INDIA

TI Financial Holdings Limited
(Formerly known as Tube Investments of India Limited)
Dare House, 234, N.S.C. Bose Road, Chennai 600 001, India
Tel: 91.44.4217 7770-5 Fax: 91.44.4211 0404
Website: www.tifhl.com CIN:L65100TN1949PLC002905

August 13, 2018

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

BSE Limited
1st Floor
New Trading Ring, Rotunda Building
P J Towers, Dalal Street
Fort, Mumbai 400 001

Dear Sirs,

Sub : Submission of Annual Report for FY 2017-18

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report of the Company for the financial year 2017-18.

Kindly take the same on record.

Thanking you,

Yours faithfully,
for TI FINANCIAL HOLDINGS LIMITED
(Formerly Tube Investments of India Ltd)

E KRITHIKA
COMPANY SECRETARY

Encl : As above

murugappa

TI FINANCIAL HOLDINGS LIMITED

(formerly, Tube Investments of India Limited)

(CIN: L65100TN1949PLC002905)
Registered Office: "Dare House", 234 N S C Bose Road, Chennai 600 001
Website: www.tifhl.com E-mail ID: investorservices@tifhl.murugappa.com
Phone: 044-42177770-5 Fax: 044-42110404

NOTICE TO MEMBERS

NOTICE is hereby given that the SIXTY-NINTH ANNUAL GENERAL MEETING (AGM) of the members of TI Financial Holdings Limited will be held at **3.00 PM** on **Tuesday, the 31st July, 2018** at T T K Auditorium, The Music Academy, No. 168 (Old no.306), T T K Road, 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 March 31, 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 60% approved by the Board of Directors on February 5, 2018 on the equity shares of Re. 1/- each of the company for the year ended March 31, 2018 and paid to those equity shareholders whose names appeared in the register of members as on February 19, 2018 being the record date fixed for this purpose, be and is hereby confirmed.

   RESOLVED FURTHER THAT a final dividend of 65% as recommended by the Board of Directors, be and is hereby declared on the equity shares of ₹ 1/- each of the company for the year ended March 31, 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 July 31, 2018 and in case of beneficial holders whose shares are held in dematerialised form as on July 31, 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 Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants (Firm registration no.101049W/E300004) as the Statutory Auditors of the Company, to hold office from the conclusion of this (69th) Annual General Meeting until the conclusion of the 71st Annual General Meeting of the Company on a remuneration of ₹ 7.40 lakhs for the financial year, 2018-19 plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them in connection with the said audit and that the Board may decide the remuneration payable to the Statutory Auditors for the subsequent year based on the recommendation of the Audit Committee.

SPECIAL BUSINESS

Certified True Copy

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

   RESOLVED THAT pursuant to Sections 152, 161 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and

For T I FINANICAL HOLDINGS LIMITED

E. Krithika
Company Secretary

Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. M M Murugappan (holding DIN 00170478), who was appointed as an additional director on November 11, 2017 by the Board pursuant to Section 161(1) of the Act and holds office up to the date of this Annual General Meeting be and is hereby appointed as a director liable to retire by rotation.

By Order of the Board

Place : Chennai
Date : May 10, 2018

E Krithika
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 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 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 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 Wednesday, July 25, 2018 to Tuesday, July 31, 2018 (both days inclusive).
8. The final dividend of ₹ 0.65 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 July 31, 2018. Members are encouraged to utilise the electronic clearing service (ECS) for receiving dividends by registering their bank mandates.
9. At the 66th AGM held on August 10, 2015, M/s. S R Batliboi & Associates LLP, Chartered Accountants were appointed as statutory auditors of the company from the conclusion of the 66th AGM till the conclusion of the 71st AGM subject to ratification of such appointment by the members at every AGM. Pursuant to the recent amendment to the Act, the requirement of ratification of statutory auditors appointment at every AGM is no more required. Therefore ratification of appointment of M/s. S R Batliboi & Associates as statutory auditors till the conclusion of 71st 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 Limited, 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.
12. All dividends, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment and the underlying shares have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members wishing to claim dividends lying in the unpaid dividend account of the

Company, are advised to write to the Company's RTA immediately. Members attention is drawn to the "General Shareholders Information" section of the annual report in respect of unclaimed / unpaid dividend. Further, pursuant to the provisions of section 124 of the Act, the details of unpaid and unclaimed dividend amounts lying with the company as on September 25, 2017 (date of last AGM) have been uploaded on the company's website, www.tifhl.com.

13. SEBI has mandated the submission of 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 DPs. Members holding shares in physical form are required to submit their details to the RTA.

14. 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 dematerialized form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to RTA.

15. Copies of the annual report for 2018, notice of the 69th 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.

16. Members may also note that the notice of the 69th AGM and the annual report for 2018 will also be available on the company's website, www.tifhl.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: investorservices@tifhl.murugappa.com.

By Order of the Board

Place : Chennai
Date : May 10, 2018

E Krithika
Company Secretary

ANNEXURE TO THE NOTICE

A. Details of the Director seeking re-appointment at the 69th Annual General Meeting vide Item no. 3

[Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Item No.3

Mr. N. Srinivasan (DIN 00123338) aged 60 years, has been a director of the company since January, 2007. He is liable to retire by rotation at this AGM and being eligible has offered himself for re-appointment.

Profile of Mr. Srinivasan is provided in the Annual Report. He is a member of the Audit Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Board.

Details of his qualification, experience and other information pursuant to Regulation 36 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished under section C of the notice for consideration of members.

Memorandum of Interest

Except Mr. N Srinivasan, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution relating to his re-appointment as Director of the Company.

B. Explanatory Statement in respect of the Special Business under Item no. 5

[Pursuant to Section 102 of the Companies Act, 2013]

Item No.5

Mr. M M Murugappan (DIN: 00170478) aged 62 years, was appointed as an Additional Director by the Board on November 11, 2017 pursuant to Section 161(1) of the Companies Act, 2013 and holds office upto the date of this AGM. The Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature as a director.

Mr. M M Murugappan, Executive Chairman - Murugappa Group, has played pivotal role in developing businesses falling under the Engineering sector of the Murugappa Group i.e. Tube Investments of India Ltd. and Carborundum Universal Ltd. His profile is provided in the annual report.

Mr. Murugappan is a member of the Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Board. Details of his qualification, experience and other information pursuant to Regulation 36 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished under section C of the notice for consideration of members.

The Board considers that his association would be beneficial to the Company and recommends the appointment of Mr. Murugappan as a Director liable to retire by rotation for approval of the members.

Memorandum of Interest

Except Mr. Murugappan, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution relating to his appointment as Director of the Company.

C. 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. M M Murugappan
DIN	00123338	00170478
Date of Birth	6th October 1957	12th November 1955
Date of Appointment (Initial appointment)	29th January 2007	11th November, 2017 Had served as a non-executive director from March 2002 till July 2017.
Qualification	Graduate in Commerce, Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.	Degree in Bachelor of Technology in Chemical Engineering from University of Madras and a Master of Science Degree in Chemical Engineering from University of Michigan, USA.
Expertise in specific functional areas	Has 34 years of experience in the areas of corporate finance, legal, projects and general management.	Has 40 years of experience in diverse areas of technology, R&D strategy & business development and human resources.
Number of meetings of the board attended during the year	Refer corporate governance report.	Refer corporate governance report.
Directorships in other companies (including foreign companies)	1. Cholamandalam Investment and Finance Company Limited (CIFCL) 2. Cholamandalam MS General Insurance Company Limited (Chola MS) 3. Cholamandalam MS Risk Services Limited 4. Cholamandalam Health Insurance Limited 5. White Data Systems India Private Limited	1. Tube Investments of India Limited (TII) 2. Cholamandalam MS General Insurance Company Limited (Chola MS) 3. Wendt India Limited (Wendt) 4. Carborundum Universal Limited (CUMI) 5. Cholamandalam Health Insurance Limited 6. Mahindra & Mahindra Limited (M&M) 7. Cyient Limited (Cyient) 8. Coromandel International Limited (CIL) 9. Ambadi Investments Limited (AIL)

		10. Murugappa Organo Water Solutions Private Limited 11. M M Muthiah Research Foundation 12. IIT Madras Research Park 13. Idea Lab (India) Private Limited 14. Volzhsky Abrasive Works
Memberships in Board committees of other companies	**Chairman** 1. Investment Committee - Chola MS 2. Business Committee - Chola MS **Member** 1. Audit Committee - Chola MS 2. Stakeholders Relationship Committee - CIFCL 3. Nomination & Remuneration Committee - Chola MS 4. Corporate Social Responsibility Committee - CIFCL 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 - Cyient 2. Stakeholders Relationship Committee - TII, CUMI, Wendt 3. Governance Nomination & Remuneration Committee - M&M 4. Corporate Social Responsibility Committee - Chola MS 5. Risk Management Committee - Cyient 6. Management Committee - Chola MS 7. Shares and Debentures Committee - TII 8. R&D Committee - M&M 9. Loans Committee - TII **Member** 1. Audit Committee - M&M, AIL 2. Stakeholders Relationship Committee - AIL 3. Nomination & Remuneration Committee - TII, Cyient 4. Risk Management Committee - Chola MS, M&M 5. Investment Committee - CUMI, Chola MS 6. Business Committee - Chola MS 7. Corporate Social Responsibility Committee - AIL 8. Borrowing Committee - AIL
No. of shares held in the Company	69467 equity shares of ₹ 1/- each.	1730535 equity shares of ₹ 1/- each.
Inter-se relationship with any other directors or KMP of the company	Nil	Nil
Details of remuneration	Refer corporate governance report.	Refer corporate governance report.

By Order of the Board

Place : Chennai
Date : May 10, 2018

E Krithika
Company Secretary

INSTRUCTIONS FOR ELECTRONIC VOTING [E-VOTING]

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 69th annual general meeting (AGM) scheduled to be held on Tuesday, the July 31, 2018 at 3.00 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 Tuesday, July 24, 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. July 24, 2018.

The remote e-voting facility begins on Thursday, the July 26, 2018 (9:00 a.m. Indian Standard Time) and ends on Monday, July 30, 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 July 24, 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-3848 (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 TI Financial Holdings 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 "TIFHL - 69th 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-3848 (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 July 24, 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 July 24, 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.

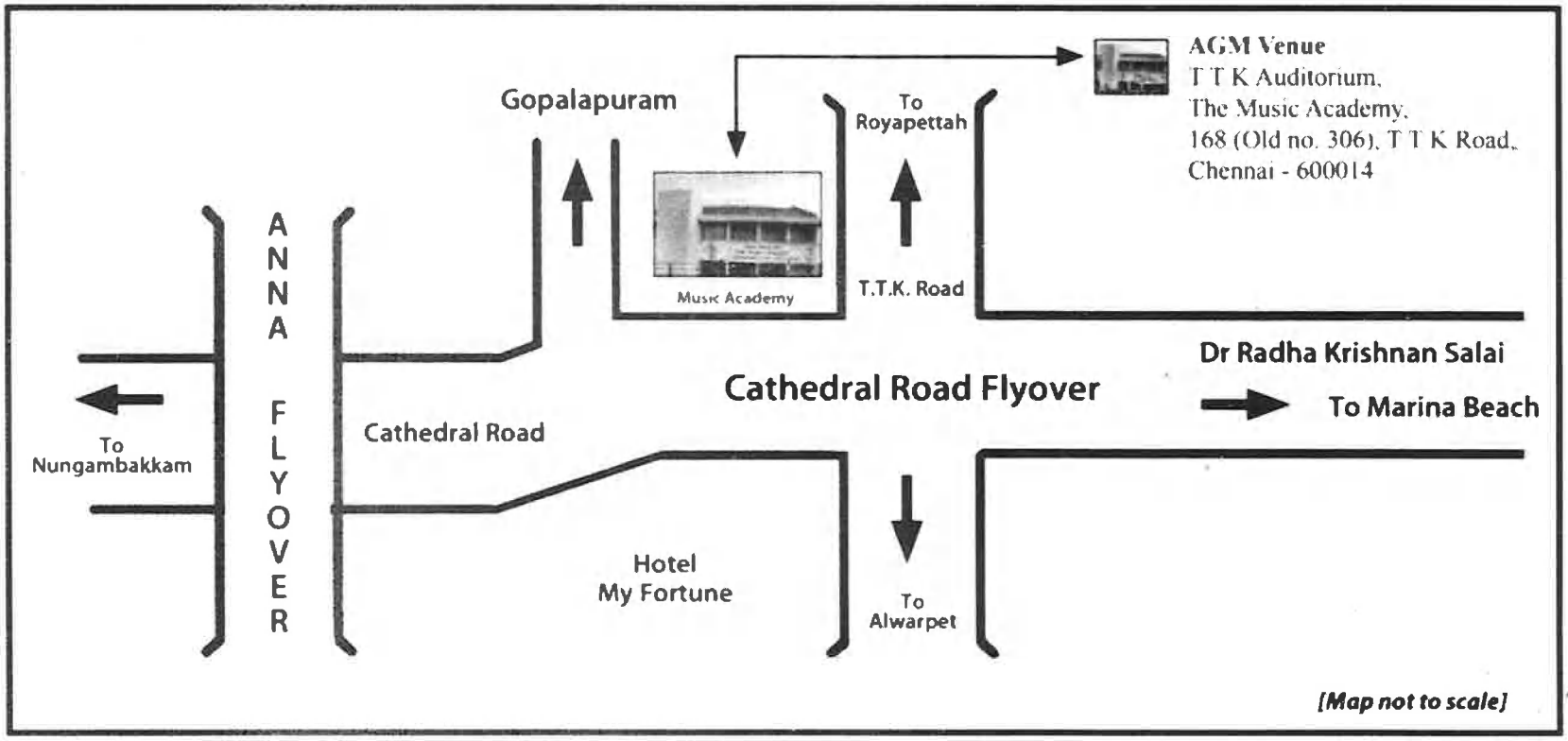
(v) Members who have cast their votes through remote e-voting may also attend the AGM. However, those members are not entitled to cast their vote again in the AGM.

(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 August 1, 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.tifhl.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



TI Financial Holdings Limited

Annual Report 2017 - 18

INDIA



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For T I FINANICAL HOLDINGS LIMITED

E. Krithika
Company Secretary



TI Financial Holdings Limited

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Cautionary Statement:

Certain expectations and projections regarding the future performance of the Company referenced in the Annual Report constitute forward-looking statements. These expectations and projections are based on currently available competitive, financial and economic data, along with the Company's operating plans and are subject to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.

Corporate Information

Board of Directors

M M Murugappan, Chairman

M B N Rao

Shubhalakshmi Panse

N Srinivasan

Manager & Chief Financial Officer

N Ganesh

Secretary

E Krithika

Auditors

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.

Registered Office

'Dare House', 234 NSC Bose Road,
Chennai 600 001, Tamil Nadu

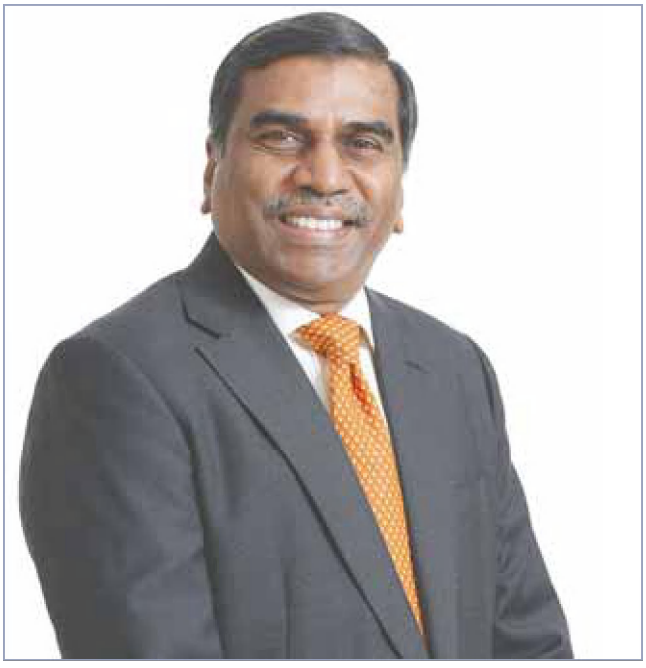
Corporate Identity Number

L65100TN1949PLC002905

Registrar & Share Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032,
Telangana
Phone : 040 67161514; Fax: 040-23420814
Toll free : 1800-345-4001
E-mail : einward.ris.karvy.com
Website : www.karvycomputershare.com

Chairman's Message



Dear Shareholders,

FY 18 was a good year for the economies across the world, including India. The world economy grew by 3.8% in 2017, highest since 2011. This growth was supported by marked improvements across Europe, Asia and US markets, as per the April edition of World Economic Outlook (WEO) of International Monetary Fund (IMF). The constraining impact of demonetization and GST rollout got reflected in the modest 6.7% growth in Indian GDP, as per the provisional estimates of Central Statistics Office. A strong 7.7% growth in the last quarter indicates that the impact of these two mega structural reforms has been considerably absorbed. IMF's growth estimates of 7.4% for FY 19 and 7.8% for FY 20 has the same view.

Steady economic growth coupled with widespread digitization and financial literacy augurs well for the financial services sector including insurance. The Insolvency and Bankruptcy Code (Amendment) Act, 2018, recapitalization of PSU banks, securities trading on International Financial Service Centres (IFSC), relaxation in NPA provisioning norms on MSME loans, introduction of IRDA guidelines on Motor Insurance Service Provider (MISP), enhanced input credit on spares & goods under GST, etc. are all aimed at further strengthening the financial services sector.

As a holding company, your company operates as an investment company primarily in the following financial service segments:

- Cholamandalam Investment and Finance Company Limited, a listed NBFC (an associate) and
- Cholamandalam MS General Insurance Company Limited, a general insurance company (a subsidiary);

Besides, it has invested in Cholamandalam MS Risk Services Limited, a Company (joint venture) engaged in risk management and environmental solutions.

Your Company's earnings consist of dividend from investments in these companies and royalty income from brand usage rights.

FY 18 is the first full year of operations of your company. Being focused towards financial services businesses, the Company provides a unique opportunity of equity participation in lending as well as insurance in India.

For FY 18, your Company delivered a net profit of ₹ 59.36 Cr. I am glad to inform you that the Board recommended a final dividend of ₹ 0.65 per equity share, subject to shareholders' approval at the forthcoming AGM, in addition to an interim dividend which was paid at the rate of ₹ 0.60 per share. At the consolidated level, total revenue from operations was ₹ 3344.77 Cr. and the net profit was ₹ 599.02 Cr.

All the three companies have performed well in their respective segments. Another major development during the year is the incorporation of a new Health Insurance entity, namely Cholamandalam Health Insurance Limited (a subsidiary). This Company is in the process of obtaining regulatory approvals from the Insurance Regulatory and Development Authority of India (IRDA).

With improved growth prospects, more Government initiatives likely in FY 19, we are confident that your company will continue building on its core strengths thereby enhancing shareholders value.

On behalf of the Board, I thank all our stakeholders - our customers, employees, business partners and vendors for their trust, support and encouragement towards the Company's development and progress. I would also like to express my gratitude to you - our shareholders, for your unconditional faith and support.

Yours sincerely,

M M Murugappan

Board of Directors

Mr. M M Murugappan

Chairman

Mr. Murugappan (62 years; DIN- 00170478) holds degree in Bachelor of Technology in Chemical Engineering from University of Madras and a Master of Science in Chemical Engineering from University of Michigan, USA. Has 40 years of experience in diverse areas of technology, R&D strategy & business development and human resources. He is the Chairman of Coromandel International Ltd., Tube Investments of India Ltd., Carborundum Universal Ltd. and Cholamandalam MS General Insurance Company Ltd. Mr. Murugappan is also on the Boards of Mahindra & Mahindra Ltd., Cyient Ltd. and IIT Madras Research Park. He was elected as a fellow of the Indian Ceramic Society and is a member of the American Institute of Chemical Engineers, Indian Institute of Chemical Engineers, Plastics & Rubber Institute. He is also a member of the Board of Governors, IIT Madras. Mr. Murugappan was a Board member from March 2002 till July 2017 and rejoined the Board on 11th November 2017.

Mr. M B N Rao

Independent Director

Mr. M B N Rao (70 years; DIN-00287260) is a Science graduate 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. He also holds Diploma in Computer Science from the University of Cambridge and the National Centre for Information Technology, UK. He has over 48 years of varied experience in the fields of banking, finance, economics, technology, human resources, marketing, treasury and administration. Mr. Rao joined the Company's Board on 1st August, 2017. He is the former Chairman and Managing Director of Canara Bank and Indian Bank and currently the Chairman of Cholamandalam Investment and Finance Company Ltd., CRISIL Risk and Infrastructure Ltd. and Apollo Health & Lifestyle Ltd. He is on the Boards of various companies including Ramco Cements Ltd., Taj GVK Hotels and Resorts Ltd., Apollo Munich Health Insurance Company Ltd.

Ms. Shubhalakshmi Panse

Independent Director

Ms. Shubhalakshmi Panse (64 years; DIN-02599310) is a M.Sc. graduate from Pune University, a Certified Associate of the Indian Institute of Bankers (CAIIB) and holds Diploma in Business Management (DBM), Masters in Management Sciences (MMS) with specialization in Financial Management from Pune University. She also holds Masters in Business Administration (MBA) with specialization in Bank Management from Drexel University, USA. She has around four decades of experience in the field of banking. Ms. Panse joined the Company's Board on 1st August, 2017. She is the former Chairperson & Managing Director of Allahabad Bank. She has also served as Chairperson of AllBank Finance Ltd. and as the Executive Director of Vijaya Bank. She is on the Boards of various companies including Cholamandalam MS General Insurance Company Ltd., Federal Bank, IL & FS Financial Services Ltd., PNB Housing Finance Ltd., Sudharshan Chemical Industries Ltd., L&T Infrastructure Development Projects Ltd.

Mr. N Srinivasan

Non-Executive Director

Mr. N Srinivasan (60 years; DIN-00123338) is a graduate in Commerce, member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has 34 years of varied experience in the areas of corporate finance, legal, projects and general management. Mr. Srinivasan joined the Company's Board on 29th January, 2007. He is the Executive Vice-Chairman and Managing Director of Cholamandalam Investment and Finance Company Ltd. and is a Board member of Cholamandalam MS General Insurance Company Ltd., Cholamandalam MS Risk Services Ltd. Cholamandalam Health Insurance Ltd. and White Data Systems India Private Ltd.

Performance in FY 18

In consequence to the restructuring exercise, the manufacturing business of the Company has been transferred on a going concern basis to the Resulting Company and the Company retains its financial services business. TI Financial Holdings Limited (TIFHL) is now a non-banking financial company (NBFC) classified as a Core Investment Company, with significant shareholding in companies namely, Cholamandalam Investment and Finance Company Limited, Cholamandalam MS General Insurance Company Limited and Cholamandalam MS Risk Services Limited.

TIFHL continues to be part of the ₹ 329 billion Murugappa Group, which is one of the most diversified business conglomerates of India.

Cholamandalam Investment and Finance Company Limited (CIFCL)

CIFCL is one of the leading NBFC in India which offers comprehensive and full-fledged services for vehicle finance, business finance, home equity loans and provides stock broking and distribution of financial products through its subsidiary companies. CIFCL has a nation-wide network of 870 branches spread across 27 states. The Company holds about 46% stake in CIFCL. CIFCL has three subsidiaries - Cholamandalam Securities Limited (CSEC), Cholamandalam Distribution Services Limited (CDSL) and White Data Systems India Private Limited (WDSIPL).

- Consolidated profit before tax stood at ₹ 1483 Cr., clocking a growth of 30% over the previous year.
- Disbursement increased to ₹ 25114 Cr. In FY 18, a growth of 35% over the previous year.
- Return on equity at 21% in FY 18 as against 18% in FY 17.
- Paid an interim dividend of ₹ 4.50/- per share and recommended a final dividend of ₹ 2/- per share of face value of ₹ 10/- each for the FY 18.

Cholamandalam MS General Insurance Company Limited (CMSGICL)

CMSGICL is a joint venture between the Murugappa Group and Mitsui Sumitomo Insurance Company Limited, Japan. It offers a wide range of insurance products for individuals and corporates. For individuals, various products are offered under Motor, Travel, Health, Accident Insurance and Home Insurance. For SMEs and Corporate clients, CMSGICL offers customized insurance solutions such as Engineering Insurance, Liability Insurance, Marine Insurance, Property Insurance. The Company holds about 60% stake in CMSGICL.

- Achieved gross written premium of ₹ 4103 Cr. in FY 18, registering a robust growth of 31% over the previous year.
- Investment corpus was at ₹ 6363 Cr., a growth of 30% over the previous year.
- Profit before tax stood at ₹ 347 Cr. as against ₹ 297 Cr. recording a growth of 17%
- Combined ratio improved to 100.79% in FY 18 from 101.25% the previous year.
- Recommended a dividend of ₹ 0.60 per share on its equity share of face value of ₹ 10/- each for FY 18.

Cholamandalam MS Risk Services Limited (CMSRSL)

CMSRSL is a joint venture between the Company and Mitsui Sumitomo Insurance Company Limited, Japan. The Company holds about 49.5% stake in CMSRSL. CMSRSL has a technical collaboration with Inter Risk, a part of Mitsui Sumitomo Insurance Group. CMSRSL offers comprehensive risk management & engineering solutions in the field of Safety, Health and Environment.

- Achieved revenue of ₹ 56.16 Cr. in FY 18 while its profit before tax stood at ₹ 3.83 Cr.
- Recommended a dividend of ₹ 2.50 per share on its equity share of face value of ₹ 10/- each for FY 18.

Board's Report & Management Discussion and Analysis

Dear Shareholders,

The Directors take pleasure in presenting the 69th Annual Report together with the audited financial statements of the Company for the year ended March 31, 2018.

Scheme of Arrangement (Demerger)

The year 2017-18 marked a major structural shift in the history of the Company consequent to the Demerger. The Scheme of arrangement for Demerger of the manufacturing business undertaking of the Company was approved by the shareholders at the meeting held on April 24, 2017. Following approval of shareholders, the scheme was sanctioned by the National Company Law Tribunal (NCLT), Chennai, vide its Order dated July 17, 2017.

Pursuant to the Scheme, the manufacturing business of the Company was segregated and transferred on a going concern basis in favour of Tube Investments of India Limited (Resulting Company). The Manufacturing Business Undertaking means manufacturing of tubes, strips, tubular components, bicycles and fitness products, chains for automobile sector and industrial applications, roll-formed sections, other metal formed products, industrial gears, designing and manufacturing of dies and includes investments in Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Co Limited, SEDIS Gmbh, TI Tsubamex Private Limited and TI Absolute Concepts Private Limited. The appointed date for the transfer and vesting of manufacturing business was April 1, 2016 and the Scheme came into effect on August 1, 2017, being the date of filing of the aforementioned order with the Registrar of Companies, Chennai.

Post demerger, the Company is now a non banking financial company (NBFC), classified as a Core Investment Company. Consequently, the name of the Company stands changed from Tube Investments of India Limited to TI Financial Holdings Limited. Approval of Ministry of Corporate Affairs for change of name has been obtained and the new name reflects the present nature of business of the Company.

The Company holds substantial investments in the following three key financial sector businesses of Murugappa Group and serves large number of customers by providing loans for asset acquisition through financing, asset and family protection through general insurance and risk management services.

- Cholamandalam Investment and Finance Company Limited (CIFCL), engaged in non-banking financial business;
- Cholamandalam MS General Insurance Company Limited (CMSGICL) engaged in general insurance business;
- Cholamandalam MS Risk Services Limited (CMSRSL) engaged in risk management and engineering solutions business.

Besides the above, the Company has invested in Cholamandalam Health Insurance Limited (Chola Health) during the year. Chola Health has become a subsidiary of the company. Chola Health is in the process of obtaining regulatory approvals from the Insurance Regulatory and Development Authority of India (IRDA) for registration as a standalone health insurance company.

During the year, pursuant to the demerger, the face value of equity shares of the Company was reduced from ₹ 2/- each to ₹ 1/-each. Regulatory formalities with regard to capital reduction and other requirements including relisting of the shares in stock exchanges, credit of the new Equity Shares of ₹ 1/- face value to the demat account of shareholders and dispatch of share certificates to shareholders holding the shares in physical form, were completed. Further, the shareholders were allotted equal number of equity shares of ₹ 1/- each in the Resulting Company for every share held by them in the Company.

Share Capital

The paid up equity share capital as on March 31, 2018 was ₹ 18.75 Cr. During the year, 85825 equity shares were allotted upon exercise of stock options by erstwhile employees of the company under the company's employees stock option scheme 2007.

Business Environment

The Indian financial sector is a highly diversified one undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises of commercial banks, insurance companies, non-banking financial companies, cooperatives, pension funds, mutual funds and other smaller financial entities. In recent years, the Government

of India and the Reserve Bank of India have ushered in a slew of reforms to liberalise, regulate and boost the sector. With a collective thrust by the Government as well as the private sector, Indian financial services market is fast becoming one of the most dynamic and vibrant capital markets across the globe. During the first half of the year, Indian economy witnessed challenge due to demonetisation effect and implementation of GST (Goods and Service Tax), however, gained momentum in the second half of the year. GDP grew at its fastest rate in the fourth quarter and recorded a growth of 7.7%.

The Company holds sizeable shareholding in businesses engaged in non-banking financial services (NBFCs), general insurance, and risk management services.

