

Annexure 1

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

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

2. BOARD OF DIRECTORS

2.1 Composition and appointment

The Board of Directors of the Company ("Board") comprises of Executive, Non Executive, Independent and Non Independent Directors in optimum number to ensure independent functioning of the Board. More than half of the Board members are Independent Directors. The Independent Directors meet the criteria of independence specified in Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by the Board (Annexure – 13). NRC has formulated a policy on Appointment, Remuneration and Diversity of Board (Annexure – 13). This ensures diversity of

qualification, experience, expertise, gender and age of the Board. The appointment of Directors is made through a transparent process. Directors appointed are issued appointment letters. The formats of such appointment letter is displayed on the web site of the Company at <https://www.shriramcity.in/Investors> → Company information → Policies. Independent Directors were appointed for a fixed period of five years from the date of respective appointments and their appointments were approved by the members in respective meetings. Non Independent Directors were appointed as per provisions of law. On appointment, each Independent Director is familiarized with the Company, business, industry, roles and responsibilities, the details of which are displayed on the website of the Company at <https://www.shriramcity.in/Investors> → Company information → Policies. In each meeting of the Board and the Committees, wherever required, presentations on the operations, financial results, strategy, risk management, human resource are made by the management team. The Board Members possess the qualification, skill, experience and expertise with diversity of thoughts required to guide the Company. The details of present Board consisting of 11 members are mentioned below.

S No	NAME OF THE DIRECTOR	DIN	CATEGORY OF DIRECTORSHIPS		POSITION
1	Sri Debendranath Sarangi	01408349	NE	I	Chairman
2	Sri Duruvasan Ramachandra	00223052	E	NI	Managing Director and CEO
3	Sri Gerrit Lodewyk Van Heerde	06870337	NE	NI	Director
4	Sri Gopalamudram Srinivasaraghavan Sundararajan	00361030	NE	NI	Director
5	Sri Khushru Burjor Jijina	00209953	NE	NI	Director
6	Smt Maya S Sinha	03056226	NE	I	Director
7	Sri Pranab Prakash Pattanayak	00506007	NE	I	Director
8	Sri Ramakrishnan Subramanian	02192747	NE	NI	Additional Director
9	Sri Ranvir Dewan	01254350	NE	NI	Director
10	Sri Shashank Singh	02826978	NE	NI	Director
11	Sri Subramaniam Krishnamurthy	00140414	NE	I	Director
12	Sri Venkataraman Murali	00730218	NE	I	Director
13	Sri Vipen Kapur	01623192	NE	I	Director

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

Sri Gopalamudram Srinivasaraghavan Sundararajan retired by rotation at the Annual General Meeting (“AGM”) held on July 28, 2016. Sri Ramakrishnan Subramanian appointed as an additional director w.e.f. July 28, 2016 resigned from the Board and Committees w.e.f. February 3, 2017.

All Directors declared not to have hold any equity shares or convertible instruments during the Year in their name or held on beneficial basis by them in the Company as required under Para C (2) (f) of Schedule V of LODR. All Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations were placed before the Board at the meeting held on May 2, 2017. None of the Directors are related inter se in terms of ‘relative’ defined under the Act. Monitoring and managing misuse of Company’s assets, potential conflicts of interest of management, board members and shareholders, and abuse in related party transactions are done by the Board on quarterly basis.

2.2 Board process

The Board meets at least once in each quarter to review, in addition to other matters, the performance and financial results. Additional Board meetings (“BM”) are held by giving appropriate notice to address the specific needs of the Company. The maximum time gap between two BMs does not exceed 120 days. The BMs are generally scheduled in advance. The notice and agenda of each BM is given in writing to each Director in advance of the meeting. In special and exceptional circumstances, additional or supplementary item(s) is/are permitted. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting. In cases of business exigencies or urgent matters, resolutions are passed by circulation. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in regulation 17 (7) read with Part A of Schedule II of LODR. The Board is also free to take up any matter for discussion in agreement of specified number of Directors and in consultation with the Chairman. The important decisions taken by the Board are communicated to the concerned department of the Company and an action taken report is placed at the meeting of the Board. The Board has complete access to all the information and employees of the Company.

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

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

2.3 Functioning of the Board

The Board is the apex body constituted by share holders for overseeing the overall functioning of the Company. The day to day management of the affairs of the Company is entrusted with the senior management personnel headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision, and control of the Board. The Board reviews and guides strategies, plans, risk management, budgets, setting performance objectives and monitors implementation and corporate performance. The Board monitors the effectiveness of the Company’s governance practices, disclosure practices, communication process and compliance with regulatory requirements. Some of the powers of the Board have been delegated to Committee(s) constituted by the Board for different purposes with defined terms of reference. The Board thus exercises close control over the functioning of the Company with a view to enhancing the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non compliance, if any. Independent Directors play an important role in the governance process of the Board.

