & Sons (M. V. Murugappan, M. A. Alagappan and M. M. Murugappan hold shares on behalf of the Firm)	-	-	-	-	-	-	0.00
	PROMOTER (A)	**8,12,86,980**	**52.01**	**0.00**	**8,11,97,501**	**51.94**	**-**	**0.07**
	PROMOTER GROUP (B)	**16,67,249**	**1.07**	**0.00**	**17,59,019**	**1.13**	**-**	**-0.06**
	TOTAL (A)+(B)	**8,29,54,229**	**53.08**	**0.00**	**8,29,56,520**	**53.06**	**-**	**0.01**

Note:

1. * Subsequent to the demise of Late Shri M. V. Murugappan, the shares held by him was transmitted to his spouse, Mrs. M. V. Valli Murugappan.
2. $ Consequent to the amalgamation of Murugappa Holdings Limited and Pressmet Private Limited with Ambadi Investments Private Limited (AIPL), the equity shares aggregating to 72,19,374 nos. of ₹ 10/- each in the company are vested with AIPL.
3. # The name of Ambadi Investments Private Limited (AIPL) was changed to Ambadi Investments Limited (AIL).
4. @ Consequent to the demerger of Tube Investments of India Limited the name was changed to TI Financial Holdings Limited.

(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	8,12,86,980	52.01	-	-
2.	Date wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease				
i	M. V. Murugappan				
	At the beginning of the year	2,36,250	0.15		
	31-Oct-17 - Consequent to the demise of Late. Shri. M. V. Murugappan the shares were transmitted to Mrs. M. V. Valli Murugappan	(2,36,250)	(0.15)	8,10,50,730	51.86
ii	Murugappa Holdings Limited (MHL)				
	At the beginning of the year	72,18,586	4.62		
	10-Nov-17 - Consequent to the amalgamation of MHL and Pressmet Private Limited with Ambadi Investments Private Limited (AIPL), the equity shares aggregating to 72,19,384 nos. in the company vested with AIL	(72,18,586)	(4.62)	7,38,32,144	47.24
iii	Ambadi Investments Limited (Formerly Ambadi Investments Private Limited)				
	At the beginning of the year	-			
	10-Nov-17 - Consequent to the amalgamation of MHL and Pressmet Private Limited (PPL) with Ambadi Investments Private Limited (AIPL), 72,18,586 equity shares & 788 equity shares held by MHL & PPL were vested with AIL	72,19,374	4.62	8,10,51,518	51.86
iv	M. M. Muthiah				
	At the beginning of the year	9,324	0.01		
	16-Mar-18 - Purchase of shares	113		8,10,51,631	51.85
	16-Mar-18 - Market sale of shares	(113)		8,10,51,518	51.85
v	M. V. Subbiah				
	At the beginning of the year	1,52,578	0.10		
	26-Mar-18 - Purchase of shares	1,62,347		8,12,13,865	51.95
vi	M. M. Veerappan				
	At the beginning of the year	9,211	0.01		
	27-Mar-18 - Inter-se transfer of shares	(9,211)		8,12,04,654	51.95
v	M. M. Muthiah				
	At the beginning of the year	9,324	0.01		
	27-Mar-18 - Inter-se transfer of shares	(9,324)		8,11,95,330	51.94
vi	M. M. Murugappan				
	At the beginning of the year	9,094	0.01		
	27-Mar-18 - Inter-se transfer of shares	9,324		8,12,04,654	51.95
vii	M. V. Muthiah				
	At the beginning of the year	29,301	0.02		
	28-Mar-18 - Inter-se transfer of shares	(29,301)		8,11,75,353	51.93
viii	M. V. Subramanian				
	At the beginning of the year	7,153	0.00		
	28-Mar-18 - Inter-se transfer of shares	(7,153)		8,11,68,200	51.92
ix	M. M. Venkatachalam				
	At the beginning of the year	65,525	0.04		
	28-Mar-18 - Inter-se transfer of shares	29,301		8,11,97,501	51.94
3.	At the end of the year - promoter			8,11,97,501	51.94

(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 (01-04-2017) / end of the year (31-03-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	NORWEST VENTURE PARTNERS X FII - MAURITIUS	70,82,726	4.53	31-Mar-17			70,82,726	4.53
				04-Aug-17	(5,58,522)	Sale	65,24,204	4.17
				15-Sep-17	(7,808)	Sale	65,16,396	4.17
				22-Sep-17	(2,94,000)	Sale	62,22,396	3.98
				29-Sep-17	(3,00,000)	Sale	59,22,396	3.79
				06-Oct-17	(3,39,864)	Sale	55,82,532	3.57
				13-Oct-17	(7,00,000)	Sale	48,82,532	3.12
				20-Oct-17	(10,00,000)	Sale	38,82,532	2.48
				27-Oct-17	(7,23,000)	Sale	31,59,532	2.02
				03-Nov-17	(21,55,532)	Sale	10,04,000	0.64
				10-Nov-17	(7,47,000)	Sale	2,57,000	0.16
				17-Nov-17	(52,000)	Sale	2,05,000	0.13
				24-Nov-17	(43,500)	Sale	1,61,500	0.10
				01-Dec-17	(1,61,500)	Sale	-	0.00
		-	-	31-Mar-18	-	-	-	-
2.	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED AC	50,93,975	3.26	31-Mar-17			50,93,975	3.26
				07-Apr-17	13700	Purchase	51,07,675	3.27
				05-May-17	(1,00,000)	Sale	50,07,675	3.20
				19-May-17	50,000	Purchase	50,57,675	3.24
				21-Jul-17	30,100	Purchase	50,87,775	3.26
				04-Aug-17	3,500	Purchase	50,91,275	3.26
				11-Aug-17	(10,100)	Sale	50,81,175	3.25
				25-Aug-17	3,100	Purchase	50,84,275	3.25
				25-Aug-17	(50,000)	Sale	50,34,275	3.22
				08-Sep-17	15,000	Purchase	50,49,275	3.23
				08-Sep-17	(18,000)	Sale	50,31,275	3.22
				27-Oct-17	26,200	Purchase	50,57,475	3.24
				08-Dec-17	15,506	Purchase	50,72,981	3.25
				22-Dec-17	15,000	Purchase	50,87,981	3.26
				19-Jan-18	(14,986)	Sale	50,72,995	3.25
				02-Feb-18	(15,100)	Sale	50,57,895	3.24
				09-Feb-18	56,750	Purchase	51,14,645	3.27
				09-Feb-18	(15,815)	Sale	50,98,830	3.26
				02-Mar-18	(36,000)	Sale	50,62,830	3.24
				16-Mar-18	31,800	Purchase	50,94,630	3.26
				16-Mar-18	(14,200)	Sale	50,80,430	3.25
				23-Mar-18	35,612	Purchase	51,16,042	3.27
				23-Mar-18	(13,064)	Sale	51,02,978	3.26
		51,02,978	3.26	31-Mar-18			50,93,975	3.26
3.	OPPENHEIMER DEVELOPING MARKETS FUND AXIS MUTUAL	48,71,449	3.12	31-Mar-17			48,71,449	3.12
				23-Feb-18	60,219	Purchase	49,31,668	3.16
				02-Mar-18	3,76,846	Purchase	53,08,514	3.40
				09-Mar-18	16,15,687	Purchase	69,24,201	4.43
		69,24,201	4.43	31-Mar-18			69,24,201	4.43

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2017) / end of the year (31-03-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
4.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND	37,42,634	2.39	31-Mar-17			37,42,634	2.39
				07-Apr-17	(10,85,259)	Sale	26,57,375	1.70
				21-Apr-17	(7,77,713)	Sale	18,79,662	1.20
				28-Apr-17	(1,12,154)	Sale	17,67,508	1.13
				12-May-17	(62,600)	Sale	17,04,908	1.09
				19-May-17	(80,000)	Sale	16,24,908	1.04
				02-Jun-17	97,000	Purchase	17,21,908	1.10
				16-Jun-17	(98,700)	Sale	16,23,208	1.04
				07-Jul-17	(13,420)	Sale	16,09,788	1.03
				14-Jul-17	(26,580)	Sale	15,83,208	1.01
				21-Jul-17	(60,000)	Sale	15,23,208	0.97
				28-Jul-17	11,370	Purchase	15,34,578	0.98
				04-Aug-17	2,93,339	Purchase	18,27,917	1.17
				11-Aug-17	1,14,086	Purchase	19,42,003	1.24
				11-Aug-17	(25,000)	Sale	19,17,003	1.23
				18-Aug-17	(5,672)	Sale	19,11,331	1.22
				01-Sep-17	(25,000)	Sale	18,86,331	1.21
				08-Sep-17	(22,052)	Sale	18,64,279	1.19
				22-Sep-17	(35,000)	Sale	18,29,279	1.17
				29-Sep-17	(1,85,981)	Sale	16,43,298	1.05
				06-Oct-17	(1,68,764)	Sale	14,74,534	0.94
				13-Oct-17	(2,23,977)	Sale	12,50,557	0.80
				27-Oct-17	(34,000)	Sale	12,16,557	0.78
				03-Nov-17	(3,000)	Sale	12,13,557	0.78
				10-Nov-17	(31,000)	Sale	11,82,557	0.76
				26-Jan-18	(5,599)	Sale	11,76,958	0.75
				02-Feb-18	(3,594)	Sale	11,73,364	0.75
				02-Mar-18	20,000	Purchase	11,93,364	0.76
				16-Mar-18	(27,358)	Sale	11,66,006	0.75
				30-Mar-18	(13,969)	Sale	11,52,037	0.74
		11,52,037	0.74	31-Mar-18			11,52,037	0.74
5.	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND	36,24,450	2.32	31-Mar-17			36,24,450	2.32
				21-Jul-17	66,000	Purchase	36,90,450	2.36
				27-Oct-17	2,09,043	Purchase	38,99,493	2.49
				27-Oct-17	(7,000)	Sale	38,92,493	2.49
				03-Nov-17	5,00,000	Purchase	43,92,493	2.81
				29-Dec-17	30,000	Purchase	44,22,493	2.83
				05-Jan-18	2,75,200	Purchase	46,97,693	3.01
				09-Feb-18	2,32,400	Purchase	49,30,093	3.15
				16-Feb-18	2,32,000	Purchase	51,62,093	3.30
				23-Feb-18	10,84,850	Purchase	62,46,943	4.00
				23-Feb-18	(10,30,850)	Sale	52,16,093	3.34
				02-Mar-18	16,700	Purchase	52,32,793	3.35
				09-Mar-18	2,29,700	Purchase	54,62,493	3.49

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2017) / end of the year (31-03-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				16-Mar-18	7,000	Purchase	54,69,493	3.50
		54,69,493	3.50	31-Mar-18			54,69,493	3.50
6.	HDFCSL SHAREHOLDERS SOLVENCY MARGIN ACCOUNT	32,25,283	2.06	31-Mar-17			32,25,283	2.06
				07-Apr-17	1,86,982	Purchase	34,12,265	2.18
				14-Apr-17	(1,01,939)	Sale	33,10,326	2.12
				21-Apr-17	(84,846)	Sale	32,25,480	2.06
				28-Apr-17	(34,550)	Sale	31,90,930	2.04
				05-May-17	(22,067)	Sale	31,68,863	2.03
				12-May-17	(26,130)	Sale	31,42,733	2.01
				19-May-17	46,195	Purchase	31,88,928	2.04
				26-May-17	31,92,188	Purchase	63,81,116	4.08
				26-May-17	(31,88,928)	Sale	31,92,188	2.04
				02-Jun-17	(25,058)	Sale	31,67,130	2.03
				09-Jun-17	(3,671)	Sale	31,63,459	2.02
				16-Jun-17	(42,478)	Sale	31,20,981	2.00
				23-Jun-17	(17,145)	Sale	31,03,836	1.99
				30-Jun-17	(2,790)	Sale	31,01,046	1.98
				07-Jul-17	(1,19,669)	Sale	29,81,377	1.91
				14-Jul-17	(72,582)	Sale	29,08,795	1.86
				21-Jul-17	(54,845)	Sale	28,53,950	1.83
				28-Jul-17	(1,09,655)	Sale	27,44,295	1.76
				04-Aug-17	(3,18,586)	Sale	24,25,709	1.55
				11-Aug-17	(76,670)	Sale	23,49,039	1.50
				18-Aug-17	(4,140)	Sale	23,44,899	1.50
				01-Sep-17	(100)	Sale	23,44,799	1.50
				08-Sep-17	150	Purchase	23,44,949	1.50
				15-Sep-17	(23,590)	Sale	23,21,359	1.49
				22-Sep-17	(9,636)	Sale	23,11,723	1.48
				29-Sep-17	(206)	Sale	23,11,517	1.48
				06-Oct-17	1,316	Purchase	23,12,833	1.48
				13-Oct-17	(168)	Sale	23,12,665	1.48
				20-Oct-17	601	Purchase	23,13,266	1.48
				27-Oct-17	(30,477)	Sale	22,82,789	1.46
				31-Oct-17	(1,536)	Sale	22,81,253	1.46
				03-Nov-17	(80,031)	Sale	22,01,222	1.41
				10-Nov-17	(43,251)	Sale	21,57,971	1.38
				17-Nov-17	(2,36,753)	Sale	19,21,218	1.23
				24-Nov-17	(1,589)	Sale	19,19,629	1.23
				08-Dec-17	(6,909)	Sale	19,12,720	1.22
				15-Dec-17	(53,828)	Sale	18,58,892	1.19
				22-Dec-17	(1,428)	Sale	18,57,464	1.19
				29-Dec-17	(5,958)	Sale	18,51,506	1.18
				05-Jan-18	(599)	Sale	18,50,907	1.18
				12-Jan-18	(53,295)	Sale	17,97,612	1.15
				19-Jan-18	(47,233)	Sale	17,50,379	1.12

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2017) / end of the year (31-03-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				26-Jan-18	(1,617)	Sale	17,48,762	1.12
				02-Feb-18	(409)	Sale	17,48,353	1.12
				09-Feb-18	25,250	Purchase	17,73,603	1.13
				16-Feb-18	(20,580)	Sale	17,53,023	1.12
				23-Feb-18	3,047	Purchase	17,56,070	1.12
				02-Mar-18	(1,15,351)	Sale	16,40,719	1.05
				16-Mar-18	(4,931)	Sale	16,35,788	1.05
				23-Mar-18	461	Purchase	16,36,249	1.05
				30-Mar-18	800	Purchase	16,37,049	1.05
		16,37,049	1.05	31-Mar-18			16,37,049	1.05
7.	INTERNATIONAL FINANCE CORPORATION	29,65,676	1.9	31-Mar-17			29,65,676	1.90
				24-Nov-17	(66,000)	Sale	28,99,676	1.86
				01-Dec-17	53,041	Purchase	29,52,717	1.89
				01-Dec-17	(2,36,818)	Sale	27,15,899	1.74
				08-Dec-17	132	Purchase	27,16,031	1.74
				08-Dec-17	(2,77,912)	Sale	24,38,119	1.56
				15-Dec-17	(1,00,377)	Sale	23,37,742	1.50
				22-Dec-17	(8,50,329)	Sale	14,87,413	0.95
				29-Dec-17	(29,440)	Sale	14,57,973	0.93
				05-Jan-18	(3,35,781)	Sale	11,22,192	0.72
				12-Jan-18	(5,08,247)	Sale	6,13,945	0.39
				19-Jan-18	(3,26,211)	Sale	2,87,734	0.18
				16-Feb-18	(2,34,561)	Sale	-	0.00
				31-Mar-18	-	-	-	-
8.	SBI MAGNUM MIDCAP FUND	29,48,735	1.89	31-Mar-17			29,48,735	1.89
				19-May-17	(1,16,300)	Sale	28,32,435	1.81
				02-Jun-17	14,93,266	Purchase	43,25,701	2.77
				05-Jan-18	38,442	Purchase	43,64,143	2.79
		43,64,143	2.79	31-Mar-18			43,64,143	2.79
9.	RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE MID & SMALL CAP FUND	13,44,046	0.86	31-Mar-17			13,44,046	0.86
				05-May-17	(44,000)	Sale	13,00,046	0.83
				02-Jun-17	(4,00,000)	Purchase	9,00,046	0.58
				16-Jun-17	2,48,314	Purchase	11,48,360	0.73
				21-Jul-17	1,13,594	Purchase	12,61,954	0.81
				28-Jul-17	1,68,250	Purchase	14,30,204	0.92
				04-Aug-17	30,500	Sale	14,60,704	0.93
				04-Aug-17	(1,00,000)	Purchase	13,60,704	0.87
				29-Sep-17	2,90,000	Purchase	16,50,704	1.06
				06-Oct-17	4,50,862	Purchase	21,01,566	1.34
				13-Oct-17	7,20,165	Purchase	28,21,731	1.81
				20-Oct-17	1,36,102	Purchase	29,57,833	1.89
				27-Oct-17	1,20,000	Purchase	30,77,833	1.97
				03-Nov-17	4,000	Purchase	30,81,833	1.97
				10-Nov-17	6,000	Sale	30,87,833	1.98
				12-Jan-18	(60,000)	Sale	30,27,833	1.94

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2017) / end of the year (31-03-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				26-Jan-18	(1,00,000)	Purchase	29,27,833	1.87
				02-Feb-18	8,500	Sale	29,36,333	1.88
				16-Feb-18	(1,00,000)	Sale	28,36,333	1.81
				09-Mar-18	(50,000)	Sale	27,86,333	1.78
				23-Mar-18	(47,600)	Sale	27,38,733	1.75
				30-Mar-18	(1,51,500)	Sale	25,87,233	1.66
		25,87,283	1.66	31-Mar-18			25,87,233	1.66
10.	MATTHEWS INDIA FUND	13,00,000	0.83	31-Mar-17			13,00,000	0.83
				16-Jun-17	59,532	Purchase	13,59,532	0.87
				04-Aug-17	8,50,000	Purchase	22,09,532	1.41
				20-Oct-17	2,80,000	Purchase	24,89,532	1.59
				31-Oct-17	22,924	Purchase	25,12,456	1.61
		25,12,456	1.61	31-Mar-18	-	-	25,12,456	1.61
11.	SMALLCAP WORLD FUND, INC	-	-	31-Mar-17			-	-
				27-Oct-17	8,60,000	Purchase	8,60,000	0.55
				10-Nov-17	7,25,000	Purchase	15,85,000	1.01
				01-Dec-17	90,149	Purchase	16,75,149	1.07
				08-Dec-17	1,64,851	Purchase	18,40,000	1.18
				02-Mar-18	94,013	Purchase	19,34,013	1.24
				09-Mar-18	2,91,351	Purchase	22,25,364	1.42
				16-Mar-18	72,636	Purchase	22,98,000	1.47
		22,98,000	1.47	31-Mar-18			22,98,000	1.47
12.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	-	-	31-Mar-17			-	-
				30-Jun-17	1,880	Purchase	1,880	0.00
				07-Jul-17	1,794	Purchase	3,674	0.00
				14-Jul-17	539	Purchase	4,213	0.00
				21-Jul-17	796	Purchase	5,009	0.00
				28-Jul-17	625	Purchase	5,634	0.00
				04-Aug-17	92,780	Purchase	98,414	0.06
				11-Aug-17	20,613	Purchase	1,19,027	0.08
				18-Aug-17	1,855	Purchase	1,20,882	0.08
				25-Aug-17	1,929	Purchase	1,22,811	0.08
				01-Sep-17	6,265	Purchase	1,29,076	0.08
				01-Sep-17	(3,652)	Purchase	1,25,424	0.08
				08-Sep-17	4,925	Purchase	1,30,349	0.08
				15-Sep-17	1,07,273	Purchase	2,37,622	0.15
				22-Sep-17	1,03,595	Purchase	3,41,217	0.22
				29-Sep-17	3,810	Purchase	3,45,027	0.22
				06-Oct-17	12,513	Purchase	3,57,540	0.23
				13-Oct-17	48,527	Purchase	4,06,067	0.26
				20-Oct-17	13,76,874	Purchase	17,82,941	1.14
				27-Oct-17	5,358	Purchase	17,88,299	1.14
				31-Oct-17	1,609	Purchase	17,89,908	1.15
				03-Nov-17	76,095	Purchase	18,66,003	1.19
				10-Nov-17	1,928	Purchase	18,67,931	1.20

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2017) / end of the year (31-03-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				17-Nov-17	1,796	Purchase	18,69,727	1.20
				24-Nov-17	1,070	Purchase	18,70,797	1.20
				01-Dec-17	1,687	Purchase	18,72,484	1.20
				08-Dec-17	2,606	Purchase	18,75,090	1.20
				15-Dec-17	1,966	Purchase	18,77,056	1.20
				22-Dec-17	5,409	Purchase	18,82,465	1.20
				29-Dec-17	1,796	Purchase	18,84,261	1.21
				05-Jan-18	4,574	Purchase	18,88,835	1.21
				12-Jan-18	702	Purchase	18,89,537	1.21
				19-Jan-18	11,914	Purchase	19,01,451	1.22
				19-Jan-18	(12,229)	Purchase	18,89,222	1.21
				26-Jan-18	1,118	Purchase	18,90,340	1.21
				02-Feb-18	51,097	Purchase	19,41,437	1.24
				09-Feb-18	1,66,833	Purchase	21,08,270	1.35
				16-Feb-18	41,311	Purchase	21,49,581	1.38
				23-Feb-18	30,051	Purchase	21,79,632	1.39
				02-Mar-18	8,472	Purchase	21,88,104	1.40
				02-Mar-18	(8,472)	Purchase	21,79,632	1.39
				09-Mar-18	(2,30,270)	Purchase	19,49,362	1.25
				16-Mar-18	786	Purchase	19,50,148	1.25
				23-Mar-18	2,323	Purchase	19,52,471	1.25
				30-Mar-18	2,597	Purchase	19,55,068	1.25
		19,55,068	1.25	31-Mar-18			19,55,068	1.25
13.	UTI - LONG TERM EQUITY FUND (TAX SAVING)	18,46,186	1.18	31-Mar-17			18,46,186	1.18
				19-May-17	(1,00,000)	Purchase	17,46,186	1.12
				26-May-17	(41,300)	Purchase	17,04,886	1.09
				23-Jun-17	(5,546)	Purchase	16,99,340	1.09
				11-Aug-17	(18,000)	Purchase	16,81,340	1.08
				06-Oct-17	(1,721)	Purchase	16,79,619	1.07
				22-Dec-17	(106)	Purchase	16,79,513	1.07
				12-Jan-18	(20,000)	Purchase	16,59,513	1.06
				26-Jan-18	(2,065)	Purchase	16,57,448	1.06
				02-Feb-18	(5,559)	Purchase	16,51,889	1.06
				09-Feb-18	(104)	Purchase	16,51,785	1.06
				23-Feb-18	(1,143)	Purchase	16,50,642	1.06
				09-Mar-18	12,733	Purchase	16,63,375	1.06
				16-Mar-18	(29,511)	Purchase	16,33,864	1.05
				30-Mar-18	6,020	Purchase	16,39,884	1.05
				30-Mar-18	(2,581)	Purchase	16,37,303	1.05
		16,37,303	1.05	31-Mar-18			16,37,303	1.05
14.	CARTICA CAPITAL LTD	16,47,238	1.05	31-Mar-17			16,47,238	1.05
				07-Apr-17	13,50,000	Purchase	29,97,238	1.92
				14-Apr-17	88,036	Purchase	30,85,274	1.97

SN.	Name of the Share Holder	Shareholding at the beginning (01-04-2017) / end of the year (31-03-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				21-Apr-17	7,01,574	Purchase	37,86,848	2.42
				28-Apr-17	5,39,392	Purchase	43,26,240	2.77
				05-May-17	2,50,000	Purchase	45,76,240	2.93
				12-May-17	2,08,568	Purchase	47,84,808	3.06
				19-May-17	6,28,797	Purchase	54,13,605	3.46
				26-May-17	6,77,084	Purchase	60,90,689	3.90
				02-Jun-17	1,67,793	Purchase	62,58,482	4.00
				09-Jun-17	1,07,227	Purchase	63,65,709	4.07
				16-Jun-17	78,258	Purchase	64,43,967	4.12
				23-Jun-17	1,05,416	Purchase	65,49,383	4.19
				30-Jun-17	1,63,331	Purchase	67,12,714	4.29
				07-Jul-17	7,261	Purchase	67,19,975	4.30
				11-Aug-17	2,73,169	Purchase	69,93,144	4.47
				18-Aug-17	2,05,299	Purchase	71,98,443	4.61
				25-Aug-17	1,75,264	Purchase	73,73,707	4.72
				01-Sep-17	28,000	Purchase	74,01,707	4.74
				08-Sep-17	3,793	Purchase	74,05,500	4.74
				31-Oct-17	7,304	Purchase	74,12,804	4.74
				03-Nov-17	3,19,974	Purchase	77,32,778	4.95
				10-Nov-17	1,00,000	Purchase	78,32,778	5.01
				17-Nov-17	3,79,590	Purchase	82,12,368	5.25
				24-Nov-17	5,327	Purchase	82,17,695	5.26
				01-Dec-17	1,00,000	Purchase	83,17,695	5.32
				08-Dec-17	98,522	Purchase	84,16,217	5.38
				15-Dec-17	2,77,670	Purchase	86,93,887	5.56
				22-Dec-17	1,97,978	Purchase	88,91,865	5.69
		88,91,865	5.69	31-Mar-18			88,91,865	5.69

Notes:

1. The shares of the company are traded on a daily basis and hence the dates above refer to the beneficiary position dates.
2. The above list comprises Top 10 shareholders as on 01-04-2017 and as on 31-03-2018.
3. The % change in shareholding despite nil changes during the year is on account of increase in the share capital upon allotment of equity shares to employees who have exercised their Stock options under the company's ESOP scheme 2007 and 2016.

(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	25-08-2017	NIL	Not applicable	500 Market Purchase	Not applicable	500	0.0003
2.	Mr. N. Srinivasan	No change	25,000	0.016	25,000	0.016	25,000	0.016
3.	Mr. V. Srinivasa Rangan	31-07-2017	4,000	0.003	6,000 Market Purchase	0.004	10,000	0.006
4.	Ms. Bharati Rao	-	NIL	Not applicable	NIL	Not applicable	NIL	Not applicable
5.	Mr. Ashok Kumar Barat	-	NIL	Not applicable	NIL	Not applicable	NIL	Not applicable
6.	Mr. Arun Alagappan*	No change	1,90,000	0.122	1,90,000	0.122	1,90,000	0.122
	KMP:							
7.	Mr. D. Arul Selvan	At the beginning – 01-04-2017	15,000	0.010				
		07-02-2018			(3,933) Market Sale	0.003%		
		09-02-2018			(1,067) Market Sale	0.001%		
		19-02-2018			1,000 ESOP Allotment	0.001%		
		16-03-2018			2,340 ESOP Allotment	0.001%		
		As at the end of the year - 31-03-2018					13,340	0.009
8.	Ms. P. Sujatha	At the beginning – 01-04-2017	20,527	0.013				
		07-09-2017			(2,000) Market Sale			
		11-09-2017			(2,000) Market Sale			
		As at the end of the year - 31-03-2018					16,527	0.011

Note:

* Mr. Arun Alagappan was appointed as an executive director w.e.f.19-08-2017

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	18,66,957.74	5,43,952.02	0.15	24,10,909.91
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**	**5,59,664.22**	**0.15**	**24,87,662.81**
Change in indebtedness during the financial year				
• Addition	17,58,792.30	10,20,953.94	-	27,79,746.24
• Reduction	10,12,996.63	9,87,432.02	0.15	20,00,428.80
Net Change	7,45,795.67	33,521.92	(0.15)	7,79,317.44
Indebtedness at the end of the financial year				
i. Principal Amount	26,12,753.41	5,77,473.94	0.00	31,90,227.35
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	55,008.89	30,503.22	-	85,512.11
Total (i+ii+iii)	**26,67,762.30**	**6,07,977.16**	**0.00**	**32,75,739.46**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Executive Director

SN.	Particulars of Remuneration	Vellayan Subbiah, Managing Director (up to 18-Aug-2017) ₹ in lakhs	N. Srinivasan, EVC & Managing Director (from 19-Aug-2017) ₹ in lakhs	Arun Alagappan, Executive Director (from 19-Aug-2017) ₹ in lakhs
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	157.47	-	188.58
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	13.73	-	8.73
	(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*	-	338.45	-
	Total (A)	**171.20**	**338.45**	**197.30**
	Ceiling as per the Act	-	-	14,833.09

*Deputation Charges

B. Remuneration to other directors

₹ in lakhs

SN.	Particulars of Remuneration	Name of Directors					
1.	**Independent Directors**	**M.B.N. Rao**	**V. Srinivasa Rangan**	**Bharati Rao**	**Ashok Kumar Barat $**	**Nalin Mansukhlal Shah@**	**Total Amount**
	- Fee for attending board / committee meetings	4.65	4.45	4.10	1.15	1.50	15.85
	- Commission	15.00	7.50	7.50	3.12	2.42	35.54
	- Others, please specify	-	-	-			-
	Total (1)	**19.65**	**11.95**	**11.60**	**4.27**	**3.92**	**51.39**
2.	**Other Non-Executive Directors**	**N. Srinivasan***	**M.M. Murugappan#**				**Total Amount (₹ in lakhs)**
	- Fee for attending board committee meetings	1.40	2.15				3.55
	- Commission	2.88	4.40				7.28
	- Others, please specify	-	-				
	Total (2)	**4.28**	**6.55**				**10.83**
	Total (B)=(1+2)						**62.22**
	Total Managerial Remuneration						**62.22**
	Overall Ceiling as per the Act						1,483.31

Note:

The above indicates the commission payable for FY 18.