NBFCs have continuously played a critical role in encouraging growth of the Indian economy and have made commendable contribution towards the Government's agenda of financial inclusion. Due to surge in demand for funding, the SME segment has become prominent over the last few years. The sector made a dawdling start in FY 18 but managed to stabilise during the second half of the year. In automotive industry, capacity utilisation of passenger vehicle increased to 77% in FY 2017-18 from 68% in FY 2015-16. The Loan against property (LAP) business slowed down due to Government's structural reforms and gradually recovered during the year. The business is expected to improve in FY 2018-19. The Indian Housing finance market recorded a rapid growth of around 18% CAGR from fiscal 2011 to 2017, and is expected to grow at 16-18% in FY 2018-19, aided by higher finance penetration and demand for affordable housing. With strategic assessment models and adoption of digital methodologies NBFC industry is expected to witness steady growth in the coming years, backed by a continuous expansion of the asset classes and higher market share for the key players in the market.

Cholamandalam Investment and Finance Company Limited (CIFCL) is a non banking finance company and one of the leading financial service provider. The business prospect for FY 2018 -19 is expected to be positive. Overall upward trend is projected in both passenger vehicle segment and commercial vehicle segment in auto sector. Key drivers for vehicle finance segment include good penetration in tier 2 & tier 3 towns, income growth and lower cost of capital. The growth drivers in home loans segment, include increasing urbanisation, increase in supply of affordable homes, tax benefits on home loans for both principal and interest repayment and credit linked subsidy scheme to end users.

Indian general insurance industry is one of the highly under-penetrated financial services in India. For FY 2017-18, the Gross Direct Premium of non-life insurers (excluding Standalone Health) is reported at around ₹ 1333 billion, a growth of around 17% over the previous year. The market share of public sector companies was 51% and the private sector companies with a year-on-year growth of 22% constituted 49%. The new Crop Insurance Scheme launched by Government of India called "Pradhan Mantri Fasal Bima Yojana" (PMFBY) has resulted in significant increase in Crop insurance premium to ₹ 230 billion (including Agricultural Insurance Corporation), a growth of 12% over previous year. Motor, Health and Fire segments continued to constitute a significant portfolio at about 70%. The growth in health insurance lines of business (including standalone health insurers' volume) was at 18% in FY 2017-18 compared to 14% in FY 17.

Cholamandalam MS General Insurance Company Limited (CMSGICL), engaged in general insurance business, the business outlook remains very positive as it seeks to geographically grow through phased building of its distribution reach with the aid of digitally enabled model across the country. The industry is expected to grow faster with revival in the agriculture and auto sector and penetration of health insurance awareness in rural areas. The growth is expected to be augmented by various Government's initiative including the launch of NHPS (National Health Protection Scheme) which would be the world's largest healthcare initiative by the number of beneficiaries.

Cholamandalam MS Risk Services Limited (CMSRSL), engaged in providing risk management and engineering solutions in the field of safety, health and environment, in association with Cholamandalam MS General Insurance Company Limited, the business outlook of CMSRSL is bright as it looks at constantly strengthening its consultancy portfolio through the launch of newer services.

Standalone Financial Highlights

₹ in Crores

Particulars	2017-18	2016-17
Total Income	64.64	40.07
Total Expenses	3.23	3.78
Profit Before Tax	**61.41**	**36.29**
Tax Expense	2.05	–
Profit After Tax	**59.36**	**36.29**
Surplus at the beginning of the Year	371.18	776.45
Transfer pursuant to the scheme of arrangement	–	(406.05)
Profit for the year	59.36	36.29
Transfer to Reserve Fund	(11.90)	(7.30)
Interim Dividend ₹ 0.60 (Previous year ₹ 1.25) per Equity Share of ₹ 1/- each	(11.25)	(23.43)
Dividend distribution tax	(0.10)	(4.78)
Balance carried to Balance Sheet	**407.29**	**371.18**

Performance Overview

During the year, the Company earned revenue of ₹ 64.62 Cr. mainly through dividend income received on its strategic long-term investments in the companies engaged in financial services business as stated above. Profit before tax for the year was at ₹ 61.41 Cr. and profit after tax was at ₹ 59.36 Cr.

The Company has a portfolio of strategic investments which are long-term in nature in the financial service companies. These companies performed well during the year and their performance summary is furnished below.

Cholamandalam Investment and Finance Company Limited (CIFCL)

The Company holds about 46% of the paid up and subscribed equity share capital of CIFCL, a leading, comprehensive financial services provider offering vehicle finance, business finance, home loans, home equity loans and provides stock broking & distribution of financial products through its subsidiaries. CIFCL is an Associate Company. CIFCL presently operates from around 870 branches spread across 27 states in India with assets under management above ₹ 42879 Cr. CIFCL is a listed company, with its equity shares traded on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE).

CIFCL had yet another year of fine performance in FY 18. The company's aggregate loan disbursements grew by 35% from ₹ 18591 Cr. in FY 17 to ₹ 25114 Cr. in FY 18, contributed by 42% growth in vehicle finance disbursements. CIFCL's consolidated profit before tax at ₹ 1483 Cr. increased by 30% (previous year: ₹ 1107 Cr.) and consolidated profit after tax at ₹ 975 Cr. grew by 35% (previous year: ₹ 719 Cr.).

CIFCL paid an interim dividend of ₹ 4.50 per share and further, recommended a final dividend of ₹ 2/- on equity share of face value of ₹ 10/- each for the financial year 2017-18.

Cholamandalam MS General Insurance Company Limited (CMSGICL)

The Company holds about 60% of the paid up and subscribed equity share capital of CMSGICL - a joint venture with Mitsui Sumitomo Insurance Company Ltd., Japan, engaged in general insurance business. Thus, CMSGICL is a subsidiary of the Company. CMSGICL offers a wide range

of insurance products for individuals and corporates. For individuals, various products are offered under Motor, Travel, Health, Accident Insurance and Home Insurance. For SMEs and Corporate clients, CMSGICL offers customized insurance services such as Property & Engineering Insurance, Liability Insurance, Marine Insurance etc.,

CMSGICL achieved a Gross Written Premium (including reinsurance remittance) of ₹ 4103 Cr. during the financial year 2017-18 (previous year: ₹ 3143 Cr.), a growth of 31%. The profit before tax at ₹ 347 Cr. increased by 17% (previous year: ₹ 297 Cr.) and profit after tax at ₹ 243 Cr. grew by 17% (previous year: ₹ 208 Cr.).

CMSGICL recommended a dividend of ₹ 0.60 per share on its equity share of face value of ₹ 10/- each for FY 2017-18.

Cholamandalam MS Risk Services Limited (CMSRSL)

The Company holds about 49.5% of the paid up and subscribed equity share capital of CMSRSL, a 50:50 joint venture with Mitsui Sumitomo Insurance Company Ltd., Japan and has a technical collaboration with Inter Risk, a group company of Mitsui Sumitomo Insurance Group. CMSRSL offers comprehensive risk management and engineering solutions in the field of Safety, Health and Environment.

CMSRSL achieved revenue of ₹ 56.16 Cr. during the financial year, 2017-18 (previous year: ₹ 36.53 Cr.). During the year, the profit before tax was ₹ 3.83 Cr. (previous year: ₹ 2.61 Cr.) and profit after tax was ₹ 2.65 Cr. (previous year: ₹ 1.60 Cr.).

CMSRSL recommended a dividend of ₹ 2.50 per share on its equity share of face value of ₹ 10/- each for FY 2017-18.

Cholamandalam Health Insurance Limited (Chola Health)

Chola Health was incorporated in July 2017 to offer health insurance services and the Company has invested about 99.9% in its paid up capital. Chola Health is in the process of seeking regulatory approval from the Insurance Regulatory and Development Authority of India (IRDA) for registering as a standalone health insurance company.

Dividend

The Company paid an interim dividend on the equity shares at the rate of 60% (₹ 0.60 per share) as approved by the Board of Directors on February 5, 2018 for the year ended March 31, 2018.

The Board recommends a final dividend of 65% on the equity shares of the Company. With this, the total dividend will be ₹ 1.25 per equity share of ₹ 1/- each for the year ended March 31, 2018.

Transfer to Reserves

The Company has transferred a sum of ₹ 11.9 Cr. to statutory reserve as required under RBI regulations.

Registration with Reserve Bank of India(RBI)

The Company being an investment company, satisfies the criteria specified for being a Core Investment Company (CIC) under RBI regulations. Pursuant to the provisions of Section 45-IA of RBI Act, 1934, though registration under RBI regulations is not required, the Company had opted to seek registration with RBI, considering its prospective intent to access public funds. The application for registration of the Company as CIC has been filed with RBI.

Consolidated Financial Highlights

₹ in Crores

Particulars	2017-18	2016-17
Total Income	3,345.82	2,689.15
Total Expenses	2,993.82	2,394.41
Profit Before Tax	**352.00**	**294.74**
Tax Expense	(106.64)	(89.43)
Profit After Tax	**245.36**	**205.31**
Minority Interest	(97.04)	(83.26)
Share of profit from Associate	450.70	332.52
Net Profit for the Year	**599.02**	**454.57**

Business Review - Subsidiary, Associate and Joint Venture Companies

The Company's subsidiary companies are Cholamandalam MS General Insurance Company Limited and Cholamandalam Health Insurance Limited. Cholamandalam Investment and Finance Company Limited is an associate and Cholamandalam MS Risk Services Limited is a joint venture of the Company.

Business review of the aforementioned companies are detailed in earlier paragraphs of this report.

The statement containing salient features of the financial statements of the Company's associate, subsidiary and joint venture company is annexed to this report (**refer Annexure A**). The Consolidated financial statements of the Company, prepared in accordance with the Companies Act, 2013 and the relevant Accounting Standards, forms part of the Annual Report.

Directors

Consequent to the demerger of manufacturing business, M/s. M M Murugappan, Hemant M Nerurkar, Madhu Dubhashi, Pradeep V Bhide, S Sandilya and L Ramkumar resigned from the Board with effect from August 1, 2017. The Board places on record its appreciation for the contributions made by them during their term as Chairman / Directors of the Company.

Post demerger, Mr. A Vellayan, Mr. M B N Rao and Ms. Shubhalakshmi Panse were appointed as additional directors of the Company with effect from August 1, 2017 and Mr. Vellayan was elected as the Chairman. At the 68th Annual General Meeting (AGM) of the Company held on September 25, 2017, Mr. A Vellayan was appointed as a director retiring by rotation and Mr. M B N Rao and Ms. Shubhalakshmi Panse were appointed as Independent Directors for a term of 1 year and 5 years respectively.

Mr. Vellayan stepped down from the Board on February 5, 2018. The Board places on record its appreciation for the contribution made by him during his tenure in the Company.

Mr. M M Murugappan, was appointed as an additional director by the Board on November 11, 2017 and holds office till the date of the forthcoming AGM. The Board at its meeting held on February 5, 2018, elected Mr. M M Murugappan as the Chairman. Resolution proposing the appointment of Mr. M M Murugappan as a director liable to retire by rotation, under Section 152 of the Companies Act, 2013 ('the Act'), forms part of the notice for AGM.

Mr. N Srinivasan, retires by rotation at the forthcoming Annual General Meeting under Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

The information as required to be disclosed under regulation 36(3) of the SEBI Listing Regulations, 2015, for appointment / reappointment of directors is provided in the notice for AGM.

The Board recommends the appointment of Mr. M M Murugappan and the re-appointment of Mr. N Srinivasan at the forthcoming AGM for approval of the shareholders.

Declaration from Independent Directors

The Independent Directors, Mr. M B N Rao and Ms. Shubhalakshmi Panse, have submitted declaration of independence as required under Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in the said Act.

Key Managerial Personnel

Post demerger, Mr. L Ramkumar, Managing Director, Mr. K Mahendra Kumar, Chief Financial Officer and Mr. S Suresh, Company Secretary resigned from the Company with effect from August 1, 2017.

The following Key Managerial Personnel (KMPs) of the Company were appointed by the Board at its meeting held on August 9, 2017.

a) Mr. N Ganesh - Manager;

b) Mr. AN Meyyappan - Chief Financial Officer (CFO); and

c) Ms. E Krithika - Company Secretary.

The appointment of Mr. Ganesh as Manager for a term of 3 years, was approved by the shareholders at the 68th Annual General Meeting held on September 25, 2017. Mr. AN Meyyappan resigned as CFO in view of other assignments with effect from February 5, 2018. The Board appointed Mr. N Ganesh as CFO with effect from February 5, 2018, in addition to his current position as Manager.

Auditors

At the 66th Annual General Meeting, M/s. S R Batliboi & Associates LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of the said 66th Annual General Meeting till the conclusion of the 71st Annual General Meeting subject to ratification by members each year. Further, in terms of the shareholders' approval, the remuneration payable to the said Statutory Auditors in respect of their appointment is to be fixed each year. M/s. S R Batliboi & Associates LLP, have confirmed their eligibility under the provisions of the Companies Act, 2013.

Pursuant to the recent amendment of the Companies Act, 2013, the requirement of ratification of statutory auditors appointment at every AGM is no more required.

In view of the amendment, the Board recommends ratification of the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company for the period from the conclusion of the 69th Annual General Meeting till the conclusion of the 71st Annual General Meeting on the terms of remuneration as set out in the resolution contained in the notice for the Annual General Meeting.

Finance

Deposits

The Company has not accepted any fixed deposits under Chapter V of the Companies Act, 2013 and as such no amount of principal and interest were outstanding as on March 31, 2018.

Particulars of Loans, Guarantees or Investments

During the year, the Company has not given any loans or guarantees under the provisions of Section 186 of the Companies Act, 2013. Information regarding investments made is furnished in the financial statements.

Internal Financial Control Systems with reference to the Financial Statements

The Company has in place adequate internal financial controls to ensure reliability of financial and operational information and regulatory and statutory compliances. The Company's business processes are equipped with monitoring and reporting processes to ensure financial discipline and accountability. The internal financial control systems are monitored by internal auditors of the Company. The statutory auditors of the company have also certified on the adequacy of the internal financial control systems over financial reporting and their operating effectiveness as on March 31, 2018.

Risk Management and Internal Control Systems

Internal control systems in the organisation are looked at as the key to its effective functioning. The Company has a risk management framework which provides an integrated approach for identifying, monitoring and mitigating risks associated with the business of the Company. The risk and control matrices for financial operations have been put in place. The control measures, basis the matrices are tested by the internal auditor and reported to the Audit Committee.

The Audit Committee evaluates adequacy and effectiveness of the internal controls, recommend improvements and reviews corrective action taken to address gaps, if any, through the internal audit carried out as per plan approved by it. Further, being an investment company, all investments are subject to a detailed evaluation and approval by the Board of Directors.

These measures have helped in ensuring adequacy of risk management and internal control systems.

Corporate Governance

The Company firmly believes in committing itself to maintaining high standards of corporate governance. A report on corporate governance of the Company together with a certificate from the Auditors in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is annexed and forms part of the Board's Report (**refer Annexure B**). The Report further contains details as required to be provided in the Board's Report on the policy on directors' appointment and remuneration including the criteria, annual evaluation by the Board and Directors, composition and other details of Board committees, whistle-blower policy / vigil mechanism etc.

A certificate from the Manager & CFO has been submitted to the Board regarding the financial statements and other matters as required under regulation 17(8) of the Listing Regulations.

Corporate Social Responsibility (CSR)

The Company being part of the Murugappa Group, is known for its tradition of philanthropy and community service. The Company'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. With the enactment of CSR provisions in the Companies Act, 2013, the Company has put in place a CSR policy incorporating the requirements therein which is available on the Company's website at, http://www.tifhl.com/article/investors/467.

Pursuant to the provisions of section 135 of the Companies Act, 2013, atleast 2% of the average net profits of the Company shall be spent by the Company towards CSR activities. Accordingly, the Company spent an amount of ₹ 134 lakhs on CSR projects / programmes approved by the CSR Committee during the year ended March 31, 2018 as against the statutory requirement of ₹ 132 lakhs.

Detailed information on the CSR activities undertaken during the year is annexed to and forms part of this Report (**refer Annexure C**).

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions during the year which may have a potential conflict with the interest of the Company at large. Necessary disclosures as required under the Accounting Standard (AS) 18 have been made in the notes to the Financial Statements.

The Company has in place a policy on related party transactions as approved by the Board. The policy is available on the Company's website. None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

Particulars of Employees

The information required to be disclosed under the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, is annexed to and forms part of this report (**refer Annexure D**).

Prevention of sexual harassment at workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (sexual harassment act), the Company has a policy on prevention of sexual harassment at workplace. An Internal Complaints Committee (ICC) has been formed to redress complaints received regarding sexual harassment. The policy extends to all employees (permanent, contractual, temporary and trainees). During the year, no complaints were made under the sexual harassment act.

Employee Stock Option Schemes

Further to the Company's Employee Stock Option Plan 2007 (ESOP 2007), the Company introduced and implemented Employee Stock Option Plan 2016 (ESOP 2016) with the approval of the shareholders obtained through a postal ballot process on January 11, 2017 for grant of 37,48,000 Stock Options to eligible employees of the Company. During the year, there have been no fresh grants under both the schemes.

Details in respect of ESOP 2007 and ESOP 2016 as required under the SEBI (Share Based Employee Benefits) Regulations, 2014 are displayed on the Company's website at http://www.tifhl.com/article/investors/554. Both the Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

As per the Scheme of arrangement, the stock options granted by the Company under the Existing Stock Option Schemes would continue to be held by the employees concerned (irrespective of whether they continue to be employees of the Company or the Resulting Company). Post demerger, employees of the Company were transferred to the Resulting Company. Further, as provided in the Scheme, the Nomination & Remuneration Committee approved the adjustment of existing exercise price of the stock options of the Company at its meeting held on November 11, 2017. By virtue of this adjustment the exercise price of stock options of the Company stands reduced and the balance of the exercise price becomes the exercise price of the stock options of the Resulting Company.

During the year, upon exercise of unvested options by the erstwhile employees of the Company, 85825 equity shares were allotted under Employee Stock Options Scheme 2007.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company has no activity relating to consumption of energy or technology absorption etc. The Company does not have any foreign exchange earnings. There was a foreign exchange outgo, by way of repatriation of dividend, amounting to ₹ 0.004 Cr. during the year (previous year ₹ 0.03 Cr.)

Vigil Mechanism/Whistle Blower Policy

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 read with the Rules made thereunder, the Company has instituted a whistle blower mechanism which inter alia facilitates its employees to report genuine concerns. The mechanism provides for adequate safeguards against victimisation of persons using the mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The policy is available on the Company's website at http://www.tifhl.com/article/investors/34.

Business Responsibility Reporting

The Company abides by a set of enduring values and beliefs called the 'five lights' viz., the lights of integrity, passion, quality, respect and responsibility in order to be a socially responsible business, which would on a continuous basis, enhance the interests of all its stakeholders. By steadfastly upholding the principles of good and robust corporate governance ingrained with discipline, accountability, transparency and fairness, the Company constantly endeavours to sustain and enhance itself as a responsible corporate citizen.

Regulation 34(2) of the SEBI Listing Regulations, 2015, inter alia, provides that the annual report of the top 500 listed entities based on market capitalisation, shall include a Business Responsibility Report (BRR). Accordingly, a BRR is attached and forms part of this Report (**refer Annexure E**).

Annual Return

The extract of annual return as required under sub-section (3) of Section 92 of the Companies Act, 2013, in the prescribed form MGT-9 is annexed to this Report (**refer Annexure F**).

Compliance with Secretarial Standards

The Company has complied with applicable secretarial standards issued by the Institute of Company Secretaries of India.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Rules made thereunder, the Company appointed M/s Srinidhi Sridharan & Associates, Company Secretaries, to conduct the secretarial audit of the Company. The secretarial audit report for the year ended March 31, 2018 as issued by the auditor in the prescribed form MR-3 is annexed to this Report (**refer Annexure G**).

The said secretarial audit report does not contain any qualification, reservation or adverse remark or disclaimer made by the secretarial auditor.

Directors' Responsibility Statement

The Board of Directors confirms that the Company has in place a framework of internal financial control and compliance system, which is monitored and reviewed by the Audit Committee and the Board, besides the statutory, internal and secretarial auditors. Further, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors confirm that:

a) in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed and that there were no material departures therefrom;

b) they have, in the selection of accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made adjustment 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 March 31, 2018 and of the profit of the Company for the year ended on that date;

c) 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;

d) they have prepared the annual financial statements on a going concern basis;

e) 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 March 31, 2018; and

f) 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 March 31, 2018.

Declarations/Affirmations

During the year:

- the Company's manufacturing business was demerged pursuant to the Scheme of Arrangement as per details furnished in this report. Consequently, the Company has become financial services company in the nature of investment company;
- there were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate viz., March 31, 2018 and the date of this Report; &
- there were no significant material orders passed by the regulators or courts or tribunals impacting the Company's going concern status and its operations in future.

Acknowledgement

The Directors wish to thank all customers, investors, vendors, financial institutions, banks, central / state governments and joint venture partners for their continued support to the Company's performance and growth. The Directors also wish to place on record their appreciation for the contribution made by the employees of the Company resulting in good performance during the year.

On behalf of the Board

Place : Chennai
Date : May 10, 2018

M M Murugappan
Chairman

Form AOC - 1

ANNEXURE A

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part A - Subsidiaries

₹ in Crores

S. No.	Particulars / Name of the subsidiary	Cholamandalam MS General Insurance Company Limited	Cholamandalam Health Insurance Limited
1	Reporting period of the subsidiary	31-Mar-18	31-Mar-18
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR
3	Share capital	298.81	0.05
4	Reserves & Surplus	1,011.53	(0.02)
5	Total Assets(Non-Current and Current Assets)	7,764.77	0.04
6	Total Liabilities (Non-Current and Current Liabilities)	6,454.43	0.01
7	Investments (Non-Current + Current Investments)	6,256.11	–
8	Turnover	3,313.19	–
9	Profit / (Loss) Before Tax	346.62	(0.02)
10	Provision / (Reversal) for Tax	104.01	–
11	Profit / (Loss) After Tax	242.61	(0.02)
12	Proposed Dividend	₹0.60 per equity share	–
13	% of shareholding	60.00%	99.86%

Part B - Associates and Joint Ventures

(Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

S. No.	Particulars / Name of the Associate / Joint Venture Company	Cholamandalam Investment and Finance Company Limited (Associate Company)	Cholamandalam MS Risk Services Limited (Joint Venture Company)
1	Latest Audited Balance Sheet Date	31-Mar-18	31-Mar-18
2	Share of Associate / Joint Venture held by the Company on the year end		
	No. of Shares	7,22,33,019	9,89,979
	Amount of Investment (₹ in Cr.)	645.83	0.99
	Extent of Holding (%)	46.21%	49.50%
3	Description of how there is significant influence	Through shareholding	Through shareholding
4	Reason why the Associate / Joint venture is not consolidated	Not applicable as the financials of the entity is consolidated in the Company's Consolidated Financials	Not applicable as the financials of the entity is consolidated in the Company's Consolidated Financials
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in Cr.)	2,386.52	8.77
6	Profit / (Loss) for the year (₹ in Cr.) i. Considered in Consolidation ii. Not Considered in Consolidation	 450.70 Nil	 1.31 Nil

Notes: 1 Names of Associate / Joint Ventures which are yet to commence operations - Nil
2 Names of Associate / Joint Ventures which have been liquidated or sold during the year - Nil

For and on behalf of the Board of Directors

N Srinivasan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 10, 2018

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Report on Corporate Governance

ANNEXURE B

Corporate Governance is about transparency, accountability and reliability of any organisation. It is about how an organization is managed and defines the relationships between its corporate and business structure, its culture, policies and its various stakeholders. Key elements in corporate governance are timely and adequate disclosure, establishment of internal controls and high standards of accounting fidelity, product and service quality.

The Company, being a part of Murugappa Group, has always believed in and practised various elements of corporate governance. It operates on well defined policies and procedures to maintain highest standards of governance and is committed to uphold the core values Murugappa Group viz., integrity, passion, responsibility, quality and respect. The Company also believes that good corporate governance practices help to enhance performance of the Company. The Company will continue to focus its efforts in maintaining its standards in corporate governance.

Demerger of Manufacturing Business Undertaking

The Scheme of Arrangement ('Scheme') for the demerger of the Manufacturing Business Undertaking of the Company, on a going concern basis, in favour of Tube Investments of India Limited, was approved by the shareholders at the court convened meeting held on April 24, 2017.

The Scheme was then sanctioned by the National Company Law Tribunal vide its Order dated July 17, 2017. The Scheme became effective on August 1, 2017, being the date of filing of the aforementioned order with the Registrar of Companies, Chennai with the appointed date as April 1, 2016.

The Manufacturing Business Undertaking means manufacturing of tubes, strips, tubular components, bicycles and fitness products, chains for automobile sector and industrial applications, roll-formed sections, other metal formed products, industrial gears, designing and manufacturing of dies and includes investments in Shanthi Gears Limited, Financiere C10 SAS, Sedis SAS, Sedis Co Limited, SEDIS Gmbh, TI Tsubamex Private Limited, TI Absolute Concepts Private Limited.

Consequent to the said demerger, the Company has become a core investment company. Post demerger, the Board was re-constituted with effect from August 1, 2017 by induction of eminent persons from financial services industry.

Board of Directors

The Board provides strategic guidance on the affairs of the Company. The Company's Board comprises of eminent professionals from diverse fields viz., insurance, finance, investments and general management. The Company's independent directors possess several decades of experience in financial services and banking industry. They provide independent judgment, external perspective and objectivity on the issues which are placed before them. The composition of the Board is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

Composition

Consequent to the demerger of manufacturing business, M/s. M M Murugappan, Hemant M Nerurkar, Madhu Dubhashi, Pradeep V Bhide, S Sandilya and L Ramkumar resigned from the Board with effect from August 1, 2017 and the Board was reconstituted comprising of Mr. A Vellayan, Mr. M B N Rao, Ms. Shubhalakshmi Panse and Mr. N Srinivasan. The Board members possess knowledge and varied experience in banking and financial services industry. Mr. A Vellayan was the promoter & non executive director and Mr. N Srinivasan is a non-executive director on the Board in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Mr. M B N Rao and Ms. Shubhalakshmi Panse are the Independent Directors in terms of the SEBI Listing Regulations. Mr. M M Murugappan, was appointed as an additional director at the meeting held on November 11, 2017. None of the Directors are related to each other.

Mr. A Vellayan stepped down from the Board with effect from close of business hours on February 5, 2018. The Board elected Mr. M M Murugappan as Chairman with effect from February 5, 2018.

During the year, the Independent Directors had a separate meeting on February 5, 2018 without the presence of non-independent directors and management personnel.

Details of Directorships/Committee memberships held by directors in other entities and their shareholding in the Company, as on March 31, 2018 is given below:

Name of the Director	Category	No. of directorships including TIFHL* (Out of which as Chairman)	No. of committee memberships including TIFHL$ (Out of which as Chairman)	No. of shares held in the Company
Mr. M M Murugappan	Chairman, Promoter & Non Executive Director	14(7)	8(5)	1730535 equity shares of ₹ 1/- each
Mr. M B N Rao	Non-Executive Independent Director	13(3)	12(6)	–
Ms. Shubhalakshmi Panse	Non-Executive Independent Director	11	6	–
Mr. N Srinivasan	Non Executive Director	6(1)	4	69467 equity shares of ₹ 1/- each

**includes directorships in public/private/section 8 companies and excludes foreign companies*
$ includes only memberships in Audit Committee and Stakeholders Relationship Committee

Meetings

The Company has a well-established practice with regard to deciding the dates of meetings. The annual calendar for the meetings of the Board is finalised early in consultation with all the Directors. A minimum of four Board meetings are held each year. Evolving strategy, annual business plans and review of performance constitute the primary business of the Board besides reviewing the compliance matters.

The Company ensures that timely and relevant information is made available to all the Directors in order to facilitate their effective participation and contribution during meetings and discussions.

During the year ended March 31, 2018, 5 Board meetings were held on the following dates, May 15, 2017, July 20, 2017, August 9, 2017, November 11, 2017 and February 5, 2018.

The attendance of each Director at the Board meetings and the last Annual General Meeting is provided in the table below:

Name of the Director	Board meetings attended (no. of meetings held)	Attendance at last AGM
Mr. M M Murugappan #	4(4)	Not applicable
Mr. Pradeep V Bhide *	1(2)	
Mr. S Sandilya *	2(2)	
Mr. Hemant M Nerurkar *	1(2)	
Ms. Madhu Dubhashi *	2(2)	
Mr. L Ramkumar *	2(2)	
Mr. A Vellayan @	3(3)	Present
Mr. M B N Rao $ (includes attendance through video conference)	3(3)	Not Present
Ms. Shubhalakshmi Panse $	3(3)	Present
Mr. N Srinivasan	5(5)	Present

 # Till August 1, 2017 and from November 11, 2017
** Till August 1, 2017*
@ From August 1, 2017 till February 5, 2018
$ From August 1, 2017

Board Training and Induction

At the time of appointment of a director on the Board, the incumbent director is provided with a directors' handbook comprising the compendium of the role, powers, duties and responsibilities of a director including code of conduct of the Company, the compliance obligations and disclosure requirements under the Companies Act and SEBI Listing Regulations. The handbook also provides the Directors with an insight into the Group's practices. A formal letter of appointment is given to independent directors at the time of appointment which includes the role and duties of an independent director. The terms and conditions of appointment of independent directors are posted on the website of the Company at http://www.tifhl.com/images/siteimages/Appt-of-Ind-Dirs-Terms-Condns.pdf.

The Company has in place familiarisation programme for directors with regard to their roles, duties, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. The details of familiarisation programme are posted on the Company's website at http://www.tifhl.com/images/siteimages/Appt-of-Ind-Dirs-Familiarization_Prog.pdf.pdf

Further, with dynamic regulatory scenario, regulatory changes impacting the Company are updated at every quarterly meetings of the Board.