2.4 Board meetings and attendance of Directors

Four meetings of the Board were held during the Year ended March 31, 2017 (“Year”) - on April 27, 2016, July 28, 2016, October 27, 2016 and January 30, 2017 and the maximum gap between the two board meetings did not exceed one hundred twenty days during the Year. The attendance of Directors at BMs, last AGM and the number of directorship, membership/chairmanship held by each Director on the board/committees of the board of other Companies are as under :

Sl No	Name of the Director	Position	BMs attended	AGM #	*	**	***
1	Sri Debendranath Sarangi	Chairman	4	Present	4	2	-
2	Sri Duruvasan Ramachandra	Managing Director and CEO	4	Present	1	2	-
3	Sri Gerrit Lodewyk Van Heerde	Director	4	Present	3	-	-
4	Sri Gopalamudram Srinivasaraghavan Sundararajan	Director	-	Not Present	-	-	-
5	Sri Khushru Burjor Jijina	Director	1	Not Present	19	2	-
6	Smt. Maya S Sinha	Director	4	Present	8	1	1
7	Sri Pranab Prakash Pattanayak	Director	4	Present	1	-	-
8	Sri Ramakrishnan Subramanian	Additional Director	2	-	-	-	-
9	Sri Ranvir Dewan	Director	2	Present	2	-	-
10	Sri Shashank Singh	Director	4	Not Present	5	1	-
11	Sri Subramaniam Krishnamurthy	Director	4	Present	3	3	1
12	Sri Venkataraman Murali	Director	4	Present	3	-	1
13	Sri Vipen Kapur	Director	2	Not Present	3	1	-

Date of appointment/resignation and DIN of Directors, the table at point no -2.1 may be referred. #AGM held on July 28, 2016

*Number of directorships held in other companies (include their directorships, alternate directorships in public limited companies, whether listed or not, private companies that are either holding or subsidiary companies of public limited companies). **Membership of the Committees of the Board of Directors of other companies. ***Chairmanship of the Committees of the Board of Directors of other companies. The memberships/ chairmanships mentioned above is only with respect to audit committee and shareholders'/investors' grievance committee in all public limited companies in India whether listed or not.

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

2.5 Meeting of Independent Directors

A meeting of Independent Directors was held on October 27, 2016 as required under Regulation 25 (3) of the LODR and Schedule IV of the Act to discuss the matters specified therein. All Independent Directors were present in the meeting.

2.6 Code of Conduct for Directors and senior management

The Board has laid down “Code of Conduct for Board Members and Senior Management” (“Code”) for the members of the Board and for designated senior management personnel as required under regulation 17 (5) of the LODR. The Code is displayed on the web site of the Company at <https://www.shriramcity.in/Investors> → Company information → Policies. All the Board members and the designated senior management personnel affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached as Annexure - 12

2.7 Remuneration of Directors

The Board aligns the remuneration of Directors with the long term interest of the Company and its shareholders. Non Executive Independent

Directors get sitting fees for each of the meeting of the Board of Directors (₹ 50,000 for each BM attended) / Committees (₹ 25,000/- for each Committee and General Meeting attended) attended. The Managing Director and CEO of the Company is paid remuneration as per terms of his appointment. No other remuneration is paid to the Directors. No member of the Board is granted with stock options. The criteria for payment of remuneration to non executive directors is displayed on the web site of the Company at <https://www.shriramcity.in/Investors> → Company information → Policies. The sitting fees / remuneration paid to the directors during the Year are given below:

₹ in crores

Sl.No	Name of the Director	Category	Position	Sitting fees for attending meetings	Salary, allowances & Perquisites	Total
1	Sri Debendranath Sarangi	NE, I	Chairman	0.050		0.050
2	Sri Duruvasan Ramachandra	E, NI	Managing Director and CEO		0.578	0.578
3	Sri Gerrit Lodewyk Van Heerde	NE, NI	Director	-	-	-
4	Sri Gopalasamudram Srinivasaraghavan Sundararajan	NE, NI	Director	-	-	-
5	Sri Khushru Burjor Jijina	NE, NI	Director	-	-	-
6	Smt Maya S Sinha	NE, I	Director	0.039		0.039
7	Sri Pranab Prakash Pattanayak	NE, I	Director	0.040		0.040
8	Sri Ramakrishnan Subramanian	NE, NI	Director	-	-	-
9	Sri Ranvir Dewan	NE, NI	Director	-	-	-
10	Sri Shashank Singh	NE, NI	Director	-	-	-
11	Sri Subramaniam Krishnamurthy	NE, I	Director	0.039	-	0.039
12	Sri Venkataraman Murali	NE, I	Director	0.039	-	0.039
13	Sri Vipen Kapur	NE, I	Director	0.023	-	0.023

Date of appointment/resignation and DIN of Directors, the table at point no -2.1 may be referred.

composition, number of meetings of the committees held during the Year and related attendance are provided below.