$ - Appointed as an additional director effective 31-10-2017

@ - Retired at the close of 39th annual general meeting held on 27-07-2017

* - Remuneration for the period 1-04-2017 to 18-08-2017

- Resigned as director at the close of business hours of 31-10-2017

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

₹ in lakhs

SN.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	101.50	118.21	219.71
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.47	4.91	6.38
	(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			
	Total	**102.97**	**123.12**	**226.09**

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, 2018.

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 the company, undertakes and a reference to the website link to the CSR policy:**

   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.

   The company operates out of over 870 branches. A CSR framework has been formulated that identifies, involves, influences and impacts its key stakeholders in ensuring holistic development of the community, focussing on Swachha Bharat Mission, promoting health care facilities, enabling education and vocational training, supply chain partners in the community we live.

   Company's Strategic Directions

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

   1) **Healthcare -** Creating an impact on the health behavior of the stakeholders 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.

   2) **Access to Education & Rural Sports** – 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.

   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 (e.g. 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 on training programmes for conserving wildlife and thus part of the ecology, and specific infrastructural support for conserving wildlife endangered by extinction.

   5) **Rural Development -** Chola adopts villages and extends interventions such as individual toilets, purified drinking water facilities, toilets and water facilities in schools etc. focussing 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 -** Chola started supporting the Senior Citizens by supporting an Old Age Home in a pilot effort.

   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 and Targeting the families for advocacy, alternative vocational skills, linking for alternate livelihoods, supporting children's education.

   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:**

   Ms. Bharati Rao, Chairperson (Independent Director)

   Mr. N. Srinivasan (Executive Vice Chairman & Managing Director)

   Mr. Arun Alagappan (Executive Director)

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

₹ 87,785.46 lakhs

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

₹ 1,755.71 lakhs

5. Details of CSR spend during the financial year:

₹ in lakhs

Program	Thematic Area	State	District	Execution Partner	Amount
AMM Murugappa Chettiar Centenary Scholarship	Education	Tamil Nadu	Chennai	AMM	30.00
Developing solar energy based devices	Research & Development	Tamil Nadu	Chennai	MCRC	30.00
Mobile health van	Health	Assam	Sonitpur	AMM	34.00
Murugappa Youth Football Academy	Sports	Tamil Nadu	Chennai	AMM	8.00
Nutritional Food for Rural communities	Research & Development	Tamil Nadu	Chennai	MCRC	75.00
Health care facilities at Sir Ivan Stedeford Hospital	Health	Tamil Nadu	Chennai	AMM	500.00
Sustainable Agricututal Practices	Research & Development	Tamil Nadu	Chennai	MCRC	90.00
Upgrading of ENT department of SISH		Tamil Nadu	Chennai	AMM	7.86
Medical help for Valliamani Achhi Hospital	Health	Tamil Nadu	KanyaKumari	AMM	33.00
Water security and water use efficiency	Research & Development	Tamil Nadu	Chennai	MCRC	70.00
Integrated Strategies for Metropolitan Chennai	Environment Sustainability	Tamil Nadu	Chennai	IIT	69.13
Scholarships for students	Education	Tamil Nadu	Chennai	Christel House	2.07
Promotion of sports	Sports	Tamil Nadu	Chennai	TNTA	10.00
School Infrastructure Development	Education	Tamil Nadu	Villupuram	Isha Vidhya	35.39
Learning Material for School Children	Arts	Tamil Nadu	Chennai	Madras Craft Foundation	3.50
Museum Management Internship Program	Arts	Tamil Nadu	Chennai	Madras Craft Foundation	10.50
Working with Folk Performing groups	Arts	Tamil Nadu	Chennai	Madras Craft Foundation	4.00
Rethinking our galleries	Arts	Tamil Nadu	Chennai	Madras Craft Foundation	4.50
Interactive session & workshop with Artists	Arts	Tamil Nadu	Chennai	Madras Craft Foundation	2.50
Eureka Super Kids	Education	Tamil Nadu	Vembakkam	AID India	19.98
Swachh Odhisa	WASH	Odisha	Angul	WEE	75.70
Swachh Marathwada	WASH	Maharashtra	Nanded	Bala Vikasa	44.89
Preservation of Arts and Crafts	Arts	Tamil Nadu	Chennai	Charsur Arts Foundation	5.00
Resource center for girl children	Education	Tamil Nadu	Chennai	Indian council for Child Welfare	5.16
Health Camp for truck drivers	Health	West Bengal, Madhya Pradesh, Andhra Pradesh, Karnatka, Uttar Pradesh.	Kolkata, Indore, Vizag, Bengaluru, Kanpur	Sightsavers	47.09
Truck drivers and their Livelihood Development	Health	Rajasthan	Jaipur, Ajmer	Aravali	38.28
Model Village	Rural Development	Tamil Nadu	Kancheepuram	Sevalaya	38.62
Conservation program for endangered reptiles	Environment sustainability	Tamil Nadu	Chennai	MCBT	35.00

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

₹ in lakhs

Program	Thematic Area	State	District	Execution Partner	Amount
SMART Toilets	WASH	Tamil Nadu	Kancheepuram	Gramalaya	50.00
Born Learning Campaign - An early child development intervention at Anganwadi Centres.	Health	Tamil Nadu	Chennai	United Way	20.00
Eye health camps for truck drivers	Health	Uttar Pradesh, Delhi	Delhi, Kanpur	Eicher Foundation	31.85
Art therapy	Education	Tamil Nadu	Chennai	Nalanda Way	11.52
Investing in Future for catalyzing change in Wash practices	Rural Development	Orissa	Balangir	Regional centre dor Development cooperation (RCDC)	46.09
Protection of endangered speices in Spiti and Lakshdweep.	Environment sustainability	Lakshdweep, Himachal Pradesh	Lakshdweep, Spiti	NCF	42.89
Worth School	Education	Tamil Nadu	Vellore	Worth Foundation	8.81
Medical facilities for gastronomical ailments	Health	Tamil Nadu	Chennai	CTMRF	70.00
Medical services for children with pulmonary illness	Health	Tamil Nadu	Chennai	KKTCH	30.00
Drive and Thrive phase -2	Health	Tamil Nadu	Chennai	Nalamdana	42.13
Moral and cultural training for youth	Education	Tamil Nadu	Chennai	IMCTF	37.50
Administrative Expenses	Administrative Expenses			Administrative Expenses	36.65
Total					**1756.60**

a. Total amount to be spent for the financial year: ₹ 1,755.71 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 s program (1) Local area or other (2) Specify the State and district where projects	(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 Murugappa Chettiar Centenary Scholarship	Education	Tamil Nadu	30.00	30.00	30.00	IA
2.	Developing solar energy based devices	Research & Development	Tamil Nadu	30.00	30.00	30.00	IA
3.	Integrated Strategies for Metropolitan Chennai	Environment sustainability	Tamil Nadu	69.13	69.13	69.13	IA
4.	Mobile health van	Health	Assam	34.00	34.00	34.00	IA
5.	Murugappa Youth Football Academy	Sports	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)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SN.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or s program (1) Local area or other (2) Specify the State and district where projects**	**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			
6.	Nutritional Food for Rural communities	Research & Development	Tamil Nadu	75.00	75.00	75.00	IA
7.	Scholarships for students	Education	Tamil Nadu	2.07	2.07	2.07	IA
8.	Health care facilities at Sir Ivan Stedeford hospital	Health	Tamil Nadu	500.00	500.00	500.00	IA
9.	Sustainable Agricututal Practices	Research & Development	Tamil Nadu	90.00	90.00	90.00	IA
10.	Promotion of sports	Sports	Tamil Nadu	10.00	10.00	10.00	IA
11.	Upgrading of ENT department of SISH		Tamil Nadu	7.86	7.86	7.86	IA
12.	Medical help for Valliamani Achhi Hospital	Health	Tamil Nadu	33.00	33.00	33.00	IA
13.	Water security and water use efficiency	Research & Development	Tamil Nadu	70.00	70.00	70.00	IA
14.	School Infrastructure Development	Education	Tamil Nadu	35.39	35.39	35.39	IA
15.	Learning Material for School Children	Arts	Tamil Nadu	3.50	3.50	3.50	IA
16.	Museum Management Internship Program	Arts	Tamil Nadu	10.50	10.50	10.50	IA
17.	Working with Folk Performing groups	Arts	Tamil Nadu	4.00	4.00	4.00	IA
18.	Rethinking our gallaries	Arts	Tamil Nadu	4.50	4.50	4.50	IA
19.	Interactive session & workshop with Artists	Arts	Tamil Nadu	2.50	2.50	2.50	IA
20.	Eureka Super Kids	Education	Tamil Nadu	19.98	19.98	19.98	IA
21.	Swachh Odhisa	WASH	Odisha	75.70	75.70	75.70	IA
22.	Swachh Marathwada	WASH	Maharashtra	44.89	44.89	44.89	IA
23.	Preservation of arts and Crafts	Arts	Tamil Nadu	5.00	5.00	5.00	IA
24.	Resource center for girl children	Education	Tamil Nadu	5.16	5.16	5.16	IA
25.	Health Camp for truck drivers	Health	West Bengal, Madhya Pradesh, Andhra Pradesh, Karnatka, Uttar Pradesh.	47.09	47.09	47.09	IA
26.	Truck drivers and their Livelihood Development	Health	Rajasthan	38.28	38.28	38.28	IA
27.	Model Village	Rural Development	Tamil Nadu	38.62	38.62	38.62	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 s program (1) Local area or other (2) Specify the State and district where projects	(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		
28.	Conservation program for endangered reptiles	Environment sustainability	Tamil Nadu	35.00	35.00	35.00	IA
29.	SMART Toilets	WASH	Tamil Nadu	50.00	50.00	50.00	IA
30.	Born Learning Campaign - An early child development intervention at Anganwadi Centres.	Health	Tamil Nadu	20.00	20.00	20.00	IA
31.	Eye health camps for truck drivers	Health	Uttar Pradesh, Delhi	31.85	31.85	31.85	IA
32.	Art therapy	Education	Tamil Nadu	11.52	11.52	11.52	IA
33.	Investing in Future for catalyzing change in Wash practices	Rural Development	Orissa	46.09	46.09	46.09	IA
34.	Protection of endangered speices in Spiti and Lakshdweep.	Environment sustainability	Lakshdweep, Himachal Pradesh	42.89	42.89	42.89	IA
35.	Worth School	Education	Tamil Nadu	8.81	8.81	8.81	IA
36.	Medical facilities for gastronomical ailments	Health	Tamil Nadu	70.00	70.00	70.00	IA
37.	Medical services for children with pulmonary illness	Health	Tamil Nadu	30.00	30.00	30.00	IA
38.	Drive and Thrive phase -2	Health	Tamil Nadu	42.13	42.13	42.13	IA
39.	Moral and cultural training for youth	Education	Tamil Nadu	37.50	37.50	37.50	IA
40.	Administrative Expenses	Administrative Expenses		35.76	36.65	36.65	
	Total			**1755.71**	**1756.60**	**1756.60**	

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 23, 2018

N. Srinivasan
Executive Vice Chairman & Managing Director

Bharati Rao
Chairperson - 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, 2018

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 2018 as compared to 2017#**	**Ratio of Remuneration to Median Remuneration of employees**
	Non Executive Directors		
	Mr. M.B.N. Rao, Non-executive / Independent Chairman*	NA	3.46:1
	Mr. N. Srinivasan, Non-executive / Vice Chairman (upto 18 August, 2017)	NIL	1.73:1
	Mr. V. Srinivasa Rangan, Non-executive / Independent Director	NIL	1.73:1
	Mr. Nalin Mansukhlal Shah, Non-executive/ Independent Director	NIL	1.73:1
	Ms. Bharati Rao, Non-executive / Independent Director	NIL	1.73:1
	Mr. Ashok Kumar Barat, Non-executive / Independent Director	NA	1.73:1
	Mr. M.M. Murugappan, Non-executive Director	NIL	1.73:1
	Executive Directors		
	Mr. Arun Alagappan, Executive Director	NA	45.47:1
	Mr. Vellayan Subbiah, Managing Director (upto 18 August, 2017)	9.82%	39.45:1
	Mr. N. Srinivasan, Executive Vice Chairman and Managing Director (from 19 August, 2017)	NA	77.99:1
b) Percentage increase in remuneration of CFO, CS in the financial year	**Name of the KMP / Designation**	**% increase in remuneration in 2018 as compared to 2017**	
	Mr. D. Arul Selvan, Chief Financial Officer	14.25%	
	Ms. P. Sujatha, Company Secretary	8.94%	
c) Percentage increase in median remuneration of employees in the financial year	43% decrease in median remuneration $		

Nature of Disclosure	Particulars		
d) Number of permanent employees on the rolls of company (as of 31 March, 2018)	6,768		
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 17 and FY 18, the average increase is 11.79%. The average increase for managerial personnel (MD & ED) is 54.96%@.		
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.		

Note:

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

Commission/Remuneration figures have been annualised.

@ The increase in overall managerial remuneration is due to appointment of two whole time directors as against one MD in the previous year.

$ The decrease in median remuneration is on account of mass recruitment of 3,070 employees at the entry level in the company. Without considering the said hiring, there is an increase of 8% in median remuneration.

On behalf of the board

Place : Chennai
Date : April 23, 2018

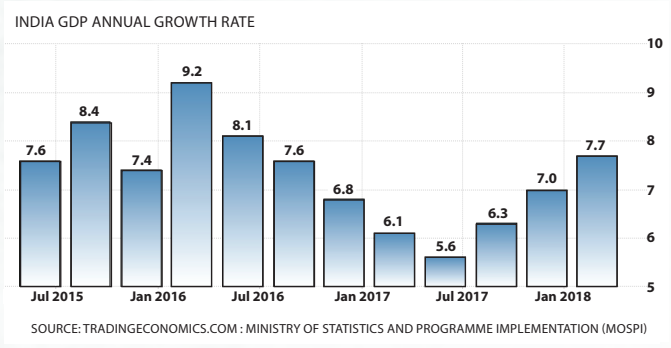
M.B.N. Rao
Chairman

Management Discussion and Analysis

MACROECONOMIC OVERVIEW:

FY 18 was a challenging one. The severe impact of the disruptions caused by the two structural changes - demonetisation and the Goods and Service Tax (GST) was wearing off in differing degrees across various industries and businesses. The impact of introducing the Bharat Stage (BS) IV norms had boosted the demand for vehicles. Favourable monsoon, rising demand, high liquidity, low cost of funds etc., created the right atmosphere in which the market is soaring because of which Indian economy is expected to grow faster than expected in the year 2018-19.

In the first half of FY 18, India's GDP growth slumped to a three-year-low mainly due to destocking ahead of the GST implementation. However, the second half of the year picked up with a growth rate of 7.7%. Multiple macro-economic factors show a possible turn-around of the Indian economy in the year 2018-19.



SOURCE: TRADINGECONOMICS.COM : MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

Recovery in global demand to boost India's growth

The global economy has turned a corner, with demand rising robustly since late-2016 and is likely to accelerate further. More than 75% of the world economy is now enjoying an upswing, with forecasts anticipating global growth to rise to 3.7% in 2018, from 3.2% in 2016. Growth in advanced economies is at its fastest in three years, with Organisation for Economic Co-operation and Development (OECD) lead indicators pointing to slightly above the trend growth. Recoveries are broadening into more emerging markets and global trade and investment activity have finally been picking up. At the same time, risks to the outlook have increased substantially as per Economic Outlook - November 2017. US policy uncertainty and a potential trade war could quickly darken the current bright skies.

As the global economy is in its heights after recovering from the shocks of 2008 crisis, India is expected to take the benefit of this opportunity. India's ability to withstand the economic pressure was helped by the fact that it is much less dependent than most countries on global flows of trade and capital and therefore, the recovery in global economic conditions should help India boost its domestic growth.

Favourable domestic conditions

There is optimism in domestic demand in the form of consumption and revival in small-scale business activities. This is expected to result in an increase in Foreign Direct Investment into the country. Moreover, India has moved up in the World Bank's "Ease of Doing Business Index" which is helping build optimism in India's story and is expected to attract more investors to the country. The GST is also taking Indian economy slowly and steadily towards greater formalization.

International credit rating agency Moody's upgraded India's sovereign bond rating for the first time in 14 years. The last upgrade had happened in 2004. It is an endorsement of structural reforms undertaken by the Central Government. Further, Government has announced bank recapitalization worth ₹ 2,11,000 crores into public sector banks over the next 2 years, which will help restore the health of the current banking system. The cleansing of the bank non performing assets (NPAs) is expected to result in the emergence of strong banks who could weather the storm and grow.

Increased infrastructure spending initiatives

There is a lot of focus on infrastructural development. The government in the Budget 2018 allocated a massive ₹ 5,97,000 crores to infrastructural development with the aim to pave more than 80,000 kms of roads by March 2022. Further, it has taken steps to collaborate with international partners to speed up the process of infrastructure building. This is expected to improve job availability and rural income while achieving the goals of improving the infrastructure across the nation.

INDUSTRY GROWTH PROSPECTS:

AUTO INDUSTRY:

The Indian automotive industry is expected to further improve the performance in FY 19. The domestic commercial vehicle (CV) industry is in a recovery trend from the second half of FY 18, as there was contraction in CV sales during the first

quarter, due to limited availability of BS-IV compliant vehicles and fleet operators deferring new vehicle purchases due to impending GST implementation. The factors that led to recovery are pent-up demand post GST, healthy replacement-led demand, pick up in construction and mining activities. This aided by government's increased thrust in infrastructure and rural sectors in the recent budget and other regulatory action such as potential implementation of freight modernization or scrappage program and advancement in timelines for migration to BS VI norms will drive the current CV cycle growth.

Demonetisation had major impact in the business of small fleet operators and first time buyers. Post demonetisation, the improvement in liquidity situation and good monsoons, helped the revival of the rural economy. Crop output was stable, while consumption demand had started to pick up. Changes in warehousing pattern post GST, through increasing adoption of hub and spoke model is driving the need for faster and efficient trucks. Stronger demand from consumption-driven sectors and e-commerce focused logistic companies is expected to fuel the growth. Government has announced two ambitious infrastructure projects, Bharatmala (India's biggest highway construction project) and Sagarmala (India's largest port and coastal transport project). Implementation of these projects will help increase the demand for tippers and construction equipment.

The current CV recovery trend started in early 2017, when the government intensified its crackdown on overloaded vehicles and advanced the timelines for migration to BS VI norms. With the recent announcement of scrappage policy to phase out vehicles over 15 years, the Government's intent to modernize CV space is quite evident. CRISIL reports suggests that this policy can translate into incremental sales of 4,40,000 heavy CVs over FY 19 to FY 21 and additional 2,00,000 CVs will be replaced over this period. Stricter clampdown on overloading of vehicles by charging more toll on overloaded vehicles, have resulted in a shift to higher tonnage vehicles. In order to curb pollution, government has fast tracked the migration to BS VI regime by April 2020, four years prior to the original plan. The above measures are expected to result in a stronger growth outlook for CV Industry.

Passenger vehicle segment is expected to grow at 9-11% in FY 19 as well. Lower penetration, income growth and nuclear family structure, demographic profile etc will drive passenger vehicle segment. Capacity utilisation of passenger vehicle industry increased to 77% in FY 18 from 68% in FY 16 and is expected to continue rising in FY 19 as well. Utility vehicle and small cars are expected to outperform.

HOME EQUITY:

The loan against property (LAP) business also faced disruptions with structural reforms from the Government in the form of demonetisation, implementation of GST and Real Estate Regulation and Development Act (RERA). These reforms disrupted the real estate market and the resultant stagnant property prices led to a slow-down in the LAP market till the first half of FY 17.

Post demonetisation, progressive familiarisation with GST regulations and favourable real estate prices in Tier-II and smaller towns, has led to a slow and gradual recovery in this segment in FY 18 which is expected to improve in FY 19. The structural reforms are expected to bring in brighter growth prospects in the medium term (FY 20 and beyond). CRISIL research expects LAP portfolio to grow at 13-15% in FY 19 to ₹ 4,25,900 crores.

LAP segment is predominantly funded for self-employed borrowers and with 70-75% of disbursements being funded for self-employed non-professionals like small manufacturers or traders (SMEs) who avail LAP as a term loan to meet capacity utilisation, working capital, debt repayment etc. As LAP is secured by residential or commercial property, the product carries a lower interest rates compared to personal loans.

The key demand drivers for this segment are increase in self-employed borrower profiles, higher finance penetration from organized channels in smaller towns, increasing customer awareness for credit off-take, favourable risk-return equation and competitive interest rates.

HOME LOANS:

The Indian housing finance market has grown rapidly at 18% CAGR from FY 11 to FY 17, and is expected to grow at 16-18% in FY 19, aided by higher finance penetration and demand for affordable housing. As per Government data as of October 2017, 2 lakhs houses have been constructed under Pradhan Mantri Awas Yojana (PMAY) and with a target of constructing 20 million homes across India by 2022, the pace of construction work will increase and subsequently prompt higher demand for loans. Further, inclusion of middle income group (MIG) whose income range between ₹ 6 lakhs to ₹ 18 lakhs per annum under credit linked interest subsidy scheme, is expected to lead a surge in disbursements over the next 3-5 years.

Mortgage penetration as a percentage of GDP in India has increased from around 7% in 2007 to 10% in 2017. This is much lower than other regional emerging markets like China which is at 18%. However progressively due to various structural drivers like younger and earning population, smaller family sizes, urbanisation and rising income levels, the penetration levels are expected to improve to 12-14% by 2022.

The growth drivers in this segment include increasing urbanaisation, favourable demographics with a large proportion of Indian population below the age of 30 years, increase in supply of afforadable homes especially in satellite towns, tax incentives on home loans for both principal and interest repayment, credit link subsidy for eligible population for acquisition and construction of houses and Government's push for "Housing for all".

BUSINESS ANALYSIS

VEHICLE FINANCE

The vehicle finance (VF) business posted a record disbursement growth of 42% and PBT growth of 50% in FY 18. The disbursements during the year were ₹ 20,540 crores as against ₹ 14,471 crores in the

previous year. The PBT during the year was ₹ 1,023 crores as against ₹ 682 crores in the previous year. The division continued its focus on strengthening its business operations and improving asset quality through aggressive collections efforts, which resulted in reduction of its gross non-performing assets (GNPA) from 4.2% to 2.0% with an absolute reduction of ₹ 354 crores. The net credit losses (NCL) to average assets has come down to 0.9% from 1.4 % when compared to the previous year. The VF division is expected to continue delivering strong growth and maintain superior asset quality.

The consistent superior performance of the VF division was driven by the following strengths:

a. one of the fastest turnaround time (TAT) in industry (achieved through best in class digitalization of sourcing new loans and customer on-boarding),

b. strong Original Equipment Manufacturer support and superior dealer service,

c. sustained penetration in Tier II, III and IV towns,

d. experienced and stable in-house sales and collections teams,

e. effective underwriting and strong collection management leading to lower delinquencies,

f. right product mix focused on profitable growth,

g. diversified product portfolio and geographical presence preventing concentration risks,

h. a committed top management team who have grown in the company with 10+ years of experience,

Implementation of tablet based system for business origination and collections has helped VF scale disbursements and maintain asset quality. Other digital initiatives like Customer Facing App with customer service module (CSM), Pay Now feature and Gaadi Bazaar (Vehicle Auction platform) have supported VF business in the current growth cycle.

The division will continue to strengthen its engagement with manufacturer and channel relationships through effective tie-ups, increased engagement with brokers, implementation of Chola Express loan for few product segments, strengthen analytics in underwriting process by using artificial intelligence / machine learning technology, build behavior models for predicting customer behavior which will enable in servicing customer needs better.

In order to further increase our market presence the business has grown to 868 branches from 698 branches as at end of previous year. With the inclusion of these branches, Chola will have a balanced presence across all the four regions in India. The primary focus will be 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.

HOME EQUITY

Managed assets for the business grew by 4.2% during FY 18 and stood at ₹ 9,997 crores as against ₹ 9,593 crores during FY 17. The overall disbursements during FY 18 stood at ₹ 3,174 crores as against ₹ 3,056 crores during FY 17, a growth of 3.9%.

The delinquency levels have dropped, with resolutions through The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI) starting to come through. GNPA levels have dropped to 5.36% in March 2018 from 5.77% in March 2017. The SARFAESI resolutions have started to yield results particularly in the last quarter of FY 18 and the business expects to see better resolutions during FY 19.

Credit off-take slowed down due to de-growth in the economy after GST & demonetisation impact. New lending entities are looking to expand their LAP Portfolio, which has led to aggressive acquisition of customers in the small ticket portfolio. Due to intense competition, the yields have dropped by 200 bps in the past 18 months. Much of the impact was managed in FY 18 due to lower cost of funds, as the market rates were benign. As a result, slippages in net interest margins were contained and was maintained at 3.5%-4% this fiscal. To succeed in such competitive environment, the company has over years built strong systems and processes focused on acquiring the right customers. The company is focused on strengthening analytics and automation in underwriting process, customer behavior, efficiency of sourcing channels and collection analytics, thereby strengthening customer and channel partner relationships. With this digital focus, the business is confident of pushing boundaries in delivering growth and maintaining asset quality.

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 148 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 has increased the disbursement to ₹ 606 crores during FY 18 as against ₹ 325 crores in FY 17, registering a growth of 87%. Managed Assets was at ₹ 984 crores in FY 18 as against ₹ 518 crores in FY 17, registering a healthy growth of 90%. HL business was launched in FY 13 and the company spent the first few years understanding the nuances of this business. In FY 18, the business started growing aggressively and is expected to grow at this rate. The business is at present operating from 127 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 prime focus of the business is the self-employed non-professional customers seeking to buy / construct a new home under affordable housing. During the year, the board of directors of your company approved setting up of a housing finance company (HFC) as a subsidiary. The subsidiary company is in the process of making an application to National Housing Bank for starting the HFC.

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 ₹ 292 crores as of March 2018.

RURAL FINANCE

The rural finance product was carried out at 170 Mana Gromor centres during FY 18. Mana Gromor centres are the retail outlets operated by Coromandel International Limited, where the company finances the agri input procurement needs of the farming community.

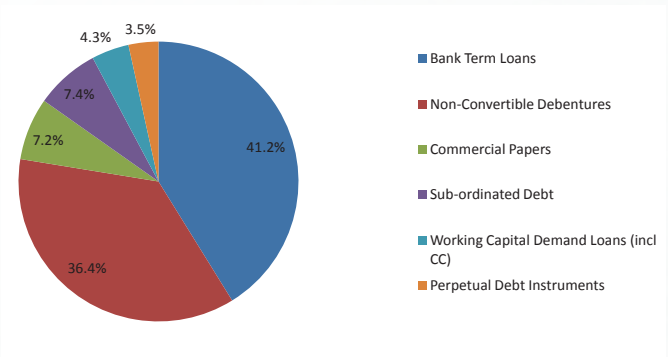
ASSET LIABILITY MANAGEMENT

During FY 18, the company maintained optimum asset liability management (ALM) position while ensuring that the cost of funds is kept under control. The company continued to be successful in getting subscription for its Commercial Paper (CP) and Non-Convertible Debentures (NCDs) from banks apart from Mutual Funds (MF).

Long-term borrowings in the form of medium-term loans, medium/long-term NCDs and Tier II - contributed ~40% of the gross incremental on-balance sheet borrowings. Sale of receivables by way of securitisation amounting to ₹ 3,355 crores helped in managing the cash flows over the tenure of the loan book as well as reducing the borrowing costs.

RESOURCES & TREASURY

During the year, the company raised funds from banks and from money markets to support the growth of its businesses at lower interest rates while maintaining the right mix of long and short-term borrowings and thereby maintaining a healthy asset liability position. The borrowing profile as on 31 March, 2018, is given below:



BANK BORROWING

In FY 18, the company mobilised ₹ 7,577 crores of medium-term loans and ₹ 413 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. Wherever possible, the company successfully negotiated Foreign Currency Term Loans (FCTLs) to the tune of ₹ 775 crores from banks on a fully hedged basis, and leveraged opportunities to raise bank loans with pricing linked to external benchmarks, to the tune of ₹ 877 crores. These were aimed at lowering borrowing costs considering the comparatively higher cost in Marginal Cost Based Lending Rates (MCLR) based bank borrowings.