Committees of the Board

Various committees have been constituted as per regulatory requirement and to support the Board in discharging its duties efficiently. The Committees of the Board are, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Board at the time of Committee constitution, approves the terms of reference of each committee.

Audit Committee

The role of the Audit Committee, in brief, is to review financial statements, internal controls, accounting policies, internal audit report, related party transactions, risk management systems and functioning of the Whistle Blower mechanism. The terms of reference of Audit Committee are in line with the enhanced scope for the Committee as laid down under Section 177 of the Companies Act, 2013 and the Corporate Governance norms under SEBI Listing Regulations.

Consequent to the demerger and re-constitution of the Board, the Audit Committee was also re-constituted with effect from August 3, 2017. The Committee consists of three members, viz., Mr. M B N Rao, Ms. Shubhalakshmi Panse and Mr. N Srinivasan. The Independent Director, Mr. M B N Rao is the Chairman of the Committee. All Committee members have excellent financial and accounting knowledge. In order to acquaint the members of the Audit Committee of their roles, and responsibilities, a handbook on Audit Committee is provided to the members at the time of appointment.

The financial results, report of internal auditors, related party transactions and Ombudsman report under Whistleblower policy / Vigil mechanism are reviewed by the Committee at its quarterly meetings. The statutory and internal auditors are invited for the Committee meetings. The Committee also tracks the implementation of its guidelines/suggestions through review of action taken reports.

During the year ended March 31, 2018, the Committee met five times. On February 5, 2018, Independent directors of the Committee had separate meeting with statutory auditors without the presence of the management. The details of Committee members and the attendance of each member at the Committee meetings held during their tenure is provided in the table below:

Name of the Member	No. of meetings attended (no. of meetings held)
Mr. S Sandilya*	1(1)
Mr. Hemant M Nerurkar*	1(1)
Mr. Pradeep V Bhide*	1(1)
Mr. M B N Rao (includes attendance through video conference)	4(4)
Ms. Shubhalakshmi Panse	4(4)
Mr. N Srinivasan	5(5)

** Ceased to be a member w.e.f. August 1, 2017*

Nomination & Remuneration Committee

The role of the Nomination & Remuneration Committee is in accordance with the requirement of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Committee, inter alia includes formulation of criteria for determining qualifications, positive attributes and independence of a Director, recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, formulation of criteria for evaluation of Independent Directors and the Board, devising a policy on Board diversity and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Committee's scope further covers recommending the appointment/re-appointment of Directors to the Board.

In addition to the above, the Committee is also vested with the powers and authority for implementation, administration and superintendence of the Employees' Stock Option Plan (ESOP) / Scheme(s) and also to formulate the detailed terms and conditions of the ESOP Schemes. Post demerger, the employees of the Company were transferred to the Resulting Company and the stock options

granted by the Company under the Existing Stock Option Schemes would continue to be held by the employees concerned (irrespective of whether they continue to be employees of the Company or the Resulting Company). Further, as provided in the Scheme of Demerger, the Committee approved adjustment of existing exercise price of the stock options of the Company at its meeting held on November 11, 2017. By virtue of this adjustment, the exercise price of stock options of the Company stands revised and the balance of the exercise price becomes the exercise price of the stock options of the Resulting Company.

Consequent to the demerger and re-constitution of the Board, the Committee was also re-constituted with effect from August 3, 2017. The Committee comprises of Mr. M B N Rao, Mr. A Vellayan and Ms. Shubhalakshmi Panse as its members. Independent Director, Mr. M B N Rao is the Chairman of the Committee. Further to the retirement of Mr. Vellayan, the Board at its meeting held on February 5, 2018, inducted Mr. M M Murugappan in the Committee.

The Committee met four times during the year ended March 31, 2018. The details of Committee members and the attendance of each member at the Committee meetings held during their tenure is provided in the table below:

Name of the Member	No. of meetings attended (no. of meetings held)
Mr. Hemant M Nerurkar *	1(2)
Mr. M M Murugappan	2(2)
Mr. S Sandilya*	2(2)
Mr. M B N Rao (includes attendance through video conference)	2(2)
Mr. A Vellayan	2(2)
Ms. Shubhalakshmi Panse	2(2)

** Ceased to be a member w.e.f. August 1, 2017*

Policy - Board Diversity, Directors' appointment and Remuneration

The success of the organisation in achieving good performance and governance depends on its ability to attract quality individuals as Executive and Independent Directors. In compliance with the requirements of Companies Act, 2013, the Board on recommendation of Nomination & Remuneration Committee, has framed following policies:

- Board Diversity policy;
- Policy on Board nominations;
- Remuneration policy for Directors, Key Managerial Personnel and other employees of the Company;

The Board Diversity Policy sets out the approach to diversity on the Board of the Company in order to ensure a process which is transparent with diversity of thought, experience, knowledge, perspective and gender in the Board.

The Nomination & Remuneration Committee is responsible for identifying persons for nomination as directors and evaluating incumbent directors. The policy for Board nomination lays down qualifications, positive attributes and independence criteria for Board positions and re-appointment of directors.

The remuneration policy provides a framework to ensure reasonableness and sufficiency of remuneration so that the Company attracts, retains and motivates resources. The policy reflects remuneration philosophy of the group and considers factors to ensure pay structures are appropriately aligned.

The above policies are available on the Company's website at http://www.tifhl.com/article/investors/600.

Remuneration to Directors

The compensation of Executive Directors comprises of a fixed component and a performance incentive while that for 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 the Companies Act, 2013, the actual commission paid to the Directors is restricted to a fixed sum. 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. The Non-Executive Directors are also paid sitting fees as permitted by government regulations for all Board and Committee meetings attended by them.

The details of commission provided for / sitting fees paid to non-executive directors (NED) for the year ended March 31, 2018, are as follows:

₹ in lakhs

Name of the Director	Commission@	Sitting fees	Total
Mr. M M Murugappan ^	1.93	1.30	**3.23**
Mr. Hemant M Nerurkar *	–	0.80	**0.80**
Ms. Madhu Dubhashi *	–	0.50	**0.50**
Mr. Pradeep V Bhide *	–	0.65	**0.65**
Mr. S Sandilya *	–	1.05	**1.05**
Mr. A Vellayan #	2.59	1.65	**4.24**
Mr. M B N Rao $	3.33	2.35	**5.68**
Mr. N Srinivasan	5.00	3.10	**8.10**
Ms. Shubhalakshmi Panse$	3.33	2.05	**5.38**
TOTAL	**16.18**	**13.45**	**29.63**

^ *Till August 1, 2017 and from November 11, 2017*
* *Till August 1, 2017*
\# *From August 1, 2017 to February 5, 2018*
$ *From August 1, 2017*
@ Payable for FY 18

Criteria for appointment in senior management

The Nomination & 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 Companies Act, 2013 and the SEBI 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 in senior management position.

Performance Evaluation

Pursuant to the provisions of Section 134, Schedule IV and the Rules made thereunder of the Companies Act, 2013, the evaluation process of the Board as a whole, individual directors and Board Committees for FY 2017-18, has been carried out. Based on SEBI Listing Regulations and guidance note on evaluation released by SEBI, a structured questionnaire covering various aspects of Board's functioning such as Board's structure, governance, dynamics & functioning and financial reporting process, was circulated to Board members. The duly filled in questionnaires were received from the Chairman and all other Directors.

As part of the performance evaluation process, the Directors evaluated themselves, other board members, the overall Board as well as functioning of the Board Committees viz., Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee, on the basis of well-defined evaluation parameters as set out in the questionnaire.

The performance evaluation of non independent directors and the Board as a whole was carried out by the independent directors at their meeting held on May 10, 2018. The Chairman briefed the Board on the evaluation conducted at the meeting held on May 10, 2018.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder. Consequent to the demerger and re-constitution of the Board, the CSR Committee was also re-constituted with effect from August 3, 2017 with Mr. A Vellayan (Chairman), Mr. M B N Rao and Mr. N Srinivasan as its members. Further to the retirement of Mr. Vellayan, the Board at its meeting held on February 5, 2018, inducted Mr. M M Murugappan (Chairman) in the Committee.

The terms of reference of the CSR Committee inter alia includes formulation of CSR Policy as per Schedule VII of the Companies Act, 2013, recommendation of expenditure to be incurred on CSR activities to the Board and monitor the implementation of CSR Policy from time to time.

The Committee met twice during the year ended March 31, 2018. The composition of the Corporate Social

Responsibility Committee and the attendance of each member at the Committee meetings held during their tenure are given in the table below:

Name of the Member	No. of meetings attended (no. of meetings held)
Mr. A Vellayan	2(2)
Mr. M B N Rao	2(2)
Mr. N Srinivasan	2(2)

Stakeholders Relationship Committee

The role of the Committee interalia includes formulation of shareholders servicing plans and policies, approve share transfers and transmissions, monitor and review the mechanism of share transfers, dividend payments, demat / remat requests, etc. The Committee has prescribed norms for attending to the investors' grievances and reviews and monitors resolution of grievances of security holders of the Company including complaints, if any, relating to transfer of shares, non-receipt of annual reports and non-receipt of dividends etc.

Consequent to the demerger and re-constitution of the Board, the Stakeholders Relationship Committee was also re-constituted with effect from August 3, 2017 comprising, Mr. A Vellayan (Chairman) and Mr. N Srinivasan as its members. Further to the retirement of Mr. Vellayan, the Board at its meeting held on February 5, 2018, inducted Mr. M M Murugappan (Chairman) in the Committee.

During the year ended March 31, 2018, the Committee met twice. The composition of the Committee and the attendance of each member at the Committee meetings held during their tenure are given in the table below:

Name of the Member	No. of meetings attended (no. of meetings held)
Mr. A Vellayan	2(2)
Mr. N Srinivasan	2(2)

Subsidiary Companies

Cholamandalam MS General Insurance Company Limited (CMSGICL) is an unlisted 'material subsidiary' of the Company as per regulation 16(1)(c) of the SEBI Listing Regulations, 2015. Pursuant to the said regulations, policy on material subsidiaries has been formulated by the Board. The policy is available on the website of the Company at http://www.tifhl.com/article/investors/475.

The Board members, Ms. Shubhalakshmi Panse, Independent Director and Mr. N Srinivasan, Director of the Company are also on the Board of CMSGICL.

The Audit Committee reviewed the financial statements of and in particular, the investments made by by the unlisted subsidiary companies to the extent applicable. Minutes of the board meetings of the subsidiary companies are placed before the Board of the Company along with a statement of significant transactions and arrangements entered into by these subsidiary companies, as applicable.

During the year, by virtue of the Company's holding of about 99.9% in paid up capital of Cholamandalam Health Insurance Limited (Chola Health), Chola Health has become a subsidiary of the Company.

Related Party Transactions

All Related Party Transactions (RPTs), which were entered into by the Company during the year were on an arms' length basis and were in the ordinary course of business. During the year in terms of section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, 2015, all RPTs were placed before the Audit Committee for approval. There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in this Annual Report.

In terms of Companies Act, 2013 and SEBI Listing Regulations, the Board has formulated a policy for related party transactions. The policy is available on the Company's website at http://www.tifhl.com/article/investors/476.

Means of Communication

The Company informs its unaudited as well as audited financial results to the Stock Exchanges, as soon as these are taken on record / approved by the Board. Financial results are normally published in 'Business Standard' and 'The New Indian Express' (English) and in 'Dinamani' (Tamil). A press release is given along with the publication of the quarterly / annual results, explaining the business environment and performance in order to enable the

investing community to understand the financial results better. The Company's financial results, shareholding pattern, corporate governance report and corporate announcements are displayed on its website.

The Company sends Annual Report, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot by e-mail to those shareholders whose e-mail ids are registered with the Company / Depository Participants and in hard copies to those shareholders whose e-mail ids are not registered.

All filing, disclosures and communications to Stock Exchanges are made electronically through their specific web portals to disseminate such information and make such information publicly available.

Investor Services

The Company attends to investors' queries/grievances in a timely manner and requests for share transfers and transmissions are processed within the regulatory time frame. Karvy Computershare Private Limited is the Company's registrar and share transfer agent. Share transfers, transmissions, issue of duplicate share certificate(s), etc., as well as requests for dematerialisation / rematerialisation are processed by Karvy at periodical cycles. One investor complaint received during the year was resolved and there are no complaints pending as at March 31, 2018.

In order to expedite the redressal of complaints, if any, investors are requested to register their complaints to the exclusive e-mail id: investorsupport@tifhl.murugappa.com, for monitoring follow up action taken.

Statutory Compliance

The Company has systems in place to remain updated with the changes in statutes and the means of compliance. An affirmation regarding compliance with the applicable statutes by the Compliance Officer is placed before the Board on a quarterly basis besides circulation of compliance highlights along with the agenda notes.

Internal Controls

The Company is conscious of the importance of internal processes and controls. The Company has a business planning and review mechanism and adequate internal control systems commensurate with the nature of its business, size and geographical spread. These systems are regularly reviewed and improved upon. The Manager & CFO has certified to the Board inter alia on the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under the SEBI Listing Regulations, for the year ended March 31, 2018.

Whistle Blower Policy

Pursuant to the requirements of Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has established a vigil mechanism (Whistle Blower Policy) for the employees and the directors as an avenue to voice concerns relating to unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The Ombudsperson appointed by the Board deals with the complaints received and ensures appropriate action. The mechanism also provides for adequate safeguards against victimisation of persons using the mechanism and provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No person was denied access to the Audit Committee.

Dividend Distribution Policy

In terms of regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, dividend distribution policy has been framed and approved by the Board. Copy of the policy is available on the website of the company at http://www.tifhl.com/article/investors/601.

Compliance with Corporate Governance norms

The Company has complied with all the mandatory requirements of corporate governance norms during the financial year. Quarterly financial results of the Company are published in leading newspapers, uploaded on the Company's website. Further major developments, if any are covered in the press releases issued by the Company and are also posted on the website.

The Board has laid down a code of conduct for all Board members and the senior management of the Company and the code has been posted on the Company's website at http://www.tifhl.com/article/investors/33. The Directors and

the senior management personnel have furnished their affirmation of compliance with the Code for the year ended March 31, 2018. A declaration of affirmation in this regard certified by the Manager & CFO, is annexed to this Report.

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, policy for preservation & archival of documents and policy for determination of materiality for disclosure of information / events to the Stock Exchanges have been formulated. Further, pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, code of conduct for insiders has been formulated. The aforesaid policies and the code are posted on the website of the Company at http://www.tifhl.com/article/investors/538, http://www.tifhl.com/article/investors/527 and http://www.tifhl.com/article/investors/493.

Auditors' Certificate on Corporate Governance

The certificate obtained from statutory auditors regarding compliance with the provisions relating to corporate governance as per Chapter IV of SEBI Listing Regulations, 2015, is annexed to this report.

Other Disclosures

A Management Discussion and Analysis Report highlighting the performance of individual businesses forms part of the Board's Report.

The Company has complied with all regulatory requirements. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange or Securities and Exchange Board of India or any statutory authority, on any matter relating to the capital markets.

General Shareholder Information

A separate section has been annexed to the Annual Report furnishing various details viz., last three Annual General Meetings, its time and venue, share price movement, distribution of shareholding, means of communication etc., for shareholders' reference.

On behalf of the Board

Place : Chennai
Date : May 10, 2018

M M Murugappan
Chairman

Declaration on Code of Conduct

To the Members of
TI Financial Holdings Limited (formerly, Tube Investments of India Limited)

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 March 31, 2018, as envisaged in Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Chennai
Date : May 10, 2018

N Ganesh
Manager & Chief Financial Officer

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

To the Members of
TI Financial Holdings Limited (formerly known as Tube Investments of India Limited)
No. 234, N.S.C Bose Road,
Chennai - 600 001.

1. The accompanying Corporate Governance Report prepared by TI Financial Holdings 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")('Applicable criteria') 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 meetings held from April 1, 2017 to March 31, 2018:
      (a) Board of Directors;
      (b) Audit Committee;

(c) Annual General Meeting;

(d) Nomination and Remuneration Committee; and

(e) Stakeholders Relationship Committee;

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 Reporton 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 of Signature: Chennai
Date: May 10, 2018

General Shareholder Information

Registration Details

Registered Office:

'Dare House', 234 NSC Bose Road, Chennai 600 001

Corporate Identity Number (CIN)

L65100TN1949PLC002905

Annual General Meeting

Day : Tuesday

Date : July 31, 2018

Time : 3.00 pm

Venue : T T K Auditorium, The Music Academy, No. 168 (Old No.306) T T K Road, Chennai 600 014.

Financial Year

April 1 to March 31

Dates of Book Closure

Wednesday - July 25, 2018 to Tuesday - July 31, 2018

Tentative Calendar for 2018-19

The tentative calendar for Board meetings for approving the quarterly financial results is given below:

Results for the first quarter ending

30th June, 2018 : 31st July, 2018

Results for the second quarter / half-year ending

30th September, 2018: 31st October, 2018

Results for the third quarter ending

31st December, 2018 : January / February, 2019

Results for the fourth quarter ending / Annual Results for the FY 2018-19

31st March, 2019 : April / May, 2019

Dividend

The Board at its meeting held on February 5, 2018, had approved payment of interim dividend on the equity shares at the rate of 60% (₹ 0.60 per equity share of ₹ 1/- each).

The Board at its meeting held on May 10, 2018, has further recommended payment of final dividend at the rate of 65% (₹ 0.65 per equity share of ₹ 1/- each) for the year ended March 31, 2018. The final dividend will be paid within 7 days from the date of declaration by the shareholders at the ensuing Annual General Meeting.

Listing on Stock Exchanges

National Stock Exchange of India Limited	BSE Limited
Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai- 400 001.
Stock Code TIFIN	Stock Code 504973

Listing fee for the year ended March 31, 2018 has been paid to the above Stock Exchanges in time.

Registrar and Share Transfer Agent

Karvy Computershare Private Limited, is the Registrar and Share Transfer Agent (RTA) of the Company. The shareholders are requested to address their share related requests / queries to the RTA.

Contact details of RTA

Karvy Computershare Private Limited
(Unit : TI Financial Holdings Limited)
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032,
Telangana
Phone : 040 67161514; Fax: 040-23420814
Toll free : 1800-345-4001
E-mail : einward.ris.karvy.com;
Website : www.karvycomputershare.com

Payment of unclaimed / unpaid dividend

The details of dividend paid by the Company and the respective due dates of transfer of the unclaimed/ unencashed dividend to the Investor Education & Protection

Fund ('IE&P Fund') of the Central Government are as below:

Financial year to which dividend relates	Date of declaration	Due date of transfer to IE&P Fund
2010-11 - Final	01.08.2011	06.09.2018
2011-12 - Interim - Final	01.02.2012 06.08.2012	08.03.2019 11.09.2019
2012-13 - Interim - Final	31.01.2013 02.08.2013	08.03.2020 07.08.2020
2013-14 - Interim - Final	04.02.2014 06.08.2014	12.03.2021 11.09.2021
2014-15 - Interim - Final	04.02.2015 10.08.2015	14.03.2022 17.09.2022
2015-16 - Interim - Final	04.02.2016 08.08.2016	13.03.2023 13.09.2023
2016-17 - Interim	06.02.2017	15.03.2024
2017-18 - Interim	05.02.2018	12.03.2025

In terms of the Companies Act, 2013, dividends remaining unclaimed for a period of seven years shall be transferred by the Company to the IE&P Fund. The Company sends periodic intimation to the shareholders concerned, advising them to claim dividend from the Company.

Unclaimed / unpaid dividends up to the interim dividend for FY 2010-11 have been transferred to the IE&P Fund. Details relating to unclaimed / unpaid dividend has been posted on the website of the company for the benefit of shareholders.

Transfer of Equity Shares to IEPF Account

Pursuant to the provisions of Companies Act, 2013 read with Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), shares in respect of which dividend remains unpaid or unclaimed for a continuous period of seven years are required to be transferred to Investors Education and Protection Fund (IEPF).

As per the aforesaid Rules, during the year the Company has transferred 6,18,493 equity shares to the demat account of IEPF. The unclaimed dividend and corresponding shares transferred to IEPF, including benefits accruing on such shares, if any, can be claimed back from IEPF Authority following the procedure prescribed in the Rules.

Instructions to Shareholders

(a) Shareholders holding shares in physical form

Requests for change of address shall be sent to the Company's Registrar & Transfer Agent (RTA) viz., M/s. Karvy Computershare Private Limited ("RTA"), for facilitating them to forward the dividend warrants to the latest address of members. Members are also advised to intimate their bank account details to RTA, to enable incorporation of the same on dividend warrants. This would help prevent any fraudulent encashment of dividend warrants.

(b) Shareholders holding shares in demat form

Shareholders can make use of National Automated Clearing House (NACH) facility to receive dividends directly to their bank accounts thereby avoiding the hassles relating to handling of physical warrants besides elimination of risk of loss in postal transit/ fraudulent encashment of warrants. Shareholders are requested to provide bank mandate to depository participant / RTA, to enable the Company to effect the dividend payment through the ECS / NACH mode.

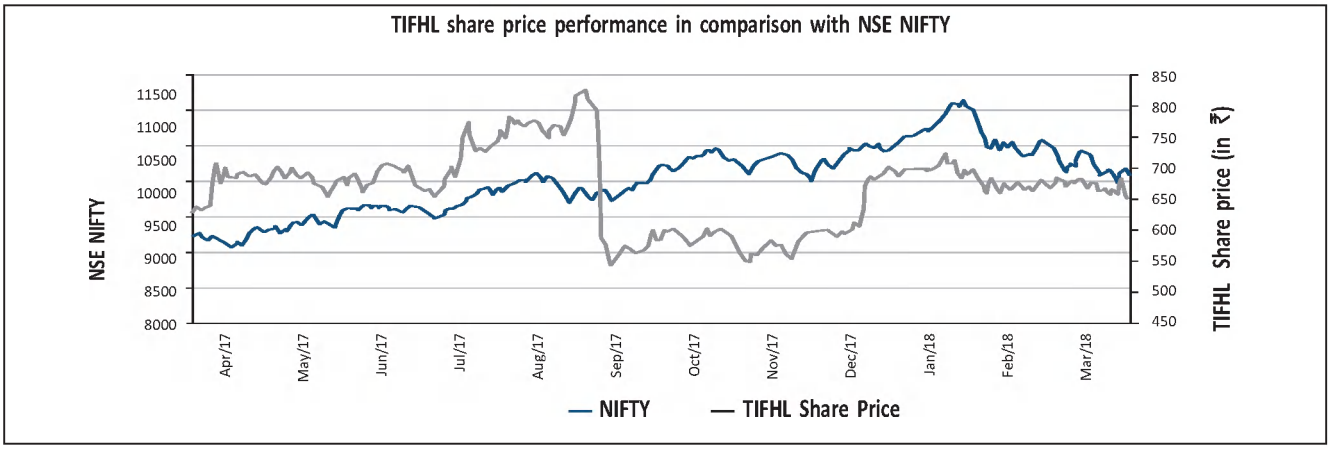
If there is any change in bank account details or addresses, shareholders are requested to advise their Depository Participant(s) / Company's RTA, as the case may be, immediately about the change.

Share Price & Volume Data

Monthly high and low price of the Equity Shares of the Company during 2017-18 are as follows:

Month	National Stock Exchange of India Ltd			BSE Ltd		
	High (in ₹)	Low (in ₹)	Volume	High (in ₹)	Low (in ₹)	Volume
April 2017	709.20	623.75	2870088	705.85	625.60	153321
May 2017	700.80	654.00	1598575	701.65	656.35	340572
June 2017	706.15	654.35	1804388	707.90	653.90	354058
July 2017	782.05	685.65	3518262	779.15	686.80	1311896
August 2017	826.10	751.30	1660517	827.80	745.25	1175941
September 2017	589.55	546.00	293373	577.50	546.20	236365
October 2017	602.25	564.60	1766306	603.90	561.40	1639885
November 2017	603.05	550.15	2517284	605.85	548.80	1482667
December 2017	687.30	585.65	2162523	686.55	586.45	249355
January 2018	724.10	684.15	1255973	722.90	682.30	1047895
February 2018	697.95	660.25	925626	698.00	660.05	213934
March 2018	683.05	649.90	690894	682.90	649.25	1260293

Note: Post demerger, the equity shares of the Company at face value of Re.1/- each were relisted on the stock exchanges with effect from September 25, 2017



Share Transfer and Investor Service System

Request for share transfers / transmission of shares and other requests from shareholders holding shares in physical form are processed by the Company's RTA, Karvy Computershare Pvt. Ltd. The Board has delegated the power to approve transfers and transmissions to the Stakeholders Relationship Committee. Requests for transfer and transmission of shares are processed within the regulatory time frame. Periodical confirmation / reports with regard to share transfers are obtained for monitoring investor service system.

Shareholding Pattern as on March 31, 2018

Category	No. of shares held	% of shareholding
Promoter & Promoter Group	91509699	48.80
Mutual Funds /UTI	28667074	15.29
Banks, Financial Institutions, Insurance Companies	3871128	2.06
Foreign Institutional Investors	21986598	11.72
Bodies Corporate	9839738	5.25
Resident Individuals	23225916	12.38
Bank of New York Mellon (Depository for GDR holders)	4230630	2.26
NRI and Others	4202913	2.24
Total	**187533696**	**100.00**

Distribution of Shareholding as on March 31, 2018

Category (Shares)	No.of holders	% to holders	No. of Shares	% to Equity
1 - 5000	22947	96.45	10286045	5.48
5001 - 10000	321	1.35	2330180	1.24
10001 - 20000	186	0.78	2677875	1.43
20001 - 30000	78	0.33	1914052	1.02
30001 - 40000	36	0.15	1271216	0.68
40001 - 50000	18	0.08	808423	0.43
50001 - 100000	60	0.25	4239475	2.26
100001 and above	146	0.61	164006430	87.45
Total	**23792**	**100.00**	**187533696**	**100.00**

Nomination Facility

The shareholders holding shares in physical form may avail of the nomination facility under Section 72 of the Companies Act, 2013. The nomination form (Form SH.13), along with instructions, will be provided to the members on request. In case the members wish to avail of this facility, they are requested to write to the Company's RTA, M/s. Karvy Computershare Pvt. Ltd.

Dematerialisation of Shares

The Equity shares of the Company are compulsorily traded in dematerialised form. The code number allotted by the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) to TI Financial Holdings Limited is ISIN INE149A01033.

GDR Details

As at March 31, 2018, 42,30,630 Global Depository Receipts (GDRs) were outstanding representing an equal number of underlying Equity Shares. The GDRs stand delisted/ withdrawn for trading from Luxembourg Stock Exchange, effective May 18, 2011.

Commodity Price Risk / 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. Foreign currency trade exposures are monitored regularly.

Means of Communication

The quarterly/annual results are being published in the leading national English newspapers ("The New Indian Express" and "Business Standard") and in one vernacular (Tamil) newspaper ("Dinamani"). The quarterly/annual results are also available on the Company's website, www.tifhl.com. The Company's website also displays official press releases, shareholding pattern, compliance report on corporate governance and presentations made to analysts and brokers.

Details of Special Resolutions passed during the last three Annual General Meetings

Date of AGM	Whether any Special Resolution was passed	Particulars
10.08.2015	Yes	(Issue of Secured Redeemable Non-Convertible Debentures on private placement basis for a maximum sum of ₹ 650 Cr.
04.08.2016	Yes	Issue of Secured Redeemable Non-Convertible Debentures on private placement basis for a maximum sum of ₹ 400 Cr.
25.09.2017	No	–

The shareholders approved the said Special Resolutions with requisite majority.

Details of Special Resolution proposed through Postal Ballot

No special resolution is proposed through postal ballot at the ensuing AGM to be held on July 31, 2018.

Postal Ballot

During the year, no resolutions were passed through postal ballot.

General Body Meeting

The date, time and venue of the last three Annual General Meetings are given below:

Year	Date	Time	Venue
2014-15	10.08.2015	4.00 P.M	T T K Auditorium, The Music Academy, No. 168 (Old No.306), T T K Road, Chennai 600 014
2015-16	04.08.2016	3.30 P.M	
2016-17	25.09.2017	11.30 A.M	

Unclaimed Shares

In accordance with Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the details in respect of the equity shares lying in the Unclaimed Suspense Account, are given below:

Sl. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 01.04.2017	2000	1811286
2	Number of Shareholders who approached the Company for transfer of their shares from the Unclaimed Suspense Account and transfers processed during the year 01.04.2017 to 31.03.2018	41	55245
3	Number of Shareholders to whom share were transferred from the Unclaimed Suspense Account during the the year 01.04.2017 to 31.03.2018	41	55245
4	Number of Shareholders' whose shares were transferred from the Unclaimed Suspense Account to Investor Education & Protection Fund during 01.04.2017 to 31.03.2018	804	579735
5	Aggregate number of Shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 31.03.2018	1155	1176306

Shareholders who continue to hold the Share Certificates with face value of ₹ 10/- or ₹ 2/- each are entitled to claim the Equity Shares with face value of ₹ 1/- from the Unclaimed Suspense Account. The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such share claims the shares. On receipt of the claim, the Company will, after verification, arrange to credit the Equity Shares to the demat account of the shareholder concerned or deliver the share certificate to the shareholder in physical mode after re-materialisation.

Contact details

For assisting and handling investor grievances:
Ms. E Krithika
Company Secretary
'Dare House', No.234, NSC Bose Road,
Chennai - 600 001
e-mail : investorservices@tifhl.murugappa.com
krithikae@tifhl.murugappa.com
Phone : 044 3000 7638
Fax : 044 4211 0404

Annual Report on Corporate Social Responsibility (CSR) Activities

ANNEXURE C

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

   The Murugappa Group is known for its tradition of philanthropy and community service. The Company being part of the Murugappa Group, has been earmarking a part of its income for carrying out its social responsibilities. The Company's philanthropic endeavours are a reflection of its spiritual conscience and this provides it a way to discharge its responsibilities to various sections of the society.