3. COMMITTEES OF THE BOARD

The Board has constituted different committees as mandated under different regulations and as required for business purposes. The terms of reference of each committee is defined by the Board. The committees constituted by the Board are Asset Liability Management Committee, Audit and Risk Management Committee Banking & Securities Management Committee (formerly it was two committees Banking and Finance Committee and Securities Management Committee), Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The constitution of the committees, appointment of members and chairperson of each committee, fixing the terms of reference of each committee and any change thereof are decided by the Board and are as per guidelines set out in regulation 18, 19, 20, 21 and other applicable regulations of LODR, RBI regulations, the Act and other requirements. Brief terms of reference,

3.1. ASSET LIABILITY MANAGEMENT COMMITTEE

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

3.1.1 Brief terms of reference

Formulate, review monitor and recommend Policy on Investment, Asset Liability Management, Private Placement of NCDs, Securitization, Interest Rate Approach and Gradation of Risk and other related matters and formulation of business strategy in line with the Budget. Provide frame work (comprehensive and dynamic) for measuring, monitoring and managing assets, liabilities and doing Balance sheet planning from risk-return, interest risk, liquidity risk, business risk and other risk perspective, decide risk management objectives

and ensuring adherence to the limits set by the Board, monitor the asset liability gap and strategize action to mitigate the risk associated. An Executive of the Secretarial Department or Company Secretary of the Company acts as the Secretary for the Committee. During the Year, the Committee met 4 times on April 26, 2016, July 26, 2017, October 26, 2016 and January 30, 2017.

3.1.2 Composition & attendance

Name of the Director	Position	Category	Number of meetings attended
Sri Pranab Prakash Pattanayak	Chairman	NE, I	4
Sri Duruvasan Ramachandra	Member	E, NI	4
Sri Ramakrishnan Subramanian	Member	NE, NI	1
Sri Ramasubramanian Chandrasekar*	Member	ED	4
Smt Subhasri Sriram*	Member	CFO	4

* Not members of the Board. Date of appointment/resignation and DIN of Directors, the table at point no -2.1 may be referred.

Asset Liability Management Committee was reconstituted with Sri Pranab Prakash Pattanayak as the Chairman, Sri Duruvasan Ramachandra, Sri Ramakrishnan Subramanian, Sri Ramasubramanian Chandrasekar and Smt Subhasri Sriram as the Members of the Committee w.e.f. August 1, 2016.

3.2 AUDIT AND RISK MANAGEMENT COMMITTEE

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

3.2.1 Brief description of the terms of reference

Review financial reporting process, financial conditions financial statements, results of operations and ensure financial statements are correct, sufficient and credible/ review internal control and it's adequacy/ financial controls/ risk management systems/ risk assessment reports/ management letters/ letters of internal control weakness/ audit report issued by the auditor/

recommend appointment, re-appointment, terms of appointment/ reappointment and remuneration of statutory auditors and review performance and independence of auditor, review effectiveness of audit process/ adequacy and structure of internal audit/ internal audit report/ investigation report and follow up action thereon, review the use of funds raised through issues and it's usage for purposes mentioned in respective offer documents, review repayment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors and scrutiny of inter-corporate loans, inter corporate investments and if necessary valuation of assets or undertaking, review and recommend monitor different policies including Risk Management Policy and formulate Related Party Transaction ("RPT") Policy and approve RPTs as required, approve appointment of Chief Financial Officer (CFO) and Seek information from employees, obtain legal or professional advice. The Company Secretary of the Company acts as the Secretary for the Committee.

3.2.2 Composition & Attendance

The Committee met 4 times during the Year on April 27, 2016, July 28, 2016, October 27, 2016 and January 30, 2017.

Name of the Director	Position	Category	Number of meetings attended
Sri Venkataraman Murali	Chairman	NE, I	4
Sri Debendranath Sarangi	Member	NE, I	2
Sri Pranab Prakash Pattanayak	Member	NE, I	2
Sri Ramakrishnan Subramanian	Member	NE, NI	0
Sri Ranvir Dewan	Member	NE, NI	2
Sri Subramaniam Krishnamurthy	Member	NE, I	4

Date of appointment/resignation and DIN of Directors, the table at point no -2.1 may be referred.

Audit and Risk Management Committee was reconstituted with Sri Venkataraman Murali as the Chairman, Sri Pranab Prakash Pattanayak, Sri Ramakrishnan Subramanian and Sri Subramaniam Krishnamurthy as the Members of the Committee w.e.f. August 1, 2016.

3.3 BANKING & SECURITIES MANAGEMENT COMMITTEE

The Banking and Securities Management Committee is formed for the purpose of banking, borrowing and securities management purposes. It was formed on August 1, 2016 by reconstitution of Banking and

Finance Committee and Securities Management Committee and members of respective committees. There were 40 meetings held during the Year.

3.4 CSR

CSR Committee was constituted as required under section 135 of the Act.

3.4.1 Brief description of the terms of reference

Formulate implement, monitor CSR Policy of the Company, recommend the amount of expenditure and report utilization of money on CSR projects/ programs/activities and approve CSR projects, all the activities thereto and expenditure thereon. An executive of Secretarial Department or the Company Secretary shall act as the secretary to the Committee.