MARKET BORROWING

During FY 18, the company raised ₹ 9,550 crores* (previous year ₹ 8,620 crores*) and repaid Rs. 9,815 crores* (previous year ₹ 8,681 crores*) of CPs. CP outstanding as at the end of the year was ₹ 2,400 crores (previous year ₹ 2,665 crores). Medium and long-term secured NCDs to the tune of ₹ 4,526 crores (previous year ₹ 7,143 crores) were mobilised at competitive rates. At the end of FY 18, outstanding NCD stood at ₹ 11,610 crores (previous year ₹ 10,299 crores). New investor profiles were added to ensure no undue concentration in any single/group of investors. The NCD issuances continued to help support reducing the borrowing costs as compared to bank term loans.

Apart from secured borrowings by way of NCDs, the company also placed sub-ordinated debt instruments of ten year tenure to the tune of ₹ 715 crores during the year, to strengthen the capital adequacy requirements of the company.

(*gross borrowings and includes fresh borrowings which were repaid during the year)

MOVEMENT IN INTEREST COST

The company's efforts in balancing the sourcing strategy (including NCD / bank loans mix) without losing sight of ALM, showed favourable results on interest cost, which decreased from 9.2% in FY 17 to 8.5% in FY 18. Interest cost was monitored closely and kept under control by selecting the right mix of borrowings / effecting periodic re-pricing of bank loans.

Though the availability of bank loans to NBFCs remained robust, MCLR remained range bound till Q2 of FY 18. In Q4 of FY 18, increase of MCLR by banks, ranging from 5-45 bps had started impacting borrowing costs.

The money market based borrowings of the company opened up further after INDIA ratings and CARE ratings announced a rating upgrade on the company's debt rating i.e from AA to AA+ on senior debt and from AA - to AA on perpetual debt, effective Q3 of FY 18. The rating upgrade not only helped obtain incremental borrowings at lower rate, but also opened up new set of investors who were keen to invest in AA+ rated instruments.

Securitisation of receivables to the tune of ₹ 3,355 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 over the tenure of underlying receivables.

CAPITAL ADEQUACY RATIO (CAR)

As at the end of FY 18, the capital adequacy ratio stood at 18.36% (Tier I: 13.23% and Tier II: 5.13%)

INVESTMENTS

The company's investments of ₹ 318.94 crores include investments in subsidiaries of ₹ 72.90 crores, investments in pass through certificates of ₹ 246.02 crores and investments in equity shares of ₹ 0.02 crores (net of provisions).

FINANCIAL REVIEW

The company's aggregate loan disbursements grew by 35% from ₹ 18,591 crores in FY 17 to ₹ 25,114 crores in FY 18. This was primarily on account of a 42% growth in vehicle finance disbursements. Home equity disbursements grew by 4% over previous year. The total AUM for the company as a whole grew by 25% (YoY) and the growth of on-balance sheet assets was 31%. The business AUM (including on book and assigned and net of provisions) in FY 18 stood at ₹ 42,879 crores as against ₹ 34,167 crores recorded in FY 17.

Aggressive collection efforts helped in improving asset quality which resulted in GNPA dropping steeply to 2.9% and NNPA to 1.7% in FY 18 as compared to a GNPA of 4.7% and NNPA of 3.2% in FY 17 at 3 months overdue basis.

The company achieved a PBT Return on Total Assets (PBT - ROTA) of 4.6% in FY 18 as compared to 3.9% in FY 17. 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) improved to 9.7% in FY 18 from 8.6% in FY 17.

The net profit after tax for the year rose by 36% to ₹ 974 crores from ₹ 719 crores in the previous year. Earnings per share for the year stood at ₹ 62.32 and the book value per share stood at ₹ 329.5 as against ₹ 46.01 and ₹ 274.2 in the previous year respectively.

HUMAN RESOURCES (HR)

The key HR Interventions for FY 18 focused on productivity enhancement, alternate sources of hiring Feet on Street - Hire / Train / Deploy model, study organization structural efficiency & compensation positioning in the NBFC & banking sectors, HR process improvements etc. Our learning and development initiatives revolved around building people capabilities with specific focus on improving team / manager efficiency.

- Partnering for productivity enhancement - regional HR teams partnered with business managers in identifying productivity delimiting factors and arrived at employee specific action plans to resolve the challenges to build a culture of high performance. Interventions deployed included,
- Facilitation with reporting managers learning: employee specific refresher learning session
- Hire/Train/Deploy - Alternate sourcing channel: This year again, the front end roles staffing was done through Hire, Train & Deploy model which was deployed extensively across three zones.
- Study organisation structural efficiency & compensation positioning - the company engaged Aon Hewitt and undertook the manning study and benchmarked the company's compensation with NBFC and banking sector. Based on the results, actions are planned to be deployed in FY 19.
- Manning study focused on the analyzing the organization structure, understanding key responsibilities at different levels and inter dependability, touch points across each function & across customer life cycle, differentiation / combination of products in Sales & Credit, Headcount analysis and key staffing ratios across the functions, level and sub levels.
- Compensation benchmark study focused on the position mapping of Chola with the industry and the compensation positioning of various roles and levels with respect to the NBFC and banking sector

HR Process Improvement - Validated the process efficiency post the implementation of Lean Management.

Learning and Development

- Belbin Tool Training conducted for select employees to make the transformation from being effective process managers to becoming outstanding people managers. The pretest and training gives an insight about the individual's strengths and weaknesses and helps managers to put together their own great teams
- Behavioural event interview training was conducted for select employees from the business and they were certified as the Interview panel. The objective of the training is to enable participants assess whether the candidate demonstrates traits that fit the workplace culture, use of questions that solicit real-life experiential responses that provide a way to evaluate skills, knowledge, and behaviours versus philosophical views.

Employee Engagement

The Epic League - Chola Rewards and Recognition Program was launched. The objective of this was to create an environment to nurture employees through recognition and celebrating their contribution, by creating Rewards & Recognition framework which is measurable, exciting, relevant and transparent.

TECHNOLOGY INITIATIVES

The primary theme for the digital technology team was 'Stabilization', without compromising on the company's ability to deliver new features and capabilities for the business. Along with business growth, the load on the application and technology infrastructure continues to see monthly, quarterly, and annual highs. To handle this, systematic approach for tuning across the entire applications, servers, and network infrastructure were put in place. The above measures ensured that the environment is positioned to handle increasing loads. Any potential hot-spot is

identified on a pro-active basis, and speedy issue resolution is put in place, thereby minimizing business impact.

On the core technology infrastructure front, strategic upgrades were carried out for our data-center networks, servers, and storage infrastructure. This helped eliminate legacy equipment while positioning us to deliver much higher processing capability and ability to scale as the business grows. Tools and processes were put in place to handle cyber security related incidents, timely reporting of system related abnormal events, and tracking and resolution of such events. Technology risk initiatives like improved coverage of end-point device protection and risk-based coverage of devices for data leakage protection were of a continuous focus for the team. Gap assessment was carried out as per the Master Directions for NBFCs issued by Reserve Bank of India (RBI) and efforts are underway to ensure compliance to the same.

From a mobility perspective, focus on performance tuning and optimization ensured much better experience for our sales and collections staff in the field. Integration with new Credit Bureau for two-wheeler express credit, updated credit scoring model integration, and controls around cash collections were some of key highlights of functionality developed and delivered. New mobile application was rolled out to support Chola customers using iOS devices while the app was also enhanced to support customer service requests and payment options like UPI. Similarly, the GaadiBazaar app was augmented to support online auctions, integration with valuation service providers, and user notifications.

On the lending & financial platform front, delivery of timeline critical functionality like GST compliance and Ind-AS preparedness, as well as improved automation for transaction and credit bureau reporting were done. A coordinated exercise to optimize the month-end process and related reporting activity was carried out. This helped availability of systems for processing within a short period of time as well as timely availability of data and reports for financial reporting.

Digital Innovation was an area of renewed focus covering diverse digital initiatives like API Management, ChatBots, application containers, DevOps, continuous integration & continuous delivery, and big-data based document management solutions. The business continues to leverage and learn from projects carried out in each of these areas and adopt them for mainstream implementation in different projects.

RISK MANAGEMENT

The company is committed to create 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, measures 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 his financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in his future earning potential. 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 online application scoring model to assess the credit worthiness of the borrower for underwriting decisions for its vehicle finance, home equity and home loan business.

The company also has a well-developed model for the vehicle finance portfolio, to help business teams plan volume with adequate pricing of risk for different segments of the portfolio.

MARKET 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 and interest rate sensitivity assessment. The company is exposed to interest rate risk and liquidity risk, if the same is not managed properly.

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, encompassing clear delegation of authority and standard operating procedures, 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 WaterhouseCoopers Private Limited (PWC), the company's external internal auditors, executed 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. The external audit team engaged for internal audit is rotated every three years and accordingly, the tenure of PWC is getting over in FY 18. M/s Deloitte Haskins & Sells is being engaged to do the internal audit for the next three years commencing from FY 19.

On compliance, 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 2018.

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 2018	March 2017	Growth %
Assets			
Business Assets	37,201	28,414	31%
Other Assets	2,304	2,181	6%
TOTAL	**39,505**	**30,595**	**29%**
Liabilities			
Net worth	5,150	4,285	20%
Borrowings	31,902	24,109	32%
Other Liabilities	2,453	2,201	11%
TOTAL	**39,505**	**30,595**	**29%**
Off-Balance Sheet Assets	6,233	6,263	0%
Total AUM	**45,738**	**36,858**	**24%**

STATEMENT OF PROFIT & LOSS

The company's PBT increased from ₹ 1,106 crores in FY 17 to ₹ 1,483 crores in FY 18. The summarised version is given below:

₹ in crores

Particulars	March 2018	March 2017	Growth %
Disbursements	**25,113.51**	**18,591.26**	**35%**
Income	5,425.77	4,660.35	16%
Cost of Funds	(2,307.85)	(2,230.80)	3%
Net Margin	**3,117.92**	**2,429.55**	**28%**
Operating Expenses	(1,289.52)	(1,013.34)	27%
Provisions and Losses	(345.09)	(310.63)	11%
Profit Before Tax (PBT)	**1,483.31**	**1,105.58**	**34%**
Current and Deferred Tax	(509.19)	(386.84)	32%
Profit After Tax (PAT)	**974.12**	**718.74**	**36%**

Key Ratios

Particulars	March 2018	March 2017	Growth %
Net Income Margin	9.7%	8.6%	13%
Return on Equity - PAT	20.8%	18.1%	15%
Return on Total Assets - PAT	3.0%	2.6%	19%
Total AUM - Gross (₹ in crores)	45,738	36,858	24%
Earnings Per Share - Basic in ₹	62.32	46.01	35%
Market Price - as of 31st March (in ₹)	1,449.70	964.45	50%
Market Capitalisation - as of 31st March (₹ in crores)	22,662	15,072	50%
CAR	18.4	18.6	(1%)
Operating Expenses to Assets	4.0	3.6	12%
Profit Before Tax to Income	27.3	23.7	15%

% of AUM

Particulars	March 2018	March 2017
Non-Performing Assets (NPA) recognition timeline	3 months overdue	3 months overdue
Gross Non-Performing Assets (GNPA)	2.94	4.66
Provisions	1.28	1.47
Net Non-Performing Assets (NNPA)	1.66	3.19
Provision Coverage on GNPA	43.48	31.64

KEY PARTNERSHIPS AND TIE-UPS

Particulars	Institution
Life Insurance business Limited	HDFC Standard Life Insurance Company
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
	Terex India
	Royal Enfield India

CONSOLIDATED RESULTS

The consolidated profit after tax for the year under review was ₹ 975.42 crores in FY 18, as against ₹ 719.43 crores in FY 17.

On behalf of the board

Place : Chennai
Date : April 23, 2018

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. The board recognises that governance expectations are constantly evolving and is committed to keeping 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 principle:

"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 and CEO, 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 whistle blower 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 independent 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 management areas 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-programmeimparted-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 are 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, 2018, 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(3)	500	11(5)
Mr. N. Srinivasan	Executive Vice Chairman & / Managing Director	6(1)	25,000	4
Mr. V. Srinivasa Rangan	Non-executive / Independent director	12	10,000	9(1)
Ms. Bharati Rao	Non-executive / Independent director	10	NIL	8(1)
Mr. Ashok Kumar Barat	Non-executive / Independent director	5	NIL	1
Mr. Arun Alagappan	Executive / Promoter director	7	190,000	1

* 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 27 March, 2018 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 28 April, 2017, 14 June, 2017, 27 July, 2017, 31 October, 2017, 20 December, 2017, 30 January, 2018 and 27 March, 2018. 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 seven committees constituted by the board - audit committee, stakeholders' relationship committee, corporate social responsibility committee, nomination and remuneration committee, risk management committee, IT strategy 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 three non-executive directors. All members of this committee are independent directors. As at 31 March, 2018, the committee comprised Mr. V. Srinivasa Rangan, independent director as the chairman, Mr. M.B.N. Rao and Ms. Bharati Rao as its members and Mr. N. Srinivasan, executive vice chairman & managing director (EVC & MD) and Mr. Arun Alagappan, executive director (ED) as invitees. The company secretary acts as the secretary to the committee. During the year, the committee met eight 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, 2018, the committee comprised Mr. V. Srinivasa Rangan, independent director as the chairman, Ms. Bharati Rao and Mr. Ashok Kumar Barat as its members. All members of this committee are independent directors. The committee had five meetings during the year ended 31 March, 2018.

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, Mr. N. Srinivasan EVC & MD and Mr. Arun Alagappan ED are the only executive directors on the board. The compensation to the EVC & MD and ED 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. EVC & MD and ED are not paid sitting fees for any board / committee meetings attended by them.

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 EVC & MD and ED 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/executive director:

Details of the remuneration of the EVC & MD and executive director for the year ended 31 March, 2018 are as follows:

₹ in lakhs

Name of the Director	Salary	Allowance	Incentive*	Perquisites & Contributions	Total
1. Mr. Vellayan Subbiah (upto 18-Aug-2017)	43.80	55.17	46.67	25.56	171.20
2. Mr. N. Srinivasan (from 19-Aug-2017)	170.65	68.26	14.22	85.32	338.45

Remuneration of managing director/executive director: (Contd.)

₹ in lakhs

Name of the Director	Salary	Allowance	Incentive*	Perquisites & Contributions	Total
Mr. Arun Alagappan (from 19-Aug-2017)	49.83	75.62	49.67	22.18	197.30

* 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. N. Srinivasan and Mr. Arun Alagappan are not eligible for any severance fee. Service contract and the notice period are as per the terms of agreement entered into by them 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 18. The details of commission provided / sitting fees paid to non-executive directors for the year ended 31 March, 2018 are as follows:

₹ in lakhs

Name of the directors	Commission	Sitting Fees paid	Total
Mr. M.B.N. Rao	15.00	4.65	19.65
Mr. N. Srinivasan*	2.88	1.40	4.28
Mr. V. Srinivasa Rangan	7.50	4.45	11.95
Ms. Bharati Rao	7.50	4.10	11.60
Mr. Ashok Kumar Barat	3.12	1.15	4.27
Mr. Nalin Mansukhlal Shah	2.42	1.50	3.92
Mr. M. M. Murugappan	4.40	2.15	6.55
TOTAL	**42.82**	**19.40**	**62.22**

Notes:

Commission is provided based on the tenure the directors have served on the board and will be paid subject to deduction of tax as applicable, after the adoption of accounts by the shareholders at the annual general meeting.

* - Pertains to the period from 1 April, 2017 - 18 August, 2017, when he served as a non executive director.

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 and one complaint which was pending as at 31 March, 2018 had since been resolved.

Composition & Meetings

As at 31 March, 2018, the committee comprised Ms. Bharati Rao as the chairperson and Mr. N. Srinivasan and Mr. Arun Alagappan as its members. 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, 2018, the committee comprised Mr. V. Srinivasa Rangan as the chairman, Mr. M.B.N. Rao, Mr. N. Srinivasan, Mr. Arun Alagappan as its members and the various business and functional heads of the company as invitees. The committee held three meetings during the year ended 31 March, 2018.

IT STRATEGY COMMITTEE

Terms of Reference

The role of committee includes approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place and ascertaining implementation processes and practices that ensure that the IT delivers value to the business. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable and monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources, ensuring

proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.

Composition & Meetings

As at 31 March, 2018, the committee comprised Mr. Ashok Kumar Barat, Mr. N. Srinivasan and Mr. Arun Alagappan as its members. The Committee was constituted by the Board at its meeting held on 27 March, 2018 and hence no meetings were held during the year.

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, 2018, the business committee comprised Mr. M.B.N. Rao as the chairman and Mr. N. Srinivasan, and Mr. Arun Alagappan as its members. The senior management is invited to attend the meetings of the committee. The committee held three 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, 2018, the committee comprised Ms. Bharati Rao as the chairperson, Mr. N. Srinivasan and Mr. Arun Alagappan as its members. The committee held three meetings during the year ended 31 March, 2018.

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	8	NA	NA	3	1	NA	Yes
Mr. N. Srinivasan*	7	2	2	NA	3	3	2	Yes
Mr. V. Srinivasa Rangan	6	7	NA	5	NA	3	NA	Yes
Ms. Bharati Rao	5	6	1	5	NA	NA	3	Yes
Mr. Ashok Kumar Barat$	4	NA	NA	1	NA	NA	NA	NA
Mr. Arun Alagappan^	4	NA	1	NA	2	2	1	NA
Mr. Nalin Mansukhlal Shah@	3	3	NA	NA	NA	NA	NA	Yes
Mr. M. M. Murugappan#	4	NA	NA	4	1	NA	2	Yes
Mr. Vellayan Subbiah~	3	NA	1	NA	1	NA	1	Yes

* - Appointed as EVC & MD effective 19 August, 2017
$ - Appointed as an additional director effective 31 October, 2017
^ - Appointed as ED effective 19 August, 2017
@ - Retired at the close of 39th annual general meeting held on 27 July, 2017
# - Resigned as director at the close of business hours of 31 October, 2017
~ - The term of office of Mr. Vellayan Subbiah as managing director expired at the close of business hours of 18 August, 2017

GENERAL BODY MEETINGS

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

Year	Date and Time	Venue
2015	31 July, 2015 at 4.00 p.m.	The Music Academy, New No.168 (Old No.306), T.T.K Road, Royapettah, Chennai - 600 014
2016	29 July, 2016 at 4.00 p.m.	-do-
2017	27 July, 2017 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, 2015	Issue of securities on private placement basis under section 42 of the Act
29 July, 2016	-do-
27 July, 2017	-do-

POSTAL BALLOT

No Postal Ballot was conducted during the FY 18.

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, 2018, 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 Services (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. N. Srinivasan, EVC & MD 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

Managing director and chief financial officer 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 EVC & 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 23, 2018

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, 2018, as envisaged in Schedule V under regulation 34 (3) of the Listing Regulations.

Place : Chennai
Date : April 23, 2018

N. Srinivasan
Executive Vice Chairman & Managing Director

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of
Cholamandalam Investment and Finance Company Limited
No. 2, N.S.C Bose Road, Parrys, Chennai - 600 001

1. The accompanying Corporate Governance Report prepared by Cholamandalam Investment and Finance Company Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
   iv. Obtained and read the minutes of the following committee meetings held April 1, 2017 to March 31, 2018:
      (a) Board of Directors meeting; (b) Audit committee; (c) Nomination and remuneration committee;
      (d) Stakeholders Relationship Committee; (e) Risk management committee; and (f) Annual General meeting;
   v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 2 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W/E300004**

per Subramanian Suresh
Partner
Membership Number: 083673

Place : Chennai
Date : April 23, 2018

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
26 July, 2018	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 20 July, 2018 to Thursday, the 26 July, 2018 (both days inclusive).

DIVIDEND PAYMENT DATE

The Board at its meeting held on 30 January, 2018 had approved payment of an interim dividend on the equity shares for the financial year ending 31 March, 2018 at the rate of 45% (₹ 4.50 per equity share of ₹ 10/- each) and fixed a record date of 12 February, 2018. The dividend was paid to all the shareholders by 22 February, 2018.

The Board at its meeting held on 23 April, 2018 has further recommended payment of a final dividend of 20% (₹ 2 per equity share of ₹ 10/- each), for the year ended 31 March, 2018. 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:

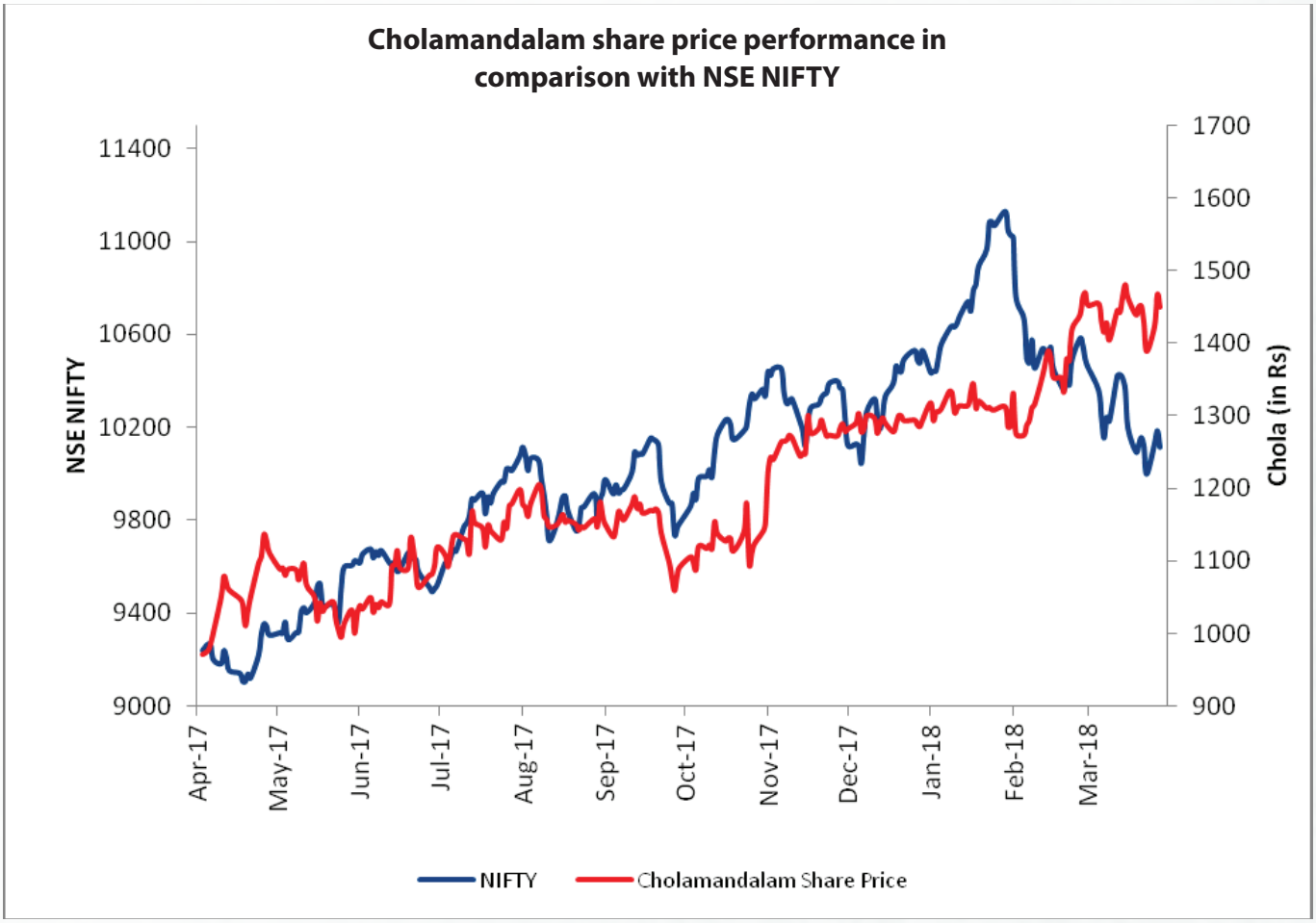
The Wholesale Debt Market (WDM) Segment of NSE and F - Class Segment of BSE Limited.

The listing fees for both equity shares and debt securities for FY 18 were paid to the above stock exchanges.

SHARE PRICE DATA

in ₹

Month	BSE			NSE		
	High	Low	Vol.	High	Low	Vol.
April, 2017	1,136.05	970.90	11,00,664	1,137.70	973.10	59,42,894
May, 2017	1,096.00	994.60	13,33,127	1,094.40	992.40	59,67,608
June, 2017	1,131.65	1,028.95	5,05,766	1,131.60	1,029.40	53,56,184
July, 2017	1,198.15	1,091.75	3,88,428	1,198.20	1,092.20	62,83,749
August, 2017	1,205.05	1,142.10	1,74,101	1,206.20	1,141.95	33,62,182
September, 2017	1,188.40	1,058.85	2,83,888	1,188.80	1,064.25	44,96,558
October, 2017	1,178.75	1,087.40	13,37,566	1,177.10	1,092.65	57,13,340
November, 2017	1,299.75	1,221.95	16,10,922	1,299.45	1,224.90	68,56,186
December, 2017	1,302.75	1,275.70	3,29,496	1,305.55	1,275.45	44,95,525
January, 2018	1,343.65	1,284.25	4,91,549	1,344.90	1,286.05	47,15,704
February, 2018	1,469.35	1,273.00	4,36,531	1,469.95	1,273.60	63,37,544
March, 2018	1,480.35	1,388.55	11,16,566	1,479.20	1,389.00	49,62,041



REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Pvt. Ltd., Hyderabad 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:

M/s. Karvy Computershare Private Limited
(Unit: Cholamandalam Investment and Finance Company Limited)
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad - 500 032, A.P.
Phone: 040-67161514; Fax: 040-23420814
E-mail: einward.ris@karvy.com;
Website: www.karvycomputershare.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 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
   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, 2018, 99.77% 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 3,397 shareholders holding 0.23% 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 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 ECS / NACH mode.

Green initiative in corporate governance

The Companies Act, 2013 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 their 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 non-receipt of dividend and new share certificate were received. One investor service complaint was pending as at 31 March, 2018 and the same has since been resolved.

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

In terms of regulation 46(2)(k) of the Listing Regulations, 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 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. The company has remitted ₹ 2,20,193/- to IEPF during the year.

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
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
- Final	27 July, 2017	31 August, 2024
2018 - Interim	30 January, 2018	06 March, 2025

Transfer of Equity Shares to IEPF

In accordance with the provisions of section 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF), shares of all dividends which remain unpaid/unclaimed for a period of seven consecutive years be transferred to Investor Education and Protection Fund (IEPF). 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 in line with the requirements, the company had transferred 53,173 shares pertaining to 870 shareholders to the Demat account maintained by IEPF authority. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF authority, as per the procedure prescribed in the Rules. No claim shall lie in respect thereof with the company.

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 had 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. During the year, the company transferred 570 shares to the IEPF authority for which the dividend remained unpaid/unclaimed during the seven consecutive years in the unclaimed suspense account. The details regarding the shares which are in the unclaimed suspense account are given below:

S. No.	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 shares transferred to IEPF authority	8	570
5	No. of shareholders and outstanding shares lying in the unclaimed suspense account at the end of the year	3	191

Distribution of Shareholding as on 31 March, 2018

No. of shares held	No. of shareholders	No. of shares	(%) of shareholding
1 - 5000	33,760	35,26,218	2.26
5001 - 10000	1,722	12,48,808	0.8
10001 - 20000	819	11,65,725	0.75
20001 - 30000	287	7,16,436	0.46
30001 - 40000	130	4,54,180	0.29
40001 - 50000	100	4,55,594	0.29
50001 - 100000	164	11,64,563	0.74
100001 and above	258	14,75,99,847	94.41
TOTAL	**37,240**	**15,63,31,371**	**100.00**

SHAREHOLDING PATTERN

Category	As on 31 March, 2018 No. of shares	% of shareholding
Promoter and promoter group	8,29,46,520	53.06
Foreign Institutional / Portfolio Investors	3,16,52,050	20.25
Alternative Investment Fund	10,38,127	0.66
Private Corporate Bodies / NBFCs	52,78,959	3.38
Mutual Funds / Trust / Banks	2,50,91,422	16.05
Resident Individuals and others	1,03,24,293	6.60
TOTAL	**15,63,31,371**	**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's head office is in Chennai and it operates out of 870 branches across the country.