   The CSR Policy of the Company inter alia provides for identification of CSR projects and programs, modalities of execution and monitoring process. The Policy gives an overview of the projects or programs, which would be undertaken bythe Company from time to time. The Policy is available on the website of the Company at http://www.tifhl.com/article/investors/467.

   Key focus areas during the year are: a) Improving access to education b) Provision of health care facilities c) Promotion of sports d) Promotion of arts and culture.

2. **Composition of the CSR Committee#:**
   Mr. M M Murugappan, Chairman
   Mr. M B N Rao
   Mr. N Srinivasan

3. **Average net profit of the Company for last three financial years:**
   ₹ 6608.0 lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**
   ₹ 132.1 lakhs

5. **Details of CSR spent during the financial year:**
   a. Total amount spent for the financial year: ₹ 134.3 lakhs
   b. Amount unspent: Nil

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

S No.	CSR Project / Activity identified	Sector in which the projet is covered	Projects or Programs (1) Locar area or other (2) state and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Aount spent on the projects or programs- 1) Direct expenditure 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct (D) or through implementing agency (IA)
1a	AMM Foundation - Educational infrastructure & other support to TI Matriculation Higher Secondary School	Education	Chennai - Tamilnadu	38.0	38.0	38.0	IA (AMM Foundation)
1b	AMM Foundation - Infrastructure & other support to Sir Ivan Stedeford Hospital	Health	Chennai - Tamilnadu	20.0	20.00	20.0	IA (AMM Foundation)
2	Education to girl children in rural areas	Education	Mirzapur - Madhya Pradesh	11.0	10.5	10.5	IA (IIMPACT)
3	Scholarship to fine arts students	Art & Culture	Chennai - Tamilnadu	5.0	5.0	5.0	IA (Kalakshetra Foundation)
4	Mobile medical unit for senior citizens	Health	Chennai - Tamilnadu	25.0	25.0	25.0	IA (Helpage India)
5	Outpatient medical centre in rural areas	Health	Tiruttani - Tamilnadu	20.0	18.8	18.8	D

 # Consequent to demerger, the Committee was reconstituted during the year.

S No.	CSR Project / Activity identified	Sector in which the projet is covered	Projects or Programs (1) Locar area or other (2) state and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Aount spent on the projects or programs- 1) Direct expenditure 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct (D) or through implementing agency (IA)
6	Aid for mobile ambulance service	Health	Chennai - Tamilnadu	10.0	10.0	10.0	IA(Neuroscience India Group)
7	Promotion of shooting sport	Sports	Chennai - Tamilnadu	7.0	7.0	7.0	IA (Go Sports Foundation)
	Total			**136.0**	**134.3**	**134.3**	

6. Reason for not spending the prescribed CSR expenditure amount:

Not applicable.

7. Responsibility Statement:

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board

Place : Chennai
Date : May 10, 2018

N Srinivasan
Director

M M Murugappan
Chairman - CSR Committee

ANNEXURE D

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

(i) Details of top ten employees in terms of remuneration drawn during the financial year 2017-18 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended are as follows:

Name and Age	Designation/ Nature of duties	Gross remuneration paid (in ₹)	Qualification and experience (years)	Date of Commencement of employment	Previous employment
N Ganesh (45 years)	Manager & CFO	3806446	B.Com, ACA (22 years)	9-Aug-2017	Senior Associate Vice President - Finance, CIFCL
E Krithika (38 years)	Company Secretary	949676	M.Com, ACS (12 years)	9-Aug-2017	AGM - Cholamandalam MS General Insurance Company Ltd.

Notes:

1. The above remuneration pertains to the period from August 9, 2017 to March 31, 2018.
2. Cost of deputation of Mr. Ganesh paid / payable to Cholamandalam and Investment Company Limited (CIFCL) for the period from August 9, 2017 to March 31, 2018.

(ii) Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Director	Designation	Ratio
Mr. M M Murugappan*	Chairman	0.20:1
Mr. A Vellayan @	Non-Executive Director	0.20:1
Mr. M B N Rao#	Independent Director	0.20:1
Ms. Shubhalakshmi Panse#	Independent Director	0.20:1
Mr. N Srinivasan	Non-Executive Director	0.20:1

* *Till August 1, 2017 and from November 11, 2017*
@ *From August 1, 2017 to February 5, 2018*
\# *From August 1, 2017*

Notes:

1. *Commission / Remuneration figures have been annualised.*
2. *Remuneration of directors before demerger, has been charged in the books of Resulting Company.*

(iii) Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer & Company Secretary in the financial year:

Not applicable. Pursuant to the Scheme of Demerger, the Board was reconstituted and the Manager, Chief Financial Officer and Company Secretary was appointed with effect from August 9, 2017. Hence increase in remuneration is not applicable.

(iv) Percentage increase in median remuneration of employees in the financial year:

Not applicable. Pursuant to the Scheme of Demerger, employees of the Company were transferred to Resulting Company. Other employees were appointed during the year. Hence increase in median remuneration is not applicable.

(v) Number of permanent employees on the rolls of the Company as on 31.3.2018: 2

(vi) 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.

Parameters	Description
Average percentile increase in the salaries of employees other than managerial personnel in the financial year.	Not applicable. Pursuant to the Scheme of Demerger, employees of the Company were transferred to Resulting Company. Other employees were appointed during the year. Hence percentile increase is not applicable.
Average percentile increase in the managerial remuneration in the financial year, 2017-18 viz., Managing Director's remuneration.	Not applicable. Pursuant to the Scheme of Demerger, the managerial personnel were transferred to the Resulting Company. Post demerger, Manager, CFO and CS were appointed with effect from August 9, 2017. Hence increase in managerial remuneration is not applicable.

(vii) Affirmation:

The Company affirms that the remuneration is in line with its Remuneration policy.

On behalf of the Board

Place : Chennai
Date : May 10, 2018

M M Murugappan
Chairman

Business Responsibility Report

ANNEXURE E

Section A: General Information about the Company

1	Corporate Identity Number (CIN)	L65100TN1949PLC002905
2	Name of the Company	TI Financial Holdings Limited
3	Registered office address	'Dare House', 234 N S C Bose Road, Chennai - 600001
4	Website	www.tifhl.com
5	E-mail ID	investorservices@tifhl.murugappa.com
6	Financial Year reported	April 1, 2017 to March 31, 2018
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Investment Company NIC Code: K; Group: 6430; Description: Investment Activity
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Investment
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National locations	1 Nil Nil
10	Markets served by the Company	National

Section B: Financial details of the Company

1	Paid up Capital (INR)	18.75 Cr.
2	Total Turnover (INR)	64.62 Cr.
3	Total profit after taxes (INR)	59.36 Cr.
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.26%
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 two subsidiary companies as on March 31, 2018, viz., Cholamandalam MS General Insurance Company Limited & Cholamandalam Health Insurance Limited
2	Do the subsidiary company/companies participate in the BR Initiatives of the parent company ? If yes, then indicate the number of such subsidiary company(s)	Subsidiary companies carry out BR initiatives as per their local requirements.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D: BR Information

1. Details of Director/Directors responsible for BR:

(a)	Details of the director/directors responsible for implementation of the BR policy/policies	
	1. DIN	00123338
	2. Name	N Srinivasan
	3. Designation	Director
	4. Telephone Number	044 3000 7172
	5. E-mail id	srinivasann@corp.murugappa.com
(b)	Details of the BR head	Same as above

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

The 9 areas of business responsibility enunciated under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs are:

Principle ("P")	Area of BR
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;
3	Businesses should promote the well-being of all employees;
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;

Principle ("P")	Area of BR
5	Businesses should respect and promote human rights;
6	Business should respect, protect and make efforts to restore the environment;
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;
8	Businesses should support inclusive growth and equitable development;
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2a) Details of compliance:

No.	Questions	P.1	P.2	P.3	P.4	P.5	P.6	P.7	P.8	P.9
1	Do you have policy / policies for....	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy been formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national / international standards?	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the Company have a specified Committee of the Board / Director/ Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Indicate the link for the policy to be viewed online?	http://www.tifhl.com/article/investors/601#								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Does the Company have in–house structure to implement the policy / policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	X	X	X	X	X	X	X	X	X

2b. If answer to Sl. No. 1 against any principle, is 'No', please explain why:

No.	Questions	P.1	P.2	P.3	P.4	P.5	P.6	P.7	P.8	P.9
1	The Company has not understood the Principles	–	–	–	–	–	–	–	–	–
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	–	–	–	–	–	–	–	–	–
3	The Company does not have financial or manpower resources available for the task	–	–	–	–	–		–	–	–
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	–	–	–	–	–	–	–	–	–

3. Governance related to BR:

a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.	The BR performance is assessed annually.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The report is published annually and is available on the website of the Company at http://www.tifhl.com/article/investors/601#

Section E: Principle-wise Performance

Principle 1 - Ethics, Transparency & Accountability

a)	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?	Policy extends to the Company. The subsidiary, associate and joint venture companies are governed by their own policies.
b)	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.	One investor complaint which was received during the year has been resolved to the satisfaction of the shareholder.

Section E: Principle-wise Performance

Principle 2 - Safety and sustainability of goods & services

a)	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 is an investment company.
b)	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
	(i) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?	–
	(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	–
c)	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	Not applicable
d)	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 avails services from local vendors, including communities surrounding the work place.
e)	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%).	Not applicable

Principle 3 - Promotion of wellbeing of employees

a)	Please indicate the total number of employees.	2
b)	Please indicate the total number of employees hired on temporary / contractual / casual basis.	Nil
c)	Please indicate the number of permanent women employees.	1
d)	Please indicate the number of permanent employees with disabilities.	Nil
e)	Do you have an employee association that is recognized by management?	No
f)	What percentage of your permanent employees is members of this recognized employee association?	Not applicable
g)	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.	Nil
h)	What percentage of your employees were given safety & skill up-gradation training in the last year? • Permanent Employees (includes women employees and employees with disabilities) • Casual/Temporary/Contractual Employees	 Nil Nil

Principle 4 - Responsiveness towards stakeholders

a)	Has the Company mapped its internal and external stakeholders?	Yes
b)	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	Not applicable
c)	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	Not applicable

Principle 5 - Promoting human rights

a)	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 Company's policy on human rights is imbibed in its values represented in the Five Lights guiding the Company, its group companies and their employees across all spheres. The alignment with this value system is expected out of any person dealing with the Company.
b)	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the year, one complaint was received and has been resolved satisfactorily by the management.

Principle 6- Protecting the environment

a)	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.
b)	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.?	Not applicable
c)	Does the Company identify and assess potential environmental risks?	Not applicable
d)	Does the Company have any project related to Clean Development Mechanism?	No
e)	Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. ?	No
f)	Are the emissions/wastes generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable
g)	Number of show cause/legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.	Nil

Principle 7- Responsibility towards public and regulatory policy

a)	Is your Company a member of any trade and chamber or association?	No
b)	Have you advocated/lobbied through above associations for the advancement or improvement of public good?	Not applicable

Principle 8 - Supporting inclusive growth and development

a)	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8?	Yes, please refer CSR report.
b)	Are the programmes / projects undertaken through in-house team / own foundation/external NGO / government structures/any other organization?	Yes, please refer CSR report.
c)	Have you done any impact assessment of your initiative?	Impact assessment study is done for major initiatives of the Company.
d)	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Please refer CSR Report.
e)	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Initiatives are identified based on the requirement of the community such that the benefits out of them are of an enduring nature like operation of mobile medical unit, infrastructure and sanitation facilities for schools etc. CSR report may please be referred.

Principle 9 - Providing value to customers & consumers

a)	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Nil
b)	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Not applicable
c)	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.	No
d)	Did your Company carry out any consumer survey / consumer satisfaction trends?	Not applicable, being an investment company.

ANNEXURE F

Form No. MGT-9 - Extract of Annual Return

as on the financial year ended March 31, 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)	:	L65100TN1949PLC002905
2	Registration Date	:	September 9, 1949
3	Name of the Company	:	TI Financial Holdings Limited (formerly, Tube Investments of India 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. 234, N S C Bose Road, Chennai - 600 001 Phone: 044 42177770-5 Fax : 044 42110404 E-mail : investorservices@tifhl.murugappa.com
6	Whether listed company	:	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Private Limited (Unit: TI Financial Holdings Limited) Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda Hyderabad - 500 032. Telangana Phone : (040) - 67161514 Fax : (040) - 23420814 Toll free Number: 1800-345-4001 E-mail : einward.ris@karvy.com Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the Company
Investment Activity	6430	95.30

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Cholamandalam Investment and Finance Company Ltd. "Dare House", No.2, N S C Bose Road, Chennai - 600 001	L65993TN1978PLC007576	Associate	46.21	2(6)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES *(contd.)*

	Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
2		Cholamandalam MS General Insurance Company Ltd. "Dare House", No.2, N S C Bose Road, Chennai - 600 001	U66030TN2001PLC047977	Subsidiary	60.00	2(87)(ii)
3		Cholamandalam MS Risk Services Ltd. "Dare House", No.2, N S C Bose Road, Chennai - 600 001	U74140TN1994PLC029257	Joint Venture	49.50	2(6)
4		Cholamandalam Health Insurance Ltd. "Dare House", No.2, N S C Bose Road, Chennai - 600 001	U66020TN2017PLC117783	Subsidiary	99.86	2(87)(ii)

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

(i) Category-wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-Apr-2017)*				No. of Shares held at the end of the year (31-Mar-2018)				% Charge during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individual/HUF	17128200	–	17128200	9.14	16141759	–	16141759	8.61	(0.53)
(b)	Central Government	–	–	–	–	–	–	–	–	–
(c)	State Government(s)	–	–	–	–	–	–	–	–	–
(d)	Bodies Corporate	73232265	–	73232265	39.07	73232265	–	73232265	39.05	(0.02)
(e)	Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
(f)	Any other:	1072975	–	1072975	0.57	2135675	–	2135675	1.14	0.57
	Sub-Total A(1):	**91433440**	**–**	**91433440**	**48.78**	**91509699**	**–**	**91509699**	**48.80**	**0.02**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/ Foreign Individuals)	–	–	–	–	–	–	–	–	–
(b)	Bodies Corporate	–	–	–	–	–	–	–	–	–
(c)	Institutions	–	–	–	–	–	–	–	–	–
(d)	Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
(e)	Any other:	–	–	–	–	–	–	–	–	–
	Sub-Total A(2):	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Total Shareholding of Promoter and Promoter Group (A) = (A1) + (A2)	**91433440**	**–**	**91433440**	**48.78**	**91509699**	**–**	**91509699**	**48.80**	**0.02**

** Holdings regrouped within category*

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

(i) Category – wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01–Apr–2017)				No. of Shares held at the end of the year (31–Mar–2018)				% Charge during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds/UTI	23063271	–	23063271	12.30	28667074	–	28667074	15.29	2.99
(b)	Banks / Financial Institutions	923163	7350	930513	0.50	927652	7350	935002	0.50	–
(c)	Central Government	–	–	–	–	–	–	–	–	–
(d)	State Government(s)	–	–	–	–	–	–	–	–	–
(e)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f)	Insurance Companies	2936126	–	2936126	1.57	2936126	–	2936126	1.57	–
(g)	Foreign Institutional Investors / Foreign Portfolio Investors	24017222	236660	24253882	12.94	21749938	236660	21986598	11.72	(1.22)
(h)	Foreign Venture Capital Investors	–	–	–	–				–	–
(i)	Any other:	75	–	75	–	–	–	–	–	–
	Sub–Total B(1):	**50939857**	**244010**	**51183867**	**27.31**	**54280790**	**244010**	**54524800**	**29.07**	**1.76**
(2)	**NON–INSTITUTIONS**									
(a)	Bodies Corporate	12646256	4140	12650396	6.75	9835598	4140	9839738	5.25	(1.50)
(b)	Individuals									
	(i) Individual Share-holders holding nominal share capital upto ₹ 1 lakh	17188477	1418091	18606568	9.93	16852423	1237491	18089914	9.65	(0.28)
	(ii) Individual Share-holders holding nominal share capital in excess of ₹ 1 lakh	6196207	–	6196207	3.31	5136002	–	5136002	2.74	(0.57)
(c)	Any other:									
	Clearing Members	27388	–	27388	0.01	262128	–	262128	0.14	0.13
	Non-Resident Indians	1956359	57030	2013389	1.07	2451145	57030	2508175	1.34	0.27
	Trusts	107346	–	107346	0.06	110437	–	110437	0.06	–
	Others	998640	–	998640	0.53	1322173	–	1322173	0.71	0.18
	Sub–Total B(2):	**39120673**	**1479261**	**40599934**	**21.66**	**35969906**	**1298661**	**37268567**	**19.87**	**(1.79)**
	Total Public Share-holding B=B(1)+B(2):	**90060530**	**1723271**	**91783801**	**48.97**	**90250696**	**1542671**	**91793367**	**48.95**	**(0.02)**
	Total (A+B):	**181493970**	**1723271**	**183217241**	**97.75**	**181760395**	**1542671**	**183303066**	**97.74**	**(0.03)**
(C)	**Shares held by custodians for GDRs & ADRs**									
(1)	Promoter and Promoter Group	–	–	–	–	–	–	–	–	
(2)	Public	4223460	7170	4230630	2.26	4223460	7170	4230630	2.26	–
	Sub-Total C:	**4223460**	**7170**	**4230630**	**2.26**	**4223460**	**7170**	**4230630**	**2.26**	**–**
	GRAND TOTAL (A+B+C):	**185717430**	**1730441**	**187447871**	**100.00**	**185983855**	**1549841**	**187533696**	**100.00**	**–**

Note:

The increase in paid up equity share capital is on account of allotment of shares to option grantees under the Company's ESOP scheme, 2007.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Mr. M V Murugappan	1234200	0.66	0.13	543330	0.29	–	(0.37)
2	Mr. M V Subbiah	744150	0.40	0.03	744150	0.40	–	–
3	Mr. S Vellayan	430250	0.23	0.03	430250	0.23	–	–
4	Mr. A Vellayan	631900	0.34	0.02	631900	0.34	0.02	–
5	Mr. V Narayanan	281140	0.15	–	281140	0.15	–	–
6	Mr. V Arunachalam	338990	0.18	–	338990	0.18	–	–
7	Mr. A Venkatachalam	764610	0.41	0.09	764610	0.41	0.02	–
8	Mr. Arun Venkatachalam	198130	0.11	–	198130	0.11	–	–
9	Mr. M M Murugappan	1332405	0.71	–	1730535	0.92	–	0.21
10	Mr. M M Veerappan	388130	0.21	–	–	–	–	(0.21)
11	Mr. M M Muthiah	398130	0.21	–	–	–	–	(0.21)
12	Mr. M M Venkatachalam	718120	0.38	0.09	1167710	0.62	0.002	0.24
13	Mr. M V Muthiah	449590	0.24	–	–	–	–	(0.24)
14	Mr. M V Subramanian	23425	0.01	–	–	–	–	(0.01)
15	Mr. M A Alagappan	840660	0.45	–	840660	0.45	0.003	–
16	Mr. Arun Alagappan	833090	0.44	0.03	833090	0.44	–	–
17	Mr. M A M Arunachalam	618820	0.33	0.11	618820	0.33	–	–
18	E.I.D. Parrry (India) Ltd.	–	–	–	–	–	–	–
19	Coromandel International Ltd. (Formerly known as Coromandel Fertilizers Ltd.)	–	–	–	–	–	–	–
20	New Ambadi Estate Private Ltd.	–	–	–	–	–	–	–
21	Tube Investments of India Ltd. (formerly, TI Financial Holdings Ltd.)	–	–	–	–	–	–	–
22	Murugappa Holdings Ltd.*	64054680	34.17	–	–	–	–	(34.17)
23	Ambadi Enterprises Ltd.	1058200	0.56	–	1058200	0.56	–	–
24	Ambadi Investments Ltd.*	5636695	3.01	–	70066595	37.36	–	34.35
25	Carborundum Universal Ltd.	1000	–	–	1000	–	–	–
26	Murugappa & Sons (M V Murugappan, M A Alagappan and M M Murugappan hold shares on behalf of the Firm)	863980	0.46	–	863980	0.46	–	–
	Total	**81840295**	**43.66**	**0.53**	**81113090**	**43.25**	**0.045**	

Note: The above table does not include holdings of the promoter group aggregating 10396609 shares (5.5%) as at March 31, 2018.

* *Consequent to the amalgamation of Murugappa Holdings Ltd. (MHL) and Pressmet Pvt. Ltd. (Pressmet) with Ambadi Investments Ltd. (AIL) (formerly, Ambadi Investments Pvt. Ltd.), 64054680 equity shares held by MHL and 375220 held by Pressmet stand vested with AIL.*

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars			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			81840295	43.66	81840295	43.66
2.	Date wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease						
	Date of Purchase / Sale	Name of the Promoter	No. of shares held at the beginning of the year	% of total shares of the Company	No. of shares Acquired / (Sold)		
	30/10/2017	Mr. M V Murugappan	1234200	(0.37)	(690870.0)	81149425.0	43.27
	30/03/2018	Mr. M M Murugappan	1332405	0.21	398130.0	81547555.0	43.48
	30/03/2018	Mr. M M Veerappan	388130	(0.21)	(388130.0)	81159425.0	43.27
	30/03/2018	Mr. M M Muthiah	398130	(0.21)	(398130.0)	80761295.0	43.06
	30/03/2018	Mr. M M Venkatachalam	718120	0.24	449590.0	81210885.0	43.30
	30/03/2018	Mr. M V Muthiah	449590	(0.24)	(449590.0)	80761295.0	43.06
	30/03/2018	Mr. M V Subramanian	23425	(0.01)	(23425.0)	80737870.0	43.05
	28/08/2017	Murugappa Holdings Ltd.*	64054680	(34.17)	(64054680.0)	16683190.0	8.90
		Ambadi Investments Ltd.*	5636695	34.36	64429900.0	81113090.0	43.25
3.		At the end of the year				81113090.0	43.25

** Consequent to the amalgamation of Murugappa Holdings Ltd. (MHL) and Pressmet Pvt. Ltd. (Pressmet) with Ambadi Investments Ltd. (AIL) (formerly, Ambadi Investments Pvt. Ltd.), 64054680 equity shares held by MHL and 375220 held by Pressmet stand vested with AIL.*

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

Sl. No.	Shareholder's Name	Shareholding at the beginning (01-Apr-2017) / end of the year (31-Mar-2018)		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year (01-Apr-2017 to 31-Mar-2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	HDFC Trustee Company Ltd. - A/c HDFC Mid - Cap Opportunities Fund	12447240	6.64				12447240	6.64
				07/04/2017	19300	Purchase	12466540	6.65
				14/04/2017	129750	Purchase	12596290	6.72
				21/04/2017	15100	Purchase	12611390	6.72
				28/04/2017	460000	Purchase	13071390	6.97
				05/05/2017	64300	Purchase	13135690	7.00
				07/07/2017	100000	Purchase	13235690	7.06
				14/07/2017	59800	Purchase	13295490	7.09
				13/10/2017	(400000)	Sale	12895490	6.88
				02/02/2018	(180000)	Sale	12715490	6.78
		12715490	6.78	31/03/2018			12715490	6.78

Sl. No.	Shareholder's Name	Shareholding at the beginning (01-Apr-2017) / end of the year (31-Mar-2018)		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year (01-Apr-2017 to 31-Mar-2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
2	The Bank of New York Mellon	4230630	2.26		no movement		4230630	2.26
		4230630	2.26	31/03/2018				
3	Gagandeep Credit Capital Pvt. Ltd	4409610	2.35				4409610	2.35
				14/04/2017	(300000)	Sale	4109610	2.19
				18/08/2017	(2649)	Sale	4106961	2.19
				25/08/2017	(65705)	Sale	4041256	2.15
				13/10/2017	(670000)	Sale	3371256	1.80
		3371256	1.80	31/03/2018			3371256	1.80
4	Life Insurance Corporation of India	2936046	1.57		no movement		2936046	1.57
		2936046	1.57	31/03/2018				
5	UTI-Unit Scheme for Charitable and Religious Trust and Registered Societies	3247570	1.73				3247570	1.73
				12/05/2017	72541	Purchase	3320111	1.77
				26/05/2017	54188	Purchase	3374299	1.80
				09/06/2017	30000	Purchase	3404299	1.82
				09/06/2017	(29486)	Sale	3374813	1.80
				16/06/2017	49050	Purchase	3423863	1.83
				23/06/2017	90000	Purchase	3513863	1.87
				23/06/2017	(52896)	Sale	3460967	1.85
				30/06/2017	151244	Purchase	3612211	1.93
				30/06/2017	(43398)	Sale	3568813	1.90
				07/07/2017	(40803)	Sale	3528010	1.88
				14/07/2017	(38146)	Sale	3489864	1.86
				21/07/2017	(19347)	Sale	3470517	1.85
				28/07/2017	(237450)	Sale	3233067	1.72
				18/08/2017	(114078)	Sale	3118989	1.66
				25/08/2017	(225565)	Sale	2893424	1.54
				13/10/2017	35000	Purchase	2928424	1.56
				27/10/2017	69103	Purchase	2997527	1.60
				03/11/2017	(160000)	Sale	2837527	1.51
				10/11/2017	98585	Purchase	2936112	1.57
				10/11/2017	(133637)	Sale	2802475	1.49
				08/12/2017	75	Purchase	2802550	1.49
				08/12/2017	(90000)	Sale	2712550	1.45
				05/01/2018	(45087	Sale	2667463	1.42
				26/01/2018	(70580)	Sale	2596883	1.38
				02/02/2018	(9457)	Sale	2587426	1.38
				02/03/2018	39399	Purchase	2626825	1.40
				09/03/2018	51663	Purchase	2678488	1.43

Sl. No.	Shareholder's Name	Shareholding at the beginning (01-Apr-2017) / end of the year (31-Mar-2018)		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year (01-Apr-2017 to 31-Mar-2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				09/03/2018	(45750)	Sale	2632738	1.40
				16/03/2018	11475	Purchase	2644213	1.41
				30/03/2018	2121	Purchase	2646334	1.41
				30/03/2018	(4691)	Sale	2641643	1.41
		2638952	1.41	31/03/2018			2638952	1.41
6	Toyota Tsusho Corporation	2700000	1.44	no movement			2700000	1.44
		2700000	1.44	31/03/2018				
7	Reliance Capital Trustee Co. Ltd - A/c Reliance Mid & Small Cap Fund	3098846	1.65				3098846	1.65
				30/06/2017	(80000)	Sale	3018846	1.61
				14/07/2017	(54635)	Sale	2964211	1.58
				21/07/2017	(195365)	Sale	2768846	1.48
				04/08/2017	(25423)	Sale	2743423	1.46
				11/08/2017	(99577)	Sale	2643846	1.41
				13/10/2017	27116	Purchase	2670962	1.42
				20/10/2017	900000	Purchase	3570962	1.90
				27/10/2017	100000	Purchase	3670962	1.96
				24/11/2017	550000	Purchase	4220962	2.25
				05/01/2018	69415	Purchase	4290377	2.29
				19/01/2018	20000	Purchase	4310377	2.30
				26/01/2018	5935	Purchase	4316312	2.30
				09/02/2018	200000	Purchase	4516312	2.41
		4516312	2.41	31/03/2018			4516312	2.41
8	Shamyak Investments Private Limited (Formerly, Amrit Petroleum Private Limited)	2348880	1.25	no movement			2348880	1.25
		2348880	1.25	31/03/2018				
9	L&T Mutual Fund Trustee Limited	1571581	0.84				1571581	0.84
				07/04/2017	4990	Purchase	1576571	0.84
				14/04/2017	5000	Purchase	1581571	0.84
				21/04/2017	5000	Purchase	1586571	0.85
				05/05/2017	15000	Purchase	1601571	0.85
				12/05/2017	168430	Purchase	1770001	0.94
				19/05/2017	42868	Purchase	1812869	0.97
				26/05/2017	56179	Purchase	1869048	1.00
				02/06/2017	42046	Purchase	1911094	1.02
				09/06/2017	8213	Purchase	1919307	1.02
				16/06/2017	26	Purchase	1919333	1.02
				23/06/2017	37015	Purchase	1956348	1.04

Sl. No.	Shareholder's Name	Shareholding at the beginning (01-Apr-2017) / end of the year (31-Mar-2018)		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year (01-Apr-2017 to 31-Mar-2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				07/07/2017	130355	Purchase	2086703	1.11
				14/07/2017	15000	Purchase	2101703	1.12
				04/08/2017	2000	Purchase	2103703	1.12
				20/10/2017	300000	Purchase	2403703	1.28
				27/10/2017	99200	Purchase	2502903	1.33
				03/11/2017	(350000)	Sale	2152903	1.15
				08/12/2017	300000	Purchase	2452903	1.31
				05/01/2018	281000	Purchase	2733903	1.46
				02/02/2018	4200	Purchase	2738103	1.46
				09/02/2018	25052	Purchase	2763155	1.47
				02/03/2018	5958	Purchase	2769113	1.48
				09/03/2018	158185	Purchase	2927298	1.56
				16/03/2018	18086	Purchase	2945384	1.57
				30/03/2018	16618	Purchase	2962002	1.58
		2962002	1.58	31/03/2018			2962002	1.58
10	TI Financial Holdings Limited - Unclaimed Suspense account	1811286	0.97				1811286	0.97
				28/04/2017	(4930)		1806356	0.96
				19/05/2017	(4950)		1801406	0.96
				07/07/2017	(12170)		1789236	0.95
				25/08/2017	(2830)		1786406	0.95
				24/11/2017	(12940)	Transfer	1773466	0.95
				15/12/2017	(586910)		1186556	0.63
				05/01/2018	(170)		1186386	0.63
				19/01/2018	(2050)		1184336	0.63
				23/02/2018	(8030)		1176306	0.63
		1176316	0.63	31/03/2018			1176306	0.63
11	Mr. Mayank Jashwantlal Shah	1400000	0.75				1400000	0.75
				02/02/2018	160000	Purchase	1560000	0.83
		1560000	0.83	31/03/2018			1560000	0.83
12	ELM Park Fund Limited	1832523	0.98				1832523	0.98
				14/04/2017	(500000)	Sale	1332523	0.71
				01/12/2017	(1300000)	Sale	32523	0.02
				08/12/2017	(32523)	Sale	–	–
		–	–	31/03/2018			–	–
13	First State Investments ICVC - Stewart Investors Indian Sub continent Fund	1003351	0.54					
				02/02/2018	(147703)	Sale	855648	0.46
				30/03/2018	(57840)	Sale	797808	0.43
		797808	0.43	31/03/2018			797808	0.43

(v) Shareholding of Directors and Key Managerial Personnel

Sl.No.	For each of the Directors and KMP	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	Mr. M M Murugappan, Chairman (Non-Executive Director)				
	At the beginning of the year	1332405	0.71	–	–
	Date-wise increase in shareholding during the year (28.03.2018)	398130	0.21	–	–
	At the end of the year	1730535	0.92	1730535	0.92
2	Mr. N Srinivasan (Non-Executive Director)				
	At the beginning of the year	69467	0.04	–	–
	Date-wise increase in shareholding during the year	–	–	–	–
	At the end of the year	69467	0.04	69467	0.04
3	Mr. A Vellayan (Non-Executive Director)*				
	At the beginning of the year	631900	0.34	–	–
	Date-wise increase in shareholding during the year	–	–	–	–
	At the end of the year	631900	0.34	631900	0.34
4	Mr. L Ramkumar (Managing Director)#				
	At the beginning of the year	72410	0.04	–	–
	Date-wise increase in shareholding during the year				
	(23.02.2018)	53240	0.03	125650	0.07
	(09.03.2018)	(15786)	(0.01)	109864	0.06
	(16.03.2018)	(49214)	(0.03)	60650	0.03
	(23.03.2018)	(2310)	(0.00)	58340	0.03
	At the end of the year	53240		53240	0.03

** From August 1, 2017 till February 5, 2018*

 # Till August 1, 2017

None of the other Directors or Key Managerial Personnel hold shares in the Company.