3.4.2 Composition & Attendance

The Committee met 4 times during the Year on April 27, 2016, July 27, 2016, October 27, 2016 and January 30, 2017

Name of the Director	Position	Category	Number of meetings attended
Smt Maya S Sinha	Chairperson	NE, I	4
Sri Debendranath Sarangi	Member	NE, I	4
Sri Gopalsamudram Srinivasaraghavan Sundararajan	Member	NE, NI	0
Sri Khushru Burjor Jijina	Member	NE, NI	0

Date of appointment/resignation and DIN of Directors, the table at point no -2.1 may be referred.

The CSR Committee was reconstituted with Smt Maya S Sinha as the Chairperson, Sri Debendranath Sarangi and Sri Khushru Burjor Jijina as the Members of the Committee w.e.f. August 1, 2016.

3.5 NOMINATION AND REMUNERATION COMMITTEE

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

3.5.1 Brief description of terms of reference :

Identify fit and proper persons to be directors members of senior management and should such a need arise, recommend removal of director from the Board, performance evaluation directors/ Board and Committee on an annual basis, scrutinise the declarations/undertakings by the Directors, formulate the attributes for fit & proper person independence of directors/ remuneration of directors, key managerial personnel ("KMP"), employees talent management ESOP and Employee welfare schemes, incentive plans. An Executive of the Secretarial Department or Company Secretary of the Company acts as the Secretary for the Committee.

3.5.2 Composition and attendance:

The Committee met 5 times during the Year on April 27, 2016[^], May 4, 2016^{\$}, July 27, 2016, October 27, 2016 and January 30, 2017. The composition of the Committee and their attendance are as under

Name of the Director	Position	Category	Number of meetings attended
Sri Vipen Kapur	Chairman	NE, I	3
Sri Debendranath Sarangi	Member	NE, I	4
Sri Gerrit Lodewyk Van Heerde	Member	NE, NI	2
Sri Gopalsamudram Srinivasaraghavan Sundararajan	Member	NE, NI	0

Date of appointment/resignation and DIN of Directors, the table at point no -2.1 may be referred.

redressal of grievances of shareholders, debenture holders, other security holders.

The NRC was reconstituted with Sri Vipen Kapur as Chairman, Sri Debendranath Sarangi and Sri Gerrit Lodewyk Van Heerde as the Members of the Committee w.e.f. August 1, 2016.

3.6.1 Brief description of terms of reference :

Review the Security holding pattern/ listing of securities , investor/customer services and relations, resolution of grievances of security holders/ transfer to Investor Education and Protection Fund ("IEPF") and monitor the Code of Conduct for Insider Trading. The Company Secretary of the Company acts as the Secretary for the Committee.

3.6 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee has been constituted as per Section 178 of the Act, regulation 20 of the LODR and regulations of RBI. The Committee looks into

3.6.2 Composition & Attendance :

The Committee had met 4 times during the Year on April 26, 2016, July 27, 2016, October 26, 2016 and January 30, 2017. The composition of the committee and the attendance are as under.

Name of the Director	Position	Category	Number of meetings attended
Sri Subramaniam Krishnamurthy	Chairman	NE, I	4
Smt Maya S Sinha	Member	NE, I	4
Sri Venkataraman Murali	Member	NE, I	4
Sri Vipen Kapur	Member	NE, I	4

Date of appointment/resignation and DIN of Directors, the table at point no -2.1 may be referred. The Company Secretary of the Company is the Compliance Officer. The Company has not received any complaint from the shareholder during the Year and no complaint was pending as on March 31, 2017.

the investments made by SHFL are reviewed by the ARMC of the Company. All the minutes of the Board and Audit and Risk Management Committee meetings of SHFL are placed before the Board and ARMC respectively of the Company regularly. A statement containing all the significant transactions and arrangements entered into by SHFL is placed before Board.

4 SUBSIDIARY COMPANY

M/s Shriram Housing Finance Limited, CIN : U65929TN2010PLC078004 ("SHFL") is the only subsidiary of the Company. SHFL is managed by it's Board of Directors. Since, SHFL is a unlisted non material subsidiary, the Company is not required to nominate one of it's independent directors on the Board of the subsidiary. However, the Board has nominated Sri Venkataraman Murali, an independent director of the Company as a director on the Board of SHFL. The financial statements, in particular

5 RELATED PARTY TRANSACTIONS

Related party is determined based on Section 188 of the Act, regulation 23, Part A of Schedule V and other applicable regulations of the LODR and applicable accounting standard. The ARMC of the Company has formulated a policy on RPTs, which is displayed on the web site of the Company at <https://www.shriramcity.in/Investors> → Company information → Policies. The RPTs are reported to the ARMC and the Board on quarterly basis .Approval of ARMC and

the Board are taken in required cases. There were no material RPTs during the Year. RPTs are reported in Note No.26 of the Notes to financial statements.

6 SHARE HOLDER INFORMATION AND DISCLOSURES

6.1 Corporate

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840. The Company

is registered as a Non Banking Finance Company ("NBFC") with RBI with registration number - 07-00458. The equity shares of the Company are listed in M/s BSE Ltd ("BSE") and M/s National Stock Exchange of India Limited ("NSE").