On behalf of the board

Place : Chennai
Date : April 23, 2018

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: **01.04.2017 - 31.03.2018**
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, Home Loans**
   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: **870 branches**
10. Markets served by the company – local / state / national / international: **National**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid Up capital: ₹ **156.33 crores**
2. Total turnover: ₹ **5,425.33 crores**
3. Total profit after taxes: ₹ **974.12 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 31.03.2018 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%]:

   Not applicable.

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): 00123338
   2. Name: Mr. N. Srinivasan
   3. Designation: Executive Vice Chairman and Managing Director

(b) Details of the BR head:

SN.	Particulars	Details
1	DIN (if applicable)	**00123338**
2	Name	**Mr. N. Srinivasan**
3	Designation	**Executive Vice Chairman & Managing Director**
4	Telephone number	**044 - 3000 7172**
5	E-mail id	NS@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 all the principles	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: Not applicable.

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	1316	1307	9
Shareholder complaints	2	1	1

* Complaints which were pending as at 31March, 2018 has since been resolved.

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 - **6,768**
2. Please indicate the total number of employees hired on temporary/contractual/casual basis - **0**
3. Please indicate the number of permanent women employees - **168**
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?

   Executive Health Check up Drive for 3,185 employees of age 35 & above with more than 1 year of service across grades taken up with the support of Regional HR teams. 800 employees have availed the benefits till date and others are in process.

   36 Health & wellness programs were rolled out across regions and 4,000 employees have availed the benefits at their respective branches/ area offices. The company arranged eye camp, dental camp, workplace ergonomics, Cardiac awareness, General health check up camps for the year

Yoga @workplace was conducted at Head office, Guindy, Raipur & Pune. 700 employees have participated and found the program quite beneficial.

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.

   Not applicable.

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 covers 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 1,316 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:
   - **Finance Industry Development Council**
   - **Finance Companies' Association (India)**
   - **South India Hire Purchase Association**
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.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

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

   We have done impact assessment study in the FY 17 for the WASH projects.
4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

   Yes, please refer CSR Report.
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 these projects the community is motivated to contribute. The cost will be mobilized by way of membership fee from the beneficiary families. The villagers also provide installation space for the machine. They have formed committees with the guidance of Implementing partners and the Panchayat. These committees not only take care of the project but also create a surplus by monthly fee collection, which they use to sustain the project.

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.

   0.7% of complaints were pending at the end of financial year.
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.

Independent Auditor's Report

To the Members of Cholamandalam Investment and Finance Company Limited

Report on the 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 March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2018, its profit, and its cash flows for the year ended on that date.

Other Matter

The financial statements of the Company for the year ended March 31, 2017, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 28, 2017.

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Contd.)

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 & 8 to the standalone financial statements;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W/E300004**

per Subramanian Suresh
Partner
Membership Number: 083673

Place : Chennai
Date : April 23, 2018

Annexure 1 referred to in our report of even date

Re: Cholamandalam Investment and Finance Company Limited ("the Company")

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

(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company. Immovable properties of loan and buildings whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security for the 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's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted loans to two subsidiary companies covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/ receipts are regular.

(c) According to the information and explanations given by the management there are no amounts of loans which are overdue for more than ninety days from a Company covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, provisions of Sections 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, goods and services tax, duty of custom, cess and other material statutory dues applicable to it. The provisions relating to wealth tax, and duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, goods and services tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Annexure 1 referred to in our report of even date (Contd.)

(c) According to the records of the Company, the dues outstanding of Income tax, Sales Tax, Value Added Tax and Service Tax which have not been deposited on account of any dispute are as follows:

₹ in lakhs

Name of the statute	Nature of dues	Amount not deposited	Period to which the amounts relate	Forum where the dispute is pending
Income Tax Act, 1961	Tax and interest	261.37	1996-97*,1997-98*, 2003-04, 2007-08 & 2008-09*	High Court of Madras
		2.79	1990-91 & 1991-92	Income Tax Appellate Tribunal
		1,862.75	2009-10 to 2014-15	CIT(Appeal)
Bihar Finance Act, 1981	Sales Tax	2.19	1992-93 & 1993-94	Sales Tax Appellate Tribunal
Gujarat Sales Tax Act, 1969	Sales Tax	2.03	1997-98	Sales Tax Appellate Tribunal
Karnataka Sales Tax Act	Sales Tax	357.46	2007-08 to 2013-14	Karnataka High court
Maharashtra Value Added Tax Act, 2002	Sales Tax	2,423.81	2008-09 to 2015-16	Sales Tax Appellate Tribunal
Delhi Sales Tax Act, 1975	Sales Tax	7.58	1991-92	Deputy Commissioner of Sales Tax
Odisha Value Added Tax Act, 2004	Sales Tax	302.56	2007-08 to 2013-2014	Sales Tax Appellate Tribunal
Rajasthan Value Added Tax Act, 2003	Sales Tax	4.01	2007-08 to 2013-14	Appellate Authority III
		-	2006-07 to 2013-14*	Rajasthan Tax Board
		-	2006-07 to 2013-14*	Supreme Court of India
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	64.90	2014-15	Joint Commissioner of Commercial Taxes
		1,094.06	2006-07 to 2013-2014	Sales Tax Appellate Tribunal
Tamil Nadu General Sales Tax Act, 1959	TNGST & CST	998.80	1994-95	High Court of Madras
Finance Act, 1994	Service Tax	13,841.82	2007-08 to 2014-15	CESTAT

*net of tax paid under protest/ refund adjusted

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

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instrument and term loans hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

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

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

Annexure 1 referred to in our report of even date (Contd.)

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

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

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

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W/E300004**

per Subramanian Suresh
Partner
Membership Number: 083673

Place : Chennai
Date : April 23, 2018

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Cholamandalam Investment and Finance Company Limted

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

We have audited the internal financial controls over financial reporting of Cholamandalam Investment and Finance Company Limited ("the Company") as of March 31, 2018 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Cholamandalam Investment and Finance Company Limted (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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, 2018, 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 **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W/E300004**

per Subramanian Suresh
Partner
Membership Number: 083673

Place : Chennai
Date : April 23, 2018

Balance Sheet

As at March 31, 2018

₹ in lakhs

	Note No.	As at 31.03.2018	As at 31.03.2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	15,639.68	15,634.29
Reserves and surplus	4	4,99,382.50	4,12,839.96
		5,15,022.18	**4,28,474.25**
Share Application Money pending Allotment		**-**	**18.13**
Non-current liabilities			
Long-term borrowings	5	20,54,515.59	15,10,457.38
Other long-term liabilities	6	12,971.84	19,618.96
Long-term provisions	7	65,557.88	58,620.67
		21,33,045.31	**15,88,697.01**
Current liabilities			
Short-term borrowings	5	3,68,237.31	3,26,896.05
Trade payables			
i) Dues to Micro and Small Enterprises	27	-	-
ii) Other Trade payables		36,061.97	27,512.50
Current maturities of long-term borrowings	5	7,67,474.44	5,73,556.33
Other current liabilities	8	1,19,739.81	1,05,681.89
Short-term provisions	7	10,876.34	8,643.70
		13,02,389.87	**10,42,290.47**
TOTAL		**39,50,457.36**	**30,59,479.86**
ASSETS			
Non-current assets			
Fixed assets	9		
(i) Property, Plant and Equipment		14,005.66	11,808.63
(ii) Intangible assets		2,070.36	2,195.43
		16,076.02	**14,004.06**
Non-current investments	10	23,826.67	19,248.38
Deferred tax assets (Net)	11	33,955.53	31,515.64
Receivables under financing activity	12	25,98,946.73	19,93,543.85
Long-term loans and advances	13	18,231.90	11,723.34
Other non-current assets	14	52,405.25	52,997.50
		27,43,442.10	**21,23,032.77**
Current assets			
Current investments	15	8,071.98	4,610.21
Cash and Bank Balances	16	39,250.51	47,063.56
Receivables under financing activity	12	11,21,168.49	8,47,904.21
Short-term loans and advances	13	2,973.14	5,110.26
Other current assets	14	35,551.14	31,758.85
		12,07,015.26	**9,36,447.09**
TOTAL		**39,50,457.36**	**30,59,479.86**
Summary of significant accounting policies	**1**		

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.**101049W/E300004**

per **Subramanian Suresh**
Partner
Membership No: 083673

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

M.B.N. Rao
Chairman

Date : April 23, 2018
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

N. Srinivasan
Executive Vice Chairman & Managing Director

Statement of Profit and Loss

For the year ended March 31, 2018

₹ in lakhs

	Note No.	As at 31.03.2018	As at 31.03.2017
Revenue			
- Revenue from operations	17	5,42,532.92	4,65,955.29
- Other income	18	43.60	79.45
Total Revenue		**5,42,576.52**	**4,66,034.74**
Expenses			
- Finance costs	19	2,30,784.84	2,23,079.97
- Business origination outsourcing		26,085.90	17,841.95
- Employee benefits expense	20	52,766.15	40,264.41
- Other expenses	21	45,131.66	39,416.09
- Depreciation and amortisation expense	9	4,967.95	3,811.34
- Provisions and loan losses	22	34,509.10	31,063.34
Total Expenses		**3,94,245.60**	**3,55,477.10**
Profit before tax		**1,48,330.92**	**1,10,557.64**
Tax expense/(benefit)			
- Current tax			
- Pertaining to profit for the current period		53,358.68	41,804.93
- Adjustment of tax relating to earlier periods		-	245.47
- Deferred tax	11	(2,439.89)	(3,366.30)
Net tax expense		50,918.79	38,684.10
Profit for the year		**97,412.13**	**71,873.54**
Earnings per equity share of ₹ 10 each	23 b		
- Basic (₹)		62.32	46.01
- Diluted (₹)		62.26	45.99

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.**101049W/E300004**

per **Subramanian Suresh**
Partner
Membership No: 083673

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

M.B.N. Rao
Chairman

Date : April 23, 2018
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

N. Srinivasan
Executive Vice Chairman & Managing Director

Cash Flow Statement

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
Cash Flow from Operating Activities				
Profit Before Tax		**1,48,330.92**		**1,10,557.64**
Adjustments for :-				
Depreciation and amortisation expense	4,967.95		3,811.34	
Provisions/(reversal of provisions) - Long-Term				
- Standard Assets (Net)	2,530.44		586.46	
- Non-Performing Assets under Financing Activity (Net)	4,406.77		8,756.99	
- Credit Enhancement and Servicing Costs on Assets De-recognised(Net)	-		-	
- Diminution in Value of Investments	(323.96)		(500.00)	
Provisions/(reversal of provisions) - Short -Term				
- Standard Assets (Net)	1,098.14		(3,897.74)	
- Compensated Absences(Net)	1,036.63		289.18	
- Contingencies	97.87		486.00	
Loss on Repossessed Assets (Net)	17,109.59		20,263.75	
Loss assets written off	9,688.12		5,853.88	
Finance Costs	2,30,784.84		2,23,079.96	
Loss on Sale of Fixed Assets (Net)	11.49		0.91	
Liability no longer required written back	-		(12.07)	
Profit on Sale of Current Investments (Net)	(991.45)		(1,281.90)	
Gain on prepayment of Commercial paper and Debentures (Net)	-		-	
Interest Income on deposits	(4,964.59)		(5,038.45)	
Interest Income on Investments	(1,388.61)		(173.25)	
Dividend on Investments	(0.25)		-	
		2,64,062.98		2,52,225.06
Operating Profit Before Working Capital Changes		**4,12,393.90**		**3,62,782.70**
Adjustments for :-				
(Increase)/Decrease in operating Assets - Current/short-term				
- Receivables under Financing Activity (including Repossessed Assets)	(6,35,055.47)		(5,75,221.99)	
- Other Current Assets	(4,067.12)		(2,331.67)	
- Loans and advances	1,137.12	(6,37,985.47)	(2,377.60)	(5,79,931.26)
(Increase)/Decrease in operating Assets - Non Current/Long-term				
- Receivables under Financing Activity	(6,05,402.88)		(1,74,778.01)	
- Other Non Current Assets	473.47		(9,965.01)	
- Loans and advances	(985.65)	(6,05,915.06)	(259.79)	(1,85,002.81)
Securitisation / Assignment of Receivables		3,35,449.53		4,74,101.53
Increase/(Decrease) in operating liabilities				
- Current & Short-term liabilities		10,128.31		16,228.59
- Long-term liabilities		111.52		(92.95)
Cash Flow generated used in Operations		(4,85,817.27)		88,085.80
Finance Costs paid	(2,22,150.35)		(1,95,779.47)	
Interest Received on Bank Deposits and Other Investments	6,287.40		5,190.88	
Profit on Sale of Current Investments	991.45		1,281.90	
Direct Taxes Paid	(58,932.55)	(2,73,804.05)	(47,890.98)	(2,37,197.67)
Net Cash Used in Operating Activities (A)		**(7,59,621.32)**		**(1,49,111.87)**

Cash Flow Statement (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
Cash Flow from Investing Activities				
Bank Deposits and Unpaid Dividend Accounts (See Note below)	5,787.87		1,137.70	
Purchase of Fixed Assets	(7,117.59)		(5,650.77)	
Proceeds from Sale of Fixed Assets	117.27		55.97	
Inter corporate Deposit placed with subsidiary	(15,550.00)		-	
Inter corporate Deposit repaid by subsidiary	16,550.00		1,000.00	
Purchase of Other Investments	(21,53,500.00)		(28,09,000.00)	
Proceeds from Other Investments	21,45,783.81		27,92,302.46	
Dividend Received on Investments	0.25		-	
Net Cash Used in Investing Activities (B)		**(7,928.39)**		**(20,154.64)**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		245.53		254.79
Proceeds from issue of long-term debentures	5,24,016.17		7,41,800.00	
Redemption of long-term debentures	(3,29,020.00)		(1,74,040.00)	
Borrowing - Term Loan from Banks	8,15,200.00		4,15,900.33	
Repayment - Term Loans from Banks	(2,74,166.69)		(7,49,867.00)	
Proceeds from Inter - Corporate Deposits - Subsidiary	4,350.00		1,050.00	
Repayment of Inter - Corporate Deposits - Subsidiary	(8,200.00)		-	
Increase / Decrease in short-term borrowings	45,319.33	7,77,498.81	(54,709.62)	1,80,133.71
Decrease in Fixed Deposits		(0.15)		(1.08)
Dividends Paid (Including Distribution Tax)		(12,219.66)		(10,332.44)
Net Cash From Financing Activities (C)		**7,65,524.53**		**1,70,054.98**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**(2,025.18)**		**788.47**
Cash and Cash Equivalents at the Beginning of the Period		27,404.30		26,615.83
Cash and Cash Equivalents at the End of the Period		25,379.12		27,404.30
Note:				
Cash and Cash Equivalents at the End of the Year as per Balance Sheet		39,250.51		47,063.56
Less: Balance in Current Accounts held for Unpaid Dividends		54.55		46.35
Less: Bank Deposits held for More than Three Months		2,761.81		537.89
Less: Bank Deposits under Lien		11,055.03		19,075.02
		25,379.12		27,404.30

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.**101049W/E300004**

per **Subramanian Suresh**
Partner
Membership No: 083673

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

M.B.N. Rao
Chairman

Date : April 23, 2018
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

N. Srinivasan
Executive Vice Chairman & Managing Director

Notes forming part of the Financial Statements

For the year ended March 31, 2018

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. 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).

1.1 Significant accounting policies

a) Use of Estimates

Preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in that affect 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. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) 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.

c) 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 all other charges relating to financing activities 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.

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.

d) Fixed Assets, Depreciation and Impairment

Property, Plant and Equipment / Depreciation:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes taxes, duties, freight and incidental expenses related

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

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. Property, Plant and Equipment 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 Property, Plant and Equipment 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.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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.

e) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties

Investments which are long-term in nature are stated at cost. Provisions 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.

Depreciation on building component of investment property is calculated on a straight-line basis using the rate arrived at based on the useful life as prescribed as per the Schedule II of the Companies Act, 2013.

f) 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

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

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.

g) Repossessed Assets

Repossessed Assets are valued at the lower of cost and the estimated net realisable value.

h) 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

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 every year using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in the Statement of Profit and Loss.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The defined benefit obligation recognised in the balance sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled and adjusted for unrecognised past service cost, if any. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

(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 and not deferred.

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.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

i) Foreign Currency Transactions

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Measurement as at Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items are carried at historical cost.

Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting of Forward Contracts

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.

j) 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.

k) Hedge Accounting

The Company uses foreign currency forward contracts / cross currency interest rate swaps to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions / variable rate foreign currency loans. The Company designates such forward contracts / cross currency interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles set out in "Guidance Note on Accounting for Derivative Contracts" 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.

l) 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.

m) 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 of incurrence.

n) Input Tax Credit (Service Tax / Goods and Services Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service / supply received is accounted and when there is no uncertainty in availing / utilising the same.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

o) 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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 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.

p) Employee share based payments

Stock options granted to the employees under the stock option scheme are evaluated as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant, if any, over the exercise price of the options is recognized as deferred employee compensation and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

q) 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

r) 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".

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

s) 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. 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. The interest on commercial paper is accrued till maturity of the underlying instrument.

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.

t) 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 in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

u) 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 eqity 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.

v) 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.) 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 the period of three years, commencing from the financial year ended March 31, 2016.

In the previous 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.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	As at 31.03.2018 Nos.	As at 31.03.2018 Amount	As at 31.03.2017 Nos.	As at 31.03.2017 Amount
NOTE : 3 SHARE CAPITAL				
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	15,64,68,125	15,646.81	15,64,14,287	15,641.43
		15,646.81		**15,641.43**
SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 10 each with voting rights	15,63,31,371	15,633.14	15,62,77,533	15,627.75
Add : Forfeited Shares	1,30,900	6.54	1,30,900	6.54
		15,639.68		15,634.29
		15,639.68		**15,634.29**

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

₹ in lakhs

Particulars	As at 31.03.2018 Nos.	As at 31.03.2018 Amount	As at 31.03.2017 Nos.	As at 31.03.2017 Amount
Equity Shares (Note b)				
At the beginning of the year	15,62,77,533	15,627.75	15,61,45,644	15,614.56
Issued during the year - Employees Stock Option (ESOP) Scheme	53,838	5.38	1,31,889	13.19
Outstanding at the end of the year	**15,63,31,371**	**15,633.13**	**15,62,77,533**	**15,627.75**
Forfeited shares				
Equity Shares - Amount originally paid up	**1,30,900**	**6.54**	**1,30,900**	**6.54**

b) 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.

c) Equity Shares held by Entity having Significant influence over the Company

Particulars	As at 31.03.2018	As at 31.03.2017
TI Financial Holdings Limited (formerly known as "Tube Investments of India Limited") - Entity having Significant influence over the Company	7,22,33,019	7,22,33,019

d) Details of shareholding more than 5% shares in the Company

Particulars	As at 31.03.2018 Nos.	As at 31.03.2018 % holding in the class	As at 31.03.2017 Nos.	As at 31.03.2017 % holding in the class
Equity Shares				
TI Financial Holdings Limited	7,22,33,019	46.21	7,22,33,019	46.22

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.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

e) Shares reserved for issue under options

Refer Note 34 for details of shares reserved for issue under options.

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
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	1,66,421.43	1,66,195.45
Add: Premium on ESOPs exercised	258.27	225.98
Closing balance at the end of the year	**1,66,679.70**	**1,66,421.43**
Statutory Reserve (Refer Note 4.2)		
Balance at the beginning of the year	62,046.48	47,046.48
Add: Amount transferred from surplus in the Statement of Profit and Loss	20,000.00	15,000.00
Closing balance at the end of the year	**82,046.48**	**62,046.48**
General Reserve		
Balance at the beginning of the year	1,38,776.51	1,08,776.51
Add: Amount transferred from surplus in the Statement of Profit and Loss	50,000.00	30,000.00
Closing balance at the end of the year	**1,88,776.51**	**1,38,776.51**
Hedge Reserve		
Balance at the beginning of the year	(2,792.96)	-
Addition	1,100.00	(2,792.96)
Deduction	-	-
Closing balance at the end of the year	**(1,692.96)**	**(2,792.96)**
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	45,084.53	24,794.79
Profit for the year	97,412.13	71,873.54
Less:		
Dividend		
Equity for previous year	-	(0.89)
Equity Interim - Paid ₹ 4.50 per share (March 31, 2017 - ₹ 3.50 per share)	(10,159.60)	(5,469.31)
Distribution tax on Equity Dividend	(2,068.26)	(1,113.60)
Transfer to Statutory Reserve	(20,000.00)	(15,000.00)
Transfer to General Reserve	(50,000.00)	(30,000.00)
Net surplus in the Statement of Profit and Loss at the end of the year	**60,268.80**	**45,084.53**
Total Reserves and Surplus	**4,99,382.50**	**4,12,839.96**

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 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, 2018 (₹ 2 per share - 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, 2018

₹ in lakhs

Particulars	Non - Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE : 5 BORROWINGS (REFER NOTE 5.4)				
LONG - TERM				
Redeemable Non-Convertible Debentures				
Medium-Term - Secured - Refer Note 5.2 (i) & 5.3 (i) to (iv)	7,18,116.17	6,78,400.00	4,42,800.00	3,51,520.00
Subordinated Debt - Unsecured - Refer Note 5.3 (v) & 5.3 (vi)	2,18,650.00	1,65,800.00	18,650.00	7,500.00
Perpetual Debt - Unsecured - Refer Note 5.3 (vii)	1,10,070.00	1,10,070.00	-	-
Term Loans				
Rupee Loans from Banks - Secured - Refer Note 5.2 (ii) & 5.3 (viii)	8,19,200.00	3,39,066.00	1,98,366.67	2,01,567.33
Foreign currency Loans from Banks - Secured - Refer Note 5.2(ii) & 5.3 (viii)	1,88,479.42	2,17,121.38	1,07,657.77	12,969.00
	20,54,515.59	**15,10,457.38**	**7,67,474.44**	**5,73,556.33**
The above amount includes:				
Secured borrowings	17,25,795.59	12,34,587.38	7,48,824.44	5,66,056.33
Unsecured borrowings	3,28,720.00	2,75,870.00	18,650.00	7,500.00
Amount disclosed under the head "Current Maturities of Long-term borrowings"	-	-	(7,67,474.44)	(5,73,556.33)
	20,54,515.59	**15,10,457.38**	**-**	**-**
SHORT - TERM				
Working Capital Demand loans and Cash Credit from Banks				
- Secured - (Refer Note 5.2(iii))	-	-	1,38,133.37	66,314.03
- Unsecured	-	-	-	-
Commercial Papers - Unsecured (Refer Note 5.1)	-	-	2,30,103.94	2,56,732.02
Inter-corporate Deposits - Unsecured from subsidiaries (Refer Note 31)(c)	-	-	-	3,850.00
	-	**-**	**3,68,237.31**	**3,26,896.05**
The above amount includes:				
Secured borrowings	-	-	1,38,133.37	66,314.03
Unsecured borrowings	-	-	2,30,103.94	2,60,582.02
	-	**-**	**3,68,237.31**	**3,26,896.05**

5.1 Face value of commercial paper is ₹ 2,40,000 lakhs as on March 31, 2018 (₹ 2,66,500 lakhs - March 31, 2017)

5.2 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 /pari passu 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, 2018

5.3 Details of Debentures

(i) Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		31.03.2018 ₹ in lakhs	31.03.2017 ₹ in lakhs		
250	10,00,000	2,500	2,500	Nov-26	8.55
1,500	10,00,000	15,000	-	Nov-22	8.00
50	10,00,000	500	500	Mar-22	8.35
2,000	10,00,000	20,000	-	Jun-21	8.52
4,770	10,00,000	47,700	-	Apr-21	8.09
1,950	10,00,000	19,500	-	Dec-20	8.00
1,750	10,00,000	17,500	-	Oct-20	7.75
1,500	10,00,000	15,000	-	Jun-20	8.10
800	10,00,000	8,000	-	May-20	8.12
800	10,00,000	8,000	8,000	Apr-20	8.10 to 9.02
500	10,00,000	5,000	5,000	Mar-20	9.02
4,000	10,00,000	40,000	20,000	Feb-20	8.02 to 8.12
5,500	10,00,000	55,000	-	Dec-19	7.97
2,750	10,00,000	27,500	27,500	Nov-19	8.10 to 9.10
5,750	10,00,000	57,500	40,000	Oct-19	8.05 to 8.20
8,350	10,00,000	83,500	38,500	Sep-19	8.06 to 8.46
2,250	10,00,000	22,500	7,500	Aug-19	7.50 to 9.90
7,300	10,00,000	73,000	3,000	Jul-19	7.80 to 9.90
2,750	10,00,000	27,500	27,500	Jun-19	9.13 to 9.90
6,750	10,00,000	67,500	57,500	May-19	8.03 to 9.20
1,100	10,00,000	11,000	8,500	Apr-19	8.00 to 9.20
8,800	10,00,000	88,000	63,000	Mar-19	7.65 to 9.20
5,200	10,00,000	52,000	37,000	Feb-19	7.96 to 8.05
2,000	10,00,000	20,000	20,000	Dec-18	8.20
2,350	10,00,000	23,500	23,500	Nov-18	7.80 to 10.35
6,400	10,00,000	64,000	64,000	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	54,500	Jun-18	8.95 to 9.13
11,430	10,00,000	1,14,300	1,14,300	May-18	8.96 to 10.13
400	10,00,000	4,000	4,000	Apr-18	9.94 to 9.95
11,550	10,00,000	-	1,15,500	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	Dec-17	10.50
2,450	10,00,000	-	24,500	Nov-17	8.90 to 9.55
550	10,00,000	-	5,500	Aug-17	9.00
650	10,00,000	-	6,500	Jul-17	9.90
5,755	10,00,000	-	57,550	Jun-17	8.90 to 9.90
65	10,00,000	-	650	May-17	9.24 to 9.25
1,500	10,00,000	-	15,000	Apr-17	9.35
		10,49,000	**9,14,000**		

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Redemption price ₹	Premium ₹
		31.03.2018 ₹ in lakhs	31.03.2017 ₹ in lakhs			
1000	10,00,000	10,000	-	Mar-21	12,76,583	2,76,583
2050	10,00,000	20,500	-	May-20	12,63,916	2,63,916
190	10,00,000	1,900	-	Apr-20	12,56,100	2,56,100
500	10,00,000	5,000	5,000	Apr-20	13,54,976	3,54,976
800	10,00,000	8,000	8,000	Apr-20	12,74,682	2,74,682
750	10,00,000	7,500	7,500	Sep-19	12,66,148	2,66,148
80	10,00,000	800	800	Jul-19	12,98,729	2,98,729
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	Dec-17	13,60,923	3,60,923
110	10,00,000	-	1,100	Oct-17	13,17,130	3,17,130
850	10,00,000	-	8,500	Aug-17	11,88,380	1,88,380
100	10,00,000	-	1,000	Aug-17	13,20,598	3,20,598
75	10,00,000	-	750	Jul-17	13,23,949	3,23,949
100	10,00,000	-	1,000	Jun-17	11,76,932	1,76,932
50	10,00,000	-	500	Jun-17	11,86,518	1,86,518
135	10,00,000	-	1,350	Jun-17	11,89,472	1,89,472
43	10,00,000	-	430	Jun-17	11,87,498	1,87,498
170	10,00,000	-	1,700	Jun-17	13,11,675	3,11,675
267	10,00,000	-	2,670	Jun-17	13,14,349	3,14,349
75	10,00,000	-	750	May-17	11,88,908	1,88,908
70	10,00,000	-	700	May-17	11,87,780	1,87,780
120	10,00,000	-	1,200	May-17	11,90,320	1,90,320
200	10,00,000	-	2,000	May-17	11,90,740	1,90,740
150	10,00,000	-	1,500	May-17	11,92,760	1,92,760
100	10,00,000	-	1,000	Apr-17	11,86,652	1,86,652
20	10,00,000	-	200	Apr-17	11,85,196	1,85,196
135	10,00,000	-	1,350	Apr-17	11,88,908	1,88,908
570	10,00,000	-	5,700	Apr-17	11,88,907	1,88,907
140	10,00,000	-	1,400	Apr-17	11,88,344	1,88,344
42	10,00,000	-	420	Apr-17	11,90,320	1,90,320
100	10,00,000	-	-	Jan-17	11,55,522	1,55,522
		79,500	**85,920**			

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at 31.03.2018 ₹ in lakhs	Balance as at 31.03.2017 ₹ 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-18	8.20
		-	**30,000**			

(iv) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2018 ₹ in lakhs	Balance as at 31.03.2017 ₹ in lakhs	Due date of redemption	Call option date	Rate of interest %
3,250	10,00,000	32,500	-	Aug-19	Aug-18	7.85
		32,500	**-**			

₹ in lakhs

	Non - Current		Current		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Redeemable at par - No put call option	6,23,700	6,31,300	4,25,300	2,82,700	10,49,000	9,14,000
Redeemable at premium - No put call option	62,000	47,100	17,500	38,820	79,500	85,920
Redeemable at par - with put option	-	-	-	30,000	-	30,000
Redeemable at par - with call option	32,500	-	-	-	32,500	-
	7,18,200	**6,78,400**	**4,42,800**	**3,51,520**	**11,61,000**	**10,29,920**

(v) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2018 ₹ in lakhs	Balance as at 31.03.2017 ₹ in lakhs	Due date of redemption	Rate of interest %
3150	10,00,000	31,500	-	Mar-28	9.05
1500	10,00,000	15,000	-	Aug-27	8.53
2500	10,00,000	25,000	-	Jun-27	8.78 to 8.80
100	10,00,000	1,000	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	20,000	Nov-23	9.08 to 9.20
500	10,00,000	5,000	5,000	Oct-23	9.08

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

(v) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option (Contd.)