V. INDEBTEDNESS

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

Particulars	Secured	Short Term - Unsecured	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	**–**	**–**	**–**	**–**
Change in Indebtedness during the financial year				
i) Addition	–	–	–	–
ii) Reduction	–	–	–	–
Net Change	**–**	**–**	**–**	**–**
Indebtedness at the end of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**–**	**–**	**–**	**–**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager ₹ in Crores

Sl. No.	Particulars of Remuneration	Manager
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	–
	(c) Profits in lieu of salary under Section 17(3) of Income tax Act, 1961	–
2	Stock Option	–
3	Sweat Equity	–
4	Commission	
	- as % of Profit	–
	- others, specify	–
5	Others (deputation cost)*	0.38
	Total (A)	**0.38**
	Overall Ceiling as per the Act	**3.07**

** Deputation cost paid / payable to Cholamandalam Investment & Finance Company Limited (includes remuneration as CFO from February 5, 2018).*

Note: Consequent to the demerger, remuneration of the Managing Director for the period upto July 31, 2017, that is attributable to the manufacturing activities has been charged / accounted in the books of the Resulting Company.

B. Remuneration to the other Directors ₹ in Crores

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount
1	Independent Directors	Mr. S. Sandilya*	Mr. P.V. Bhide*	Mr. Hemant M. Nerukar*	Ms. Madhu Dubhashi*	Mr. M.B.N. Rao#	Ms. Shubha-lakshmi Panse#	
	Fees for attending Board/Committee Meetings	0.010	0.007	0.008	0.005	0.024	0.021	0.075
	Commission $	–	–	–	–	0.033	0.033	0.066
	Others, please specify	–	–	–	–	–	–	–
	Total (1)	**0.010**	**0.007**	**0.008**	**0.005**	**0.057**	**0.054**	**0.141**

2	Other Non-Executive Directors	Mr. A. Vellayan@	Mr. M.M. Murugappan^	Mr. N. Srinivasan	**Total Amount**
	Fees for attending Board/Committee Meetings	0.017	0.013	0.031	0.061
	Commission $	0.026	0.019	0.050	0.095
	Others, please specify	–	–	–	–
	Total (2)	**0.043**	**0.032**	**0.081**	**0.156**
	Total (B) = (1)+(2)				**0.297**
	Overall Ceiling as per the Act				**0.614**

*Note: * Till August 1, 2017*
 # From August 1, 2017
@ From August 1, 2017 till February 5, 2018
^ From April 1, 2017 to August 1, 2017 and from November 11, 2017
$ Payable for FY 18.

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-time Director

₹ in Crores

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	0.09	0.09
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of Profit	–	–	–
	- others, specify	–	–	–
5	Others (deputation cost)*	0.11	–	0.11
	Total	**0.11**	**0.09**	**0.20**

* *Cost paid to Tube Investments of India Limited, towards deputation of Mr. AN Meyyappan as CFO from August 9, 2017 to February 5, 2018.*

Note: Consequent to the demerger, remuneration of the Key Managerial Personnel viz., Mr. Mahendra Kumar, CFO and Mr. S Suresh, Company Secretary for the period upto July 31, 2017 that is attributable to the manufacturing activities have been charged/accounted in the books of the Resulting Company.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

Secretarial Audit Report

for the financial year ended 31st March, 2018

ANNEXURE G

[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,
TI FINANCIAL HOLDINGS LIMITED
(Formerly known as "Tube Investments of India Limited")
Dare House, No.234, N S C Bose Road,
Chennai - 600001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TI FINANCIAL HOLDINGS LIMITED (Formerly known as "TUBE INVESTMENTS OF INDIA LIMITED") Corporate Identification Number: L65100TN1949PLC002905 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 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 31st March, 2018 according to the provisions of:

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

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

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

(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) During the year under review, the Company has not issued any new securities mandating compliance of the provisions of 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 and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Employee Stock Option Scheme, 2007 approved under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Company has not issued any debentures during the period under review, and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities does not arise;

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 question 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 question of complying with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;

(vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:

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) NBFC Public Deposits RBI Directions 1998

(vii) The Company has filed an application for registration as a Core Investment Company with Reserve Bank of India (RBI) under Section 45 IA of the RBI Act, 1934.

With respect to Fiscal laws, based on the information & explanations provided to us by the management and officers of the Company and also certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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 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. 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 the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors 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 Companies Act, 2013 and Secretarial Standards on Board Meeting are complied with. There are certain businesses that can be transacted through Video Conferencing / Audio Visual means as provided for under the Companies Act, 2013 and the relevant Rules made there under. The Company has properly convened & recorded in compliance with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 businesses that have been transacted through Video Conferencing / Audio Visual means.

Based on the verification of the records and minutes, the decisions at the Board / Committee Meetings were taken with the consent of the Board of Directors / Committee Members and no Director / Member had dissented on any of the decisions taken at such Board / Committee Meetings.

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

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

a) Obtained an order dated 17th July, 2017 from The National Company Law Tribunal, Chennai sanctioning the Scheme of Arrangement (Demerger) between Tube Investments of India Limited ("Demerged Company") and TI Financial Holdings Limited ("Resulting Company") under Sections 230 to 232 of the Companies Act, 2013 and the Demerged Company and the Resulting Company have filed necessary forms with the Registrar of Companies along with the certified true copy of the order, the Scheme had become effective from 1st August, 2017 with the appointed date of 1st April, 2016.

b) Changed its objects clause of the Memorandum of Association of the Company pursuant to the order dated July 17, 2017 received from The National Company Law Tribunal, Chennai sanctioning the Scheme of Arrangement (Demerger) between Tube Investments of India Limited ("Demerged Company") and TI Financial Holdings Limited ("Resulting Company") under Sections 230 to 232 of the Companies Act, 2013.

c) Made an application in Form INC 24 with the Registrar of Companies, Chennai on 9th August, 2017 for changing its name from existing "Tube Investments of India Limited" to the new name "TI Financial Holdings Limited" pursuant to the order received from The National Company Law Tribunal, Chennai sanctioning the Scheme of Arrangement (Demerger) between Tube Investments of India Limited ("Demerged Company") and TI Financial Holdings Limited ("Resulting Company") under Sections 230 to 232 of the Companies Act, 2013.

d) Pursuant to Clause 20.3 of the Scheme of Arrangement (Demerger) between Tube Investments of India Limited ("Demerged Company") and TI Financial Holdings Limited ("Resulting Company") as approved by The National Company Law Tribunal, Chennai, the face value of equity shares of the Company was reduced from ₹ 2/- each to ₹ 1/- each and the shares were relisted on National Stock Exchange Limited and BSE Limited.

e) Obtained approval of the Board at their meeting held on 11th November, 2017 to invest in Cholamandalam Health Insurance Limited up to a sum not exceeding ₹ 5 lacs.

For SRINIDHI SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS SRINIDHI SRIDHARAN
CP No. 17990
ACS No. 47244
UIN: S2017TN472300

Place : Chennai
Date : May 10, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TI FINANCIAL HOLDINGS LIMITED
(FORMERLY TUBE INVESTMENTS OF INDIA LIMITED)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TI Financial Holdings Limited (formerly known as Tube Investments of India Limited), 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. 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 standalone financial statements are free from material misstatement.

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

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 1a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our

knowledge and belief were necessary for the 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 20 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673
Place of Signature: Chennai
Date: May 10, 2018

Annexure 1 referred to in our report of even date Re: TI Financial Holdings Limited (Formerly Tube Investments of India Limited)("the Company")

(i) The Company does not have any property, plant and equipment, and, accordingly, the requirements under clause 3(i) of the Order are not applicable to 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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of Sections 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(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 Company is not in the business of sale of any goods.

Therefore in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income tax and Goods and Service Tax (GST). The provisions relating to provident fund, employees' state insurance, duty of custom, cess, 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 income-tax and goods and services tax were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given us, there are no dues of income tax and Goods and Service Tax which have not been deposited on account of any dispute.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or government or dues to debenture holders during the year.

(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 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.

(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 is not required to be registered 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 of Signature: Chennai
Date: May 10, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TI FINANCIAL HOLDINGS LIMITED (FORMERLY TUBE INVESTMENTS OF INDIA LIMITED)

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

We have audited the internal financial controls over financial reporting of TI Financial Holdings Limited (Formerly known as "Tube Investments of India Limited" or 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.

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 of Signature: Chennai
Date: May 10, 2018

Balance Sheet

as at March 31, 2018

₹ in Crores

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
EQUITY AND LIABILITIES			
Shareholders' funds			
- Share capital	4	18.75	18.75
- Reserves and surplus	5	998.63	949.95
		1,017.38	**968.70**
Current liabilities			
Trade payable			
- Dues to Micro and Small Enterprises		–	–
- Other Trade payables	6	0.36	–
Other current liabilities	7	2.64	2.47
		3.00	2.47
TOTAL		**1,020.38**	**971.17**
ASSETS			
Non-current assets			
- Non-current investments	8	913.75	913.70
- Long-term loans and advances	9	0.02	–
		913.77	**913.70**
Current assets			
- Current investments	10	24.00	–
- Cash and Bank Balances	11	82.22	2.47
- Short-term loans and advances	12	0.08	–
- Other current assets	13	0.31	55.00
		106.61	**57.47**
TOTAL		**1,020.38**	**971.17**
Summary of significant accounting policies	3		

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

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

N Srinivasan
Director

M M Murugappan
Chairman

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Statement of Profit and Loss

for the year ended March 31, 2018

₹ in Crores

Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
Revenue			
- Revenue from operations	14	64.62	40.07
- Other income	15	0.02	–
Total Revenue		**64.64**	**40.07**
Expenses			
- Employee benefits expense	16	0.62	–
- Other expenses	17	2.61	3.78
Total Expenses		**3.23**	**3.78**
Profit before tax		**61.41**	**36.29**
Tax expense			
- Current tax		2.05	–
Net tax expense		2.05	–
Profit for the year		**59.36**	**36.29**
Earnings per equity share of ₹ 1/- each			
- Basic		3.17	1.94
- Diluted		3.16	1.94

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

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

N Srinivasan
Director

M M Murugappan
Chairman

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2018

₹ in Crores

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
Cash Flow from Operating Activities				
Profit Before Tax		**61.41**		**36.29**
Adjustments for :-				
Profit on Sale of Current Investments (Net)	(3.38)		–	
Interest income on Deposits	(0.31)		–	
		(3.69)		**–**
Operating Profit Before Working Capital Changes		57.72		36.29
Adjustments for :-				
(Increase)/Decrease in operating Assets - Current/short-term				
- Other Current Assets	54.69		(54.98)	
- Loans and advances	(0.06)	54.63	–	(54.98)
Increase/(Decrease) in operating liabilities				
- Current & Short-term liabilities	0.36			–
- Current liabilities	0.49	0.85		–
Cash flow generated used in Operations		**113.20**		**(18.69)**
Interest Received on Bank Deposits and Other Investments	0.29		–	
Direct Taxes Paid	(2.07)	(1.78)	–	–
Net Cash used in Operating Activities (A)		**111.42**		**(18.69)**
Cash Flow from Investing Activities				
Bank Deposits and Unpaid Dividend Accounts (Net)	(24.68)		–	
Purchase of Other non-current Investments	(0.05)		–	
Purchase of Other Investments	(269.45)		–	
Proceeds from Sale of Other Investments	248.83		–	
Net Cash Used in Investing Activities (B)		**(45.35)**		**–**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		0.67		0.81
Dividends Paid (Including Distribution Tax)		(11.67)		(107.12)
Net Cash From Financing Activities (C)		**(11.00)**		**(106.31)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**55.07**		**(125.00)**
Cash and Cash Equivalents at the beginning of the Period		–		732.54
Transferred to the Resultant Company pursuant to Scheme of Arrangement		–		(607.54)
Cash and Cash Equivalents at the end of the Period		55.07		–
Note:				
Cash and Cash Equivalents at the End of the Year as per Balance Sheet (Refer Note 11)		82.22		2.47
Less: Balance in Current Accounts held for Unpaid Dividends		2.15		2.47
Less: Bank Deposits with original maturity of more than 3 months		25.00		–
		55.07		–

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

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

N Srinivasan
Director

M M Murugappan
Chairman

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Notes to Financial Statements

1. Corporate Information

TI Financial Holdings Limited ("the Company") was formerly known as Tube Investments of India Limited and is a Public Limited Company domiciled in India. The Company is listed on Bombay Stock Exchange and National Stock Exchange. The Registered Office of the Company is located at 234, NSC Bose Road, Chennai, Tamil Nadu.

The Company was originally incorporated as "T.I. Cycles of India Limited" on 9th September 1949 under the Companies Act, 1913. On 15th September 1959, the name was changed to "Tube Investments of India Limited".

Pursuant to the Scheme of Arrangement ("the Scheme") the details relating to which are more elaborately provided under Note 1.1 below, the name of the Company has been changed from "Tube Investments of India Limited" to "TI Financial Holdings Limited" (CIN: L65100TN1949PLC002905).

The Company is engaged in Financial Services Businesses through its Subsidiaries, Joint Venture and Associate Company viz., Insurance Business (through its Subsidiary - Cholamandalam MS General Insurance Company Limited for its General Insurance business, and has incorporated Cholamandalam Health Insurance Limited ("CHIL") for the purpose of undertaking Health Insurance business on receipt of regulatory approvals), Risk Services (through its Joint Venture Company, Cholamandalam MS Risk Services Limited), Non-Banking Financial Business (through its Associate Company, Cholamandalam Investment and Finance Company Limited).

1.1 Scheme of Arrangement

The Scheme of Arrangement ("the Scheme") between the Company ("Demerged Company") and Tube Investments of India Limited, formerly known as TI Financial Holdings Limited ("Resulting Company"), their Share holders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of both the Companies on November 03, 2016 and National Company Law Tribunal, Chennai ("NCLT") vide its order dated 17th July 2017 sanctioning the Scheme ("Order of NCLT"). The Scheme was given effect by filing of a certified copy of the Order of NCLT on August 1, 2017 by the Company and the Resulting Company with the Registrar of Companies, Tamil Nadu, Chennai. The Scheme is effective from the Appointed Date i.e. April 1, 2016.

The salient features of the Scheme of Arrangement are as under:

a) The Company and Resulting Company has made applications and / or petitions under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Chennai ("Tribunal" or "NCLT") for sanction of this Scheme and all matters ancillary or incidental thereto.

b) The whole of the undertaking and assets and properties of the Manufacturing Business Undertaking of the Company, shall stand transferred to and vested in the Resulting Company with all the rights, title and interest pertaining to the Manufacturing Business Undertaking.

c) The Scheme of Arrangement has become effective from the Appointed Date i.e. April 1, 2016 but operative from the Effective Date i.e. August 1, 2017 being the date of filing of a certified copy of the Order of NCLT by the Company and the Resulting Company with the Registrar of Companies, Tamil Nadu, Chennai.

2. Basis of Preparation

The Company is a Core Investment Company (CIC) as per the regulations prescribed by the Reserve Bank of India. These financial statements have been prepared on the basis of Generally Accepted Accounting Principles in India ("Indian GAAP") and by applying the historical cost convention on an accrual basis, to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

Notes to Financial Statements

3. Summary of Significant Accounting Policies

3.1. Presentation and Disclosure of Financial Statements

An asset has been classified as current when it satisfies any of the following criteria:

a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realized within twelve months after the reporting date; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability has been classified as current when it satisfies any of the following criteria:

a) It is expected to be settled in the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within twelve months after the reporting date; or

d) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date.

All other assets and liabilities have been classified as non-current.

Based on the nature of activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

3.2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful advances, provision for taxation, etc., during and at the end of the reporting period. 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.

3.3. Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise Cash at Bank and Short Term Investments with an original maturity of 3 months of less.

3.4. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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.

3.5. 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 or on the Balance Sheet date, are classified as current investments. All other investments are classified as Non-current / 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.

Long-term investments are stated at cost and provision for diminution in value is made, where such diminution is other than that of temporary in nature. Current Investments are stated at lower of cost and fair value determined on the basis of each category of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

3.6. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Service revenues are recognised on completion of services.

Dividend income is accounted when right to receive such dividend is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Profit / loss on sale of investments is recognised at the time of sale.

Notes to Financial Statements

Brand fee income is recognised as and when the services are rendered in accordance with the terms and conditions of the relevant agreement.

3.7. Taxes on Income

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. 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 is recognised on timing differences, being the differences 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 tax laws enacted or substantively enacted as at the reporting date.

Deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets. However, if there are unabsorbed depreciation and carry forward of losses, all 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 such assets. The carrying amount of deferred tax assets are reviewed at each reporting date.

Current Tax and Deferred Tax relating to items directly recognised in Reserves are recognised in Reserves and not in the Statement of Profit and Loss.

3.8. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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.

3.9. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.10. Employees Stock Option

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.

Notes to Financial Statements

4. Share Capital

₹ in Crores

Particulars	As at 31.03.2018		As at 31.03.2017	
	Nos.	Amount	Nos.	Amount
AUTHORISED				
43,00,00,000 Equity Shares of ₹ 1/- each (Previous year 43,00,00,000 Equity Shares of ₹ 1/- each)	430,000,000	43.00	430,000,000	43.00
		43.00		43.00
ISSUED, SUBSCRIBED AND PAID UP				
18,75,33,696 Equity shares of ₹ 1/- each (Previous year 18,74,47,871 Equity Shares of ₹ 1/- each)	187,533,696	18.75	187,447,871	18.75
		18.75		18.75

a) The Reconciliation of share capital at the beginning and at the end of reporting period is given below:

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	187,447,871	18.75	187,346,537	37.47
Shares allotted on exercise of Employee Stock Options (Refer Note below)	85,825	–	101,334	0.02
Capital Reduction pursuant to Scheme of Arrangement	–	–	–	(18.74)
At the end of the year	**187,533,696**	**18.75**	**187,447,871**	**18.75**

Note : The Company has received an amount of ₹ 0.009 Cr. (31.03.2017 ₹ 0.02 Cr.) on allotment of shares under Employee Stock Options.

b) Terms / Rights attached to class of shares

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 1/- each (Previous year ₹ 1/- each). The holders of Equity Shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. Repayment of capital will be in proportion to the number of Equity Shares held.

c) Details of Shareholder(s) holding more than 5% of Equity Shares in the Company as on March 31, 2018

Particulars	As at 31.03.2018		As at 31.03.2017	
Name of the Shareholder	% against No. of shares of shares	total number	% against No. of shares of shares	No. of shares
Ambadi Investments Limited (formerly known as Murugappa Holdings Limited)	70,066,595	37.36%	64,054,680	34.17%

Pursuant to the Scheme of Amalgamation of Murugpppa Holdings Limited and Pressmet Private Limited with Ambadi Investments Private Limited, Murugappa Holdings Limited and Pressmet Private Limited has been merged with Ambadi Investments Limited. Subsequent to this amalgamation, Ambadi Investments Private Limited has become a Public Limited Company.

d) Status on Global Depository Receipts (GDR)

The aggregate number of GDRs outstanding as at March 31, 2018 is 42,30,630 (as at March 31, 2017 - 42,30,630) each representing one Equity Share of ₹ 1/- face value (Previous Year ₹ 1/- face value). GDR % against total number of shares is 2.26% (as at March 31, 2017 - 2.26%). The GDRs carry the same terms / rights attached to Equity Shares of the Company.

Notes to Financial Statements

5. Reserves and Surplus

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Reserve	**19.97**	**19.97**
Capital Redemption Reserve	**6.15**	**6.15**
Securities Premium Account		
Balance at the beginning of the year	199.05	198.25
Add: Premium on ESOPs exercised	0.67	0.80
Closing balance at the end of the year	**199.72**	**199.05**
Statutory Reserve (Refer Note (a) below)		
Balance at the beginning of the year	7.30	–
Amount transferred from surplus in the Statement of Profit and Loss	11.90	7.30
	19.20	**7.30**
General Reserve		
Balance at the beginning of the year	346.30	346.30
Closing balance at the end of the year	**346.30**	**346.30**
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	371.18	370.40
Profit for the year	59.36	36.29
Less:		
Dividend		
Equity Interim	(11.25)	(23.43)
Distribution tax on Equity Dividend	(0.10)	(4.78)
Transfer to Statutory Reserve	(11.90)	(7.30)
Net surplus in the Statement of Profit and Loss at the end of the year	**407.29**	**371.18**
Total Reserves and Surplus	**998.63**	**949.95**

a) As per Section 45 IC of the Reserve Bank of India Act, 1934, the Company is required to create a minimum Reserve fund at the rate of 20% of the profit after tax. Accordingly, the Company has transferred an amount of ₹ 11.90 Cr. (March 31, 2017 ₹ 7.30 Cr.) out of the profit after tax for the year ended March 31, 2018 as Reserve Fund.

b) The Board of Directors of the Company have recommended a final dividend of 65% being ₹ 0.65 per share on the equity shares of the Company, for the year ended March 31, 2018 (Nil - 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 to Financial Statements

6. Trade Payables

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Trade Payables		
- Dues to Micro, Small & Medium Enterprises	–	–
- Others	0.36	–
	0.36	**–**

7. Other Current Liabilities

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Unpaid Dividends	2.15	2.47
Other Liabilities		
- Statutory Liabilities	0.47	–
- Other Payables	0.02	–
	2.64	**2.47**
Amounts to be credited to Investor Education and Protection Fund towards Unpaid Dividends	–	–

8. Non-Current Investments

(valued at cost unless stated otherwise)

₹ in Crores

Particulars	Number		Amount	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Trade Investments				
Investment in Subsidiary Companies:				
Equity Shares (Fully Paid) - Unquoted				
- Cholamandalam MS General Insurance Company Limited	179,282,861	179,282,861	265.24	265.24
- Cholamandalam Health Insurance Limited	49,930	–	0.05	–
Investment in Associate:				
Equity Shares (Fully Paid) - Quoted				
- Cholamandalam Investment and Finance Company Limited	72,233,019	72,233,019	645.83	645.83
Investment in Joint Venture:				
Equity Shares (Fully Paid) - Unquoted				
- Cholamandalam MS Risk Services Limited - Non Trade	989,979	989,979	0.99	0.99
Non Trade Investments:				
Equity Shares (Fully Paid) - Quoted				
- Carborundum Universal Limited (Cost ₹ 23,574 only)	6,000	6,000	–	–
- Kartik Investments Trust Limited	33,790	33,790	0.04	0.04
- Coromandel Engineering Company Limited	433,481	433,481	0.82	0.82
Equity Shares (Fully Paid) - Unquoted				
- Indo Oceanic Shipping Company Limited (Cost ₹ 1 only)	50,000	50,000	–	–
- Murugappa Management Services Limited	42,677	42,677	0.78	0.78
- Chennai Willingdon Corporate Foundation (Cost ₹ 100 only)	10	10	–	–
			913.75	**913.70**
Quoted				
Cost			646.69	646.69
Market value			10479.31	6972.75
Unquoted				
Cost			267.06	267.01

Notes to Financial Statements

9. Long-term loans and advances

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Advance tax (net of provision for taxation)	0.02	–
	0.02	**–**

10. Current Investments

(valued at lower of cost and fair value, unless stated otherwise)

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Investments in Mutual Funds - Unquoted		
L&T Liquid Fund Direct Plan - Growth	6.00	–
UTI Money Market Fund - Institutional Plan - Direct Plan - Growth	6.00	–
Aditya Birla Sunlife Cash plus-Growth-Direct Plan	6.00	–
Reliance Liquid Fund-Treasury Plan-Direct Growth Plan	6.00	–
	24.00	**–**
Market value	24.03	–

11. Cash and Bank balances

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Cash and Cash Equivalents		
Balances with banks:		
- In Current Accounts	0.07	–
- In Deposits with original maturity less than 3 months	55.00	–
- In Unpaid Dividend Warrant Accounts	2.15	2.47
	57.22	**2.47**
Other Bank balances:		
- Deposits with original maturity of more than 3 months but less than 12 months	25.00	–
	82.22	**2.47**

12. Short Term Loans and Advances

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured - considered good (unless otherwise stated)		
Other deposits	0.01	–
Prepaid Expenses	0.02	–
Other advances	0.05	–
	0.08	**–**

Notes to Financial Statements

13. Other Current Assets

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured - considered good (unless otherwise stated)		
Receivable from Tube Investments of India Limited (Resulting Company)	–	55.00
Interest accrued on Fixed Deposits	0.28	–
Other accruals and receivables	0.03	–
	0.31	**55.00**

14. Revenue from Operations

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
a) Dividend Income from		
- Subsidiaries	10.76	–
- Joint Venture	0.20	0.20
- Associate	46.95	39.73
b) Interest Income		
- Fixed Deposits with Banks	0.31	0.14
Total (A)	**58.22**	**40.07**
c) Other Operating Income		
- Brand Fee	3.02	–
- Profit on Sale of Current Investments	3.38	–
Total (B)	**6.40**	**–**
Total Revenue from Operations (A)+(B)	**64.62**	**40.07**

15. Other Income

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Other Income	0.02	–
	0.02	**–**

16. Employee Benefits Expense

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries, Wages and Bonus	0.62	–
	0.62	**–**

Notes to Financial Statements

17. Other Expenses

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Rates and Taxes	0.05	–
Communication Costs	0.11	0.03
Travelling and Conveyance	0.12	0.22
Advertisement Expenses	0.02	0.03
Insurance	0.02	–
Printing and Stationery	0.11	–
Information Technology Expenses	0.02	0.04
Auditors' Remuneration (Refer Note (a) below)	0.21	0.16
Professional & Legal Expenses	0.24	0.28
Commission to Directors	0.16	–
Sitting Fees to Directors	0.13	0.19
Corporate Social Responsibility Expenditure (Refer Note (b) below)	1.34	2.57
Miscellaneous Expenses	0.08	0.26
	2.61	**3.78**

Notes:

a) Auditor's Remuneration

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
As Auditor:		
- Audit Fees	0.07	0.07
- Audit of Consolidated Financial Statements	0.04	0.04
- Tax Audit	0.01	0.01
- Limited Reviews	0.02	0.02
- Other Services / Certification	0.07	0.02
Total	**0.21**	**0.16**

Notes:

b) Corporate Social Responsibility

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(i) Gross amount required to be spent during the year	1.32	2.03
(ii) Amount spent during the year	1.34	2.57
- Education & Health	0.74	1.46
- Others	0.60	1.11

Notes to Financial Statements

18. Disclosure in respect of Related Parties

a) List of Related Parties

I. Subsidiary Companies

a. Cholamandalam MS General Insurance Company Limited

b. Cholamandalam Health Insurance Limited

II. Company having Significant Influence

Ambadi Investments Limited (formerly known as Murugappa Holdings Limited) (Also Refer Note 4 (c))

III. Associate Companies

Cholamandalam Investment and Finance Company Limited and its Subsidiaries namely;

a. Cholamandalam Distribution Services Limited

b. Cholamandalam Securities Limited

c. White Data Systems India Private Limited

IV. Joint Venture Companies

a. Cholamandalam MS Risk Services Limited

V. Key Management Personnel (KMP) (Pursuant to Companies Act, 2013)

Mr. N. Ganesh - Manager (from August 9, 2017 & Chief Financial Officer (from February 5, 2018)

Mr. AN. Meyyappan - Chief Financial Officer (from August 9, 2017 till February 5, 2018)

Ms. E. Krithika - Company Secretary (from August 9, 2017)

b) During the year the following transactions were carried out with the related parties in the ordinary course of business

₹ in Crores

Transaction	Related Party	2017-18	2016-17
Dividend Received	Cholamandalam Investment and Finance Company Limited	46.95	39.73
	Cholamandalam MS General Insurance Company Limited	10.76	–
	Cholamandalam MS Risk Services Limited	0.20	0.20
Reimbursement of Expenses - Deputation charges for KMP	Cholamandalam MS General Insurance Company Limited	0.01	–
	Cholamandalam Investment and Finance Company Limited	0.38	–
Dividend Paid	Ambadi Investments Limited (formerly known as Murugappa Holdings Limited)	4.20	30.43
Remuneration to Key Management Personnel	Ms. E. Krithika	0.08	–
Brand fee Income	Cholamandalam MS General Insurance Company Limited	3.02	–

Notes to Financial Statements

19. Earning Per Share

Particulars	As at 31.03.2018	As at 31.03.2017
Profit after Tax - ₹ in Crores	59.36	36.29
Weighted Average Number of Shares		
- Basic	18,74,92,370	18,73,89,646
- Diluted	18,76,48,994	18,75,31,277
Earnings per Share of ₹ 1/- each		
- Basic	3.17	1.94
- Diluted	3.16	1.94

20. Contingent Liabilities

Pursuant to the scheme of arrangement ("the scheme") the manufacturing business undertaking of the Company was vested in / transferred to Tube Investments of India Limited ("formerly known as TI Financial Holdings Limited", "Resulting Company") vide the order of the National Company Law Tribunal, Chennai ("NCLT") dated July 17, 2017 sanctioning the scheme. The scheme has an appointed date of April 1, 2016 and has come into effect from August 1, 2017.