6.2 Reappointment of Directors

One third of the Directors liable to retire by rotation, retires by rotation and if eligible seek reappointment at AGM. At the ensuing AGM, Sri Gerrit Lodewyk Van Heerde holding DIN – 06870337 will retire by rotation. Being eligible, Sri Gerrit Lodewyk Van Heerde has sought for reappointment and the Board has recommended his reappointment. The notice of ensuing AGM states details about the reappointment of above named Director.

6.3 General body meetings

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

Year ended	AGM	Location	Date	Time	Special Resolutions passed
March 31					
2014	28th AGM	#	July 28, 2014	10.00 am	*
2015	29th AGM	#	July 28, 2015	10.00 am	**
2016	30th AGM	#	July 28, 2016	10.00 am	***

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

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

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

*** Borrowing powers under section 180 (1) (c) of the Act for an amount not exceeding ₹ 30,000 crores, private placement of securities and alteration of Articles of Association of the Company

EGM was held on May 30, 2014 at Narada Gana Sabha (Mini Hall) No 314 T T K Road, Alwarpet Chennai - 600 018 at 10.00 a.m. for issue and allotment of 65,79,840 equity shares on preferential basis to M/s Piramal Enterprises Limited. The following special resolutions were passed under Section 180 (1) (a) of the Act through postal ballot for creation of security on the assets/ receivables of the Company and for securitization.

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	46	3,62,62,459	100	0	0	0	July 25, 2014
PBF	111	26,90,284	99.95	4	732	0.027	
E	58	4,17,43,594	97.01	14	12,86,011	2.99	July 28, 2015
PBF	166	12,81,551	99.94	9	553	0.04	
E	72	4,99,04,913	92.14	32	42,46,650	7.84	July 28, 2016
PBF	72	9,777	0.02	7	292	0.00	

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

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

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

6.4 Materially significant RPTs

During the Year, there were no materially significant RPTs entered into, which were in potential conflict with the interest of the Company at large. The details of RPTs are presented in note no 26 of the notes to financial statements.

6.5 Accounting treatment

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

6.6 Risk management

This annual report has got a detailed chapter on management discussion and analysis on risk management (Annexure No. - 3), which states about management of risk. The Company has got a Risk Management Policy and the risk management is reviewed by the ARMC.

6.7 Details of non compliance and penalties, strictures imposed

There were no instances of non compliance by the Company on any matter relating to capital market during last three Years. Except the matters mentioned in note no 41 of notes to accounts no penalties, strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority(ies).

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

The Company promotes ethical behaviour in all its business activities and has formulated adopting policy "Whistle blower policy and vigil Mechanism" in line with regulation 22 of the LODR and RBI regulations for employees to report concerns about unethical behavior providing for adequate safeguard against victimization of directors/employees, who avail of the mechanism. No person has been denied access to the ARMC. This policy is disclosed in the web site of the Company at <https://www.shriramcity.in/Investors> → Company information → Policies. The Company has formulated Prohibition of Insider Trading and Corporate Disclosure Policy, which is displayed on the web site of the Company at <https://www.shriramcity.in/Investors> → Financials → Investor Presentations.

6.9 Reconciliation of share capital audit

As mandated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, the Company carried out audit for reconciliation of share capital admitted with National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Ltd ("CDSL") with the total issued and listed capital on a quarterly basis during the Year by a practicing Company Secretary appointed by the Board. The audit report did not have any adverse comment and the same was submitted quarterly to BSE and NSE within stipulated time.

6.10 Means of communication

The Company communicated with share holders and investors through multiple channels of communications such publication in news papers, disclosure to BSE and NSE, display on web site etc. The annual and quarterly financial results during the Year were published in newspaper in english in "Business Standard" and in Tamil in "Makkal Kural" within 48 hours of conclusion of the Board Meetings at which the respective financial results were approved. The same results are displayed at Company's website at <https://www.shriramcity.in/Investors> → Financial Results. The Company's website www.shriramcity.in contains a separate section "INVESTOR", where shareholder information are displayed. The annual report of the Company is also displayed in the same section of the web site of the Company. The Annual Report of the Company containing director's report along with annexures thereto, stand alone financial statements,

consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto. The investor complaints are processed in centralized web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system ("SCORES"). The Company has designated email ids sect@shriramcity.in, scufncd8@shriramcity.in and scufncd10@shriramcity.in exclusively for respective investor servicing, which appear in the investor section of the web site of the

Company. The Company has been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and quarterly financial results in the website of NEAPS (National Electronic Application Processing System) viz www.connect2nse.com and on BSE Listing Centre <http://listing.bseindia.com>. The presentations made by the Company to analysts are displayed on the web site of the Company at <https://www.shriramcity.in/Investors>
 → Company information → Policies

6.11 Details of thirty first AGM

a. Date and Time	Friday June 30, 2017 at 10 a m
b. Venue	Narada Gana Sabha (Mini Hall), No.314, T T K Road, Alwarpet, Chennai 600 018.
c. Book Closure	June 24, 2017 to June 30, 2017 (both days inclusive)
d. Dividend	Interim dividend of ₹ 5.00 per equity share declared by the Board at its meeting held on October 27, 2016 was paid on November 18, 2016. The payment of final dividend upon declaration by the shareholders at the AGM, will be made on or after July 5, 2017 to those members, whose name appear on the Register of members as on record date .