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		31.03.2018 ₹ in lakhs	31.03.2017 ₹ in lakhs		
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	Nov-17	12.75
150	10,00,000	-	-	Mar-17	11.25
350	10,00,000	-	-	Feb-17	11.15
		2,35,800	**1,71,800**		

(vi) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt -Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Redemption price ₹	Premium ₹
		31.03.2018 ₹ in lakhs	31.03.2017 ₹ in lakhs			
150	10,00,000	1,500	1,500	Nov-23	17,57,947	7,57,947
		1,500	**1,500**			

₹ in lakhs

	Non - Current		Current		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Redeemable at par - No put call option	2,17,150	1,64,300	18,650	7,500	2,35,800	1,71,800
Redeemable at premium - No put call option	1,500	1,500	-	-	1,500	1,500
	2,18,650	1,65,800	18,650	7,500	2,37,300	1,73,300

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

(vii) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at		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)
		31.03.2018 ₹ in lakhs	31.03.2017 ₹ in lakhs		
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**		

(viii) Details of term loans

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding			
			Non Current		Current	
			31.03.2018	31.03.2017	31.03.2018	31.03.2017
Base Rate / MCLR	< 1year	1	-	-	22,867	82,500
		3	-	-	-	10,000
		4	-	-	8,000	-
	1 - 2 years	1	56,000	20,000	-	-
		2	5,000	4,567	5,000	4,567
		4	20,000	30,000	-	-
		5	14,000	-	16,000	-
		8	-	8,000	-	8,000
	2 - 3 years	1	60,000	83,500	-	-
		3	-	10,000	-	5,000
		4	70,000	20,000	-	-
		5	-	20,000	-	-
		9	-	10,000	-	8,000
	3 - 4 years	6	20,000	-	-	-
	4 - 5 years	6	1,00,000	-	-	-
		16	25,000	-	-	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

(viii) Details of term loans (Contd.)

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding			
			Non Current		Current	
			31.03.2018	31.03.2017	31.03.2018	31.03.2017
Base Rate/ MCLR + spread (0.05% to 0.92%)	< 1year	1	-	-	85,000	21,500
		2	-	-	18,000	14,000
	1 - 2 years	1	-	80,000	-	-
		3	-	5,000	-	10,000
		4	-	18,000	-	18,000
	2 - 3 years	1	3,00,000	-	-	-
		4	15,000	-	-	-
Rate based on T Bill + Spread	1 - 2 years	1	10,000	-	-	-
	2 - 3 years	1	20,000	-	-	-
		3	3,000	-	1,500	-
	4 - 5 years	3	28,200	-	-	-
		4	10,000	-	-	-
Fixed Rate	< 1year	1	-	-	30,000	20,000
	1 - 2 years	1	23,439	30,000	-	-
	2 - 3 years	1	-	23,323	-	-
	4 - 5 years	1	63,000	-	12,000	-
Total			**8,42,639**	**3,62,390**	**1,98,367**	**2,01,567**
USD Overnight LIBOR + Spread	1-2 years	1	-	-	-	12,969
USD 3M LIBOR + Spread	< 1year	1	-	-	28,879	-
		4	-	-	30,065	-
	1-2 years	1	27,559	28,735	-	-
	2-3 years	5	20,304	-	-	-
USD 6M LIBOR + Spread	< 1year	1	-	-	48,714	-
	1-2 years	1	1,17,177	48,471	-	-
	2-3 years	1	-	1,16,592	-	-
Total			**1,65,040**	**1,93,798**	**1,07,658**	**12,969**

5.4 The Company has not defaulted in the repayment of dues to its lenders.

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 6 OTHER LONG - TERM LIABILITIES		
Interest accrued but not due on borrowings	8,281.81	9,226.33
Financial liabilities on derivative transactions	4,288.47	10,102.59
Deferred Rent	401.56	290.04
	12,971.84	**19,618.96**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Long-Term		Short-Term	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE : 7 PROVISIONS				
Provision for Employee Benefits				
- Compensated Absences (Refer Note 29 B)	-	-	2,517.90	1,481.27
	-	-	2,517.90	1,481.27
Other Provisions				
Provision for Standard Assets (Refer Note 33)	9,991.88	7,461.44	4,520.66	3,422.52
Provision for Non-performing Assets (Refer Note 2 & 33)	55,566.00	51,159.23	-	-
Provision for Contingencies (Refer Note 33)	-	-	3,045.41	2,947.54
Provision for Contingent Service Tax claims (Refer Note 33)	-	-	792.37	792.37
	65,557.88	58,620.67	8,358.44	7,162.43
	65,557.88	**58,620.67**	**10,876.34**	**8,643.70**

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 8 OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings / other deposits	77,230.30	67,526.57
Income received in advance	118.47	157.93
Unpaid Dividend (Refer Note 8.1)	54.55	46.35
Fixed deposits including interest accrued thereon - Matured and unclaimed	-	0.15
Advances from customers	1,170.11	2,162.53
Security Deposits received	212.31	345.26
Remittances payable - Derecognised assets (Refer Note 16.1)	33,794.06	33,167.32
Statutory dues	1,423.25	388.51
Financial liabilities on derivative transactions	2,767.30	-
Other liabilities*	2,969.46	1,887.27
	1,19,739.81	**1,05,681.89**
* includes		
Dues to subsidiaries		
Cholamandalam Securities Limited	0.75	-
White Data Systems India Private Limited	-	0.50
Gratuity Payable (Refer Note 29 A)	-	1,077.61

8.1 There are no amounts of Unpaid Dividend due and outstanding to be credited to the Investor Education and Protection Fund (IEPF).

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE 9 : FIXED ASSETS

As at March 31, 2018

₹ in lakhs

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block as at	
	Cost as at 31.03.2017	Additions	Deletions	Cost as at 31.03.2018	As at 31.03.2017	Provided for the year	Withdrawn during the year	As at 31.03.2018	31.03.2018	31.03.2017
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	895.72	48.06	-	943.78	2,527.44	2,575.50
Plant and Machinery	6,276.98	1,923.36	227.24	7,973.10	4,323.07	1,457.42	222.53	5,557.96	2,415.14	1,953.91
Office Equipment	2,560.12	785.73	24.59	3,321.26	1,717.79	476.92	16.75	2,177.96	1,143.30	842.33
Furniture and Fixtures	2,499.33	804.60	16.59	3,287.34	1,922.27	659.85	16.00	2,566.12	721.22	577.06
Leasehold Improvements	3,586.98	1,809.92	30.73	5,366.17	2,457.23	726.64	30.73	3,153.14	2,213.03	1,129.75
Vehicles	1,182.73	633.72	346.93	1,469.52	408.84	262.67	231.31	440.20	1,029.32	773.89
Total	**23,533.55**	**5,957.33**	**646.08**	**28,844.80**	**11,724.92**	**3,631.56**	**517.32**	**14,839.16**	**14,005.64**	**11,808.63**
Intangible Asset (Acquired)										
- Computer Software	6,105.18	1,211.22	-	7,316.40	3,909.75	1,336.30	0.01	5,246.04	2,070.36	2,195.43
Total	**6,105.18**	**1,211.22**	**-**	**7,316.40**	**3,909.75**	**1,336.30**	**0.01**	**5,246.04**	**2,070.36**	**2,195.43**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE 9 : FIXED ASSETS (Contd.)
As at March 31, 2017

₹ in lakhs

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block as at	
	Cost as at 31.03.2016	Additions	Deletions	Cost as at 31.03.2017	As at 31.03.2016	Provided for the year	Withdrawn during the year	As at 31.03.2017	31.03.2017	31.03.2016
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	2,616.24
Plant and Machinery	5,078.28	1,274.35	75.65	6,276.98	3,176.90	1,221.55	75.38	4,323.07	1,953.91	1,901.38
Office Equipment	1,855.97	722.40	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	541.85
Vehicles	877.90	464.51	159.68	1,182.73	320.09	197.80	109.05	408.84	773.89	557.82
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**	**10,529.89**
Intangible Asset (Acquired)										
- 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	**3,548.00**	**2,557.18**	**-**	**6,105.18**	**2,957.05**	**952.70**	**-**	**3,909.75**	**2,195.43**	**590.95**

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, 2018

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 10 NON-CURRENT INVESTMENTS (valued at cost unless stated otherwise)		
Investment property (at cost less accumulated depreciation)		
Cost of Land and Building	11.46	11.46
Less: Accumulated Depreciation	(7.50)	(7.41)
Net block (a)	**3.96**	**4.05**
Trade Investments - Unquoted		
Investment in Equity shares of subsidiaries		
Cholamandalam Distribution Services Limited 42,400,000 Equity shares of ₹ 10 each fully paid up	4,240.00	4,240.00
Cholamandalam Securities Limited 22,500,014 Equity shares of ₹ 10 each fully paid up	2,250.00	2,250.00
White Data System India Private Limited 1,275,917 Equity shares of ₹ 10 each fully paid up acquired on March 16, 2016	800.00	800.00
	7,290.00	7,290.00
Less: Provision for other than temporary dimunition in the value of investment	-	(453.00)
Total (b)	**7,290.00**	**6,837.00**
Non Trade Investments - Unquoted		
Investment in Equity shares -		
Amaravathi Sri Venkatesa Paper Mills Limited 293,272 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
Less: Provision for other than temporary dimunition in the value of investment	(129.04)	-
Total (c)	**2.26**	**131.30**
Investment in Pass Through Certificates - **Unquoted**		
PLATINUM TRUST AUG 2016	192.86	390.81
PLATINUM TRUST AUG 2016 TRANCHE II	709.05	1,023.72
PLATINUM TRUST SEP 2016	294.95	849.33
PLATINUM TRUST SEP 2016 TRANCHE II	753.66	1,084.95
PLATINUM TRUST NOV 2016	820.52	1,103.76
PLATINUM TRUST DEC 2016	523.28	688.22
PLATINUM TRUST DEC 2016 TRANCHE II	284.20	665.78
PLATINUM TRUST JAN 2017	425.45	916.91
PLATINUM TRUST FEB 2017	1,101.08	1,918.97
PLATINUM TRUST FEB2017 TRANCHE -II	1,047.77	1,445.39
PLATINUM TRUST FEB 2017 TRANCHE -III	621.40	1,231.92
PLATINUM TRUST MAR 2017	871.76	1,160.29
PLATINUM TRUST MAR 2017 TRANCHE-II	983.97	1,550.38
PLATINUM TRUST MAR 2017 TRANCHE-III	964.40	1,597.03

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
PLATINUM TRUST MAR 2017 TRANCHE -IV	785.61	1,258.78
PLATINUM TRUST JUN 2017	1,145.88	-
PLATINUM TRUST JUN 2017 TRANCHE - II	1,413.77	-
PLATINUM TRUST JUN 2017 TRANCHE - III	1,740.63	-
PLATINUM TRUST NOV 2017	1,553.57	-
PLATINUM TRUST DEC 2017	3,281.11	-
PLATINUM TRUST DEC 2017 TRANCHE - II	1,910.86	-
PLATINUM TRUST FEB2018	1,605.38	-
PLATINUM TRUST FEB2018 TRANCHE II	1,571.27	-
	24,602.43	16,886.24
Amount disclosed under Current Investments	(8,071.98)	(4,610.21)
Total (d)	**16,530.45**	**12,276.03**
	16,532.71	**12,407.33**
Total Non-current Investments (a + b + c + d)	**23,826.67**	**19,248.38**
Aggregate Value of Quoted Investments - At Cost	-	-
- At Market Value	-	-
Aggregate Value of Unquoted Investments - At Cost	23,822.71	19,697.33
Aggregate provision for diminution in the value of investments	129.04	453.00
Value of Investment property	3.96	4.05

All Investments represented above are made in India

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE 11 DEFERRED TAX ASSETS (Net)		
Deferred Tax Assets		
Provision for Standard Assets	5,071.26	3,766.72
Provision for Non-Performing Assets	15,696.37	15,544.53
Provision for Repossessed Automobile assets	1,011.08	1,141.31
Provision for Contingent Service Tax	276.89	274.22
Interest Income Derecognised on Non- Performing Assets	7,467.39	7,273.98
Unrealised Excess Interest Spread on Assignment/Securitisation	2,488.81	2,246.12
Provision for Contingencies	1,064.19	1,020.08
Provision for Compensated Absences and Gratuity	879.85	885.58
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	744.33	471.49
Others	275.71	234.47
(A)	**34,975.88**	**32,858.50**
Deferred Tax Liability		
Unamortised Prepaid Finance Charges	1,020.35	1,342.86
(B)	**1,020.35**	**1,342.86**
Net Deferred Tax Assets (A) - (B)	**33,955.53**	**31,515.64**
Deferred Tax benefit in the Statement of Profit and Loss	**2,439.89**	**3,366.30**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Non - Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE : 12 RECEIVABLES UNDER FINANCING ACTIVITY				
Secured (Refer Note 12.1)				
Automobile Financing (Refer Note 12.1)	16,80,737.62	12,00,399.33	9,31,896.35	7,12,764.44
Loans against Immovable Properties	7,80,906.39	6,94,032.97	50,803.45	46,469.72
Construction Equipment Financing	88,236.94	41,850.12	47,597.07	23,365.86
Loans against Securities	1,584.78	1,328.87	326.94	297.27
Other Loans	428.14	643.17	214.71	191.85
Amount Retained on Assigned Assets	6,576.95	10,330.18	877.62	1,108.75
Instalments and Other Dues from Borrowers	36,270.69	42,987.50	42,955.88	35,591.11
Total (a)	**25,94,741.51**	**19,91,572.14**	**10,74,672.02**	**8,19,789.00**
Unsecured				
Loans to Automobile Dealers	510.07	547.83	25,676.41	9,746.04
Bills Discounted	2,343.13	1,322.96	11,165.98	13,394.03
Other Loans (Refer Note 12.5)	1,352.02	100.92	9,635.17	4,835.00
Instalments and Other Dues from Borrowers	-	-	18.91	140.14
Total (b)	**4,205.22**	**1,971.71**	**46,496.47**	**28,115.21**
Total receivables under financing activity (a + b)	**25,98,946.73**	**19,93,543.85**	**11,21,168.49**	**8,47,904.21**
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 receivables from Borrowers include amounts outstanding for more than 6 months from the due date.	30,171.74	29,725.34		
12.4 Unsecured receivables and Other Dues from Borrowers include amounts outstanding for more than 6 months from the due date.	4,028.98	1,247.99		
Of the above:				
Considered Good	24,77,969.63	18,39,041.85	11,21,168.49	8,47,904.21
Others - Non - Performing Assets	1,20,977.10	1,54,502.00	-	-
	25,98,946.73	19,93,543.85	11,21,168.49	8,47,904.21
12.5 Includes receivables of ₹ 933.17 (₹ 275.24 - March 31, 2017) from Subsidiary - White Data System India Private Limited				

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Long-Term		Short-Term	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE :13 LOANS AND ADVANCES				
Unsecured - considered good (unless otherwise stated)				
Capital Advances	484.61	535.57	-	-
Security Deposits	1,764.46	757.19	64.53	831.57
Inter- corporate Deposit placed with subsidiary (Refer Note 31)(c)	-	-	-	1,000.00
Prepaid expenses**	22.28	43.90	1,114.80	741.32
Service tax input credit	-	-	-	300.21
Advance tax (net of provision for tax)	15,960.55	10,386.68	-	-
Other advances *	-	-	1,793.81	2,237.16
	18,231.90	**11,723.34**	**2,973.14**	**5,110.26**
* includes				
Dues from Subsidiaries:-				
Cholamandalam Securities Limited	-	-	-	0.64
Cholamandalam Distribution Services Limited	-	-	-	0.31
White Data Systems India Private Limited	-	-	11.19	-
Disputed Sales tax / Value Added tax paid under protest	-	-	1,338.35	1,418.28
** Includes Gratuity Asset (Refer Note 29 A)	-	-	325.74	-

₹ in lakhs

Particulars	Non - Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE : 14 OTHER ASSETS				
Unsecured - considered good (unless otherwise stated)				
Deposits with Banks as collateral towards assets derecognised	48,600.76	48,155.44	-	-
Deposits with Banks - Free of Lien (Refer Note 16.2)	715.61	1,634.40	-	-
Prepaid Finance Charges	3,088.88	3,207.66	1,422.80	1,307.38
Repossessed Automobile assets*	-	-	1,746.30	2,202.35
Interest and Other Income Accrued but Not Due				
- on Loans to Customers	-	-	22,715.44	20,857.70
- on Deposits and Investments	-	-	284.94	219.14
Financial assets on derivative transactions	-	-	-	-
Other Accruals and receivables**	-	-	9,381.66	7,172.28
	52,405.25	**52,997.50**	**35,551.14**	**31,758.85**
* Net of provision	-	-	2,969.83	3,334.34

** includes - ₹ 3,809.93 lakhs (March 31, 2017 - ₹ 4,426.43 lakhs) receivable from the assignees / investors on remittance of the dues towards derecognised assets referred in Note 8.

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 15 CURRENT INVESTMENTS (valued at lower of cost and fair value,unless stated otherwise)		
Current Portion of Long-term Investment in Pass Through	8,071.98	4,610.21
Certificates - **Unquoted**	**8,071.98**	**4,610.21**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 16 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on hand	2,525.04	3,596.98
Cheques, drafts on hand	1,721.09	2,740.12
Balances with banks		
- In Current Accounts (Refer Note 16.1)	21,132.99	21,067.20
- In Deposit Accounts - Original maturity 3 months or less	-	-
Other bank balances	**25,379.12**	**27,404.30**
- In Deposit Accounts - Original maturity more than 3 months (Refer Note 14 & 16.2)	2,761.81	537.89
- In earmarked accounts		
- In Unpaid Dividend Accounts	54.55	46.35
- Deposits with Banks as collateral towards assets derecognised	59,648.23	67,222.61
- Amount disclosed under Non-current bank balances (Refer Note 14)	**(48,600.76)**	**(48,155.44)**
	11,047.47	19,067.17
- Public deposit Escrow Account	-	0.29
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	7.56	7.56
	39,250.51	**47,063.56**

Of the above, the balances that meet the definition of cash and cash equivalents as per Accounting Standard 3 (Cash Flow Statements) is ₹ 25,379.12 lakhs (March 31, 2017 - ₹ 27,404.30 lakhs).

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 ₹ 3,365.05 lakhs (March 31, 2017 - ₹ 2,027.49 lakhs) which have an original maturity of more than 12 months.

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 17 REVENUE FROM OPERATIONS		
Income from Operations		
(a) Income from Financing Activities		
i) Interest		
- Automobile Financing	3,39,977.42	2,94,881.20
- Loans against Immovable Properties	91,454.63	95,187.08
- Construction Equipment Financing	11,060.63	5,865.58
- Loans against Securities	296.43	324.32
- Loans to Automobile dealers	424.61	1,120.07
- Bills Discounting	1,540.22	1,643.56
- Other Loans	1,728.48	1,022.83
- Interest spread on assignment/securitisation	31,084.32	20,233.31
ii) Other Operating Revenue		
- Automobile Financing	43,555.44	30,934.40
- Loans against Immovable Properties	7,735.66	6,321.05
- Construction Equipment Financing	612.21	367.37
- Other Loans	250.70	298.32

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 17 REVENUE FROM OPERATIONS (Contd.)		
(b) Interest Income		
- Deposits placed as collateral towards assets derecognised	4,950.46	4,939.85
- Other Deposits	14.13	98.60
- Long Term Investment - Pass Through Certificates	1,388.61	173.25
Total (A)	**5,36,073.95**	**4,63,410.79**
Other Operating Income		
(c) Profit on sale of current investments	991.45	1,281.90
(d) Servicing and Collection fee on Securitisation / Assignment	1,384.87	1,191.42
(e) Advertising Income	3,948.13	-
(f) Others	134.52	71.18
Total (B)	**6,458.97**	**2,544.50**
Total (A+B)	**5,42,532.92**	**4,65,955.29**

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 18 OTHER INCOME		
Dividend Income from long-term investments	0.25	-
Other Non-operating Income		
Rent	28.47	18.24
Miscellaneous Income	14.88	61.21
	43.60	**79.45**

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 19 FINANCE COSTS		
Interest Expense		
- Debentures	1,34,152.08	1,03,051.55
- Bank Loans	71,065.68	91,160.13
- Inter - corporate Deposits	283.42	265.39
- Commercial Papers	21,514.69	24,937.03
Others		
- Amortisation of ancillary borrowing costs	2,341.14	2,678.05
- Bank charges	1,427.83	987.82
	2,30,784.84	**2,23,079.97**

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 20 EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus and Commission (Refer Note 29 B)	47,786.41	35,597.68
Contribution to Provident and Other Funds		
- Employees' Provident Fund	1,826.58	1,413.50
- Superannuation Fund	199.25	179.24
Gratuity Expense (Refer Note 29 A)	567.20	1,320.58
Staff Welfare Expenses	2,386.71	1,753.41
	52,766.15	**40,264.41**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 21 OTHER EXPENSES		
Rent (Refer Note 21.1 & 21.2)	4,808.39	3,688.98
Electricity Charges	1,108.56	908.27
Rates and Taxes (Refer Note 21.3)	2,417.02	6,822.38
Communication Costs	2,278.64	2,039.55
Travelling and Conveyance	6,242.36	4,187.78
Advertisement Expenses	862.85	766.73
Insurance	895.87	626.30
Repairs and Maintenance		
- Buildings	3.60	13.71
- Others	204.03	206.44
Printing and Stationery	1,117.78	943.26
Information Technology Expenses	2,955.17	2,356.10
Auditors' Remuneration (Refer Note 26)	104.74	87.14
Professional Charges	3,601.38	2,456.28
Loss on Sale of Fixed Assets (Net)	11.49	0.91
Commission to Directors	27.82	52.50
Sitting Fees to Directors	20.29	26.05
Recovery Charges	16,730.45	12,534.11
Corporate Social Responsibility Expenditure (Refer Note 21.4)	1,756.60	1,384.41
Miscellaneous Expenses	220.44	443.74
	45,367.48	39,544.64
Less : Expenses Recovered	(235.82)	(128.55)
	45,131.66	**39,416.09**
21.1 Lease equalisation charge included in Rent	267.62	89.87
21.2 Cancellable operating lease entered for office space	4,808.39	3,688.98
21.3 Rates and Taxes include -		
Service tax	1,068.99	2,882.01
Value added tax	191.15	3,144.99
21.4 Amount qualifying as CSR exepnse u/s 135 (5) of Companies Act , 2013	1,756.60	1,384.41

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 22 PROVISIONS AND LOAN LOSSES		
Loss Assets Written Off (Net)	9,688.12	5,853.88
Loss on Repossessed Assets (Net)	17,109.59	20,263.75
Provision for Non - Performing Assets (Refer Note 2 & 33)	29,669.65	28,465.92
Provision Released for Non- Performing Assets on recovery/write off (Refer Note 33)	(25,262.88)	(19,708.93)
	31,204.48	34,874.62
Provision/(Reversal) for Standard Assets (Net) (Refer Note 33)	3,628.58	(3,311.28)
Reversal of provision for dimunition in value of investment	(323.96)	(500.00)
	34,509.10	**31,063.34**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE : 23 a) Share application money pending allotment as at March 31, 2017 represents amount received towards 10,261 Equity shares of the Company pursuant to ESOP scheme and have been subsequently allotted.

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 23 b) EARNINGS PER SHARE		
Profit After Tax (₹ lakhs)	**97,412.13**	**71,873.54**
Preference Dividend Paid (including tax thereon) (₹ lakhs)	-	-
Profit After Tax Attributable to Equity Shareholders (₹ lakhs)	**97,412.13**	**71,873.54**
Weighted Average Number of Equity Shares (Basic)	15,62,99,308	15,62,24,388
Add: Dilutive effect relating to ESOP/CCPS	1,54,853	64,382
Weighted Average Number of Equity Shares (Diluted)	15,64,54,161	15,62,88,770
Earnings per Share - Basic (₹)	**62.32**	**46.01**
Earnings per Share - Diluted (₹)	**62.26**	**45.99**
Face Value Per Share (₹)	10	10

Note:

Earnings per Share calculations are done in accordance with Accounting Standard 20 (AS 20) "Earnings per Share".

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 24 ASSETS DE-RECOGNISED		
a) On Securitisation		
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions	31	30
Outstanding securitised Assets in books of SPV	5,82,310.57	5,48,230.24
Less: Collections not yet due to be remitted to SPV*	25,988.32	24,846.33
Outstanding securitised Assets as per books	5,56,322.25	5,23,383.91
Total amount of exposure to comply with Minimum Retention Ratio (MRR)		
a) Off Balance Sheet Exposure		
• First Loss	-	-
• Others	35,578.97	28,553.77
b) On Balance Sheet Exposure		
• First Loss – Cash collateral	59,648.23	67,222.61
• Others		
i) Second Loss – Cash Collateral	-	-
ii) Investment in PTC	24,602.43	16,886.24
Amount of Exposures to Securitisation transactions Other than MRR	Nil	Nil
Book value of Assets sold	10,22,845.54	8,78,067.48

* Excludes interest collected from customers on securitised assets.

b) On Bilateral assignment

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Number of Assignment Transactions	3	3
Outstanding Assigned Assets in books of Assignee	69,045.00	1,06,326.68
Less: Collections not yet due to be remitted to Assignee#	1,953.83	3,376.32
Outstanding Assigned Assets as per books	67,091.16	1,02,950.36
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, 2018

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 24 ASSETS DE-RECOGNISED (Contd.)		
b) On Balance Sheet Exposure		
• First Loss – Cash Collateral		
• Others	7,454.57	11,438.93
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 31.03.2018	As at 31.03.2017
NOTE: 25 DETAILS OF OUTSTANDING DERIVATIVES		
(i) Outstanding Derivatives: (Notional principal amount) For hedging (Currency & Interest rate derivatives)	3,01,500.00	2,37,400.00
(ii) Marked to Market positions – Asset / (Liability)	(7,055.77)	(10,102.59)
(iii) Foreign currency exposure not hedged by derivative instrument or otherwise	-	-

Cross Currency Interest rate swaps - Hedge against exposure to variable interest outflow on foreign currency loans.

Qualitative Disclosure: The Company has a Board approved policy for entering into derivative transactions. Derivative transaction comprises Forward Rate Agreements, Interest Rate Swaps, Coupon Only Swaps, Currency and Interest Rate Swap and Forward Exchange contracts. The Company undertakes such transactions for hedging borrowings. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Business Committee periodically monitors and reviews the risks involved.

₹ in lakhs

Particulars	Year ended 31.03.2018 Current auditor	Year ended 31.03.2018 Previous auditor	Year ended 31.03.2017
NOTE: 26 AUDITORS' REMUNERATION			
Statutory Audit	39.00	-	39.00
Interim Audit & Limited Review	13.50	4.50	18.00
Tax Audit	-	4.00	4.00
Other Services	30.00*	8.80	24.80
Reimbursement of Expenses (incl. input tax credit expensed)	4.03	0.91	1.34
Total	**86.53**	**18.21**	**87.14**

*Represents professional charges in connection with establishment of Medium Term Note programme in Singapore Stock Exchange - SGX

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 2018. The relevant particulars are furnished below:

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
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	-	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 27. MICRO, SMALL & MEDIUM ENTERPRISES (Contd.)