Pursuant to the scheme becoming effective, all taxes, duties, cess payable by the Company related to the Manufacturing business undertaking including all advance tax payments, tax deducted at source or any refunds / credits / claims relating thereto shall for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credits / claims, as the case may be, of the Resulting Company, provided however that any direct or indirect taxes that cannot specifically be earmarked as the liability of refunds / credit / claims relating to the Manufacturing business undertaking shall continue to be borne by the Company. The scheme further provides that if the Company or their successor(s) receives any refunds / credits / claims or incurs any liability in respect of the Manufacturing Business Undertaking, the same shall be on behalf of and as a trustee of the Resulting Company and the same shall be refunded to / paid by the Resulting Company.

21. Amount Remitted in Foreign Currency on account of Dividend Payment to Non Resident Shareholders

Particulars	2017-18	2016-17
Dividend * - ₹ in Crores (₹ 0.003 Crores in 2017-18)	0.00	0.03
Number of Non-Resident Shareholders	1	1
Number of equity shares held	56,700 of ₹ 1/- each	56,700 of ₹ 1/- each
Year for which Dividend Remitted	2017-18	2015-16
	Interim	2016-17

* The above excludes remittances amounting to ₹ 0.25 Cr. (Previous Year ₹ 2.01 Cr.) to Global Depository Receipt (GDR) holders through the custodian of GDR holders (Refer Note 4 d).

Notes to Financial Statements

22. Stock Options

i. Employee Stock Option Plan 2007

The Company has granted Stock Options under "Employee Stock Option Plan 2007" scheme to certain employees in accordance with the Employees Stock Option Scheme, the details of which are as follows:

Grant No.	Date of Grant	Weighted Average Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised	Options Forfeited / lapsed	Options Outstanding at the end of the year		Weighted Average Remaining Contractual Life (in years)
							Vested	Yet to vest	
1	31-Oct-07	43.37	31-Oct-08	6,00,120	3,63,624	2,36,496	–	–	–
2	31-Jan-08	45.61	30-Jan-09	1,05,460	81,324	24,136	–	–	–
3									
Tr I	24-Mar-08	39.19	31-Oct-09	26,55,260	15,39,971	11,15,289	–	–	–
Tr II	24-Mar-08	27.04	31-Oct-09	34,241	34,241	–	–	–	–
4									
Tr I	31-Jul-08	30.67	31-Jul-09	3,86,900	2,84,961	1,01,939	–	–	–
Tr II	31-Jul-08	21.16	31-Jul-09	9,344	2,000	–	7,344	–	0.33
5	31-Oct-08	16.73	31-Oct-09	54,000	30,240	23,760	–	–	–
6	30-Jan-09	21.42	30-Jan-10	28,100	23,323	4,777	–	–	–
7									
Tr I	29-Jan-11	96.63	29-Jan-12	4,25,400	2,38,404	1,86,996	–	–	–
Tr II	29-Jan-11	66.67	29-Jan-12	21,280	4,864	–	16,416	–	1.57
Tr III	29-Jan-11	66.67	29-Jan-12	15,112	–	–	15,112	–	1.35
8	29-Jan-11	96.63	29-Jan-12	1,92,400	80,916	1,11,484	–	–	–
9	29-Jan-11	96.63	29-Jan-12	13,900	–	13,900	–	–	–
10	02-May-11	96.91	02-May-12	55,000	19,680	35,320	–	–	–
11	01-Aug-11	110.23	01-Aug-12	33,600	–	33,600	–	–	–
12									
Tr I	02-Nov-11	98.74	02-Nov-12	1,26,800	48,148	78,652	–	–	–
Tr II	02-Nov-11	68.13	02-Nov-12	51,516	2,000	–	49,516	–	2.18

Notes to Financial Statements

ii. Employee Stock Option Plan 2016

The Company has granted Stock Option under "Employee Stock Option Plan 2016" scheme to certain employees in accordance with the Employees Stock Option Scheme, the details of which are as follows:

Grant No.	Date of Grant	Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised & allotted	Options Cancelled / lapsed	Options Outstanding at the end of the year		Weighted Average Remaining Contractual Life (in years)
							Vested	Yet to vest	
1									
Tr I	15-Mar-17	416.86	15-Mar-18	2,37,960	–	2,37,960	–	–	–
Tr II	15-Mar-17	416.86	15-Mar-18	2,32,270	–	9,660	2,22,610	–	4.96

Pursuant to the scheme of arrangement ("the scheme") the manufacturing business undertaking of the Company was vested in / transferred to Tube Investments of India Limited ("formerly known as TI Financial Holdings Limited", "Resulting Company") vide the order of the National Company Law Tribunal, Chennai ("NCLT") dated July 17, 2017 sanctioning the scheme. The scheme has an appointed date of April 1, 2016 and has come into effect from August 1, 2017. Pursuant to the scheme becoming effective, all the employees of the demerged Company had become the employees of the Resulting Company.

With respect to the stock options granted by the Company to the employees of the Company under the existing stock option schemes and upon the scheme becoming effective, the said employees shall be issued one stock option by the Resulting Company under the scheme(s) for every stock option held in the Company, whether the same has been vested or not on terms and conditions similar to the existing stock option schemes.

The Fair Value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grants using Black-Scholes model by an independent consultant.

The movement in Stock Options under "Employee Stock Option Plan 2007" scheme during the year is given below:

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2017	During the year 2017-18			Options Outstanding as at 31-Mar-2018	Options vested but not exercised as at 01-Apr-2017	Options vested but not exercised as at 31-Mar-2018
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 3	24-Mar-08	40,553	–	–	40,553	–	40,553	–
Grant 4	31-Jul-08	16,688	–	–	9,344	7,344	16,688	7,344
Grant 7	29-Jan-11	43,344	–	–	26,928	16,416	43,344	16,416
Grant 8	29-Jan-11	17,112	–	–	2,000	15,112	17,112	15,112
Grant 12	02-Nov-11	56,516	–	–	7,000	49,516	56,516	49,516
Total		**1,74,213**	**–**	**–**	**85,825**	**88,388**	**1,74,213**	**88,388**

Notes to Financial Statements

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2016	During the year 2016-17			Options Outstanding as at 31-Mar-2017	Options vested but not exercised as at 01-Apr-2016	Options vested but not exercised as at 31-Mar-2017
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 3	24–Mar–08	96,721	–	–	56,168	40,553	96,721	40,553
Grant 4	31–Jul–08	31,294	–	–	14,606	16,688	31,294	16,688
Grant 7	29–Jan–11	52,344	–	–	9,000	43,344	52,344	43,344
Grant 8	29–Jan–11	17,112	–	–	–	17,112	17,112	17,112
Grant 10	02–May–11	5,904	–	–	5,904	–	5,904	–
Grant 12	02–Nov–11	72,172	–	–	15,656	56,516	72,172	56,516
Total		**2,75,547**	**–**	**–**	**1,01,334**	**1,74,213**	**2,75,547**	**1,74,213**

The movement in Stock Options under "Employee Stock Option Plan 2016" scheme during the year is given below:

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2017	During the year 2017-18			Options Outstanding as at 31-Mar-2018	Options vested but not exercised as at 01-Apr-2017	Options vested but not exercised as at 31-Mar-2018
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 1	15-Mar-17	2,37,960	–	2,37,960	–	–	2,37,960	–
Grant 1	15-Mar-17	–	2,32,270	9,660	–	2,22,610	–	2,22,610

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2016	During the year 2016-17			Options Outstanding as at 31-Mar-2017	Options vested but not exercised as at 01-Apr-2016	Options vested but not exercised as at 31-Mar-2017
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 1	15-Mar-17	–	2,37,960	–	–	2,37,960	–	2,37,960

Notes to Financial Statements

The key assumptions used in Black-Scholes model for calculating the fair value as on the date of the grants are:

Employee Stock Option plan 2007

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underfying Share in the Market at the time of Option Grant (₹)	Fair Value of the Option (₹)
1	31-Oct-08	7.71	2.50	39.11	3.43	43.37	11.34
2	30-Jan-09	7.44	2.50	42.02	3.43	45.61	12.50
3							
Tr I	31-Oct-09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
Tr II	31-Oct-09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
4							
Tr I	31-Jul-09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
Tr II	31-Jul-09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
5	31-Oct-09	8.21 - 8.31	0.12 - 3.24	32.28 - 42.55	1.86	16.73	92.20 - 94.76
6	30-Jan-10	8.21 - 8.31	0.24 - 3.49	28.04 - 43.77	1.86	21.42	88.54 - 90.00
7							
Tr I	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr II	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr III	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
8	29-Jan-12	8.21 - 8.26	1.24 - 4.48	31.69 - 43.79	1.86	96.63	27.22 - 52.67
9	29-Jan-12	8.21 - 8.26	1.24 - 3.48	31.69 - 43.79	1.86	96.63	27.22 - 46.62
10	02-May-12	8.21 - 8.25	1.37 - 5.74	31.38 - 47.27	1.86	96.63	27.90 - 56.06
11	01-Aug-12	8.21 - 8.25	1.49 - 5.99	31.76 - 47.01	1.86	110.23	21.93 - 53.00
12							
Tr I	02-Nov-12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75
Tr II	02-Nov-12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75

Employee Stock Option plan 2016

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underfying Share in the Market at the time of Option Grant (₹)	Fair Value of the Option (₹)
1							
Tr I	15-Mar-18	6.75	3.50	31.49	0.25	416.86	134.16
Tr II	15-Mar-18	6.75	3.50	31.49	0.25	416.86	134.16

Notes to Financial Statements

Had compensation cost for the Stock Options granted under the Scheme been determined based on fair value method, the Company's profit and earnings per share would have been as per the pro forma amounts indicated below:

Impact on Profit for the Year

₹ in Crores

Particulars	2017-18	2016-17
Profit for the year (As reported)	59.36	36.29
Stock based employee compensation expense included in net profit	–	–
Stock based employee compensation reversal determined under fair value based method (pro forma)	–	–
Profit for the year (Pro forma)	**59.36**	**36.29**

Impact on Earnings per Share

Particulars	2017-18	2016-17
Basic Earnings per Share of ₹ 1/- each (As reported)	3.17	1.94
Basic Earnings per Share of ₹ 1/- each (Pro forma)	3.17	1.94
Diluted Earnings per Share of ₹ 1/- each (As reported)	3.16	1.94
Diluted Earnings per Share of ₹ 1/- each (Pro forma)	3.16	1.94

23. Information on Joint Venture Entity

The Company holds 49.50% interest in Cholamandalam MS Risk Services Limited, a Joint Venture Entity, located in India.

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2018 are as follows:

₹ in Crores

Particulars	31.03.2018	31.03.2017
Current assets	14.52	10.84
Non-current assets	2.47	1.51
Current liabilities	(7.84)	(4.35)
Non-current liabilities	(0.38)	(0.29)
Equity and Reserves	**8.77**	**7.71**
Revenue	28.92	19.40
Depreciation	(0.23)	(0.24)
Employee benefit expense	(8.23)	(5.88)
Other expense	(18.57)	(11.99)
Profit Before Tax	**1.89**	**1.29**
Income-tax expense	(0.58)	(0.50)
Profit After Tax	**1.31**	**0.79**
Contingent Liability	5.38	–
Capital Commitments	0.03	–

24. Previous Year's Figures

The Company has reclassified/regrouped previous year figures to conform to this year's classification.

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

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

N Srinivasan
Director

M M Murugappan
Chairman

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TI FINANCIAL HOLDINGS LIMITED
(FORMERLY KNOWN AS TUBE INVESTMENTS OF INDIA LIMITED)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TI Financial Holdings Limited (formerly known as Tube Investments of India Limited and hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entity, 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 including its associate and jointly controlled entity 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, of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, of its associate and jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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, associate and jointly controlled entity 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, its associate and jointly controlled entity as at March 31, 2018, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries, and one jointly controlled entity whose financial statements include total assets of ₹ 7,799.13 Crores and net assets of ₹ 1319.14 Crores as at March 31, 2018, and total revenues of ₹ 3,341.08 Crores and net cash inflows of ₹ 2.05 Crores 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 jointly controlled entity, 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 and jointly controlled entity, is based solely on the reports of such other auditors, which includes in respect of a subsidiary, reliance placed by the auditors on the appointed actuary's certificate on the estimate of claims incurred but not reported (IBNR) and claims incurred but not Enough Reported (IBNER). The appointed actuary has certified to this subsidiary that the assumptions used for such are appropriate and in accordance with the requirements of the Insurance Regulatory and Development Authority of India (IRDA) and Institute of Actuaries of India in concurrence with IRDA. Our opinion is not modified in respect of this matter.

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, its associate and jointly controlled entity 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 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, its associate and jointly controlled entity - Refer Note 30 to the consolidated financial statements;

ii. The Group and its jointly controlled entity did not have any material foreseeable losses in long-term contract including derivative contracts during the year ended March 31, 2018. We further report that provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, relating to the associate company.

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 Associate and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the its subsidiaries and jointly controlled entity 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 of Signature: Chennai
Date: May 10, 2018

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of TI Financial Holdings Limited (Formerly known as Tube Investments of India 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 TI Financial Holdings Limited (Formerly known as "Tube Investments of India Limited" or the "Company") as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of TI Financial Holdings Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies (together referred to as, 'the Group'), its associate and jointly controlled entity which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate and jointly controlled entity 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 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, its associate and jointly controlled entity, 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, in so far as it relates to these two subsidiaries and jointly controlled entity which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and jointly controlled entity 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 of Signature: Chennai
Date: May 10, 2018

Consolidated Balance Sheet

as at March 31, 2018

₹ in Crores

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	6	18.75	18.75
(b) Reserves and surplus	7	3,314.52	2,744.92
		3,333.27	**2,763.67**
Minority Interest		**520.12**	**438.18**
Non-Current Liabilities			
(a) Long Term Borrowings	8	100.00	–
(b) Other Long Term Liabilities	9	2256.57	2075.94
(c) Long Term Provisions	10	415.93	149.92
		2,772.50	**2225.86**
Current Liabilities			
(a) Trade Payables			
i) Dues to Micro and Small Enterprises		–	–
ii) Other Trade payables	11	600.62	222.57
(b) Other Current Liabilities	12	1,544.10	804.52
(c) Short Term Provisions	13	1,548.44	1,437.62
		3,693.16	**2,464.71**
TOTAL		**10,319.05**	**7892.42**
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Property, Plant and Equipment	14	52.63	58.95
(ii) Intangible Assets	14	16.33	10.18
Fixed Assets - Share in Jointly Controlled Entity		0.43	0.40
(b) Goodwill on Consolidation		3.64	3.64
(c) Non-Current Investments			
- Investment in Associate (includes Goodwill on Consolidation of Associate - ₹ 39.08 Cr)		2,425.35	2,038.40
- Other Non-Current Investment	15	5,552.17	4,090.06
(d) Deferred Tax Assets (Net)	16	77.30	69.32
Deferred Tax Assets (Net) - Share in Jointly Controlled Entity		0.45	0.38
(e) Long Term Loans and Advances	17	340.33	208.37
(f) Other Non-Current Assets	18	6.40	5.46
		8,475.03	**6,485.16**
Current Assets			
(a) Current Investments	19	729.58	436.39
(b) Trade Receivables	20	451.07	236.49
(c) Cash and Cash Equivalents	21	251.86	397.19
(d) Short Term Loans and Advances	22	164.12	128.67
(e) Other Current Assets	23	247.39	208.52
		1,844.02	**1,407.26**
TOTAL		**1,0319.05**	**7892.42**
Summary of Significant Accounting Policies	5		

The accompanying notes are forming 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

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

N Srinivasan
Director

M M Murugappan
Chairman

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

₹ in Crores

Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
Revenue from Operations			
- Premium Earned		2,823.85	2,248.37
- Income from Investments	24	492.94	421.23
- Other Operating Revenues	25	0.18	0.17
- Revenue from Operations - Share in Jointly Controlled Entity		27.80	18.08
Total		**3,344.77**	**2,687.85**
Other Income	26	1.05	1.30
Total Income		**3,345.82**	**2,689.15**
Expenses			
- Employee Benefits Expense	27	130.45	127.71
- Finance Costs	28	8.61	0.31
- Depreciation and Amortisation Expense		19.52	17.04
- Depreciation and Amortisation Expense - Share in Jointly Controlled Entity		0.23	0.24
- Other Expenses	29	786.66	610.15
- Claims Incurred (Net of Recovery)		2,048.35	1,638.96
Total Expenses		**2,993.82**	**2,394.41**
Profit Before Tax		**352.00**	**294.74**
Tax Expense			
Income Tax			
- Current Year		114.04	107.50
Deferred Tax (Net)		(7.98)	(18.58)
Tax Expense - Share in Jointly Controlled Entity		0.58	0.51
		106.64	**89.43**
Profit for the Year before Share of Profit attributable to Minority Interest		**245.36**	**205.31**
Less: Share of Profit attributable to Minority Interest		(97.04)	(83.26)
Add: Share of Profit from Associate		450.70	332.52
Net Profit for the Year attributable to the Shareholders of the Company		**599.02**	**454.57**
Earnings per Equity Share of ₹ 1/- each			
Basic		31.95	24.26
Diluted		31.92	24.24
Summary of Significant Accounting Policies	5		

The accompanying notes are forming 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

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

N Srinivasan
Director

M M Murugappan
Chairman

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2018

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A. Cash Flow from Operating Activities:		
Net Profit Before Tax	352.00	294.74
Adjustments for :		
Depreciation / Amortisation	19.75	17.28
Finance Costs	8.61	0.13
Loss/(Profit) on Sale of tangible assets sold/discarded (Net)	0.03	(0.11)
Profit on Sale of Investments (Net)	(56.10)	(68.36)
Provision For Doubtful Debts And Advances (Net)	0.65	0.53
Trade Receivables Written off	-	0.74
Provision for Diminution in Value of Investments	2.09	–
Liabilities no longer required written back	(0.93)	(1.17)
Income from Investments	(434.90)	(350.73)
Dividend Income from non-trade Investments	(2.03)	(2.00)
Operating Profit/(Loss) before Working Capital Changes	**(110.83)**	**(108.95)**
Adjustments for :		
Increase in Trade Receivables	(1.13)	(1.26)
Increase in Trade Payables	1.99	–
Increase in Loans and Advances	(2.06)	(247.53)
Decrease in Other Current Assets	(325.47)	(54.98)
Increase in Liabilities and Provisions	1,669.45	1,129.27
Cash Generated From Operations	1,231.95	716.55
Direct Taxes Paid (Net)	(147.19)	(122.42)
Net Cash flow from Operating Activities	**1,084.76**	**594.13**
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(21.37)	(26.30)
Proceeds from Sale of Property, Plant and Equipment	0.01	0.33
Purchase of Current Investments	(1,950.33)	(1,068.52)
Proceeds from Sale/ Redemption of Current Investments	248.83	127.66
Bank Deposits and Unpaid Dividend Accounts	201.14	–
Interest Received	371.76	311.74
Dividend Received from Associate	46.95	–
Dividend Received - Others	2.03	2.00
Net Cash Used in Investing Activities	**(1,100.98)**	**(653.09)**
C. Cash Flow from Financing Activities:		
Proceeds from exercise of Employees Stock Option	0.67	0.81
Proceeds from issue of long-term debentures	100.00	–
Repayment of Short Term Borrowings	–	(2.47)
Finance Costs Paid	(5.57)	(0.12)
Dividends Paid (Including Dividend Tax) - Net	(22.53)	(67.43)
Net Cash (Used) / From Financing Activities	**72.57**	**(69.21)**
Net Increase / (Decrease) in Cash and Cash Equivalents [A+B+C]	**56.35**	**(128.17)**
Cash and Cash Equivalents at the Beginning of the Year	**55.22**	**793.04**
Transferred to the Resulting Company pursuant to Scheme of Arrangement (Refer Note 1)	–	(609.65)
Cash and Cash Equivalents as at End of the Year	**111.57**	**55.22**

The accompanying notes are forming 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

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

N Srinivasan
Director

M M Murugappan
Chairman

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Notes to Consolidated Financial Statements

1. Corporate Information

TI Financial Holdings Limited ("the Company") was formerly known as Tube Investments of India Limited and is a Public Limited Company domiciled in India. The Company is listed on Bombay Stock Exchange and National Stock Exchange. The Registered Office of the Company is located at 234, NSC Bose Road, Chennai, Tamil Nadu.

The Company was originally incorporated as "T.I. Cycles of India Limited" on September 9, 1949 under the Companies Act, 1913. On September 15, 1959, the name was changed to "Tube Investments of India Limited".

Pursuant to the Scheme of Arrangement ("the Scheme") the details relating to which are more elaborately provided under Note 1.1 below, the name of the Company has been changed from "Tube Investments of India Limited" to "TI Financial Holdings Limited" (CIN: L65100TN1949PLC002905).

The Company had multiple businesses broadly classified into Manufacturing Business and Financial Services Business. In order to segregate the manufacturing business and financial service business, it was decided to demerge the Manufacturing Business Undertaking on a going concern basis into a separate entity with mirror image shareholding and the same was effective April 1, 2016.

The Company is engaged in Financial Services Businesses through its Subsidiaries, Joint Venture and Associate Company viz., Insurance Business (through its Subsidiary - Cholamandalam MS General Insurance Company Limited for its General Insurance business, and has incorporated Cholamandalam Health Insurance Limited ("CHIL") for the purpose of undertaking Health Insurance business on receipt of regulatory approvals), Risk Services (through its Joint Venture Company, Cholamandalam MS Risk Services Limited), Non-Banking Financial Business (through its Associate Company, Cholamandalam Investment and Finance Company Limited).

1.1 Scheme of Arrangement

The Scheme of Arrangement ("the Scheme") between the Company ("Demerged Company") and Tube Investments of India Limited, formerly known as TI Financial Holdings Limited ("Resulting Company"), their Shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, was approved by the Board of Directors of both the Companies on November 3, 2016 and National Company Law Tribunal, Chennai ("NCLT") vide its order dated July 17, 2017 sanctioning the Scheme ("Order of NCLT"). The Scheme was given effect by filing of a certified copy of the Order of NCLT on August 1, 2017 by the Company and the Resulting Company with the Registrar of Companies, Tamil Nadu, Chennai. The Scheme is effective from the Appointed Date i.e. April 1, 2016.

The salient features of the Scheme of Arrangement are as under:

a) The Company and Resulting Company has made applications and/or petitions under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Chennai ("Tribunal" or "NCLT") for sanction of this Scheme and all matters ancillary or incidental thereto.

b) The whole of the undertaking and assets and properties of the Manufacturing Business Undertaking of the Company, shall stand transferred to and vested in the Resulting Company with all the rights, title and interest pertaining to the Manufacturing Business Undertaking.

c) The Scheme of Arrangement has become effective from the Appointed Date i.e. April 1, 2016 but operative from the Effective Date i.e. August 1, 2017 being the date of filing of a certified copy of the Order of NCLT by the Company and the Resulting Company with the Registrar of Companies, Tamil Nadu, Chennai.

Notes to Consolidated Financial Statements

2. Principles of Consolidation

The Consolidated Financial Statements (CFS) relate to TI Financial Holdings Limited ("the Company"), its Subsidiary Companies (hereinafter collectively referred to as 'the Group'), Jointly Controlled Entity and Associate.

The Financial Statements of the Subsidiaries, Jointly Controlled Entity and Associate used in the Consolidation are drawn up to the same reporting date as that of the Company i.e. 31 March.

The excess of Cost to the Company of its Investment in the Subsidiaries and Jointly Controlled Entity over the Company's portion of the Equity, at the dates on which the investments are made, is recognised in the CFS 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.

The excess of the Company's portion of Equity of the Subsidiaries and Jointly Controlled Entity over its Cost of Investment, at the dates on which the investments are made, is treated as Capital Reserve.

Consolidation is applied from the date of obtaining control by the Group, till the date when the Group loses control. On cessation of control, the difference between the proceeds from the disposal of investment in the subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss as the profit or loss on the disposal of the investment in the subsidiary.

a) Subsidiaries

The Financial Statements of the Company and its Subsidiary Companies 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, intra-group transactions and the resulting unrealised profits or losses, unless cost cannot be recovered, as per Accounting Standard 21 - Consolidated Financial Statements (AS 21).

Minority Interest in the Net Assets of the Consolidated Subsidiaries consists of:

(i) The amount of Equity attributable to Minorities at the date on which the investment in the Subsidiary is made; and

(ii) The Minorities' share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

Minority Interest share in the Net Profit / Loss for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit After Tax of the Group.

In the case of deemed disposal of subsidiary, i.e. subsidiary becoming an Associate without any sale of stake by the Company, then line by line consolidation under AS 21 is stopped and will be accounted under equity method of accounting in accordance with AS 23 Accounting for Investment in Associates. The gain on account of dilution in shareholding of the Company's stake in the subsidiary is credited to Reserves and Surplus in the Consolidated Financial Statement.

b) Jointly controlled entity

Share of profit/loss, assets and liabilities in the jointly controlled entity, have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Company's equity interest in such entity as per AS 27 - Financial Reporting of Interests in Jointly Controlled Entities (AS 27). The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.

c) Associate

The investment in the associate companies has been accounted under the equity method as per

Notes to Consolidated Financial Statements

Accounting Standard 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements' (AS 23). The Group's share in profits / losses of an associate company is accounted for to the extent of the Group's direct and indirect percentage holding in its share capital of the respective associates.

Any excess / shortage of cost to the Group of its investment in the associates over its proportionate share in the equity of such associates as at the date of the investment are identified as goodwill / capital reserve in the CFS.

All material unrealised profits and losses resulting from transactions between the group and the associates are eliminated to the extent of the group's interest in the associate.

Equity accounting for associates is applied from the date of obtaining significant influence by the Group, till the date when the Group loses significant influence.

3. Particulars of Consolidation

The list of Subsidiary Companies, Jointly Controlled Entity and Associate and the Company's holding as on March 31, 2018 therein are as under:

Company	Relationship	Country of Incorporation	Proportion of Ownership
Cholamandalam MS General Insurance Company Limited (CMSGICL)	Subsidiary	India	60.00%
Cholamandalam Health Insurance Limited	Subsidiary	India	99.86%
Cholamandalam Investment and Finance Company Limited (CIFCL)	Associate	India	46.21%
Subsidiaries of CIFCL - Cholamandalam Distribution Services Limited (CDSL) - Cholamandalam Securities Limited (CSEC) - White Data Systems India Private Limited	100% owned by CIFCL 63% owned by CIFCL		
Cholamandalam MS Risk Services Limited (CMSRSL)	Jointly Controlled Entity	India	49.50%

The list of Subsidiary Companies, Jointly Controlled Entity and Associate and the Company's holding as on March 31, 2017 therein are as under:

Company	Relationship	Country of Incorporation	Proportion of Ownership
Cholamandalam MS General Insurance Company Limited (CMSGICL)	Subsidiary	India	60.00%
Cholamandalam Investment and Finance Company Limited (CIFCL)	Associate	India	46.22%
Subsidiaries of CIFCL - Cholamandalam Distribution Services Limited (CDSL) - Cholamandalam Securities Limited (CSEC) - White Data Systems India Private Limited	100% owned by CIFCL 63% owned by CIFCL		
Cholamandalam MS Risk Services Limited (CMSRSL)	Jointly Controlled Entity	India	49.50%

Notes to Consolidated Financial Statements

Notes:

a) The Movement of Goodwill on consolidation is given below:

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Opening Balance	**3.64**	**310.32**
Deletion pursuant to Scheme of Arrangement		
- TI Tsubamex Private Limited (TTPL)	–	(0.87)
- Financiere C10 SAS (FC10)	–	(21.51)
- SGL	–	(284.30)
Closing Balance	**3.64**	**3.64**

4. Basis of Preparation

The CFS of the Company are prepared under the historical cost convention, on an accrual basis, in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, except as explained elsewhere in these CFS.