6.12 Financial Year

The financial year under review was from April 1, 2016 to March 31, 2017. The next financial year is from April 1, 2017 to March 31, 2018.

6.13 Details of listing on stock exchanges

The Company has paid annual listing fees for the Year to BSE and NSE and annual custodian fees to NSDL and CDSL on time. The equity shares of the Company with ISIN – INE722A01011 are listed in BSE with stock code 532498 and in NSE with stock code SHRIRAMCIT. The details of listed secured redeemable non-convertible debentures (NCDs) of the Company are as under

BSE Scrip code	NSE Scrip Code	Interest (%) p.a.	Allotment date	Due date of redemption	Face Value ₹	ISIN	Allotted (₹ in crores)	Category	Series/ Option/ Category	Product type
947088	*	10.75	04-02-11	04-02-21	800000	INE722A07182	4.00	PP	N.A.	NC
946954	*	10.50	23-11-10	23-11-17	333333	INE722A07166	6.67	PP	N.A.	NC
946991	*	10.60	13-12-10	13-12-17	1000000	INE722A07174	25.00	PP	N.A.	NC
948214	*	10.75	12-07-12	12-07-17	1000000	INE722A07372	21.50	PP	N.A.	NC
948219	*	10.75	26-07-12	26-07-17	1000000	INE722A07406	10.00	PP	N.A.	NC
947934	*	11.85	16-01-12	16-01-19	100000	INE722A08024	20.00	PP	N.A.	NC
947935	*	11.60	27-02-12	27-08-17	100000	INE722A08032	15.00	PP	N.A.	NC
947936	*	11.85	27-02-12	27-02-19	100000	INE722A08040	35.00	PP	N.A.	NC
947937	*	11.85	26-03-12	26-09-17	100000	INE722A08065	10.15	PP	N.A.	NC
947938	*	11.85	26-03-12	26-03-19	100000	INE722A08073	50.20	PP	N.A.	NC
947891	*	11.85	15-03-12	15-03-19	100000	INE722A08057	100.00	PP	N.A.	NC
948722	*	11.15	31-12-12	31-12-19	1000000	INE722A08081	60.00	PP	N.A.	NC
948932	*	11.15	07-01-13	07-01-20	1000000	INE722A08099	15.00	PP	N.A.	NC
951983	*	9.10	27-03-15	27-03-18	1000000	INE722A07588	100.00	pp	N.A.	NC
952293	*	zero	09-06-15	01-06-17	1000000	INE722A07596	16.00	pp	N.A.	NC
952321	*	9.30	17-06-15	17-06-20	1000000	INE722A07612	50.00	PP	N.A.	NC
952335	*	9.30	22-06-15	22-06-20	1000000	INE722A07620	50.00	pp	N.A.	NC