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
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	-	-

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE: 28 a) EXPENDITURE IN FOREIGN CURRENCIES		
Travel	22.90	10.95
Interest and processing charges for subordinated debt	3.25	3.45
Membership fees	2.21	2.21
Rating fees	56.02	117.42
Others	67.36	4.03
Professional charges	49.57	23.43
b) REMITTANCES IN FOREIGN CURRENCIES		
Purchase of fixed assets	1,029.51	582.70
c) DIVIDEND PAID IN FOREIGN CURRENCY		
Equity Dividend		
• Amount remitted	-	245.70
• Total No.of Non-resident shareholders	-	1
• Total No.of Shares held by them to which dividend relates	-	12,285,012

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE: 29 a) GRATUITY		
Details of Actuarial Valuation:		
Projected Benefit Obligation at the beginning of the year	**2,510.74**	**1,269.94**
Current Service Cost	567.50	344.29
Interest Cost	173.11	101.52
Actuarial (Losses)/Gains	(23.62)	977.39
Benefits Paid	(212.36)	(182.39)
Projected Benefit Obligation at the end of the year	**3,062.63**	**2,510.74**
Change in Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	1,433.15	1,098.35
Expected Returns on Plan Assets	107.40	87.81
Employer's Contribution	1,980.53	414.57
Benefits Paid	(212.36)	(182.39)
Actuarial Gains / (Losses)	89.64	14.81
Fair Value of Plan Assets at the end of the year	**3,398.37**	**1,433.15**
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	3,398.37	1,433.15
Liability at the End of the Year	3,062.63	2,510.74
Amount Recognised in the Balance Sheet under Note 13 - Other Advances (Note 8-Other liabilities - March 31, 2017)	**325.74**	**(1,077.60)**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE: 29 a) GRATUITY (Contd.)		
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	567.50	344.29
Interest on Obligation	173.11	101.52
Expected Return on Plan Assets	107.40	(87.81)
Net Actuarial (Gain)/Losses recognised in the Year	(66.02)	962.58
Net cost recognised in the Statement of Profit and Loss	**567.19**	**1,320.58**
Assumptions		
Discount Rate	7.60% p.a.	6.90% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior management	13% p.a.	13% p.a.
- Middle management	13% p.a.	13% p.a.
- Others	13% p.a.	13% p.a.
Expected rate of return on Plan Assets	7.50% p.a.	7.50% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate

Other Disclosures:

₹ in lakhs

Benefit	2017-18	2016-17	2015-16	2014-15	2013-14
Projected Benefit Obligation	3,062.63	2,510.74	1,269.94	1,020.17	806.93
Fair Value of Plan Assets	3,398.37	1,433.15	1,098.35	818.56	793.05
Surplus/(Deficit)	**325.74**	**(1,077.60)**	**(171.59)**	**(201.61)**	**(13.88)**

₹ in lakhs

Experience Adjustments (Refer Note 2 below)	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarial Loss on Obligations	23.62	977.39	291.65	211.39	148.11
Actuarial (Gain)/Loss on Plan Assets	(89.64)	(14.81)	(2.35)	12.33	(5.43)

Notes:

1. The entire plan assets are managed by LIC and the data on plan assets as on March 31, 2018 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, 2018 as estimated by the Management is ₹ 230.69 lakhs (March 31, 2017 ₹ 1,923 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, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
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	**1,481.27**	**1,192.09**
Compensated absences reassessed on actuarial basis at the beginning of the year	-	-
Current Service Cost	1,092.65	252.15
Interest Cost	102.13	95.31
Actuarial Losses	50.11	95.72
Benefits Paid	(208.26)	(154.00)
Projected Benefit Obligation at the end of the year – Refer Note 7 – Other Provisions	**2,517.90**	**1,481.27**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	1,092.65	252.15
Past Service Cost reversed	-	-
Interest on Obligation	102.13	95.31
Net Actuarial Losses recognised in the year	50.11	95.72
Net cost recognised in the Statement of Profit and Loss - under Salaries, Bonus & Commission in Note 20	**1,244.89**	**443.18**
Assumptions		
Discount Rate	7.60% p.a.	6.90% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior management	13% p.a.	13% p.a.
- Middle management	13% p.a.	13% p.a.
- Others	13% p.a.	13% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate

Other Disclosures:

₹ in lakhs

Experience Adjustments (Refer Note 4 below)	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarial Loss/(Gain) on Obligations	50.11	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, 2018.
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, 2018

NOTE: 31 RELATED PARTY DISCLOSURES

List of Related Parties (As per AS-18):

- **Entity having significant influence over the Company :** TI Financial Holdings Limited (formerly known as Tube Investments of India Limited)
- **Subsidiaries:** Cholamandalam Securities Limited, Cholamandalam Distribution Services Limited, White Data Systems India Private Limited
- **Key Managerial Personnel:** Mr. Vellayan Subbiah, Managing Director (upto August 18, 2017) and Mr. N Srinivasan, Executive Vice Chairman and Managing Director (from August 19, 2017) ;
  Mr. Arun Alagappan, Executive Director (From August 19, 2017)

Additional related parties as per Companies Act, 2013:

- Mr. D. Arulselvan, 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 Transaction	Year ended 31.03.2018	Year ended 31.03.2017
a) TI Financial Holdings Limited (formerly known as Tube Investments of India Limited)		
Dividend Payments		
- Equity shares	4,695.14	3,972.81
Rent (including hiring) receipts	-	13.91
Amount received towards reimbursement of expenses	44.92	-
Net Amount Receivable/(Due) as at year end		
Rental Deposit	-	(0.90)
Others	-	2.62
b) Cholamandalam Securities Limited		
Interest Receipts	23.05	22.18
Rent payments	-	-
Rent (including hiring) receipts	55.38	49.77
Payments for services availed	-	41.37
Expenses - Reimbursed	9.81	10.07
Amount received towards reimbursement of Expenses	61.63	61.32
Advances/Deposits given	15,550.00	10,550.00
Advances/Deposits recovered	16,550.00	9,550.00
Net Amount Receivable/(Due) as at year end		
Advances Receivable	-	1,000.00
Others	(0.75)	0.64
c) Cholamandalam Distribution Services Limited		
Interest Payments	283.45	265.39
Rent payments	-	4.36
Rent (including hiring) receipts	14.59	13.91
Expenses - Reimbursed	-	3.2
Amount received towards reimbursement of Expenses	41.02	125.1

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Nature of Transaction	Year ended 31.03.2018	Year ended 31.03.2017
NOTE: 31. Related Party Disclosures (Contd.)		
Advances/Deposits availed	4,350.00	6,250.00
Advances/Deposits repaid	8,200.00	5,400.00
Net Amount Receivable/(Due) as at year end with interest payable		
Advances Payable	-	(3,850.03)
Others	-	0.31
d) White Data Systems India Private Limited		
Amount received towards Reimbursement of Expenses	0.93	0.82
Payments for services availed	60.75	0.31
Expenses - Reimbursed	-	0.78
Interest earned	92.38	6.65
Loan given	3,106.25	407.30
Loan recovered	2,461.34	135.50
Net Amount Receivable/(Due) as at year end		
Loan Receivable including interest receivable	933.17	275.24
Others	11.19	(0.50)
e) Key Managerial Personnel)		
Vellayan Subbiah – Managing Director (upto August 18, 2017)		
Remuneration	171.20	402.53
Dividend Payments	4.91	13.50
N Srinivasan - Managing Director (from August 19, 2017)		
Remuneration	338.45	Not Applicable
Dividend Payments	1.12	Not Applicable
Arun Alagappan – Executive Director (from August 19, 2017)		
Remuneration	197.30	Not Applicable
Dividend Payments	8.55	Not Applicable
D Arul Selvan– Chief Financial Officer		
Remuneration	123.12	105.57
Dividend Payments	0.45	0.88
Rental payments	0.20	2.40
P Sujatha - Company Secretary		
Remuneration	102.97	93.77
Dividend Payments	0.74	1.12
Rental Payments	0.2	2.40

NOTE: 32 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Second loss credit enhancement facility towards securitisation transactions

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Counter Guarantees provided to banks	35,578.97	28,553.77

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 32 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

(b) Contested Claims not provided for:

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Income tax and Interest on Tax issues where the Company has gone on appeal	15,576.82	30,849.56
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	12.99
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)	4,992.06	2,843.31
Service Tax issues pending before Appellate Authorities in respect of which the Company is on appeal.	13,702.01	13,693.46
Disputed claims against the Company lodged by various parties under litigation (to the extent quantifiable)	8,041.86	6,273.80

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) - ₹ 402.09 lakhs (March 31, 2017 – ₹ 963.60 lakhs)

NOTE: 33 CHANGES IN PROVISIONS

Particulars	As at 31.03.2017	Additional Provision	Utilisation/ Reversal	As at 31.03.2018
Provision for Standard Assets (Refer Note 2)	10,883.96	3,628.58	-	14,512.54
Provision for Non-Performing Assets (Refer Note 2)	51,159.23	29,669.65	25,262.88	55,566.00
Provision for Contingent Service Tax claims	792.37	-	-	792.37
Provision for Contingencies	2,947.54	97.87	-	3,045.41

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, 2018

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	765,900	1,30,168	6,35,732	-	-
	CAA *	25-01-08	178.70	-	54,433	10,096	44,337	-	-
2	Original	24-10-07	149.90	24-10-08	70,400	-	70,400	-	-
3	Original	25-01-08	262.20	25-01-09	162,800	29,162	133,638	-	-
4	Original	25-04-08	191.80	25-04-09	468,740	1,57,785	310,955	300	-
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	294,600	2,31,162	63,438	15,625	-
Tr II	Original	27-01-11	187.60	27-01-12	209,700	1,63,155	40,569	5,976	-
8	Original	30-04-11	162.55	30-04-12	113,400	67,203	46,197	14,357	-
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	195,680	1,45,192	50,488	8,036	-

* 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	20,167	28,180	88,397	522,653
2	Original	30-01-18	1,309.70	30-01-18	55,920	-	-	-	55,920
3	Original	30-01-18	1,309.70	30-01-18	26,940	-	-	-	26,940

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 Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 34 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%	4 years	59.50%	10%	187.60	94.82
- Tranche II	8%	3.4 years	61.63%	10%	187.60	90.62
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, 2018 is ₹ Nil (March 31, 2017 - ₹ Nil)

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

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 34 EMPLOYEE STOCK OPTION PLAN (Contd.)

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	401.29
30-01-18	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	496.82
30-01-18	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	531.84

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 31.03.2018	Year ended 31.03.2017
Net Profit attributable to Equity Shareholders (as reported) (₹ lakhs)	97,412.13	71,873.54
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)	980.42	193.82
Net Profit (Proforma) (₹ lakhs)	96,431.61	71,679.72
Basic Earnings per Share of ₹ 10 each (as reported) (₹)	62.32	46.01
Basic Earnings per Share of ₹ 10 each (pro forma) (₹)	61.73	45.88
Diluted Earnings per Share of ₹ 10 each (as reported) (₹)	62.26	45.99
Diluted Earnings per Share of ₹ 10 each (pro forma) (₹)	61.67	45.86

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.

NOTE: 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DT. 22.02.2007:

₹ in lakhs

SL No.	Particulars	Amount Outstanding As at 31.03.2018	Amount Overdue
	Liabilities:		
(1)	**Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	- Secured	12,25,673.13	-
	- Unsecured (other than falling within the meaning of public deposits)	2,50,077.17	-
	- Perpetual Debt Instrument	1,15,147.01	-
(b)	Deferred Credits	-	-
(c)	Term Loans	13,23,660.59	-
(d)	Inter-Corporate Loans and Borrowings	-	-
(e)	Commercial Paper	2,30,103.94	
(f)	Other Loans	1,38,133.71	-
	(Represents Working Capital Demand Loans & Cash Credit from Banks along with Interest Accrued but Not Due on above)		

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DT. 22.02.2007: (Contd.)

₹ in lakhs

SL No.	Particulars	Amount Outstanding As at 31.03.2017	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 (other than falling within the meaning of public deposits)	1,83,774.16	-
	- Perpetual Debt Instrument	1,15,129.40	-
(b)	Deferred Credits	-	-
(c)	Term Loans	7,81,164.86	-
(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 along with Interest Accrued but Not Due on above)		

₹ in lakhs

SL No.	Particulars	Amount Outstanding As at 31.03.2018	Amount Overdue As at 31.03.2017
(2)	**Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below]: (including interest accrued)**		
(a)	Secured	8,60,548.61	7,68,883.34
(b)	Unsecured	50,769.93	30,285.67
(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:	-	-
(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)	1,746.30	2,202.35
	(b) Loans other than (a) above	28,31,512.11	20,63,136.76
(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	-	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DT. 22.02.2007: (Contd.)

₹ in lakhs

SL No.	Particulars	Amount Outstanding As at 31.03.2018	Amount Overdue As at 31.03.2017
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
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:**		
(i)	Shares: (a) Equity (Net of Provision for Diminution in Value of Investment)	7,292.26	6,968.31
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Others		
	- Investment in Pass Through Certificates	24,602.43	16,886.24
	- Investment property	3.96	4.05

₹ 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, 2018			
1.	Related Parties *			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same Group	-	-	-
	(c) Other Related Parties	-	912.83	912.83
2.	Other than Related Parties	36,17,011.78	46,624.60	36,63,636.38
	Total	**36,17,011.78**	**47,537.43**	**36,64,549.21**
	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	27,60,538.40	29,475.20	27,90,013.60
	Total	**27,60,538.40**	**29,750.43**	**27,90,288.83**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DT. 22.02.2007: (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, 2018		
1. Related Parties *		
(a) Subsidiaries	7,290.00	7,290.00
(b) Companies in the Same Group		
(c) Other Related Parties		
2. Other than Related Parties	24,737.69	24,608.65
Total	**32,027.69**	**31,898.65**
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	17,021.59	17,021.59
Total	**24,307.55**	**23,854.59**

₹ in lakhs

Other Information	Amount Outstanding as at 31.03.2018	31.03.2017
(7)		
(i) Gross Non-Performing Assets		
a) With Related Parties *	-	-
b) With Others	1,20,977.10	1,54,502.39
(ii) Net Non-Performing Assets		
a) With Related Parties *	-	-
b) With Others	65,411.10	1,03,343.16
(iii) Assets Acquired in Satisfaction of Debt		
a) With Related Parties *	-	-
b) With Others	-	-

* Related Parties are as identified in Note 31 above.

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 31.03.2018	As at 31.03.2017
Tier I Capital	5,05,680.37	4,03,093.32
Tier II Capital	1,95,754.42	1,48,931.14
Total Capital	**7,01,434.79**	**5,52,024.46**
Total Risk Weighted Assets	38,19,963.68	29,61,406.53
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	13.24%	13.61%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	5.12%	5.03%
Total (%)	**18.36%**	**18.64%**
Amount of Subordinated Debt raised as Tier – II capital during the year	**71,500**	**27,500**
Amount raised by issue of Perpetual Debt instruments during the year	**-**	**-**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DT. 22.02.2007: (Contd.)

ii. Investments

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	32,035.19	24,319.00
(b) Outside India		
(ii) Provisions for Depreciation		
(a) In India	136.54	460.41
(b) Outside India		
(iii) Net Value of Investments		
(a) In India	31,898.65	23,858.59
(b) Outside India		
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	460.41	960.32
(ii) Add: Provisions made during the year	129.13	0.09
(iii) Less: Reversal of provision during the year	453.00	500.00
(iv) Closing balance	136.54	460.41

iii. Asset Liability Management

Maturity pattern of certain items of assets and liabilities –

As at March 31, 2018

₹ 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	1,38,133	9,000	71,395	1,04,397	1,21,233	8,65,380	1,42,299	-	14,51,837
Market Borrowings	7,100	1,64,754	86,562	1,08,338	3,24,800	6,96,650	2,08,186	1,42,000	17,38,390
Assets									
Advances (Net of Provision for Non Performing Assets)	94,605	77,893	73,505	3,17,417	5,57,748	1,501,101	5,00,117	5,42,163	36,64,549
Investment (Net of Provision for Diminution in Value of Investments)	1,001	665	669	1,987	3,750	9,146	2,098	12,583	31,899

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	125,000	59,403	556,187	-	-	837,038
Market Borrowings	30,051	80,981	82,488	71,999	3,54,084	7,02,550	1,43,420	1,08,300	15,73,872
Assets									
Advances (Net of Provision for Non Performing Assets)	57,314	55,224	57,805	2,29,266	4,47,847	10,90,362	3,88,261	4,64,210	27,90,289
Investment (Net of Provision for Diminution in Value of Investments)	382	387	394	1,194	2,316	6,616	1,557	11,012	23,858

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DT. 22.02.2007: (Contd.)

iv. Exposure to the Real Estate Sector, both Direct and Indirect

₹ in lakhs

Category	As at 31.03.2018	As at 31.03.2017
(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	79,729.19	51,628.24
- individual housing loans more than ₹ 15 lakhs	6,93,351.54	6,42,997.36
(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, land acquisition, development and construction etc.).		
- Fund Based	76,040.60	65,144.73
- 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	**8,49,121.31**	**7,59,770.33**

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 31.03.2018	As at 31.03.2017
(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;	1,911.72	1,626.14
(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;	-	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DT. 22.02.2007: (Contd.)

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(vii) bridge loans to companies against expected equity flows/issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Pending Disbursements	2,096.57	3,230.79
Total Exposure	**4,008.29**	**4,856.93**

vi. Other Regulator Registration

S. No.	Regulator	Registration no.
1	Ministry of Company 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	31.03.2018	31.03.2017
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+, IND AA+	ICRA AA, CARE AA, BWR AA+
Subordinated Debt	ICRA AA, CARE AA+, CRISIL AA, IND AA+	ICRA AA, CARE AA, CRISIL AA, IND AA
Perpetual Debt	ICRA AA-, CARE AA, IND AA	ICRA AA-, CARE AA-, IND AA-

ix. Concentration of Advances

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Total Advances to twenty largest borrowers	27,242.22	24,420.96
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.73%	0.86%

x. Concentration of Exposures

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Total Exposure to twenty largest borrowers/customers	27,242.22	24,420.96
Percentage of Exposures to twenty largest borrowers /Customers to Total Exposure of the NBFC on borrowers/customers.	0.73%	0.86%

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DT. 22.02.2007: (Contd.)

xi. Concentration of NPAs

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Total Exposure to top four NPA accounts	2,053.48	2,047.09

xii. Sector-wise NPAs as on March 31, 2018

₹ in lakhs

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector as on 31.03.2018	Percentage of NPAs to Total Advances in that sector as on 31.03.2017
1.	Agriculture & allied activities	17.35%	2.16%
2.	MSME	-	-
3.	Corporate borrowers	-	-
4.	Services	-	-
5.	Unsecured personal loans	-	-
6.	Auto loans	2.22%	4.51%
7.	Other loans	6.52%	8.36%

xiii. Movement of NPAs

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(i) Net NPAs to Net Advances(%)	1.78%	3.70%
(ii) Movement of Gross NPA		
(a) Opening balance	1,54,502.39	1,02,184.86
(b) Additions during the year	56,585.16	1,02,059.88
(c) Reductions during the year	90,110.45	(49,742.35)
(d) Closing balance	1,20,977.10	1,54,502.39
(iii) Movement of Net NPA		
(a) Opening balance	1,03,343.16	59,782.62
(b) Additions during the year	26,915.51	73,593.96
(c) Reductions during the year	(64,847.57)	(30,033.42)
(d) Closing balance	65,411.10	1,03,343.16
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	51,159.23	42,402.24
(b) Provisions made during the year	29,669.65	28,465.92
(c) Write-off / write-back of excess provisions	(25,262.88)	(19,708.93)
(d) Closing balance	55,566.00	51,159.23

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE: 36 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DT. 22.02.2007: (Contd.)

xiv. Disclosure on Restructured Accounts

Type of Restructuring asset classification details		Standard Advances	Sub-standard Advances	Doubtful Advances	Loss Advances
Restructured loans as on April 1, 2017	Number of borrowers	325	270	59	-
	Amount Outstanding	1,094.22	1,356.47	382.77	-
	Provision thereon	-	216.52	342.82	-
Fresh Restructured during the year	Number of borrowers	181	143	-	-
	Amount Outstanding	820.07	1,168.53	-	-
	Provision thereon	35.89	152.59	-	-
Upgradations to restructured category	Number of borrowers	815	31	-	-
	Amount Outstanding	2,790.73	109.77	-	-
	Provision thereon	-	20.21	-	-
Restructured loans ceases to attract higher provision or additional risk weight at the end of year	Number of borrowers	-	-	-	-
	Amount Outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Downgrade of restructured accounts during the year	Number of borrowers	-	24	62	-
	Amount Outstanding	-	43.53	345.45	-
	Provision thereon	-	7.93	325.91	-
Write-off of restructured accounts during the year	Number of borrowers	-	-	46	-
	Amount Outstanding	-	-	159.65	-
	Provision thereon	-	-	-	-
Restructured loans as on March 31, 2018	Number of borrowers	-	284	-	-
	Amount Outstanding	-	1,621.85	-	-
	Provision thereon	-	198.22	-	-

xv. Customer Complaints

No. Of Complaints

Particulars	31.03.2018	31.03.2017
(a) Pending as at beginning of the year	11	Nil
(b) Received during the year	1,316	1,366
(c) Redressed during the year	1,307	1,355
(d) Pending as at end of the year	9	11

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 202 cases (March 31, 2017 - 139 cases) of frauds amounting to ₹ 5,360.86 lakhs (March 31, 2017- ₹ 3,026.69 lakhs) reported during the year. The Company has recovered an amount of ₹ 135.61 lakhs (March 31, 2017- ₹ 107.64 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, 2018

NOTE: 38. DISCLOSURE PURSUANT TO SCHEDULE V OF CLAUSE A.2 OF REGULATION 34 (3) AND REGULATION 54(F) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

₹ in lakhs

SL No.	Loans and Advances in the nature of Loans	Amount Outstanding As at 31.03.2018	Maximum Amount Outstanding during the year
(A)	To Subsidiaries		
-	Cholamandalam Securities Limited	-	-
-	Cholamandalam Distribution Services Limited	-	-
-	White Data Systems India Private Limited	933.17	1,484.05
(B)	To Associates		
-	TI Financial Holdings Limited	-	-
(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. Previous year's figures have been audited by predecessor auditor.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.**101049W/E300004**

per **Subramanian Suresh**
Partner
Membership No: 083673

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

M.B.N. Rao
Chairman

Date : April 23, 2018
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

N. Srinivasan
Executive Vice Chairman & 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"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 of the assets of the Group 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. While conducting the 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 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 paragraph (a) of the 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 other auditors on separate financial statements and on the other financial information of the subsidiaries, 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, 2018, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Other Matter

(a) The consolidated financial statements of the Company for the year ended March 31, 2017, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 28, 2017.

(b) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of ₹ 8298.92 Lakhs and net assets of ₹ 5795.08 Lakhs as at March 31, 2018, and total revenues of ₹ 5679.50 Lakhs and net cash inflows of ₹ 4346.24 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. 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 sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion above 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 the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor's Report (Contd.)

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, refer to our separate report in "Annexure 1" to this report;

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

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 31to the consolidated financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 & 8 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the its subsidiaries incorporated in India during the year ended March 31, 2018

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W/E300004**

per Subramanian Suresh
Partner
Membership Number: 083673

Place : Chennai
Date : April 23, 2018

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Cholamandalam Investment and Finance Company Limited

Report on the Internal Financial Controls 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 Cholamandalam Investment and Finance Company Limited as of and for the year ended March 31, 2018, 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 are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, 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 Holding 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 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 Act.

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") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 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.

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Cholamandalam Investment and Finance Company Limited (Contd.)

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, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained 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, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W/E300004**

per Subramanian Suresh
Partner
Membership Number: 083673

Place : Chennai
Date : April 23, 2018

Consolidated Balance Sheet

As at March 31, 2018

₹ in lakhs

	Note No.	As at 31.03.2018	As at 31.03.2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	15,639.68	15,634.29
Reserves and surplus	4	5,00,811.49	4,14,138.71
		5,16,451.17	**4,29,773.00**
Share Application Money pending Allotment		**-**	**18.13**
Minority Interest		**38.21**	**199.87**
Non-current liabilities			
Long-term borrowings	5	20,54,515.59	15,10,457.37
Other long-term liabilities	6	12,971.84	19,618.96
Long-term provisions	7	65,554.17	58,620.67
		21,33,041.60	**15,88,697.00**
Current liabilities			
Short-term borrowings	5	3,68,237.31	3,23,046.05
Trade payables			
i) Dues to Micro and Small Enterprises		-	-
ii) Other Trade payables		40,385.80	29,868.50
Current maturities of Long-term borrowings	5	7,67,474.44	5,73,556.33
Other current liabilities	8	1,20,279.92	1,05,964.32
Short-term provisions	7	10,928.40	8,699.98
		13,07,305.87	**10,41,135.18**
TOTAL		**39,56,836.85**	**30,59,823.18**
ASSETS			
Non-current assets			
Fixed assets	9		
(i) Property, Plant and Equipment		14,141.28	11,964.45
(ii) Intangible assets		2,202.75	2,307.92
		16,344.03	14,272.37
Goodwill on Consolidation		700.88	700.88
Non-current investments	10	17,515.94	13,436.36
Deferred tax assets (Net)	11	33,985.77	31,537.70
Receivables under financing activity	12	25,98,018.77	19,93,543.85
Long-term loans and advances	13	19,054.46	12,389.63
Trade receivables	16	0.98	0.83
Other non-current assets	14	53,217.75	52,997.50
		27,38,838.58	**21,18,879.12**
Current assets			
Current investments	15	8,167.98	4,775.21
Trade receivables	16	3,061.96	2,184.07
Cash and Bank Balances	17	44,820.55	49,375.86
Receivables under financing activity	12	11,21,168.49	8,47,637.66
Short-term loans and advances	13	5,153.38	4,994.54
Other current assets	14	35,625.91	31,976.72
		12,17,998.27	**9,40,944.06**
TOTAL		**39,56,836.85**	**30,59,823.18**
Summary of significant accounting policies	1		

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

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.**101049W/E300004**

per **Subramanian Suresh**
Partner
Membership No: 083673

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

M.B.N. Rao
Chairman

Date : April 23, 2018
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

N. Srinivasan
Executive Vice Chairman & Managing Director

Consolidated Statement of Profit and Loss

For the year ended March 31, 2018

₹ in lakhs

	Note No.	As at 31.03.2018	As at 31.03.2017
Revenue			
- Revenue from operations	18	5,50,063.90	4,69,347.56
- Other income	19	62.54	336.59
Total Revenue		**5,50,126.44**	**4,69,684.15**
Expenses			
- Finance costs	20	2,30,520.71	2,22,792.39
- Business origination outsourcing		26,517.76	18,177.34
- Employee benefits expenses	21	54,158.47	41,409.19
- Other expenses	22	50,490.92	41,065.01
- Depreciation and amortisation expense	9	5,085.71	3,901.61
- Provisions and loan losses	23	34,976.52	31,595.41
Total Expenses		**4,01,750.09**	**3,58,940.95**
Profit before tax		**1,48,376.35**	**1,10,743.20**
Tax expense/(benefit):			
- Current Tax			
- Pertaining to profit for the current period		53,496.89	41,984.43
- Adjustment of tax relating to earlier periods		1.75	245.76
- MAT Credit Entitlement			
- Current year		36.21	18.09
- Prior years		(91.14)	1.31
- Deferred tax	11	(2,448.07)	(3,298.88)
Net tax expense		50,995.64	38,950.71
Profit for the period before share of minority interest		**97,380.71**	**71,792.49**
Add : Share of Loss attributable to minority interest		161.66	150.47
Profit for the year		**97,542.37**	**71,942.96**
Earnings per equity share of ₹ 10 each	24 (b)		
- Basic (₹)		62.41	46.05
- Diluted (₹)		62.35	46.03

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

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.**101049W/E300004**

per **Subramanian Suresh**
Partner
Membership No: 083673

Date : April 23, 2018
Place : Chennai

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

M.B.N. Rao
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

N. Srinivasan
Executive Vice Chairman & Managing Director

Consolidated Cash Flow Statement

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
Cash Flow from Operating Activities				
Profit Before Tax		**1,48,376.35**		**1,10,743.20**
Adjustments for :-				
Depreciation and amortisation expense	5,085.71		3,901.61	
Provisions/(reversal of provisions) - Long-Term				
- Standard Assets (Net)	2,526.73		586.46	
- Non-Performing Assets under Financing Activity (Net)	4,406.77		8,756.99	
- Doubtful debts	0.01		(224.97)	
- Diminution in Value of Investments	129.04		-	
Provisions/(reversal of provisions) - Short-Term				
- Standard Assets (Net)	1,098.14		(3,897.74)	
- Contingencies (Net)	97.87		486.00	
- Clawback	(6.74)		2.63	
- Doubtful debts	9.95		27.12	
- Compensated Absences(Net)	1,039.15		298.61	
Loss on Repossessed Assets (Net)	17,109.59		20,263.75	
Loss assets written off	9,688.12		5,853.88	
Finance Costs	2,30,520.71		2,22,792.39	
(Profit)/Loss on Sale of Fixed Assets (Net)	6.19		(0.16)	
Liability no longer required written back	-		(12.16)	
Profit on Sale of Current Investments	(1,098.08)		(1,474.85)	
Interest Income on deposits	(5,026.91)		(5,108.48)	
Interest Income on Investments	(1,388.61)		(173.25)	
Dividend on Investments	(18.45)		(10.46)	
		2,64,179.19		2,52,067.37
Operating Profit Before Working Capital Changes		**4,12,555.54**		**3,62,810.57**
Adjustments for :-				
(Increase)/Decrease in operating Assets - Current/Short-term				
- Receivables under Financing Activity (including Repossessed Assets)	(6,35,322.02)		(5,75,853.91)	
- Other Current Assets and Trade receivables	(4,806.71)		(3,592.18)	
- Loans and advances	(158.84)	(6,40,287.57)	(756.76)	(5,80,202.85)
(Increase)/Decrease in operating Assets - Non-Current/Long-term				
- Receivables under Financing Activity	(6,04,474.92)		(1,73,879.54)	
- Other Non-Current Assets and Trade receivables	(339.19)		(9,965.01)	
- Loans and advances	(947.98)	(6,05,762.09)	(226.10)	(1,84,070.65)
Securitisation/Assignment of Receivables		3,35,449.53		4,74,101.53
Increase in operating liabilities (Trade Payables & Other current liabilities)				
- Current & Short-term liabilities		12,353.82		17,424.44
- Other Long-term liabilities		111.52		(95.30)
Cash Flow generated from / (used in) Operations		(4,85,579.25)		89,967.74
Finance Costs paid	(2,21,886.22)		(1,95,491.90)	
Interest Received on Bank Deposits and Other Investments	6,344.57		5,261.56	
Profit on Sale of Current Investments (Net)	1,098.08		1,474.85	
Direct Taxes Paid	(59,192.14)	(2,73,635.71)	(47,976.48)	(2,36,731.97)
Net Cash Used in Operating Activities (A)		**(7,59,214.96)**		**(1,46,764.23)**

Consolidated Cash Flow Statement (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
Cash Flow from Investing Activities				
Bank Deposits and Unpaid Dividend Accounts (See Note below)	2,423.10		165.61	
Purchase of Fixed Assets	(7,281.60)		(5,812.21)	
Proceeds from Sale of Fixed Assets	149.71		62.40	
Purchase of Other Investments	(21,61,302.03)		(28,26,047.54)	
Proceeds from Sale/ Redemption of Other Investments	21,53,700.55		28,09,435.04	
Dividend Received on Investments	18.45		10.46	
Net Cash Used in Investing Activities (B)		**(12,291.82)**		**(22,186.24)**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital and Securities Premium (net of expenses)		245.53		254.79
Increase/(Decrease) in borrowings				
Proceeds from issue of long-term debentures	5,24,016.17		7,41,800.00	
Redemption of long-term debentures	(3,29,020.00)		(1,74,040.00)	
Borrowing - Term Loan from Banks	8,15,200.00		4,15,900.33	
Repayment - Term Loan from Banks	(2,74,166.66)		(7,49,867.00)	
Increase / (Decrease) in short-term borrowings	45,319.34	7,81,348.85	(54,534.63)	1,79,258.70
Decrease in Fixed Deposits		(0.15)		(1.08)
Dividends Paid (Including Distribution Tax)		(12,219.66)		(10,332.44)
Net Cash Flow From Financing Activities (C)		**7,69,374.57**		**1,69,179.97**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**(2,132.21)**		**229.50**
Cash and Cash Equivalents at the Beginning of the year		27,750.84		27,521.34
Cash and Cash Equivalents at the End of the year		25,618.63		27,750.84
Note:				
Cash and Cash Equivalents at the End of the year as per Balance Sheet		44,820.55		51,010.25
Less: Balance in Current Accounts held for Unpaid Dividends		54.55		46.35
Less: Bank Deposits held for More than Three Months		7,111.81		2,172.28
Less: Bank Deposits under Lien		12,035.56		21,040.78
		25,618.63		27,750.84

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

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.**101049W/E300004**

per **Subramanian Suresh**
Partner
Membership No: 083673

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

M.B.N. Rao
Chairman

Date : April 23, 2018
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

N. Srinivasan
Executive Vice Chairman & Managing Director

Notes forming part of the Consolidated Financial Statements

For the year ended March 31, 2018

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, 2018.