The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as mentioned in the paragraphs below and are presented to the extent possible, in the same manner as the Company's separate financial statements.

CMSGICL follows accounting principles prescribed by The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, Orders / Circulars / Notifications issued by Insurance Regulatory and Development Authority (IRDA) from time to time.

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

5. Summary of Significant Accounting Policies

5.1 Presentation and disclosure of financial statements

An asset has been classified as current when it satisfies any of the following criteria;

a) It is expected to be realised in, or is intended for sale or consumption in, the normal operating cycle relevant for each of the entities in the Group;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realised within twelve months after the reporting date; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability has been classified as current when it satisfies any of the following criteria:

a) It is expected to be settled within the normal operating cycle relevant for each of the entities in the Group;

b) It is held primarily for the purpose of being traded;

Notes to Consolidated Financial Statements

c) It is due to be settled within twelve months after the reporting date; or

d) The entities in the Group do not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date.

All other assets and liabilities have been classified as non-current.

5.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, during and at the end of the reporting period. 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.

5.3 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (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 change in value.

5.4 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.

5.5 Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition and installation of the Property, Plant and Equipment but excludes duties and taxes that are recoverable from tax authorities. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful life.

Subsequent expenditure relating to Property, Plant and Equipment 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 in the Balance Sheet.

The Group identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest.

5.6 Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Notes to Consolidated Financial Statements

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year.

5.7 Allocation of Operating Expenses (In case of CMSGICL)

Operating expenses relating to insurance business are allocated to specific business segments on actual basis where such expenses are directly identifiable with a specific business segment. Other expenses are apportioned on the basis of net written premium in each business segment.

5.8 Investments

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Consolidated Statement of Profit and Loss.

In the case of CMSGICL:

(i) Investments maturing within twelve months from the date of Balance Sheet and investments held with the specific intention to dispose of within twelve months from the date of Balance Sheet are classified as short-term investments. Investments other than short term are classified as long-term investments.

(ii) All debt securities including government securities are considered as "held to maturity" and accordingly stated at historical cost subject to amortisation of premium/ accretion of discount over the balance period of maturity/ holding.

(iii) Listed and actively traded equity securities are stated at last quoted closing price on the National Stock Exchange (NSE). Where a security is not listed on NSE, the last quoted closing price on Bombay Stock Exchange (BSE) is adopted.

(iv) Units of Mutual Funds are valued at the Net Asset Value (NAV).

(v) In accordance with the Regulations, unrealized gain / loss arising due to changes in fair value of listed equity shares and mutual fund investments are taken to the "Fair Value Change Account". The credit balance, if any, in the fair value change account is not available for distribution, pending realisation.

(vi) Impairment Policy:

a. Equity Shares: The unrealized losses / gains arising due to change in fair value of equity shares will be captured at portfolio level. At the end of the financial year, any diminution in value of a scrip shall be tested for permanent impairment by applying the following tests:

i. CMSGICL has been continuously incurring losses during the three preceding years (or)

ii. CMSGICL's net worth has been fully eroded (or)

iii. CMSGICL's audited annual accounts are not available for the last two preceding years.

Notes to Consolidated Financial Statements

iv. Average market price (daily closing price on the NSE/BSE as applicable) of last 3 years is at least 50% lower than the cost of acquisition of the scrip.

Investments in such circumstances may be construed as impaired and would be written down as under:

i. Equity shares which are actively traded to their market value

ii. Equity shares other than which are actively traded or unlisted, to the book value and where the book value is negative, to ₹ 1/-

b. Real Estate: CMSGICL shall provide for permanent impairment loss in investment property carried at cost. The permanent impairment is said to have occurred when there is evidence of drop of more than 50% in the carrying cost for a continuous period of 5 years based on the fair value assessed every year on the balance sheet date by independent valuer.

The impairment loss in such cases shall be recognized as an expense in the Consolidated Statement of Profit and Loss. Any reversal of impairment loss earlier recognized in Consolidated Statement of Profit and Loss, shall be recognized in the Consolidated Statement of Profit and Loss.

(vii) Segregation of invested assets is done by notionally allocating the closing Technical Reserves (Aggregate of Net Claims Outstanding and Reserve for Unexpired Risk and other related items) to Policyholders' Funds with the balance being reflected as Shareholders' Funds.

(viii) Investment income where directly identifiable with a specific business segment is credited to the business segment and in all other cases is allocated to the respective Consolidated Statement of Profit and Loss based on the ratio of "Technical Funds" and "Shareholders Funds", respectively.

In the case of CIFCL:

Investments which are long-term in nature are stated at cost. Provision is made for diminution in value if it is of nature other than temporary.

Current investments are individually valued at the lower of cost and fair value.

Costs of investments include acquisition charges such as brokerage, fees and duties.

Long-Term Investments are stated at cost other than the investment in the shares of Bombay Stock Exchange Limited, which is accounted at fair value based on the Expert Advisory Committee opinion on 'Accounting for conversion of membership rights of erstwhile BSE (AOP) into trading rights of BSEL and shares'. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

5.9 Revenue and Other Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Service revenues are recognised on completion of services.

Dividend income is accounted for when the right to receive it is established.

Interest Income is recognised on time proportion basis, taking into account the amount outstanding and applicable interest rate.

In the case of CMSGICL:

(i) Premium (net of Goods and Service Tax) is recognised as income on assumption of risk, after adjusting for unexpired risk.

(ii) Reserve for Unexpired Risks:

a. Direct Business:

Reserve for Unexpired Risk, representing that part of the premium written that is attributable and allocable to the subsequent accounting period(s), is calculated principally on "Day Basis" in terms of Circular No IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013.

b. Inward Business from Pooling Arrangements:

- In the case of the inward premium from IMTPDRIP (DR Pool), in view of the "clean

Notes to Consolidated Financial Statements

cut" arrangement, the entire inward premium is recognized as revenue.

- In the case of the inward premium from Terrorism Pool (Fire and Engineering lines of business), 50% of the premium advised by the Pool Manager for a 12-month period is considered as Reserve for Unexpired Risks.
- In the case of the inward premium from Nuclear Pool (Liability lines of business), 50% of the premium advised by the Pool Manager for a 12-month period is considered as Reserve for Unexpired Risks.

(iii) Interest / Dividend income on investments is recognised on accrual basis and is net of accretion of discount or amortisation of premium over the balance period of maturity / holding. Dividend income is recognised when right to receive the same is established.

(iv) Profit / Loss on sale of investments - Realised gains or losses on investments representing the difference between the sale consideration and the carrying cost is recognised on the date of sale. In determining the realised gain or loss on sale of a security, the cost of such security is arrived on weighted average cost basis. In the case of listed equity shares, profit or loss on sale is adjusted for the accumulated changes in the fair value previously recognised in the fair value change account in respect of the shares sold.

In the case of CIFCL:

i. 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.

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

iii. 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.

iv. 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.

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

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

vii. Income from non-financing activity is recognised as per the terms of the respective contract on accrual basis.

viii. Brokerage Income on stock broking and other charges are recognised on the trade date of transaction upon confirmation of the transaction by the exchanges.

ix. 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.

x. 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.

xi. Interest income on bonds and deposits and pass through certificates is recognised on accrual basis.

xii. 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.

xiii. Profit / loss on sale of investments is recognised at the time of sale or redemption.

xiv. Dividend Income is recognised when the right to receive dividend is established.

Notes to Consolidated Financial Statements

5.10 Reinsurance Ceded and Commission Received (CMSGICL)

a) Reinsurance premium ceded is accounted in the year of commencement of risk in accordance with the treaty arrangements with the reinsurers. Non-proportional reinsurance cost is recognised when incurred and included in the premium on reinsurance ceded.

b) Commission on reinsurance ceded is recognised as income on ceding of reinsurance premium. Profit commission under reinsurance treaties wherever applicable, is recognized in the year of determination of the profits as per the respective treaties and included in Commission on reinsurance ceded.

5.11 Acquisition Cost of New Insurance Contracts (CMSGICL)

a) Long Term Policies: Costs relating to acquisition of new / renewal of insurance contracts are expensed over the policy period.

b) Other than Long Term Policies: Costs relating to acquisition of new / renewal of insurance contracts are expensed in the year in which they are incurred.

5.12 Claims and Premium Deficiency (CMSGICL)

a) Claims incurred (net) include specific settlement costs comprising survey, legal and other directly attributable expenses and are net of salvage value and other recoveries, if any.

b) Estimated liability for outstanding claims in respect of direct business is provided based on claims reported after adjusting claims recoverable from reinsurers / co-insurers, and includes provision for solatium fund.

c) The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) has been estimated by the Appointed Actuary in compliance with guidelines issued by IRDA vide circular No. 11/IRDA/ACTL/IBNR/2005-06 dated June 8, 2006, IBNR Manual dated May 22, 2008 and applicable provisions of the Actuarial Practice Standard 21 issued by the Institute of Actuaries in India. The Appointed Actuary has used alternative methods for each product category as considered appropriate depending upon the availability of past data as well as appropriateness of the different methods to the different lines of businesses.

d) In respect of incoming co-insurance, claims are accounted based on intimations received from co-insurers.

e) In respect of Declined Risk Pool, in view of the "clean cut" arrangement, the reserving for claims is made on the entire premium recognized as revenue.

f) Premium deficiency, if any, is calculated based on actuarial valuation duly certified by the Appointed Actuary.

g) In accordance with IRDA Circular No. IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013, enrolment costs in RSBY Schemes are absorbed in proportion of the elapsed policy period to total policy period. The costs pertaining to future accounting periods are shown as reduction from Reserve for Unexpired Risks.

5.13 Receivables under Financing Activity, Provisioning and Derecognition (CIFCL)

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.

CIFCL sells loan receivables by way of securitisation or direct assignment. On such sale, assets are derecognised on transfer of significant risks and

Notes to Consolidated Financial Statements

reward to the purchaser and fulfilling of the true sale criteria specified in the RBI guidelines on securitisation and direct assignment.

5.14 Repossessed Assets (CIFCL)

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

5.15 Business Origination and Outsourcing (CIFCL)

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 Consolidated Statement of Profit and Loss in the period incurred.

5.16 Employee Benefits

a) Defined Contribution Plan

Superannuation

Contributions at a sum equivalent to 15% of eligible employees salary are made to Superannuation Funds administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. There is no liability for future Superannuation Fund benefits other than the annual contribution and such contributions are recognised as an expense in the year in which the services are rendered.

Provident Fund

Contributions towards Employees Provident Fund made to the Regional Provident Fund are recognised as expense in the year in which the services are rendered.

Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

b) Defined Benefit Plan

Gratuity

Annual contributions are made to Gratuity Funds administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. The liability for future gratuity benefits is accounted for 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 Consolidated 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.

Provident Fund

In respect of employees not covered under Point 5.17 (a), contributions to the Company's Employees Provident Fund Trust are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, determined based on an actuarial valuation, as an expense.

c) Long Term Compensated Absences

The accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional

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legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

d) Short Term Employee Benefits

Short term employee benefits include short term compensated absences which is recognized based on the eligible leave at credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

5.17 Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis.

5.18 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 rates that closely approximate the rate at the date of the transaction.

Measurement

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.

Treatment of exchange differences

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Consolidated 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 (other than for a firm commitment or a highly probable forecast transaction) or similar instrument is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Consolidated Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation of such a contract is recognised as income or expense for the year.

5.19 Derivative Instruments and Hedge Accounting

The Group uses Cash Flow Hedges (forward contracts and currency swaps) to hedge its risks associated with foreign currency fluctuations relating to firm commitment or highly probable forecast transactions. Till March 31, 2016, the Company designated these in a hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30 - "Financial Instruments - Recognition and Measurement". From April 1, 2016, the Company accounts for Derivative Instruments based on Guidance note issued by ICAI on accounting for Derivative contracts.

The use of Derivative Contracts is governed by the Company's policies on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

Derivative Contracts are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these Derivative Contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedge Reserve Account" under Shareholders' Funds and the ineffective portion is recognized immediately in the Consolidated Statement of Profit and Loss.

Changes in the fair value of Derivative Contracts that do not qualify for hedge accounting are recognized in the Consolidated Statement of Profit and Loss as they arise.

The amounts recognised in the Hedge reserve are transferred to the Consolidated Statement of Profit and Loss when the hedged transactions crystalizes.

Notes to Consolidated Financial Statements

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in hedge reserve is transferred to Consolidated Statement of 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. If any of these events occur or if a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised under Shareholders' Funds is transferred to the Consolidated Statement of Profit and Loss for the year.

5.20 Depreciation and Amortisation

a) Fixed Assets/Intangible Assets are stated at cost less accumulated depreciation/amortisation.

b) Depreciation on fixed assets is provided on straight line method over the useful life of assets and in the manner as prescribed under part C of Schedule II of the Companies Act, 2013 except for the assets which are depreciated at a higher rate based on their estimated useful life as under:

Particulars	Useful Life
Furniture and Fittings	4-5 years
Information Technology Equipment	
- Other than Kiosk Machines	3 years
- Kiosk Machines	5 years
Vehicles	4 Years
Office Equipment	2-4 Years
Electrical Fittings	4 Years

Improvement to premises equally over the primary lease period initially agreed upon or 5 years whichever is lower.

For these class of assets, based on internal assessment, the management believes that the useful life given above best represents the period over which the management expects to use these assets. Hence, the useful life of these assets is different from the useful life as prescribed in the Companies Act, 2013.

c) The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use.

d) Computer software (Intangible assets) includes cost of application software which is amortized over a period of 3 years. Cost of other software is fully amortized in the year of purchase.

5.21 Taxes on Income

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group. The carrying amount of MAT is reviewed at each reporting date and the asset is written down to the extent the Group does not have convincing evidence that it will pay normal income tax during the specified period.

Deferred Tax is recognised on timing differences, being the differences 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 tax laws enacted or substantively enacted as at the reporting date.

Notes to Consolidated Financial Statements

Deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets. However, if there are unabsorbed depreciation and carry forward of losses, all 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 such assets. The carrying amount of deferred tax assets are reviewed at each reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Current Tax and Deferred Tax relating to items directly recognised in Reserves are recognised in Reserves and not in the Consolidated Statement of Profit and Loss.

In respect of overseas subsidiaries, income tax is provided for based on income tax laws prevailing in the country of incorporation of the respective subsidiaries.

5.22 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.

5.23 Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

5.24 Segment Reporting

a) The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on location of customers of the Group.

b) The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

c) Segment revenue and segment results include transfers between business segments. Such transfers are accounted for at a competitive market price and are eliminated in the consolidation of the segments.

d) Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses which relate to the Group as a whole and are not allocable to segments are included under unallocated corporate expenses.

e) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and are not allocable to any segment.

5.25 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.

Notes to Consolidated Financial Statements

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 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.

5.26 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.

5.27 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity share holders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

5.28 Employees Stock Option

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 Group 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 Consolidated Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

5.29 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.

5.30 Provision for Claw Back of Commission Income (CIFCL)

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.

Notes to Consolidated Financial Statements

5.31 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.

6. Share Capital

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
AUTHORISED		
43,00,00,000 Equity Shares of ₹ 1/- each (Previous year 43,00,00,000 Equity Shares of ₹ 1/- each)	43.00	43.00
	43.00	43.00
ISSUED, SUBSCRIBED AND PAID UP		
18,75,33,696 Equity shares of ₹ 1/- each (Previous year 18,74,47,871 Equity Shares of ₹ 1/- each)	18.75	18.75
	18.75	18.75

a) The Reconciliation of share capital at the beginning and at the end of reporting period is given below:

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	187,447,871	18.75	187,346,537	37.47
Shares allotted on exercise of Employee Stock Options (Refer Note below)	85,825	–	101,334	0.02
Capital Reduction pursuant to Scheme of Arrangement	–	–	–	(18.74)
At the end of the year	**187,533,696**	**18.75**	**187,447,871**	**18.75**

Note : The Company has received an amount of ₹ 0.009 Cr. (31.03.2017: ₹ 0.02 Cr.) on allotment of Shares under Employee Stock Options.

b) Terms / Rights attached to class of shares:

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 1/- each (Previous year ₹ 1/- each). The holders of Equity Shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. Repayment of capital will be in proportion to the number of Equity Shares held.

c) Details of Shareholder(s) holding more than 5% of Equity Shares in the Company as on March 31, 2018:

Particulars	As at 31.03.2018		As at 31.03.2017	
Name of the Shareholder	% against No. of shares of shares	total number	% against No. of shares of shares	No. of shares
Ambadi Investments Limited (formerly known as Murugappa Holdings Limited)	70,066,595	37.36%	64,054,680	34.17%

Pursuant to the Scheme of Amalgamation of Murugpppa Holdings Limited and Presmet Pvt. Limited with Ambadi Investments Private Limited, Murugappa Holdings Limited and Presmet Pvt. Limited has been merged with Ambadi Investments Limited. Subsequent to this amalgamation, Ambadi Investments Private Limited has become a Public Limited Company.

Notes to Consolidated Financial Statements

d) Status on Global Depository Receipts (GDR):

The aggregate number of GDRs outstanding as at March 31, 2018 is 42,30,630 (as at March 31, 2017 - 42,30,630) each representing one Equity Share of ₹ 1/- face value (Previous Year ₹ 1/- face value). GDR % against total number of shares is 2.26% (as at March 31, 2017 - 2.26%). The GDRs carry the same terms / rights attached to Equity Shares of the Company.

7. Reserves and Surplus

₹ in Crores

Particulars	As at 31.03.2018		As at 31.03.2017	
Capital Reserve				
Balance at the beginning of the year	19.97		1.34	
Adjustment pursuant to Scheme of Arrangement	–		18.63	
Balance at the end of the year		**19.97**		**19.97**
Capital Reserve on Consolidation				
Balance at the beginning of the year	0.16		0.16	
Additions during the year	–		–	
Capital Reserve on Consolidation		**0.16**		**0.16**
Capital Redemption Reserve				
Balance at the beginning of the year	6.15		6.16	
Adjustment pursuant to Scheme of Arrangement	–		(0.01)	
Deletions during the year	–		–	
Balance at the end of the year		**6.15**		**6.15**
Securities Premium Account				
Balance at the beginning of the year	202.69		201.89	
Additions during the year on exercise of Employee Stock Options	0.67		0.80	
Deletions during the year	–		–	
Balance at the end of the year		**203.36**		**202.69**
Debenture Redemption Reserve				
Balance at the beginning of the year	–		220.83	
Adjustment pursuant to Scheme of Arrangement	–		(220.83)	
Additions during the year	10.00		–	
Deletions during the year	–		–	
Balance at the end of the year		**10.00**		**–**
Hedge Reserve Account				
Balance at the beginning of the year	–		(0.87)	
Adjustment pursuant to Scheme of Arrangement	–		0.87	
Additions / (Deductions) during the year (Net)	–		–	
Balance at the end of the year		–		–
Reserve Fund (Refer note a below)				
Balance at the beginning of the year	7.30		–	
Additions during the year	11.90		7.30	
Deletions during the year	–		–	
Balance at the end of the year		**19.20**		**7.30**

Notes to Consolidated Financial Statements

₹ in Crores

Particulars	As at 31.03.2018		As at 31.03.2017	
Fair Value Change Account				
Balance at the beginning of the year	–		–	
Additions / (Deductions) during the year (Net)	8.52		–	
Balance at the end of the year		8.52		–
Foreign Currency Translation Reserve				
Balance at the beginning of the year	–		0.69	
Additions during the year	–		–	
Adjustment pursuant to Scheme of Arrangement	–		(0.69)	
Balance at the end of the year		–		–
General Reserve				
Balance at the beginning of the year	1,545.25		1,885.29	
Additions / (Deductions) during the year (Net)	(16.39)		29.91	
Adjustment pursuant to Scheme of Arrangement	–		(369.95)	
Balance at the end of the year		1,528.86		1,545.25
		1,796.22		**1,781.52**
Surplus / (Deficit) in the statement of Profit and Loss				
Surplus at the beginning of the year	963.40		971.21	
Adjustment pursuant to Scheme of Arrangement	–		(426.87)	
Profit for the year	599.02		454.57	
Final dividend including dividend distribution tax	(10.83)		0.00	
Transfer to Reserve Fund	(11.90)		(7.30)	
Transfer to Debenture Redemption Reserve	(10.00)		–	
Interim Dividend @ ₹ 1.25 (Previous year ₹ 1.50) per Equity Share of ₹ 1/- each	(11.29)		(23.43)	
Dividend Distribution Tax (Net) - Current year	(0.10)		(4.78)	
Net Surplus in the Statement of Profit and Loss		**1,518.30**		**963.40**
Total Reserves and Surplus		**3,314.52**		**2,744.92**

a) As per Section 45 IC of the Reserve Bank of India Act, 1934, the Company is required to create a minimum Reserve fund at the rate of 20% of the profit after tax. Accordingly, the Company has transferred an amount of ₹ 11.90 Cr. (March 31, 2017 ₹ 7.30 Cr.) out of the profit after tax for the year ended March 31, 2018 as Reserve Fund.

b) The Board of Directors of the Company have recommended a final dividend of 65% being ₹ 0.65 per share on the equity shares of the Company, for the year ended March 31, 2018 (Nil - 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 to Consolidated Financial Statements

8. Long Term Borrowings

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured Non Convertible Debentures (Refer Note (a) below)	100.00	–
	100.00	**–**

a) During the year, CMSGICL (Subsidiary) has issued 1000 Nos. 8.75% Unsecured, Subordinated, Fully paid up, Listed, Redeemable, Non convertible Debentures (NCDs) having face value of ₹ 1,000,000 each for cash at Par for a tenor of 10 years with a call option at the end of 5 years.

Debenture Redemption reserve (DRR) has been created to the extent of ₹ 10 Cr. being proportionate charge over the debenture tenor.

9. Other Long Term Liabilities

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Claims Outstanding	2,198.12	2,029.65
Other Liabilities	58.45	46.29
	2,256.57	**2,075.94**

10. Long Term Provisions

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Reserve for Unexpired Risk	415.55	149.63
Share in Jointly Controlled Entity - Provision for Compensated Absences	0.38	0.29
	415.93	**149.92**

11. Trade Payables

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Other than Acceptances		
- Dues to Micro, Small & Medium Enterprises	–	–
- Others	595.72	219.66
Share in Jointly Controlled Entity	4.90	2.91
	600.62	**222.57**

Notes to Consolidated Financial Statements

12. Other Current Liabilities

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Interest Accrued but Not Due	3.04	–
Unpaid Dividends	2.15	2.47
Advances and Deposits from Customers / Others	93.02	76.26
Claims Outstanding	1,117.36	525.38
Unallocated Premium	141.94	128.50
Other Liabilities		
- Statutory liabilities	64.21	70.95
- Others	120.94	0.39
Share in Jointly Controlled Entity	1.44	0.57
	1,544.10	**804.52**
Amounts to be Credited to Investor Education and Protection Fund towards Unpaid Dividends	–	–

13. Short Term Provisions

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Compensated Absences	34.32	24.91
Reserve for Unexpired Risk	1,512.62	1,412.10
Share in Jointly Controlled Entity	1.50	0.61
	1,548.44	**1,437.62**

Notes to Consolidated Financial Statements

14. Tangible Assets

₹ in Crores

Particulars	Gross Block at Cost					Depreciation / Amortisation					Impairment					Net Block	
	As at 01-04-2017	Additions	Deletions	Adjustment pursuant to the Scheme	As at 31.03.2018	As at 01.04.2017	For the Year	On Deletions Refer Note (c)	Adjustment pursuant to the Scheme	As at 31.03.2018	As at 01.04.2017	For the Year	On Deletions Refer Note (c)	Adjustment pursuant to the Scheme	As at 31.03.2018	As at 31.03.2018	As at 01.04.2017
Land (Freehold)	**5.80**	**-**	**-**	**-**	**5.80**	**-**	**-**			**-**	**-**			**-**	**-**	**5.80**	**5.80**
	(142.23)			(136.43)	(5.80)	-				-	(5.53)			(5.53)	-	(5.80)	(136.70)
Land (Leasehold)	**-**				**-**	**-**	**-**			**-**	**-**				**-**	**-**	**-**
	(1.14)			(1.14)	-	(0.20)			(0.20)	-	(0.33)			(0.33)	-	-	(0.61)
Buildings	**36.58**	**0.12**	**-**		**36.70**	**3.24**	**0.59**			**3.83**	**-**				**-**	**32.87**	**33.34**
	(377.06)	(2.40)		(342.88)	(36.58)	(120.02)	(0.62)		(117.40)	(3.24)	(12.37)			(12.37)	-	(33.34)	(244.67)
Plant & Machinery	**5.08**	**0.46**	**0.03**		**5.51**	**3.68**	**0.87**	**0.03**		**4.52**	**-**				**-**	**0.99**	**1.40**
	(1,808.51)	(0.73)	(0.14)	(1,804.02)	(5.08)	(1,194.66)	(0.73)	(0.14)	(1,191.57)	(3.68)	(18.77)			(18.77)	-	(1.40)	(595.08)
Railway Siding	**-**				**-**	**-**				**-**	**-**				**-**	**-**	**-**
	(0.21)			(0.21)	-	(0.20)			(0.20)	-					-	-	(0.01)
Office Equipment	**43.92**	**4.02**	**1.77**	**-**	**46.17**	**32.43**	**6.16**	**0.25**	**-**	**38.34**	**-**				**-**	**7.83**	**11.49**
	(72.86)	(9.72)	(0.05)	(38.61)	(43.92)	(57.40)	(5.90)	(0.05)	(30.82)	(32.43)					-	(11.49)	(15.46)
Improvement to Premises (Leasehold and Owned)	**13.70**	**0.86**	**0.11**	**-**	**14.45**	**9.09**	**2.13**	**0.07**	**-**	**11.15**	**-**				**-**	**3.30**	**4.61**
	(14.81)	(1.75)	(0.51)	(2.35)	(13.70)	(7.66)	(2.06)	(0.51)	(0.12)	(9.09)					-	(4.61)	(7.15)
Furniture & Fixtures	**5.34**	**0.13**	**0.04**	**-**	**5.43**	**4.61**	**0.47**	**0.03**	**-**	**5.05**	**-**				**-**	**0.38**	**0.73**
	(22.23)	(0.67)	(0.10)	(17.46)	(5.34)	(16.08)	(0.85)	(0.10)	(12.22)	(4.61)	(0.05)			(0.05)	-	(0.73)	(6.10)
Vehicles	**2.83**	**0.78**	**0.82**	**-**	**2.79**	**1.25**	**0.71**	**0.63**	**-**	**1.33**	**-**				**-**	**1.46**	**1.58**
	(16.09)	(0.84)	(0.88)	(13.22)	(2.83)	(8.11)	(0.69)	(0.67)	(6.88)	(1.25)					-	(1.58)	(7.98)
Total	**113.25**	**6.37**	**2.77**	**-**	**116.85**	**54.30**	**10.93**	**1.01**	**-**	**64.22**	**-**	**-**	**-**	**-**	**-**	**52.63**	**58.95**
	(2,455.14)	(16.11)	(1.68)	(2,356.32)	(113.25)	(1,404.33)	(10.85)	(1.47)	(1,359.41)	(54.30)	(37.05)	-	-	(37.05)	-	(58.95)	(1,013.76)
Intangible Assets																	
- Computer Software	**56.13**	**14.74**	**-**	**-**	**70.87**	**45.95**	**8.59**	**-**	**-**	**54.54**		**-**			**-**	**16.33**	**10.18**
	(63.43)	(10.03)		(17.33)	(56.13)	(51.71)	(6.19)	(33.37)	21.42	(45.95)		-			-	(10.18)	(11.72)
Total	**56.13**	**14.74**	**-**	**-**	**70.87**	**45.95**	**8.59**	**-**	**-**	**54.54**	**-**	**-**	**-**	**-**	**-**	**16.33**	**10.18**
	(63.43)	(10.03)	-	(17.33)	(56.13)	(51.71)	(6.19)	(33.37)	21.42	(45.95)	-	-	-	-	-	(10.18)	(11.72)
Grand Total	**169.38**	**21.11**	**2.77**	**-**	**187.72**	**100.25**	**19.52**	**1.01**	**-**	**118.76**	**-**	**-**	**-**	**-**	**-**	**68.96**	**69.13**
	(2,518.57)	(26.14)	(1.68)	(2,373.65)	(169.38)	(1,456.04)	(17.04)	(34.84)	(1,337.99)	(100.25)	(37.05)	-	-	(37.05)	-	(69.13)	(1,025.48)

Notes:

a) All the above assets are owned unless otherwise stated as leased assets.

b) Previous Year Figures are given in brackets.

c) Depreciation on deletions for computer software for the previous year represents adjustment on account of conversion of subsidiary to associate.

Notes to Consolidated Financial Statements

15. Non-Current Investments

(Valued at Cost unless stated otherwise)

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Investment property (at cost less accumulated depreciation)	28.83	28.83
Trade Investments:		
Government Securities - Quoted (Refer Note (a))	2,092.84	1,670.20
Other Investments:		
- Equity Shares (Fully paid) - Quoted (Refer Note (a))	141.13	145.57
- Equity Shares (Fully paid) - Unquoted	0.78	0.78
- Debentures and Bonds - Quoted (Refer Note (a))	3,281.09	2,244.68
- Others	7.50	–
	5,552.17	**4,090.06**

Note:

a) Market Value of Quoted Investments is ₹ 5,521.18 Cr. (Previous Year ₹ 4,060.99 Cr.)