BSE Scrip code	NSE Scrip Code	Interest (%) p.a.	Allotment date	Due date of redemption	Face Value ₹	ISIN	Allotted (₹ in crores)	Category	Series/ Option/ Category	Product type
952507	*	9.18	17-07-15	10-07-17	1000000	INE722A07661	2.70	PP	N.A	NC
952635	*	9.07	12-08-15	10-08-18	1000000	INE722A07679	35.00	PP	N.A.	NC
952937	*	8.95	30-10-15	30-10-18	1000000	INE722A07687	75.00	pp	N.A.	NC
954551	*	8.85	25-07-16	22-03-18	1000000	INE722A7703	175.00	PP	VII	NC
955112	*	8.25	07-10-16	07-10-19	1000000	INE722A7711	100.00	PP	VII	NC
955962	*	8.20	10-03-17	16-04-20	1000000	INE722A07729	115.00	PP	VII	C
934858	N8	10.75	06-10-12	06-10-17	1000	INE722A07422	76.50	PI	II	NC
	N8	11.75	06-10-12	06-10-17	1000	INE722A07422		PI	II	NC
934860	NA	10.75	06-10-12	06-10-17	1000	INE722A07448	34.70	PI	IV	C
	NA	11.75	06-10-12	06-10-17	1000	INE722A07448		PI	IV	C
934934	NC	10.75	04-01-14	04-01-18	1000	INE722A07463	3.17	PI	II	NC
	NC	10.75	04-01-14	04-01-18	1000	INE722A07463		PI	II	NC
	NC	11.25	04-01-14	04-01-18	1000	INE722A07463		PI	II	NC
	NC	11.25	04-01-14	04-01-18	1000	INE722A07463		PI	II	NC
934935	ND	10.75	04-01-14	04-01-19	1000	INE722A07471	50.20	PI	III	NC
	ND	10.75	04-01-14	04-01-19	1000	INE722A07471		PI	III	NC
	ND	11.50	04-01-14	04-01-19	1000	INE722A07471		PI	III	NC
	ND	11.50	04-01-14	04-01-19	1000	INE722A07471		PI	III	NC
934937	NF	10.75	04-01-14	04-01-18	1000	INE722A07497	2.76	PI	V	C
	NF	10.75	04-01-14	04-01-18	1000	INE722A07497		PI	V	C
	NF	11.25	04-01-14	04-01-18	1000	INE722A07497		PI	V	C
	NF	11.25	04-01-14	04-01-18	1000	INE722A07497		PI	V	C
934938	NG	10.75	04-01-14	04-01-19	1000	INE722A07505	28.20	PI	VI	C
	NG	10.75	04-01-14	04-01-19	1000	INE722A07505		PI	VI	C
	NG	11.50	04-01-14	04-01-19	1000	INE722A07505		PI	VI	C
	NG	11.50	04-01-14	04-01-19	1000	INE722A07505		PI	VI	C
934939	NH	10.75	04-01-14	04-01-19	667	INE722A07513	1.31	PI	VII	NC
	NH	10.75	04-01-14	04-01-19	667	INE722A07513		PI	VII	NC
	NH	11.25	04-01-14	04-01-19	667	INE722A07513		PI	VII	NC
	NH	11.25	04-01-14	04-01-19	667	INE722A07513		PI	VII	NC
935044	*	10.75	03-05-14	03-05-17	1000	INE722A07539	35.10	PI	II	NC
	*	11.50	03-05-14	03-05-17	1000	INE722A07539		PI	II	NC
	*	11.50	03-05-14	03-05-17	1000	INE722A07539		PI	II	NC
935046	*	10.85	03-05-14	03-05-19	1000	INE722A07547	80.60	PI	III	NC
	*	11.75	03-05-14	03-05-19	1000	INE722A07547		PI	III	NC
	*	11.75	03-05-14	03-05-19	1000	INE722A07547		PI	III	NC
935050	*	10.75	03-05-14	03-05-17	1000	INE722A07562	7.65	PI	V	C
	*	11.50	03-05-14	03-05-17	1000	INE722A07562		PI	V	C
	*	11.50	03-05-14	03-05-17	1000	INE722A07562		PI	V	C
935052	*	10.85	03-05-14	03-05-19	1000	INE722A07570	14.50	PI	VI	C
	*	11.75	03-05-14	03-05-19	1000	INE722A07570		PI	VI	C
	*	11.75	03-05-14	03-05-19	1000	INE722A07570		PI	VI	C

*Not listed in NSE

Privately Placed ("PP"), Public Issue ("PI"), Cumulative ("C"), Non-Cumulative ("NC"). The details of these NCDs may be related to respective offer documents and offer document shall be final.

The Company had fully redeemed the NCDs ISIN: INE722A7455 INE722A7489, INE722A07513 and redeemed 33.33% of the face value of NCDs on its due date on January 4, 2017. The Company paid applicable interest to NCD holders for ISIN INE722A07463, INE722A07471 and INE722A07513 on January 4, 2017. Interest to NCD

holders INE722A07539 and INE722A07547 was paid on due date on May 3, 2016 and INE722A07422 was paid on March 31, 2017 the due date for payment of interest being April 1, 2017. The NCDs redeemed are extinguished by the Company and no claim shall lie against the Company. All complaints relating to the above said public issue of NCDs received during the year were suitably addressed. The Company submitted the documents to the Trustees to the issue and allotment of NCDs on time during the Year in compliance of Regulation 55 of the LODR.