(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, 2018	March 31, 2017
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

Preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

and assumptions considered in that affect 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. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

Property, Plant and Equipment / Depreciation:

Property, plant and equipment 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. Property, Plant and Equipment 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 Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

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 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 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.

h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties

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.

Depreciation on building component of investment property is calculated on a straight-line basis using the rate arrived at based on the useful life as prescribed as per the Schedule II of the Companies Act, 2013.

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

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.

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

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, determined every year using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in the Statement of Profit and Loss.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The defined benefit obligation recognised in the balance sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled and adjusted for unrecognised past service cost, if any. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

(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

Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Measurement as at Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Group outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items are carried at historical cost.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Accounting of Forward Contracts

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.

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 Group uses foreign currency forward contracts/cross currency interest rate swaps to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions/variable rate foreign currency loans. The Company designates such forward contracts/cross currency interest rate swaps, in a cash flow hedging relationship by applying the hedge accounting principles set out in "Guidance Note on Accounting for Derivative Contracts" 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) Input Tax Credit (Service Tax / Goods and Services Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service / supply 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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

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 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

Stock options granted to the employees under the stock option scheme are evaluated as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant, if any, over the exercise price of the options is recognized as deferred employee compensation and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

t) 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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. 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. The interest on commercial paper is accrued till maturity of the underlying instrument.

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

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 in excess of the balance in the Securities Premium Account is expensed in 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 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 the period of three years, commencing from the financial year ended March 31, 2016.

In the previous 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) 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 con-solidated net assets	Amount in ₹ Lakhs	As % of con-solidated profit or loss	Amount in ₹ Lakhs
1	2	3	4	5
Cholamandalam Investment and Finance Company Limited	98.26%	5,07,470.60	99.41%	96,962.84
Subsidiaries				
1. Cholamandalam Distribution Services Limited	1.10%	5,691.83	0.41%	400.90
2. Cholamandalam Securities Limited	0.44%	2,257.54	0.46%	453.89
3. White Data Systems India Private Limited	0.20%	1,031.20	(0.28%)	(275.26)
TOTAL	**100.00%**	**5,16,451.17**	**100.00%**	**97,542.37**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	As at 31.03.2018 Nos.	As at 31.03.2018 Amount	As at 31.03.2017 Nos.	As at 31.03.2017 Amount
NOTE : 3 SHARE CAPITAL				
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	15,64,68,125	15,643.74	15,64,14,287	15,641.43
		15,643.74		**15,641.43**
SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 10 each with voting rights	15,63,31,371	15,633.14	15,62,77,533	15,627.75
Add : Forfeited Shares	1,30,900	6.54	1,30,900	6.54
		15,639.68		**15,634.29**

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

₹ in lakhs

Particulars	As at 31.03.2018 Nos.	As at 31.03.2018 Amount	As at 31.03.2017 Nos.	As at 31.03.2017 Amount
Equity Shares				
Outstanding at the beginning of the year	15,62,77,533	15,627.75	15,61,45,644	15,614.56
Issued during the year - Employees Stock Option (ESOP) Scheme	53,838	5.39	1,31,889	13.19
Outstanding at the end of the year	**15,63,31,371**	**15,633.14**	**15,62,77,533**	**15,627.75**
Forfeited shares				
Equity Shares - Amount originally paid up	**1,30,900**	**6.54**	**1,30,900**	**6.54**
Outstanding at the end of the year	-	-	-	-

b) 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.

c) Equity Shares held by Holding Company/Entity having significant influence over the Company:

Particulars	As at 31.03.2018	As at 31.03.2017
TI Financial Holdings Limited (formerly known as "Tube Investments of India Limited")- Entity having Significant influence over the Company	7,22,33,019	7,22,33,019

d) Details of shareholding more than 5% shares in the Company:

Particulars	As at 31.03.2018 Nos.	As at 31.03.2018 % holding in the class	As at 31.03.2017 Nos.	As at 31.03.2017 % holding in the class
Equity Shares				
TI Financial Holdings Limited	7,22,33,019	46.21	7,22,33,019	46.22

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

e) Shares reserved for issue under options:

Refer Note 33 for details of shares reserved for issue under options

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
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	1,66,924.48	1,66,698.50
Add: Premium on ESOPs exercised	258.27	225.98
Closing balance at the end of the year	**1,67,182.75**	**1,66,924.48**
Statutory Reserve (Refer Note 4.2)		
Balance at the beginning of the year	62,046.48	47,046.48
Add: Amount transferred from surplus in the Statement of Profit and Loss	20,000.00	15,000.00
Closing balance at the end of the year	**82,046.48**	**62,046.48**
General Reserve		
Balance at the beginning of the year	1,40,967.33	1,10,967.33
Add: Amount transferred from surplus in the Statement of Profit and Loss	50,000.00	30,000.00
Closing balance at the end of the year	**1,90,967.33**	**1,40,967.33**
Hedge Reserve		
Balance at the beginning of the year	(2,792.96)	-
Addition	1,100.00	(2,792.96)
Deduction	-	-
Closing balance at the end of the year	**(1,692.96)**	**(2,792.96)**
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	43,689.41	23,330.25
Profit for the year	97,542.37	71,942.96
Less:		
Dividend		
Equity for previous year	-	(0.89)
Equity Interim - Paid ₹ 4.50 per share (March 31, 2017 - ₹ 3.50 per share)	(10,159.60)	(5,469.31)
Distribution tax on Equity Dividend	(2,068.26)	(1,113.60)
Transfer to Statutory Reserve	(20,000.00)	(15,000.00)
Transfer to General Reserve	(50,000.00)	(30,000.00)
Net surplus in the Statement of Profit and Loss at the end of the year	**59,003.92**	**43,689.41**
Total Reserves and Surplus	**5,00,811.49**	**4,14,138.71**

4.1 Represents the amount transferred for a sum equal to the nominal value of shares redeemed during the prior years.

4.2 Represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934

4.3 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, 2018 (₹ 2 per share - 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 Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Non - Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE : 5 BORROWINGS (Refer Note 5.4)				
LONG-TERM				
Redeemable Non-convertible Debentures				
Medium Term - Secured - Refer Note 5.2 (i) & 5.3 (i) to (iv)	7,18,116.17	6,78,400.00	4,42,800.00	3,51,520.00
Subordinated debt - Unsecured - Refer Note 5.3 (v) & 5.3 (vi)	2,18,650.00	1,65,800.00	18,650.00	7,500.00
Perpetual debt - Unsecured - Refer Note 5.3 (vii)	1,10,070.00	1,10,070.00	-	-
Term Loans				
Rupee Loans from Banks - Secured - Refer Note 5.2 (ii) & 5.3 (viii)	8,19,200.00	3,39,066.00	1,98,366.67	2,01,567.33
Foreign currency loans from banks - Secured - Refer Note 5.2 (ii) & 5.3 (viii)	1,88,479.42	2,17,121.37	1,07,657.77	12,969.00
	20,54,515.59	**15,10,457.37**	**7,67,474.44**	**5,73,556.33**
The above amount includes:				
Secured borrowings	17,25,795.59	12,34,587.37	7,48,824.44	5,66,056.33
Unsecured borrowings	3,28,720.00	2,75,870.00	18,650.00	7,500.00
Amount disclosed under the head "Current Maturities of Long-term borrowings"	-	-	(7,67,474.44)	(5,73,556.33)
	20,54,515.59	**15,10,457.37**	**-**	**-**
SHORT-TERM				
Working capital Demand loans and cash credit from Banks				
Secured - Refer Note 5.2 (iii)	-	-	1,38,133.37	66,314.03
Commercial paper - Unsecured - Refer Note 5.1	-	-	2,30,103.94	2,56,732.02
	-	-	3,68,237.31	3,23,046.05
The above amount includes:				
Secured borrowings	-	-	1,38,133.37	66,314.03
Unsecured borrowings	-	-	2,30,103.94	2,56,732.02
	-	**-**	**3,68,237.31**	**3,23,046.05**

5.1 Face value of Commercial Paper is ₹ 2,40,000 lakhs as on March 31, 2018 (₹ 2,66,500 lakhs as on March 31, 2017)

5.2 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 is secured by way of specific/pari passu 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, 2018

5.3 Details of Debentures

(i) Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		31.03.2018 ₹ in lakhs	31.03.2017 ₹ in lakhs		
250	10,00,000	2,500	2,500	Nov-26	8.55
1,500	10,00,000	15,000	-	Nov-22	8.00
50	10,00,000	500	500	Mar-22	8.35
2,000	10,00,000	20,000	-	Jun-21	8.52
4,770	10,00,000	47,700	-	Apr-21	8.09
1,950	10,00,000	19,500	-	Dec-20	8.00
1,750	10,00,000	17,500	-	Oct-20	7.75
1,500	10,00,000	15,000	-	Jun-20	8.10
800	10,00,000	8,000	-	May-20	8.12
800	10,00,000	8,000	8,000	Apr-20	8.10 to 9.02
500	10,00,000	5,000	5,000	Mar-20	9.02
4,000	10,00,000	40,000	20,000	Feb-20	8.02 to 8.12
5,500	10,00,000	55,000	-	Dec-19	7.97
2,750	10,00,000	27,500	27,500	Nov-19	8.10 to 9.10
5,750	10,00,000	57,500	40,000	Oct-19	8.05 to 8.20
8,350	10,00,000	83,500	38,500	Sep-19	8.06 to 8.46
2,250	10,00,000	22,500	7,500	Aug-19	7.50 to 9.90
7,300	10,00,000	73,000	3,000	Jul-19	7.80 to 9.90
2,750	10,00,000	27,500	27,500	Jun-19	9.13 to 9.90
6,750	10,00,000	67,500	57,500	May-19	8.03 to 9.20
1,100	10,00,000	11,000	8,500	Apr-19	8.00 to 9.20
8,800	10,00,000	88,000	63,000	Mar-19	7.65 to 9.20
5,200	10,00,000	52,000	37,000	Feb-19	7.96 to 8.05
2,000	10,00,000	20,000	20,000	Dec-18	8.20
2,350	10,00,000	23,500	23,500	Nov-18	7.80 to 10.35
6,400	10,00,000	64,000	64,000	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	54,500	Jun-18	8.95 to 9.13
11,430	10,00,000	1,14,300	1,14,300	May-18	8.96 to 10.13
400	10,00,000	4,000	4,000	Apr-18	9.94 to 9.95
11,550	10,00,000	-	1,15,500	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	Dec-17	10.50
2,450	10,00,000	-	24,500	Nov-17	8.90 to 9.55
550	10,00,000	-	5,500	Aug-17	9.00
650	10,00,000	-	6,500	Jul-17	9.90
5,755	10,00,000	-	57,550	Jun-17	8.90 to 9.90
65	10,00,000	-	650	May-17	9.24 to 9.25
1,500	10,00,000	-	15,000	Apr-17	9.35
		10,49,000	**9,14,000**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Redemption price ₹	Premium ₹
		31.03.2018 ₹ in lakhs	31.03.2017 ₹ in lakhs			
1000	10,00,000	10,000	-	Mar-21	12,76,583	2,76,583
2050	10,00,000	20,500	-	May-20	12,63,916	2,63,916
190	10,00,000	1,900	-	Apr-20	12,56,100	2,56,100
500	10,00,000	5,000	5,000	Apr-20	13,54,976	3,54,976
800	10,00,000	8,000	8,000	Apr-20	12,74,682	2,74,682
750	10,00,000	7,500	7,500	Sep-19	12,66,148	2,66,148
80	10,00,000	800	800	Jul-19	12,98,729	2,98,729
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	Dec-17	13,60,923	3,60,923
110	10,00,000	-	1,100	Oct-17	13,17,130	3,17,130
850	10,00,000	-	8,500	Aug-17	11,88,380	1,88,380
100	10,00,000	-	1,000	Aug-17	13,20,598	3,20,598
75	10,00,000	-	750	Jul-17	13,23,949	3,23,949
100	10,00,000	-	1,000	Jun-17	11,76,932	1,76,932
50	10,00,000	-	500	Jun-17	11,86,518	1,86,518
135	10,00,000	-	1,350	Jun-17	11,89,472	1,89,472
43	10,00,000	-	430	Jun-17	11,87,498	1,87,498
170	10,00,000	-	1,700	Jun-17	13,11,675	3,11,675
267	10,00,000	-	2,670	Jun-17	13,14,349	3,14,349
75	10,00,000	-	750	May-17	11,88,908	1,88,908
70	10,00,000	-	700	May-17	11,87,780	1,87,780
120	10,00,000	-	1,200	May-17	11,90,320	1,90,320
200	10,00,000	-	2,000	May-17	11,90,740	1,90,740
150	10,00,000	-	1,500	May-17	11,92,760	1,92,760
100	10,00,000	-	1,000	Apr-17	11,86,652	1,86,652
20	10,00,000	-	200	Apr-17	11,85,196	1,85,196
135	10,00,000	-	1,350	Apr-17	11,88,908	1,88,908

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option (Contd.)

No. of Debentures	Face Value ₹	Balance as at 31.03.2018 ₹ in lakhs	Balance as at 31.03.2017 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
570	10,00,000	-	5,700	Apr-17	11,88,907	1,88,907
140	10,00,000	-	1,400	Apr-17	11,88,344	1,88,344
42	10,00,000	-	420	Apr-17	11,90,320	1,90,320
100	10,00,000	-	-	Jan-17	11,55,522	1,55,522
		79,500	**85,920**			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at 31.03.2018 ₹ in lakhs	Balance as at 31.03.2017 ₹ 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-18	8.20
		-	**30,000**			

(iv) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2018 ₹ in lakhs	Balance as at 31.03.2017 ₹ in lakhs	Due date of redemption	Call option date	Rate of interest %
3,250	10,00,000	32,500	-	Aug-19	Aug-18	7.85
		32,500	**-**			

₹ in lakhs

	Non - Current		Current		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Redeemable at premium - No put call option	62,000	47,100	17,500	38,820	79,500	85,920
Redeemable at par - with put option	-	-	-	30,000	-	30,000
Redeemable at par - with call option	32,500	-		-	32,500	-
	7,18,200	**6,78,400**	**4,42,800**	**3,51,520**	**11,61,000**	**10,29,920**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

(v) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		31.03.2018 ₹ in lakhs	31.03.2017 ₹ in lakhs		
3150	10,00,000	31,500	-	Mar-28	9.05
1500	10,00,000	15,000	-	Aug-27	8.53
2500	10,00,000	25,000	-	Jun-27	8.78 to 8.80
100	10,00,000	1,000	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	20,000	Nov-23	9.08 to 9.20
500	10,00,000	5,000	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
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	Nov-17	12.75
150	10,00,000	-	-	Mar-17	11.25
350	10,00,000	-	-	Feb-17	11.15
		2,35,800	1,71,800		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

(vi) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt -Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2018 ₹ in lakhs	Balance as at 31.03.2017 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
150	10,00,000	1,500	1,500	Nov-23	17,57,947	7,57,947
		1,500	**1,500**			

₹ in lakhs

	Non - Current		Current		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Redeemable at par - No put call option	2,17,150	1,64,300	18,650	7,500	2,35,800	1,71,800
Redeemable at premium - No put call option	1,500	1,500	-	-	1,500	1,500
	2,18,650	1,65,800	18,650	7,500	2,37,300	1,73,300

(vii) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at 31.03.2018 ₹ in lakhs	Balance as at 31.03.2017 ₹ 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**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

5.3 (viii) Details of term loans

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding			
			Non Current		Current	
			31.03.2018	31.03.2017	31.03.2018	31.03.2017
Base Rate / MCLR	< 1year	1	-	-	22,867	82,500
		3	-	-	-	10,000
		4	-	-	8,000	-
	1 - 2 years	1	56,000	20,000	-	-
		4	20,000	30,000	-	-
		5	14,000	-	16,000	-
		8	-	8,000	-	8,000
	2 - 3 years	1	60,000	83,500	-	-
		3	-	10,000	-	5,000
		5	-	20,000	-	-
		9	-	10,000	-	9,000
	3 - 4 years	6	20,000	-	-	-
Base Rate/ MCLR + spread (0.05% to 0.92%)	< 1year	1	-	-	85,000	21,500
		2	-		18,000	14,000
		3	-	5,000	-	10,000
		4	-	18,000	-	18,000
		4	15,000	-	-	-
Rate based on T Bill + Spread	1 - 2 years	1	10,000	-	-	-
	2 - 3 years	1	20,000	-	-	-
		3	3,000	-	1,500	-
	4 - 5 years	3	28,200	-	-	-
		4	10,000	-	-	-
	1 - 2 years	1	23,439	30,000	-	-
	2 - 3 years	1	-	23,323	-	-
	4 - 5 years	1	63,000	-	12,000	-
Total			**8,42,639**	**3,62,390**	**1,98,367**	**2,01,567**
USD Overnight LIBOR + Spread	< 1year	1	-	-	-	-
USD Overnight LIBOR + Spread	1-2 years	1	-	-	-	12,969
USD 3M LIBOR + Spread	< 1year	1	-	-	28,879	-
		4	-	-	30,065	-
	1-2 years	1	27,559	28,735	-	-
	2-3 years	5	20,304	-	-	-
USD 6M LIBOR + Spread	< 1year	1	-	-	48,714	-
	1-2 years	1	1,17,177	48,471		
	2-3 years	1	-	1,16,592	-	-
Total			**1,65,040**	**1,93,798**	**1,07,658**	**12,969**

5.4 The Company has not defaulted in the repayment of dues to its lenders.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 6 OTHER LONG - TERM LIABILITIES		
Interest accrued but not due on borrowings	8,281.81	9,226.33
Financial liabilities on derivative transactions	4,288.47	10,102.59
Deferred Rent	401.56	290.04
	12,971.84	**19,618.96**

₹ in lakhs

Particulars	Long-Term		Short-Term	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE : 7 PROVISIONS				
Provisions for Employee Benefits				
- Compensated Absences (Refer Note 28 (b))	-	-	2,569.96	1,530.81
	-	-	2,569.96	1,530.81
Other provisions				
Provision for Standard Assets (Refer Note 32)	9,988.17	7,461.44	4,520.66	3,422.52
Provision for Non performing Assets (Refer Note 32 & 2 a)	55,566.00	51,159.23	-	-
Provision for Contingencies (Refer Note 32)	-	-	3,045.41	2,947.54
Provision for Contingent Service Tax Claims (Refer Note 32)	-	-	792.37	792.37
Provision for Clawback Commission (Refer Note 32)	-	-	-	6.74
	65,554.17	58,620.67	8,358.44	7,169.17
	65,554.17	**58,620.67**	**10,928.40**	**8,699.98**

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 8 OTHER CURRENT LIABILITIES		
Interest Accrued but Not Due on Borrowings / Other Deposits	77,230.30	67,526.57
Income received in advance	118.47	157.93
Unpaid Dividend (Refer Note 8.1)	54.55	46.35
Fixed Deposits including interest accrued thereon - Matured and unclaimed	-	0.15
Advances from customers/others	1,223.76	2,189.57
Security Deposit received	376.59	476.43
Remittance payables - Derecognised assets (Refer Note 16.1)	33,794.06	33,167.32
Statutory dues	1,501.40	456.19
Financial liabilities on derivative transactions	2,767.30	-
Other liabilities *	3,213.49	1,943.81
	1,20,279.92	**1,05,964.32**
* Other liabilities include Gratuity Payable (Refer Note 26 (a))	-	1,097.14

8.1 There are no amounts of Unpaid Dividend due and outstanding to be credited to the Investor Education and Protection Fund (IEPF).

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE 9 : FIXED ASSETS

As at March 31, 2018

₹ in lakhs

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block as at	
	Cost as at 31.03.2017	Additions	Deletions	Cost as at 31.03.2018	As at 31.03.2017	Provided for the year	Withdrawn during the year	As at 31.03.2018	31.03.2018	31.03.2017
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	895.72	48.06	-	943.78	2,527.44	2,575.50
Plant and Machinery	6,540.47	1,962.88	298.25	8,205.10	4,487.89	1,501.45	282.44	5,706.90	2,498.20	2,052.58
Office Equipment	2,616.09	791.08	33.84	3,373.33	1,743.53	484.85	25.88	2,202.50	1,170.83	872.56
Furniture and Fixtures	2,536.50	805.04	17.60	3,323.94	1,950.31	661.88	17.01	2,595.18	728.76	586.19
Leasehold improvements	3,586.98	1,809.92	30.73	5,366.17	2,457.23	726.64	30.73	3,153.14	2,213.03	1,129.75
Vehicles	1,211.85	646.55	359.21	1,499.19	420.17	268.60	236.41	452.36	1,046.83	791.68
Total	**23,919.30**	**6,015.47**	**739.63**	**29,195.14**	**11,954.85**	**3,691.48**	**592.47**	**15,053.86**	**14,141.28**	**11,964.45**
Intangible Asset (Acquired)										
Computer Software	6,745.74	1,297.71	84.03	7,959.42	4,437.82	1,394.14	75.29	5,756.67	2,202.75	2,307.92
Stock Exchange Membership Card	65.75	-	-	65.75	65.75	-	-	65.75	-	-
Total	**6,811.49**	**1,297.71**	**84.03**	**8,025.17**	**4,503.57**	**1,394.14**	**75.29**	**5,822.42**	**2,202.75**	**2,307.92**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE 9 : FIXED ASSETS (Contd.)
As at March 31, 2017

₹ in lakhs

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block as at	
	Cost as at 31.03.2016	Additions	Deletions	Cost as at 31.03.2017	As at 31.03.2016	Provided for the year	Withdrawn during the year	As at 31.03.2017	31.03.2017	31.03.2016
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**
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	**4,200.27**	**2,611.22**	**-**	**6,811.49**	**3,505.54**	**998.03**	**-**	**4,503.57**	**2,307.92**	**694.73**

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, 2018

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 10 NON-CURRENT INVESTMENTS (valued at cost unless stated otherwise)		
Investment property (at cost less accumulated depreciation)		
Cost of Land and Building	11.46	11.46
Less: Accumulated Depreciation	(7.50)	(7.41)
Net block (a)	**3.96**	**4.05**
Non-Trade Investments		
Investment in Equity shares - **Unquoted**		
Amaravathi Sri Venkatesa Paper Mills Limited 293,272 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
Less: Provision for other than temporary dimunition in the value of investment	(129.04)	-
Total (b)	**2.41**	**131.45**
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
Total (c)	**638.29**	**638.29**
Investment in Venture Capital Fund - **Unquoted**		
Faering Capital India Evolving Fund	340.83	386.54
Total (d)	**340.83**	**386.54**
Investment in Pass Through Certificates - **Unquoted**		
PLATINUM TRUST AUG 2016	192.86	390.81
PLATINUM TRUST AUG 2016 TRANCHE II	709.05	1,023.72
PLATINUM TRUST SEP 2016	294.95	849.33
PLATINUM TRUST SEP 2016 TRANCHE II	753.66	1,084.95
PLATINUM TRUST NOV 2016	820.52	1,103.76
PLATINUM TRUST DEC 2016	523.28	688.22
PLATINUM TRUST DEC 2016 TRANCHE II	284.20	665.78
PLATINUM TRUST JAN 2017	425.45	916.91
PLATINUM TRUST FEB 2017	1,101.08	1,918.97
PLATINUM TRUST FEB2017 TRANCHE -II	1,047.77	1,445.39
PLATINUM TRUST FEB 2017 TRANCHE -III	621.40	1,231.92
PLATINUM TRUST MAR 2017	871.76	1,160.29
PLATINUM TRUST MAR 2017 TRANCHE-II	983.97	1,550.38
PLATINUM TRUST MAR 2017 TRANCHE-III	964.40	1,597.03

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
PLATINUM TRUST MAR 2017 TRANCHE -IV	785.61	1,258.78
PLATINUM TRUST JUN 2017	1,145.88	-
PLATINUM TRUST JUN 2017 TRANCHE - II	1,413.77	-
PLATINUM TRUST JUN 2017 TRANCHE - III	1,740.63	-
PLATINUM TRUST NOV 2017	1,553.57	-
PLATINUM TRUST DEC 2017	3,281.11	-
PLATINUM TRUST DEC 2017 TRANCHE - II	1,910.86	-
PLATINUM TRUST FEB2018	1,605.38	-
PLATINUM TRUST FEB2018 TRANCHE II	1,571.27	-
	24,602.43	16,886.24
Amount disclosed under Current Investments	(8,071.98)	(4,610.21)
Total (e)	**16,530.45**	**12,276.03**
Total Non-current Investments (a + b + c + d + e)	**17,515.94**	**13,436.36**
Aggregate Value of Quoted Investments - At cost	638.29	638.29
Market value of Quoted Investments	1,681.58	1,603.91
Aggregate Value of Unquoted Investments - At Cost	17,515.94	13,436.36
Aggregate provision for diminution in the value of investments	129.04	-
Value of Investment property	3.96	4.05

All Investments represented above are made in India.