16. Deferred Tax Assets (Net)

₹ in Crores

Nature - (Liability) / Asset	As at 31.03.2018	As at 31.03.2017
Subsidiary - CMSGICL		
Deferred Tax Liabilities (A)	–	–
Deferred Tax Assets		
Provision for Employee Benefits and Others	4.04	3.53
Unexpired Risk Reserve	(1.56)	(2.49)
Provision for dimunution in investments	0.72	–
On account of depreciation	74.10	68.28
Total (B)	**77.30**	**69.32**
Net Deferred Tax Asset (A+B)	77.30	69.32

17. Long Term Loans and Advances

(unsecured considered good)

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Advances	1.35	–
Loans and Advances		
- Receivable from Terrorism Pool/Nuclear Pool	117.36	101.71
- Others	146.90	64.34
Deposits with Government, Public Bodies and Others	5.03	4.90
Advance Income Tax (Net of Provision for taxation)	68.11	34.97
Share in Jointly Controlled Entity	1.58	2.45
	340.33	**208.37**

Notes to Consolidated Financial Statements

18. Other Non-Current Assets

(unsecured considered good)

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Other Deposits	6.40	4.95
Share in Jointly Controlled Entity	–	0.51
	6.40	**5.46**

19. Current Investments

(At lower of Cost and Fair Value)

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Debentures / Bonds	470.01	383.02
Mutual Funds and Money Market Instruments	244.57	28.26
Government Securities	15.00	25.11
	729.58	**436.39**
Market Value	740.16	440.20

20. Trade Receivables

(Unsecured, Considered Good unless otherwise stated)

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered good	413.44	197.44
Doubtful	–	–
	413.44	**197.44**
Provision for Doubtful Debts	–	–
	413.44	**197.44**
Other receivables:		
Considered good	29.24	32.15
Doubtful	–	–
	29.24	**32.15**
Provision for Doubtful Debts	–	–
	29.24	**32.15**
Total Trade Receivables:		
Considered good	442.68	229.59
Doubtful	–	–
	442.68	**229.59**
Provision for Doubtful Debts	–	–
	442.68	**229.59**
Share in Jointly Controlled Entity	8.39	6.90
	451.07	**236.49**
Of the above:		
- Secured	–	–
- Unsecured	451.07	236.49
	451.07	**236.49**

Notes to Consolidated Financial Statements

21. Cash and Bank balance

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Cash and Cash Equivalents:		
Balance with Banks		
- Current Accounts	39.71	41.75
- On Deposit Accounts- Original maturity less than 3 months		
- Free of Lien	55.00	-
Cheques on Hand	15.51	12.41
Cash on Hand	0.13	0.11
Share in Jointly Controlled Entity	1.22	0.95
	111.57	**55.22**
Other Bank Balances:		
- Unpaid Dividend Accounts	2.15	2.47
- On Deposit Accounts		
- Under Lien	0.59	0.41
- In Deposit Accounts - Original maturity more than 3 months	137.30	339.09
Share in Jointly Controlled Entity	0.25	-
	140.29	**341.97**
	251.86	**397.19**

22. Short Term Loans and Advances

(Unsecured and considered good unless otherwise stated)

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Advances Recoverable		
- Goods and Services	22.95	42.12
- Employee Related	0.06	1.66
- Prepaid Expenses	136.39	84.40
- Others	0.05	-
	159.45	**128.18**
Other Deposits	0.01	-
Share in Jointly Controlled Entity	4.66	0.49
	164.12	**128.67**

23. Other Current Assets

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Interest and Other Income Accrued but Not Due		
- on Fixed Deposits and Investments	207.75	150.37
Other Accruals and Receivables	39.63	3.14
Receivable from Tube Investments of India Limited (Resulting Company)	–	55.00
Share in Jointly Controlled Entity	0.01	0.01
	247.39	**208.52**

Notes to Consolidated Financial Statements

24. Income from Investments

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Dividend income from		
Non-Trade Investments	2.03	2.00
Current Investments	7.61	7.21
	9.64	**9.21**
Interest Income	427.10	343.53
Profit on Sale of Investments	56.10	68.36
Share in Jointly Controlled Entity	0.10	0.13
	492.94	**421.23**

25. Other Operating Revenue

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Administrative charges receivable	0.18	0.17
	0.18	**0.17**

26. Other Income

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit on Sale of Assets (Net)	–	0.11
Miscellaneous Income	0.02	–
Share in Jointly Controlled Entity	1.03	1.19
	1.05	**1.30**

27. Employee Benefits Expense

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries, Wages and Bonus	102.52	104.67
Gratuity Expenses (Refer Note 43)	4.42	–
Contribution to Provident and Other Funds	8.94	9.79
Staff Welfare Expenses	6.34	7.37
Share in Jointly Controlled Entity	8.23	5.88
	130.45	**127.71**

28. Finance costs

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest	8.61	0.19
Share in Jointly Controlled Entity	–	0.12
	8.61	**0.31**

Notes to Consolidated Financial Statements

29. Other Expenses

₹ in Crores

Particulars	As at 31.03.2018	As at 31.03.2017
Power and Fuel	3.97	4.08
Rent (Net)	12.42	10.90
Repairs to Others	2.51	2.53
Insurance	0.02	0.07
Rates and Taxes	10.01	10.29
Travelling and Conveyance	0.12	0.22
Printing, Stationery and Communication	0.22	–
Advertisement and Publicity	136.46	80.94
Provision for diminution in investments	2.09	–
Loss on Tangible Assets Sold / Discarded (Net)	0.03	–
Auditors' Remuneration (Refer Note (a) below)	0.58	0.55
Commission to Non Whole Time Directors – Company	0.16	–
Directors' Sitting Fees – Company	0.13	0.19
Loss on Exchange Fluctuation (Net)	–	0.07
Marketing Expenses	390.03	308.61
Electronic Data Processing Expenses	22.85	16.47
Donations to Charitable and other institutions	–	0.18
Corporate Social Responsibility Expenditure (Refer Note (b) below)	6.02	6.22
Back Office Expenses	65.41	65.15
Administration Expenses	–	5.55
Insurance Commission (Net)	42.33	15.31
Miscellaneous Expenses	72.74	70.96
Share in Jointly Controlled Entity	18.56	11.86
	786.66	**610.15**

Notes:

a) Auditor's Remuneration

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Statutory Audit	0.48	0.47
Tax Audit & Other Services	0.10	0.08
	0.58	**0.55**
Share in Jointly Controlled Entity	0.02	–
Total	**0.60**	**0.55**

Notes:

b) Corporate Social Responsibility

₹ in Crores

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(i) Gross amount required to be spent during the year	5.84	5.27
(ii) Amount spent during the year	6.02	6.22
- Education & Health	4.94	4.79
- Others	1.08	1.43

Notes to Consolidated Financial Statements

30. Contingent Liabilities

₹ in Crores

Particulars	2017-18	2016-17
1. Contingent Liabilities		
Counter Guarantees Provided by the Subsidiary and Associate	164.90	132.19
Disputed Income Tax Demands in respect of the Subsidiary, Associate and Jointly Controlled Entity	184.49	261.82
Disputed Excise / Sales / Service Tax Demands in respect of the Subsidiary	160.96	151.02
Disputed claims against the Associate lodged by various parties pending litigation (to the extent quantifiable)	37.29	29.12
Income tax cases decided in favour of Associate by Appellate Authorities and for which the Department is in further appeal	0.06	0.06
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	7.51	7.51
2. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Capital Expenditure	6.27	7.47

Notes:

a) The Group is of the opinion that the above demands are not sustainable and expects to succeed in its appeal / defence.

b) Draft Assessment Orders received from Income Tax Authorities and Show Cause Notices received from various Government Authorities, pending adjudication, have not been considered as Contingent Liabilities.

c) The uncertainities and possible reimbursement in respect of the above mentioned contingent liabilities are dependent on the outcome of various legal proceedings and therefore, cannot be predicted accurately.

d) The Group considers the Cash flow in each of the cases to be uncertain and hence considered as Contingent liabilities.

e) As per the Scheme of Arrangement, all taxes, duties, cess payable by the Company relating to the Manufacturing Business Undertaking including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims, as the case may be, of the Resulting Company, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds / credit / claims relating to the Manufacturing Business Undertaking shall continue to be borne by the Company. The Scheme further provides that if the Company or their successor(s) receives any refunds / credit / claims or incurs any liability in respect of the Manufacturing Business Undertaking, the same shall be on behalf of and as a trustee of the Resulting Company and the same shall be refunded to / paid by the Resulting Company.

Notes to Consolidated Financial Statements

31. Subsidiary - CMSGICL

a) Terrorism Pool

Premium received from customers on account of Terrorism cover has been ceded to General Insurance Corporation of India (GIC) Terrorism Pool Account. The Company's share in the Terrorism Pool Account with GIC, based on the statements of account received during the current year for the period upto December 31, 2017 has been accounted under the respective heads as follows:

(i) Premium Inwards - Premium on Reinsurance Accepted

(ii) Claims - under Claims Paid and Claims Outstanding

(iii) Management Expenses - under Operating Expenses Related to Insurance Business

(iv) Investment Income (provisional statements received upto 31 March 2018) - under Interest and Dividends in the Revenue Accounts

The resultant surplus/ deficit is reflected as RI Receivable/ Payable on Terrorism Pool.

The CMSGICL's share in the Terrorism Pool Account with GIC for the period January 1, 2018 to March 31, 2018 will be accounted on receipt of the relevant statements of account from GIC.

b) Indian Motor Third Party Declined Risk Insurance Pool (DR Pool)

IRDA vide its circular IRDA/NL/CIR/MISC/051/03/2016 dated March 15, 2016 has dismantled DR Pool with effect from April 1, 2016.

c) India Nuclear Insurance Pool (Nuclear Pool)

i. Premium received from customers towards Nuclear Policies has been ceded to General Insurance Corporation of India (GIC) - Nuclear Pool. The CMSGICL's share in the Nuclear Pool Account with GIC, based on the statements of account received during the current year for the period upto September 30, 2017 has been accounted under the respective heads as follows:-

a. Premium Inwards - Premium on Reinsurance Accepted

b. Claims - under Claims Paid and Claims Outstanding

c. Management Expenses - under Operating Expenses Related to Insurance Business

d. Investment Income - under Interest and Dividends in the Revenue Accounts

The resultant surplus/ deficit is reflected as RI Receivable/ Payable on Nuclear Pool.

ii. CMSGICL's share in the Nuclear Pool Account with GIC for the period October 1, 2017 to March 31, 2018 will be accounted on receipt of the relevant statements of account from GIC.

d) Encumbrances

The assets of CMSGICL are free from encumbrances except in the case of:

(i) Deposits under lien to banks amounting to ₹ 0.59 Cr. (Previous Year ₹ 0.41 Cr.)

Notes to Consolidated Financial Statements

(ii) Garnishee orders by Motor Accidents Claims Tribunal (MACT) on bank balances amounting to ₹ 0.34 Cr. (Previous Year ₹ 1.01 Cr.) in respect of Motor Third Party Claims. These amounts duly provided for are included in the Outstanding Claims.

e) Provision for Free Look Period

Pursuant to the Circular CIR/4w1/IRDA/Health/SN/09-10/32, CMSGICL has made a provision for Free Look period.

f) Claims where the claim payment period exceeds four years:

As per circular F&A/CIR/017/May-04, the claims made in respect of contracts where claims payment period exceeds four years, are required to be recognized on actuarial basis. CMSGICL does not have liability contracts where the claims payment period exceeds four years.

g) Change in Accounting Policy

During the year, the Company has made a change in impairment policy of the investments, whereby fall of average market price of equity shares over last 3 years by less than 50% of the cost of investment has been considered as additional indicator of impairment. Accordingly, the provision for diminution in the value of investments is higher by ₹ 1.54 Cr. Accordingly the Profit before taxes is less by ₹ 1.54 Cr.

32. Segment Information

The Group's operations are organised into two primary product / service segments namely, Insurance and Allied Services and Other Financial Services. Insurance and Allied Services Segment represents Insurance Business and related risk services. Other financial services segment represents financial service business.

Notes to Consolidated Financial Statements

A. Primary Segment

₹ in Crores

	Insurance and Allied Services		Other Financial Services		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	**3,341.08**	2,687.71	**64.62**	40.07	**–**	–	**3,405.70**	2,727.78
Other Operating Income	**–**	–	**–**		**–**	–	**–**	–
Unallocated Corporate Income	**–**	–	**–**		**(60.93)**	(39.93)	**(60.93)**	(39.93)
Total Revenue	**3,341.08**	2,687.71	**64.62**	40.07	**(60.93)**	(39.93)	**3,344.77**	2,687.85
RESULT								
Profit After Tax before Minority Income and Share of Profit from Associate	**243.91**	208.95	**1.45**	(3.64)	**–**	–	**245.36**	205.31
Minority Interest in Net Income							**(97.04)**	(83.26)
Share of Profit from Associate							**450.70**	332.52
Net Profit	**243.91**	208.95	**1.45**	(3.64)	**–**	–	**599.02**	454.57

	Insurance and Allied Services		Other Financial Services		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
Other Information								
Segment Assets	**7,704.04**	5,721.56	**2,533.62**	2,097.51	**–**	–	**10,237.66**	7,819.07
Unallocated Corporate Assets	**–**	–	**–**	–	**–**	–	–	–
Total Assets	**7,704.04**	5,721.56	**2,533.62**	2,097.51	**–**	**–**	**10,237.66**	7,819.07
Segment Liabilities	**6,362.66**	4,688.09	**3.00**	2.47	**–**	–	6,365.66	4,690.56
Unallocated Corporate Liabilities	**–**	–	**–**	–	**–**	–	–	–
Total Liabilities	**6,362.66**	4,688.09	**3.00**	2.47	**–**	–	**6,365.66**	4,690.56

	Insurance and Allied Services		Other Financial Services		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
Capital Expenditure	**22.47**	26.30	**–**	–	**–**	–	**22.47**	26.30
Depreciation	**19.75**	17.28	**–**	–	**–**	–	**19.75**	17.28

Notes to Consolidated Financial Statements

B. Secondary Segment

As the Company operates in a single geographical segment, secondary geographical segment information disclosure does not apply.

33. Disclosure in respect of Related Parties pursuant to Accounting Standard 18

a) List of Related Parties

I. Company having Substantial Interest in Voting Power

In Cholamandalam MS General Insurance Company Limited:

Mitsui Sumitomo Insurance Company Limited

II. Entity having Significant Influence over the Company

Ambadi Investments Limited (formerly known as Murugappa Holdings Limited) (Also refer Note 6(c))

III. Jointly Controlled Entity Companies

Cholamandalam MS Risk Services Limited

IV. Key Management Personnel (KMP) (Pursuant to Companies Act, 2013)

Mr. N. Ganesh	-	Manager (from August 9, 2017 & Chief Financial Officer (from February 5, 2018)
Mr. AN. Meyyappan	-	Chief Financial Officer (from August 9, 2017 upto February 5, 2018)
Ms. E. Krithika	-	Company Secretary (from August 9, 2017)

b) During the year the following transactions were carried out with the aforesaid related parties in the ordinary course of business

₹ in Crores

Transaction	Related Party	2017-18	2016-17
Rentals Received / Recovered	Mitsui Sumitomo Insurance Company Limited	1.47	1.34
Management Expenses			
(a) Paid / Payable	Mitsui Sumitomo Insurance Company Limited	0.02	1.12
(b) Recovery		0.03	0.28
Reinsurance Ceded	Mitsui Sumitomo Insurance Company Limited	44.12	54.92
Reinsurance Commission Received	Mitsui Sumitomo Insurance Company Limited	7.06	7.94
Reinsurance Recovery on claims	Mitsui Sumitomo Insurance Company Limited	78.97	134.37
Dividend Paid	Ambadi Investments Limited	4.20	30.43
	Mitsui Sumitomo Insurance Company Limited	0.20	0.20
	KMP of the Company	–	0.07
Sitting Fees	Mitsui Sumitomo Insurance Company Limited	0.01	0.01
Remuneration to KMP	Mr. N Ganesh	0.38	–
	Ms. E Krithika	0.09	–
Balance at Year End			
Receivable (Net) - Due from other Entities Carrying on Insurance Business	Mitsui Sumitomo Insurance Company Limited	50.46	8.79
Receivable (Net) - Management expenses and rent	Mitsui Sumitomo Insurance Company Limited	0.12	0.58

Notes to Consolidated Financial Statements

34. Employee Benefits

a) Gratuity

Under the Gratuity plan operated, every employee who has completed atleast five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Gratuity Act, 1972. The scheme is funded with Insurance Company in the form of qualifying insurance policy.

The following table summarizes the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

Details of Actuarial Valuation	2017-18	2016-17
Change in Benefit Obligation		
Projected Benefit Obligation as at Year Beginning	6.93	51.62
Adjustment pursuant to the Scheme of Arrangement	–	(45.77)
Service Cost	1.41	1.14
Interest Cost	0.44	0.43
Actuarial Loss	3.36	0.06
Benefits Paid	(1.38)	(0.55)
Projected Benefit Obligation as at Year End	**10.76**	**6.93**
Change in Plan Assets		
Fair Value of Plan Assets as at Year Beginning	5.27	50.30
Adjustment pursuant to the Scheme of Arrangement	–	(46.73)
Actual / Expected Return on Plan Assets	0.46	0.36
Employer's Contribution	1.63	2.22
Actuarial Gain	0.16	(0.33)
Benefits Paid	(1.38)	(0.55)
Fair Value of Plan Assets as at Year End	**6.14**	**5.27**
Amounts Recognised in the Balance Sheet		
Projected Benefit Obligation at the Year End	10.76	6.93
Fair Value of the Plan Assets at the Year End	6.14	5.27
(Liability) / Asset Recognised in the Balance Sheet	**(4.62)**	**(1.66)**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	1.41	1.14
Interest on Obligation	0.44	0.43
Actual / Expected Return on Plan Assets	(0.46)	(0.36)
Net Actuarial Loss Recognised in the Year	3.20	0.39
Net Cost Recognised in the Statement of Profit and Loss	**4.59**	**1.60**
Assumptions	**2017-18**	**2016-17**
Discount Rate	7.00%	7.00%
Future Salary Increase (%)	5 to 5.50%	5 to 5.50%
Attrition Rate	1 to 3%	1 to 3%
Expected Rate of Return on Plan Assets	8.50%	8.50%

Notes:

i. The entire Plan Assets are managed by Life Insurance Corporation of India (LIC). In the absence of the relevant information from LIC / Actuary, the above details do not include the composition of plan assets.

ii. The expected/actual return on Plan Assets is as furnished by LIC.

iii. The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

iv. The details of experience adjustments is not furnished as the requisite information is not fully available.

Notes to Consolidated Financial Statements

b) Provident Fund - Company

The Company's Provident Fund is exempted under Section 17 of the Employees' Provident Fund Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit. The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Company does not have additional obligation as at March 31, 2017. Pursuant to the Scheme of Arrangement (Refer Note 1.1), all the employees have been transferred to the Resulting Company and the related provident fund balances have been transferred to the Resulting Company.

35. Lease Commitments

Operating Lease (CMSGICL)

The CMSGICL has operating lease agreements for:

₹ in Crores

Particulars	2017-18	2016-17
Office space and residential accommodation generally for a period of 5 years with option to renew and with escalation in rent once in three years.	12.93	10.90

36. Earning Per Share

Particulars	2017-18	2016-17
Consolidated Profit after Tax (₹ in Crores)	599.02	454.57
Weighted Average Number of Shares		
- Basic	18,74,92,370	18,73,89,646
- Diluted	18,76,48,994	18,75,31,277
Earnings per Share of ₹ 1/- each		
- Basic	31.95	24.26
- Diluted	31.92	24.24

37. Stock Options

The Company has granted Stock Options to certain employees in line with the Employees Stock Option Scheme. The Fair Value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grants using Black-Scholes model by an independent consultant.

i. Employee Stock Option Plan 2007

The Company has granted Stock Options under "Employee Stock Option Plan 2007" scheme to certain employees in accordance with the Employees Stock Option Scheme, the details of which are as follows:

Grant No.	Date of Grant	Weighted Average Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised	Options Forfeited / lapsed	Options Outstanding at the end of the year		Weighted Average Remaining Contractual Life (in years)
							Vested	Yet to vest	
1	31-Oct-07	43.37	31-Oct-08	6,00,120	3,63,624	2,36,496	–	–	–
2	31-Jan-08	45.61	30-Jan-09	1,05,460	81,324	24,136	–	–	–
3									
Tr I	24-Mar-08	39.19	31-Oct-09	26,55,260	15,39,971	11,15,289	–	–	–
Tr II	24-Mar-08	27.04	31-Oct-09	34,241	34,241	–	–	–	–
4									
Tr I	31-Jul-08	30.67	31-Jul-09	3,86,900	2,84,961	1,01,939	–	–	–
Tr II	31-Jul-08	21.16	31-Jul-09	9,344	2,000	–	7,344	–	0.33
5	31-Oct-08	16.73	31-Oct-09	54,000	30,240	23,760	–	–	–
6	30-Jan-09	21.42	30-Jan-10	28,100	23,323	4,777	–	–	–
7									
Tr I	29-Jan-11	96.63	29-Jan-12	4,25,400	2,38,404	1,86,996	–	–	–
Tr II	29-Jan-11	66.67	29-Jan-12	21,280	4,864	–	16,416	–	1.57
Tr III	29-Jan-11	66.67	29-Jan-12	15,112	–	–	15,112	–	1.35
8	29-Jan-11	96.63	29-Jan-12	1,92,400	80,916	1,11,484	–	–	–
9	29-Jan-11	96.63	29-Jan-12	13,900	–	13,900	–	–	–
10	02-May-11	96.91	02-May-12	55,000	19,680	35,320	–	–	–
11	01-Aug-11	110.23	01-Aug-12	33,600	–	33,600	–	–	–
12									
Tr I	02-Nov-11	98.74	02-Nov-12	1,26,800	48,148	78,652	–	–	–
Tr II	02-Nov-11	68.13	02-Nov-12	51,516	2,000	–	49,516	–	2.18

Notes to Consolidated Financial Statements

ii. Employee Stock Option Plan 2016

The Company has granted Stock Option under "Employee Stock Option Plan 2016" scheme to certain employees in accordance with the Employees Stock Option Scheme, the details of which are as follows:

Grant No.	Date of Grant	Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised & allotted	Options Cancelled / lapsed	Options Outstanding at the End of the year		Weighted Remaining Contractual Life (in years)
							Vested	Yet to vest	
1									
Tr I	15-Mar-17	416.86	15-Mar-18	2,37,960	–	2,37,960	–	–	–
Tr II	15-Mar-17	416.86	15-Mar-18	2,32,270	–	9,660	2,22,610	–	4.96

Pursuant to the scheme of arrangement ('the scheme") the manufacturing business undertaking of the Company was vested in / transferred to Tube Investments of India Limited ("formerly known as TI Financial Holdings Limited", "Resulting Company") vide the order of the National Company Law Tribunal, Chennai ("NCLT") dated July 17, 2017 sanctioning the scheme. The scheme has an appointed date of April 1, 2016 and has come into effect from August 1, 2017. Pursuant to the scheme becoming effective, all the employees of the demerged Company had become the employees of the Resulting Company.

With respect to the stock options granted by the Company to the employees of the Company under the existing stock option schemes and upon the scheme becoming effective, the said employees shall be issued one stock option by the Resulting Company under the scheme(s) for every stock option held in the Company, whether the same has been vested or not on terms and conditions similar to the existing stock option schemes.

The Fair Value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grants using Black-Scholes model by an independent consultant.

The movement in Stock Options under "Employee Stock Option Plan 2007" scheme during the year is given below:

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2017	During the year 2017-18			Options Outstanding as at 31-Mar-2018	Options vested but not exercised as at 01-Apr-2017	Options vested but not exercised as at 31-Mar-2018
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 3	24-Mar-08	40,553	–	–	40,553	–	40,553	–
Grant 4	31-Jul-08	16,688	–	–	9,344	7,344	16,688	7,344
Grant 7	29-Jan-11	43,344	–	–	26,928	16,416	43,344	16,416
Grant 8	29-Jan-11	17,112	–	–	2,000	15,112	17,112	15,112
Grant 12	02-Nov-11	56,516	–	–	7,000	49,516	56,516	49,516
Total		**1,74,213**	**–**	**–**	**85,825**	**88,388**	**1,74,213**	**88,388**

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2016	During the year 2016-17			Options Outstanding as at 31-Mar-2017	Options vested but not exercised as at 01-Apr-2016	Options vested but not exercised as at 31-Mar-2017
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 3	24-Mar-08	96,721	–	–	56,168	40,553	96,721	40,553
Grant 4	31-Jul-08	31,294	–	–	14,606	16,688	31,294	16,688
Grant 7	29-Jan-11	52,344	–	–	9,000	43,344	52,344	43,344
Grant 8	29-Jan-11	17,112	–	–	–	17,112	17,112	17,112
Grant 10	02-May-11	5,904	–	–	5,904	–	5,904	–
Grant 12	02-Nov-11	72,172	–	–	15,656	56,516	72,172	56,516
Total		**2,75,547**	**–**	**–**	**1,01,334**	**1,74,213**	**2,75,547**	**1,74,213**

The movement in Stock Options under "Employee Stock Option Plan 2016" scheme during the year is given below:

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2017	During the year 2017-18			Options Outstanding as at 31-Mar-2018	Options vested but not exercised as at 01-Apr-2017	Options vested but not exercised as at 31-Mar-2018
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 1	15-Mar-17	2,37,960	–	2,37,960	–	–	2,37,960	–
Grant 1	15-Mar-17	–	2,32,270	9,660	–	2,22,610	–	2,22,610

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2016	During the year 2016-17			Options Outstanding as at 31-Mar-2017	Options vested but not exercised as at 01-Apr-2016	Options vested but not exercised as at 31-Mar-2017
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 1	15-Mar-17	–	2,37,960	–	–	2,37,960	–	2,37,960

Notes to Consolidated Financial Statements

The key assumptions used in Black-Scholes model for calculating the fair value as on the date of the grants are:

Employee Stock Option plan 2007

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grand (₹)	Fair Value of the Option (₹)
1	31-Oct-08	7.71	2.50	39.11	3.43	43.37	11.34
2	30-Jan-09	7.44	2.50	42.02	3.43	45.61	12.50
3							
Tr I	31-Oct-09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
Tr II	31-Oct-09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
4							
Tr I	31-Jul-09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
Tr II	31-Jul-09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
5	31-Oct-09	8.21 - 8.31	0.12 - 3.24	32.28 - 42.55	1.86	16.73	92.20 - 94.76
6	30-Jan-10	8.21 - 8.31	0.24 - 3.49	28.04 - 43.77	1.86	21.42	88.54 - 90.00
7							
Tr I	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr II	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr III	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
8	29-Jan-12	8.21 - 8.26	1.24 - 4.48	31.69 - 43.79	1.86	96.63	27.22 - 52.67
9	29-Jan-12	8.21 - 8.26	1.24 - 3.48	31.69 - 43.79	1.86	96.63	27.22 - 46.62
10	02-May-12	8.21 - 8.25	1.37 - 5.74	31.38 - 47.27	1.86	96.63	27.90 - 56.06
11	01-Aug-12	8.21 - 8.25	1.49 - 5.99	31.76 - 47.01	1.86	110.23	21.93 - 53.00
12							
Tr I	02-Nov-12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75
Tr II	02-Nov-12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75

Employee Stock Option plan 2016

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grand (₹)	Fair Value of the Option (₹)
1							
Tr I	15-Mar-18	6.75	3.50	31.49	0.25	416.86	134.16
Tr II	15-Mar-18	6.75	3.50	31.49	0.25	416.86	134.16

Notes to Consolidated Financial Statements

Had compensation cost for the Stock Options granted under the Scheme been determined based on fair value method, the Company's profit and earnings per share would have been as per the pro forma amounts indicated below:

Impact on Profit for the Year

₹ in Crores

Particulars	2017-18	2016-17
Profit for the year (As reported)	599.02	454.57
Stock based employee compensation expense included in net profit	–	–
Stock based employee compensation reversal determined under fair value based method (pro forma)	–	–
Profit for the year (Pro forma)	**599.02**	**454.57**

Impact on Earnings per Share

Particulars	2017-18	2016-17
Basic Earnings per Share of ₹ 1/- each (As reported)	31.95	24.26
Basic Earnings per Share of ₹ 1/- each (Pro forma)	31.95	24.26
Diluted Earnings per Share of ₹ 1/- each (As reported)	31.92	24.24
Diluted Earnings per Share of ₹ 1/- each (Pro forma)	31.92	24.24

38. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of entity	Net Assets		Share in Profit or Loss	
	As % consolidated net assets	₹ in Crores	As % consolidated net profit or loss	₹ in Crores
TI Financial Holdings Limited (formerly known as Tube Investments of India Limited)	3%	108.89	0%	(1.57)
Subsidiaries				
Cholamandalam MS General Insurance Company Limited	21%	790.21	21%	148.58
Cholamandalam Health Insurance Limited	0%	0.03	0%	(0.02)
Minority Interests in Subsidiary	13%	520.12	14%	97.04
Associates				
Cholamandalam Investment and Finance Company Limited	63%	2,425.35	65%	450.70
Joint Venture				
Cholamandalam MS Risk Services Limited	0%	8.79	0%	1.33
Total Share of Holding and Minority	**100%**	**3,853.39**	**100%**	**696.06**

39. Previous Year's Figures

The Company has reclassified/regrouped previous year figures to conform to this year's classification.

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

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

N Srinivasan
Director

M M Murugappan
Chairman

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Notes

The five lights

The light of
INTEGRITY
that gives us the courage to
always do the right thing

The light of
RESPONSIBILITY
that gives us the humility to
think about the world around us

The light of
PASSION
that provides us with
the desire to win

The light of
RESPECT
that inspires people
around us to perform

The light of
QUALITY
which makes us
dream of excellence

murugappa

Group Corporate Communications



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