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE 11 DEFERRED TAX ASSETS (Net)		
Deferred Tax Assets		
Provision for Standard Assets	5,071.26	3,766.72
Provision for Non-Performing Assets	15,744.03	15,544.53
Provision for Repossessed Automobile assets	1,011.08	1,141.31
Provision for Contingent Service Tax	276.89	274.22
Income Derecognised on Non-Performing Assets	7,467.39	7,273.98
Provision for Contingencies	1,064.19	1,020.08
Unrealised Excess Interest Spread on Assignment/Securitisation	2,488.81	2,246.12
Provision for compensated absences and gratuity	885.12	892.77
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961	753.96	479.11
Others	287.63	245.47
(A)	**35,050.36**	**32,884.31**
Deferred Tax Liability		
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	44.24	3.75
Unamortised Prepaid Finance Charges	1,020.35	1,342.86
(B)	**1,064.59**	**1,346.61**
Net Deferred Tax Assets (A) - (B)	**33,985.77**	**31,537.70**
Deferred Tax benefit in the Statement of Profit and Loss	**2,448.07**	**3,298.88**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Non - Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE : 12 RECEIVABLES UNDER FINANCING ACTIVITY				
Secured				
Automobile Financing	16,80,737.62	12,00,399.33	9,31,896.35	7,12,764.44
Loans against Immovable Property	7,80,906.39	6,94,032.97	50,803.45	46,469.72
Construction Equipment Financing	88,236.94	41,850.12	47,597.07	23,365.86
Loans against Securities	1,584.78	1,328.87	326.94	297.27
Other Loans	428.14	643.17	214.71	191.85
Amount Retained on Assigned Assets	6,576.95	10,330.18	877.62	1,108.75
Instalments and Other Dues from Borrowers	36,270.69	42,987.50	42,955.88	35,591.11
Total (a)	25,94,741.51	19,91,572.14	10,74,672.02	8,19,789.00
Unsecured				
Loan to Automobile Dealers	510.07	547.83	25,676.41	9,746.04
Bills Discounted	2,343.13	1,322.96	11,165.98	13,127.48
Other Loans	424.06	100.92	9,635.17	4,835.00
Instalments and Other Dues from Borrowers	-	-	18.91	140.14
Total (b)	3,277.26	1,971.71	46,496.47	27,848.66
Total receivables under financing activity (a) + (b)	**25,98,018.77**	**19,93,543.85**	**11,21,168.49**	**8,47,637.66**
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	36,270.69	30,536.65		
12.4 Unsecured Instalments and Other Dues from Borrowers include amounts outstanding for more than 6 months from the due date				
Of the above:				
Considered Good	24,77,041.67	18,39,041.46	11,21,168.49	8,47,637.66
Others - Non-Performing Assets	1,20,977.10	1,54,502.39	-	-
	25,98,018.77	19,93,543.85	11,21,168.49	8,47,637.66

₹ in lakhs

Particulars	Long-Term		Short-Term	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE :13 LOANS AND ADVANCES				
Unsecured - considered good (unless otherwise stated)				
Capital Advances	515.34	546.92	-	-
Security Deposits	1,772.96	767.19	121.53	835.32
Deposits with Stock Exchanges	137.70	137.70	1,445.62	833.64
Prepaid expenses	24.40	47.27	1,155.92	776.46
Service tax input credit	157.82	192.74	-	300.21
Advance tax (net of provision for tax)	16,081.47	10,460.52	-	-
MAT Credit entitlement (net)	363.32	235.84	-	-
Other advances	1.45	1.45	2,430.31	2,248.91
	19,054.46	**12,389.63**	**5,153.38**	**4,994.54**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Non - Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE : 14 OTHER ASSETS				
Unsecured - considered good (unless otherwise stated)				
Deposit with Banks as collateral towards assets derecognised	49,413.26	48,155.44	-	-
Deposits with Banks - Free of Lien (Refer Note 17.2)	715.61	1,634.40	-	-
Prepaid Finance Charges	3,088.88	3,207.66	1,422.80	1,307.38
Reposessed Automobile assets *	-	-	1,746.30	2,202.35
Interest and Other Income Accrued but Not Due				
- on Loans to Customers	-	-	22,715.44	20,857.70
- on Deposits and Investments	-	-	295.91	224.96
Financial assets on derivative transactions	-	-	-	-
Other Accruals and receivables **	-	-	9,445.46	7,384.33
	53,217.75	**52,997.50**	**35,625.91**	**31,976.72**
* Net of Provision			2,969.83	3,334.34

** includes - ₹ 3,809.93 lakhs (March 31, 2017 - ₹ 4,426.43 lakhs) receivable from the assignees / investors on remittance of the dues towards derecognized assets referred in Note 8.

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 15 CURRENT INVESTMENTS (valued at lower of cost and fair value,unless stated otherwise - Non-Trade)		
Investments in Mutual Funds - **Unquoted**	96.00	165.00
Current Portion of Long-term Investment in Pass Through Certificates - **Unquoted**	8,071.98	4,610.21
	8,167.98	**4,775.21**

₹ in lakhs

Particulars	Long-Term		Short-Term	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
NOTE : 16 TRADE RECEIVABLES				
Secured - Considered Good	0.98	0.83	1,608.02	1,923.10
Unsecured - Considered Good	-	-	1,433.58	248.37
Unsecured - Considered Doubtful	94.52	94.51	93.22	75.51
Less: Provision for Doubtful Debts	(94.52)	(94.51)	(72.86)	(62.91)
	0.98	**0.83**	**3,061.96**	**2,184.07**
Trade Receivables outstanding for a period of more than 6 months from the due date				
Secured - Considered Good			25.43	23.81
Unsecured - Considered Doubtful			36.42	35.50

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 17 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on hand	2,525.57	3,597.55
Cheques, Drafts on hand	1,721.09	2,740.12
Balances with banks		
- In Current Accounts (Refer Note 17.1)	21,369.77	21,383.17
- In Deposit Accounts - Original maturity 3 months or less	2.20	30.00
	25,618.63	27,750.84
Other bank balances		
- In Deposit Accounts - Original maturity more than 3 months (Refer Note 14 & 17.2)	7,111.81	537.89
- In earmarked accounts		
- In Unclaimed Dividend Accounts	54.55	46.35
- In Client and Exchange related Accounts	980.53	1,153.26
- In Deposit Accounts (Under Lien) (Refer Note 17.3)	-	812.50
- Deposit with Banks as collateral towards assets derecognised	60,460.73	67,222.61
- Amount disclosed under Non current bank balances	(49,413.26)	(48,155.44)
	11,047.47	19,067.17
- Public deposit Escrow Account	-	0.29
- Other Deposit Account	7.56	7.56
	44,820.55	**49,375.86**

Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 (Cash Flow Statements) is ₹ 25,618.63 lakhs (March 31, 2017 - ₹ 27,750.84 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 ₹ 3,365.05 lakhs (March 31, 2017 - ₹ 2,027.49 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 Nil (March 31, 2017 - ₹ 812.50 lakhs) held as lien for bank guarantees issued to stock exchanges.

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 18 REVENUE FROM OPERATIONS		
Income from Operations		
(a) Income from Financing Activities		
i) Interest		
- Automobile Financing	3,39,977.42	2,94,676.90
- Loans against Immovable Property	91,454.63	94,596.43
- Construction Equipment Financing	11,060.63	5,865.58
- Loans against Securities	296.43	324.32
- Loans to Automobile dealers	424.61	1,120.07
- Bills Discounting	1,567.01	1,643.59
- Other Loans	1,557.20	993.96
- Interest spread on assignment/securitisation	31,084.32	21,028.26

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 18 REVENUE FROM OPERATIONS (Contd.)		
ii) Other Operating Revenue		
- Automobile Financing	43,555.44	30,934.40
- Loans against Immovable Property	7,735.66	6,321.05
- Construction Equipment Financing	612.21	367.37
- Other Loans	250.70	298.32
(b) Stock broking, Depository Operations and Allied Services	1,889.90	1,427.40
(c) Retail Distribution Operations - Commission	668.06	657.30
(d) Freight Income	5,011.44	1,069.95
(e) Interest Income		
- Deposits placed as collateral towards assets derecognised	4,950.46	4,939.85
- Other Deposits	76.45	168.63
- Long Term Investment - Pass Through Certificates	1,388.61	173.25
Total (A)	**5,43,561.18**	**4,66,606.63**
Other Operating Income		
(f) Profit on sale of current investments	1,098.08	1,474.85
(g) Servicing and Collection fee on Securitisation / Assignment	1,321.99	1,191.42
(h) Advertising Income	3,948.13	-
(i) Others	134.52	74.66
Total (B)	**6,502.72**	**2,740.93**
Total (A+B)	**5,50,063.90**	**4,69,347.56**

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 19 OTHER INCOME		
Dividend Income from long-term investments	18.45	10.46
Rent	26.23	18.24
Miscellaneous Income	17.86	307.89
	62.54	**336.59**
19.1) Miscellaneous Income includes: Liability no longer required written back	-	12.16

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 20 FINANCE COSTS		
Interest Expense		
- Debentures	1,34,152.08	1,03,051.55
- Bank Loans	71,065.68	91,160.12
- Other Loans	-	0.49
- Commercial Papers	21,514.69	24,937.03
Others		
- Amortisation of ancillary borrowing costs	2,341.14	2,642.05
- Bank charges	1,447.12	1,001.15
	2,30,520.71	**2,22,792.39**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 21 EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus and Commission (Refer Note 28 b)	49,033.62	36,613.30
Contribution to Provident and Other Funds		
Employees' Provident Fund	1,885.14	1,461.75
Superannuation Fund	207.65	186.77
Gratuity Expense (Refer Note 28 a)	581.11	1,348.42
Staff Welfare Expenses	2,450.95	1,798.95
	54,158.47	**41,409.19**

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 22 OTHER EXPENSES		
Rent (Refer Note 22.1 & 22.2)	4,892.93	3,728.52
Electricity Charges	1,131.30	928.75
Rates and Taxes (Refer Note 22.3)	2,455.73	6,854.37
Communication Cost	2,341.38	2,094.93
Traveling and Conveyance	6,320.08	4,254.16
Advertisement Expenses	863.28	774.77
Business Development Expenses	43.05	31.00
Insurance	932.29	656.49
Repairs and Maintenance		
- Buildings	3.60	13.71
- Others	223.39	223.43
Printing and Stationery	1,133.93	957.35
Information Technology Expenses	3,065.01	2,209.17
Auditors' Remuneration (Refer Note 27)	121.49	106.19
Professional Charges	3,656.04	2,856.18
Loss on Sale of Fixed Assets (Net)	6.19	-
Commission to Directors	27.82	52.50
Sitting Fees to Directors	20.29	28.05
Recovery Charges	16,730.45	12,534.11
Corporate Social Responsibility Expenditure (Refer Note 22.4)	1,768.96	1,397.54
Management Fee	-	-
Freight charges	4,753.22	987.73
Miscellaneous Expenses	236.31	453.78
	50,726.74	41,142.73
Less : Expenses Recovered	(235.82)	(77.72)
	50,490.92	**41,065.01**
22.1 Lease equalisation charge included in Rent	267.62	89.87
22.2 Cancellable operating lease entered for office space included in Rent	4,625.31	3,638.65
22.3 Rates and Taxes include -		
Service Tax	1,068.99	2,882.01
Value added tax	191.15	3,144.99
22.4 Amount qualifying as CSR exepnse u/s 135 (5) of Companies Act , 2013	1,768.96	1,397.54

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 23 PROVISIONS AND LOAN LOSSES		
Loss Assets Written Off (Net)	9,688.12	5,853.88
Provision/Loss on Repossessed Assets(Net)	17,109.59	20,263.75
Provision for Non-Performing Assets (Refer Note 2 a & 32)	29,669.65	28,465.92
Provision Released for Non-Performing Assets on recovery/write off (Refer Note 32)	(25,262.88)	(19,708.93)
Total	31,204.48	34,874.62
(Reversal)/Provision for Standard Assets (Net) (Refer Note 32)	3,624.87	(3,311.28)
Provision for other doubtful debts and advances	17.00	30.07
Loss on sale of shares held as stock in trade (Net)	1.13	2.00
Provision for Dimunition in value of Investment	129.04	-
	34,976.52	**31,595.41**

NOTE : 24 a) Share application money pending allotment as at March 31, 2017 represents amount received towards 10,261 equity shares of the Company pursuant to ESOP scheme and have been subsequently alloted.

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 24 b) EARNINGS PER SHARE		
Profit After Tax (₹ in lakhs)	**97,542.37**	**71,942.96**
Less: Preference Dividend (including tax thereon) (₹ in lakhs)	-	-
Profit After Tax Attributable to Equity Shareholders (₹ in lakhs)	**97,542.37**	**71,942.96**
Weighted Average Number of Equity Shares (Basic)	15,62,99,308	15,62,24,388
Add: Dilutive effect relating to ESOP/CCPS	1,54,853	64,382
Weighted Average Number of Equity Shares (Diluted)	15,64,54,161	15,62,88,770
Earnings per Share - Basic (₹)	**62.41**	**46.05**
Earnings per Share - Diluted (₹)	**62.35**	**46.03**
Face Value Per Share (₹)	10	10

Note:

Earnings per Share calculations are done in accordance with Accounting Standard 20 "Earnings per Share".

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
NOTE : 25 ASSETS DE-RECOGNISED		
a) On Securitisation		
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions	31	30
Outstanding securitised Assets in books of SPV	5,82,310.57	5,48,230.24
Less: Collections not yet due to be remitted to SPV*	25,988.32	24,846.33
Outstanding securitised Assets as per books	5,56,322.25	5,23,383.91
Total amount of exposure to comply with Minimum Retention Ratio (MRR)		
a) Off Balance Sheet Exposure		
• First Loss		
• Others	35,578.97	28,553.77
b) On Balance Sheet Exposure		
• First Loss – Cash collateral	59,648.23	67,222.61
• Others		
i) Second Loss – Cash Collateral		
ii) Investment in PTC	24,602.43	16,886.24
Amount of Exposures to Securitisation transactions Other than MRR	Nil	Nil
Book value of Assets sold	10,22,845.54	8,78,067.48

* Excludes interest collected from customers on securitised assets.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

b) On Bilateral assignment

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Number of Assignment Transactions	3	3
Outstanding Assigned Assets in books of Assignee	69,045.00	1,06,326.68
Less: Collections not yet due to be remitted to Assignee#	1,953.83	3,376.32
Outstanding Assigned Assets as per books	67,091.16	1,02,950.36
Total amount of exposure		
a) Off Balance Sheet Exposure	-	-
• First Loss	-	-
• Others		
b) On Balance Sheet Exposure		
• First Loss – Cash Collateral		
• Others	7,454.57	11,438.93
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 31.03.2018	As at 31.03.2017
NOTE : 26 DETAILS OF OUTSTANDING DERIVATIVES		
(i) Outstanding Derivatives: (Notional principal amount)		
For hedging (Currency & Interest rate derivatives)	3,01,500.00	2,37,400.00
(ii) Marked to Market positions – Asset / (Liability)	(7,055.77)	(10,102.59)
(iii) Foreign currency exposure not hedged by derivative instrument or otherwise	-	-

Cross Currency Interest rate swaps - Hedge against exposure to variable interest outflow on foreign currency loans.

₹ in lakhs

Particulars	Year ended 31.03.2018 Current auditor	Year ended 31.03.2018 Previous auditor	Year ended 31.03.2017
NOTE : 27 AUDITORS' REMUNERATION			
Statutory Audit	48.10	-	48.10
Interim Audit & Limited Review	13.50	4.50	22.60
Tax Audit	1.35	4.00	5.35
Other Services	35.85*	8.8	28.35
Reimbursement of Expenses(incl. input tax credit expensed)	4.48	0.91	1.79
Total	**103.28**	**18.21**	**106.19**

* Represents professional charges in connection with establishment of Medium Term Note programme in Singapore Stock Exchange - SGX.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
NOTE : 28 a) GRATUITY		
Details of Actuarial Valuation:		
Projected Benefit Obligation at the Beginning of the year	2,594.89	1,324.24
Current Service Cost	579.83	354.03
Interest Cost	178.88	105.84
Actuarial Losses	24.92	995.65
Adjustments	(14.29)	-
Benefits Paid	(212.36)	(184.87)
Projected Benefit Obligation at the end of the year	**3,151.87**	**2,594.89**
Change in Plan Assets		
Fair Value of Plan Assets at the Beginning of the year	1,497.75	1,151.29
Expected Returns on Plan Assets	112.26	92.04
Actuarial Losses	90.26	15.06
Employer's Contribution	2,006.59	424.23
Benefits Paid	(212.36)	(184.87)
Adjustments	(14.81)	-
Fair Value of Plan Assets at the end of the year	**3,479.69**	**1,497.75**
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets at the End of the year	3,479.69	1,497.75
Liability at the End of the year	3,151.87	2,594.89
Amount Recognised in the Balance Sheet under	**327.82**	**(1,097.14)**
Note 13- Loans and Advances/Note 8 – Other Current Liabilities		
Cost of the Defined Benefit Plan for the year		
Current Service Cost	579.83	354.03
Interest on Obligation	178.88	105.84
Expected Return on Plan Assets	(112.26)	(92.04)
Net Actuarial Losses Recognized in the year	(65.34)	980.59
Net Cost Recognised in the Statement of Profit and Loss	**581.11**	**1,348.42**
Note 21 - Employee benefits expenses		
Assumptions		
Discount Rate	6.90% p.a.	6.90% p.a.
Future Salary Increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior Management	13%/17%/33% p.a.	13%/17%/33% p.a.
- Middle Management	13%/17%/33% p.a.	13%/17%/33% p.a.
- Others	13%/17%/33% p.a.	13%/17%/33% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate

Other Disclosures:

₹ in lakhs

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Projected Benefit Obligation	3,151.87	2,594.89	1,324.24	1,065.86	840.08
Fair Value of Plan Assets	3,479.69	1,497.75	1,151.29	861.70	831.73
Surplus/(Deficit)	**327.82**	**(1,097.14)**	**(172.95)**	**(204.16)**	**(8.35)**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

₹ in lakhs

Experience Adjustments (Refer Note 2 below)	2017-18	2016-17	2015-16
Actuarial Loss on Obligations	24.92	995.65	292.29
Actuarial (Gain)/Loss on Plan Assets	90.26	15.06	(4.13)

Notes:

1. The entire plan assets are managed by LIC and the data on plan assets as on March 31, 2018 and 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, 2018 as estimated by the management is ₹ 230.69 lakhs (March 31, 2017 – ₹ 1,962.28 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 31.03.2018	Year ended 31.03.2017
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	**1,530.81**	**1,232.20**
Current Service Cost	1,103.33	261.92
Interest Cost	104.37	98.02
Actuarial Losses	50.82	94.31
Benefits Paid	(219.37)	(155.64)
Projected Benefit Obligation at the end of the year under Note 7- Provisions	**2,569.96**	**1,530.81**
Cost of the Defined Benefit Plan for the year		
Current Service Cost	1,103.33	261.92
Interest on Obligation	104.37	98.02
Actuarial Losses Recognised in the year	50.82	94.31
Net cost recognised in the Statement of Profit and Loss	**1,258.52**	**454.25**
Note 21- Employee benefits expenses		
Assumptions		
Discount Rate	6.90% p.a.	6.90% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior Management	13%/17%/33% p.a.	13%/17%/33% p.a.
- Middle Management	13%/17%/33% p.a.	13%/17%/33% p.a.
- Others	13%/17%/33% p.a.	13%/17%/33% 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)	2017-18	2016-17	2015-16
Actuarial Loss on Obligations	50.82	94.31	57.33

Notes:

1. The Group has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2018.
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, 2018

NOTE : 29 SEGMENTAL REPORTING

The Management has identified the following reportable segments:

₹ in lakhs

	Financing		Others (*)		Eliminations		Consolidated Total	
	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017
REVENUE								
External Revenue	5,42,325.55	4,65,926.46	7,738.35	3,421.11	-	-	5,50,063.90	4,69,347.57
Inter-segment Revenue	207.37	28.83	283.42	301.39	(490.79)	(330.22)	-	-
Total Revenue	**5,42,532.92**	**4,65,955.29**	**8,021.77**	**3,722.50**	**(490.79)**	**(330.22)**	**5,50,063.90**	**4,69,347.57**
RESULT								
Segment Result	1,47,840.25	1,09,978.21	473.54	428.57	-	-	1,48,313.79	1,10,406.78
Other Income	-	-	-	-	-	-	62.54	336.42
Net Profit Before Tax	-	-	-	-	-	-	1,48,376.33	1,10,743.20
Other Information								
Segment Assets	38,92,317.27	30,09,338.65	12,306.64	6,224.25	-	-	39,04,623.91	30,15,562.90
Unallocated Corporate Assets	-	-	-	-	-	-	52,212.94	44,260.27
Total Assets	**38,92,317.27**	**30,09,338.65**	**12,306.64**	**6,224.25**	**-**	**-**	**39,56,836.85**	**30,59,823.17**
Segment Liabilities	34,35,431.62	26,27,137.48	4,915.82	2,694.68	-	-	34,40,347.44	26,29,832.16
Unallocated Corporate Liabilities	-	-	-	-	-	-	38.21	199.87
Total Liabilities	**34,35,431.62**	**26,27,137.48**	**4,915.82**	**2,694.68**	**-**	**-**	**34,40,385.65**	**26,30,032.03**
Capital Expenditure	7,117.59	5,650.77	163.98	161.44	-	-	7,281.57	5,812.21
Depreciation and amortisation	4,967.95	3,811.34	117.76	90.27	-	-	5,085.71	3,901.61
Other Non Cash Expenditure	35,643.60	32,326.45	5.73	(185.88)	449.29	-	36,098.62	32,140.57

(*) Consists of Distribution, Stock Broking and Freight Data Solutions business.

NOTE : 30 RELATED PARTY DISCLOSURES

List of Related Parties (As per AS-18):

- **Entity having significant influence over the Company :** TI Financial Holdings Limited(formerly known as Tube Investments of India Limited)
- **Key Managerial Personnel :** Mr. Vellayan Subbiah, Managing Director (upto August 18, 2017) and Mr. N. Srinivasan, Executive Vice Chairman & Managing Director (from August 19, 2017); Mr. Arun Alagappan, Executive Director (from August 19, 2017)

Additional related parties as per Companies Act, 2013:

- Mr. D. Arulselvan, 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, 2018

NOTE : 30 RELATED PARTY DISCLOSURES (Contd.)

₹ in lakhs

Nature of Transaction	Year ended 31.03.2018	Year ended 31.03.2017
a) TI Financial Holdings Limited (formerly known as Tube Investments of India Limited)		
Dividend Payments		
- Equity shares	3,250.49	3,972.81
Rent (including hiring) receipts	-	13.91
Expenses - Reimbursed	44.92	-
Receipts for services rendered	-	171.46
Net Amount Receivable/(Due) as at period/year end		
Rental deposit	-	(0.90)
Others	-	53.98
	Year ended 31.03.2018	**Year ended 31.03.2017**
b) Key Managerial Personnel		
Vellayan Subbiah - Managing Director (upto August 18, 2017)		
Remuneration	171.20	402.53
Dividend Payments	4.91	13.50
N Srinivasan - Managing Director (from August 19, 2017)		
Remuneration	253.12	Not applicable
Dividend Payments	1.12	Not applicable
Arun Alagappan - Executive Director (from August 19, 2017)		
Remuneration	197.30	Not applicable
Dividend Payments	8.55	Not applicable
D Arul Selvan - Chief Financial Officer		
Remuneration	105.57	105.57
Dividend Payments	0.88	0.88
Rental payments	2.40	2.40
P Sujatha - Company Secretary		
Remuneration	93.77	93.77
Dividend Payments	1.12	1.12
Rental Payments	2.40	2.40

NOTE : 31 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Second loss credit enhancement facility towards securitisation transactions:

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Counter Guarantees provided to Banks	35,578.97	28,553.77

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE : 31 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

(b) Contested Claims Not Provided for:

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Income tax and Interest on Tax issues where the Group is in appeal	15,576.82	30,849.56
Decided in the Group favour by Appellate Authorities and for which the Department is in further appeal with respect to Income Tax	12.99	12.99
Service Tax issues pending in respect of which the Group is under appeal	13,770.47	13,761.92
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)	4,992.06	2,843.31
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	1,625.00	1,625.00
Bank Guarantees provided to customers	60.00	-
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)	8,061.86	6,293.80

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.

(c) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid) - ₹ 435.29 lakhs (March 31, 2017 - ₹ 997.26 lakhs)

NOTE : 32 CHANGES IN PROVISIONS

Particulars	As at 31.03.2017	Additional Provision	Utilisation/ Reversal	As at 31.03.2018
Provision for Standard Assets (Refer Note 2 a)	10,883.96	3,628.58	-	14,512.54
Provision for Non-Performing Assets (Refer Note 2 a)	51,159.23	29,669.65	25,262.88	55,566.00
Contingent Service Tax Claims	729.37	-	-	729.37
Provision for Claw back Commission	6.74	13.40	20.14	-
Provision for Contingencies	2,947.54	-	-	2,947.54

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

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 & 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	765,900	1,30,168	6,35,732	-	-
	CAA *	25-01-08	178.70	-	54,433	10,096	44,337	-	-
2	Original	24-10-07	149.90	24-10-08	70,400	-	70,400	-	-
3	Original	25-01-08	262.20	25-01-09	162,800	29,162	133,638	-	-
4	Original	25-04-08	191.80	25-04-09	468,740	1,57,785	310,955	300	-
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	294,600	2,31,162	63,438	15,625	-
Tr II	Original	27-01-11	187.60	27-01-12	209,700	1,63,155	40,569	5,976	-
8	Original	30-04-11	162.55	30-04-12	113,400	67,203	46,197	14,357	-
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	195,680	1,45,192	50,488	8,036	-

* 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	20,167	28,180	88,397	522,653
2	Original	30-01-18	1,309.70	30-01-18	55,920	-	-	-	55,920
3	Original	30-01-18	1,309.70	30-01-18	26,940	-	-	-	26,940

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, 2018

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%	4 years	59.50%	10%	187.60	94.82
- Tranche II	8%	3.4 years	61.63%	10%	187.60	90.62
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, 2018 is ₹ Nil (March 31, 2017 - ₹ Nil)

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2018

NOTE : 33 EMPLOYEE STOCK OPTION PLAN (Contd.)

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	401.29
30-01-18	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	496.82
30-01-18	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	531.84

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. Previous year's figures have been audited by predecessor auditor.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.**101049W/E300004**

per **Subramanian Suresh**
Partner
Membership No: 083673

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

M.B.N. Rao
Chairman

Date : April 23, 2018
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

N. Srinivasan
Executive Vice Chairman & 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

Name of the subsidiary	Cholamandalam Distribution Services Limited	Cholamandalam Securities Limited	White Data Systems India Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2018	March 31, 2018	March 31, 2018
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	4,240.00	2,250.00	202.52
Reserves & surplus	1,451.83	111.33	(99.27)
Total assets	5,745.18	5,702.08	2,553.74
Total Liabilities	53.34	3,340.75	2,450.49
Investments	911.05	138.19	26.00
Turnover	1,150.56	1,968.37	5,033.11
Profit/(Loss) before taxation	677.85	354.11	(433.46)
Provision for taxation	173.16	(99.78)	(3.46)
Profit/(Loss) after taxation	504.69	453.89	(436.92)
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	
Latest audited Balance Sheet Date	**Not applicable**
Shares of Associate/Joint Ventures held by the company on the year end	
No.	
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 23, 2018
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

N. Srinivasan
Executive Vice Chairman & Managing Director

Notes

AWARDS & ACCOLADES



Mahindra Transport Excellence Awards 2016

Commercial Vehicle Financier of the year 2016
National Winner – Alternate Thinking
Chola has won the award second year in a row.



Chola selected as "Company with Great Managers - 2017"

By People Business Group & The Times Group.
Mr. Ravindra Kundu & Mr. Chandrasekar R
from Chola have also been awarded as Great Managers.



Top Equity Broker (Non-Algo) Tamil Nadu
Top Equity Dealer – Tamil Nadu

Chola Securities has been awarded by
the Bombay Stock Exchange (BSE)



Chola recognized as one of the Top 26 Innovative Organizations in India

CII Innovation Awards 2017



Chola wins The Star Award

In the Service Industry Category for
"The HE Vault Management Kaizen" Entry
At the 12th edition of CII Southern Region Kaizen Competition 2017



Best Corporate Award
(Medium Companies Category)

At 2nd ICSI CSR Excellence Awards



National Award for Excellence in CSR

World Federation of
CSR Professionals



Golden Tigers Award for CSR Excellence

CSR World Congress



Listed in the ASSOCHAM 9th Global and CSR Sustainability Compendium-16-17

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Dare House, No. 2, N.S.C Bose Road, Parrys, Chennai - 600 001.
Phone : 044 3000 7172; Fax : 044 2534 6464
E-mail : customercare@chola.murugappa.com
Website: www.cholamandalam.com

murugappa