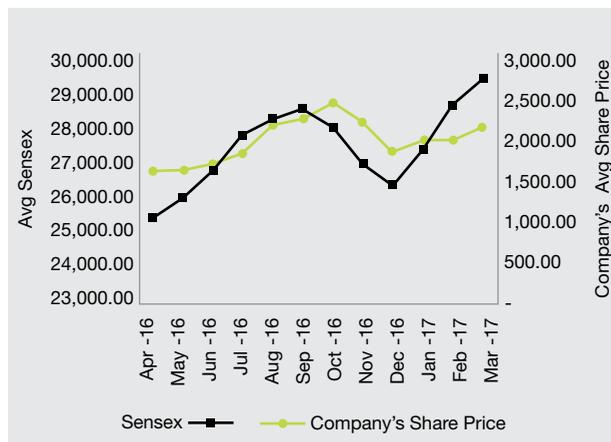
6.15 Stock market price data

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

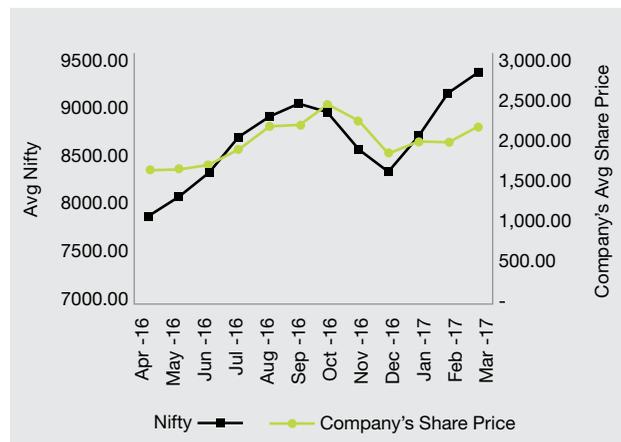
Month	NSE						BSE					
	Per share price (in ₹) of the Company		Volume of shares traded	NIFTY (in ₹)			Per share price (in ₹) of the Company		Volume of shares traded	SENSEX (in ₹)		
	High	Low		High	Low	Average	High	Low		High	Low	Average
Apr 2016	1693.15	1481.80	339993	8084.75	7655.10	7869.93	1689.45	1485.09	41276	26064.12	24673.84	25368.98
May 2016	1689.55	1525.05	428414	8276.10	7828.15	8052.13	1685.65	1522.40	7069	26725.60	25101.73	25913.67
Jun 2016	1707.75	1591.60	322819	8416.20	8192.85	8304.53	1724.95	1594.42	34334	27020.66	26395.71	26708.19
Jul 2016	1970.40	1717.60	3338896	8860.50	8469.85	8665.18	1970.65	1630.52	2561117	28208.62	27126.90	27667.76
Aug 2016	2304.60	1929.85	555825	9000.50	8727.95	8864.23	2303.15	1939.31	72079	28452.17	27697.51	28074.84
Sep 2016	2304.60	1929.85	1368035	9177.90	8799.95	8988.93	2270.65	2106.80	30668	29045.28	27827.53	28436.41
Oct 2016	2590.65	2187.70	724064	9029.20	8784.45	8906.83	2591.40	2192.45	118992	28334.55	27529.97	27932.26
Nov 2016	2591.80	1783.70	1144380	8904.40	8124.60	8514.50	2581.85	1748.53	319024	27876.61	25765.14	26820.88
Dec 2016	1875.90	1736.35	1102405	8501.70	8083.05	8292.38	1882.40	1724.70	44477	26747.18	25807.10	26277.14
Jan 2017	2051.10	1805.05	859953	8910.00	8389.25	8649.63	2058.65	1822.05	311010	27882.46	26595.45	27238.96
Feb 2017	1990.35	1895.00	1177176	9219.25	8988.45	9103.85	1993.40	1890.58	314575	28892.97	28141.64	28517.31
Mar 2017	2359.70	1862.90	1212110	9467.10	9165.05	9316.08	2305.70	1876.05	95741	29648.99	28832.45	29240.72

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

Company's Avg Share Price Vs Avg Sensex



Company's Avg Share Price Vs Avg Nifty



6.17 Registrar and Transfer Agents (RTAs)

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

6.18 Trustees for NCDs

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

6.19 Share transfer system:

Transfer of shares held in dematerialised form are done through the depositories with no involvement of the Company. Transfer of shares existing in physical form are processed and duly endorsed share certificates are issued within stipulated time subject to documents lodged being valid. The transfer documents can be lodged with respective RTAs as mentioned above for transfer of securities existing in physical form. The Board has delegated the authority to approve transfer, transmission etc of shares and securities of the Company to its Banking and Securities Management Committee. As stipulated under Regulation 40(9) of the LODR, the Company obtained half Yearly certificates of compliance with share transfer formalities from Sri P. Sriram, Company Secretary in practice and filed

copies of the said certificates with BSE & NSE during the Year within stipulated time. There were no deviations reported in the said certificates.

6.20 Updation of Nomination and PAN :

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

6.21 Distribution of shareholding as at March 31, 2017

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
UPTO 500	14249	94.66	956913	1.45
501-1000	364	2.42	259195	0.39
1001-2000	186	1.24	262000	0.40
2001-3000	59	0.39	146393	0.22
3001-4000	19	0.13	63639	0.10
4001-5000	16	0.11	73452	0.11
5001-10000	40	0.27	303477	0.46
10001 AND ABOVE	120	0.80	63878333	96.87
Total	15053	100.00	65943402	100.00

6.22 Shareholding pattern (in %) as at March 31, 2017

Promoters	Mutual Funds	Banks	FII	Bodies Corporate	Individuals	Trusts	Limited Liability Partnership	Foreign Company	Foreign Portfolio Investor	NRIs	FI- Others	Others	Alternative Investment Fund	Total
33.77	5.35	0.20	0.11	10.71	2.91	0.01	0.06	20.35	25.78	0.25	0.01	0.09	0.40	100

6.23. Dematerialisation of shares and liquidity

The Company's equity shares are tradable compulsorily in dematerialised form in BSE and NSE. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2017, 6,56,98,409 nos of equity shares (99.63 % of the shares), existed in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

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

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

6.25 Location

The Company is in the business of Non Banking Finance and operates through various offices in India. The list of locations are mentioned in this Annual Report in the section titled as "VISIBLE ACROSS INDIA".

6.26 Address for correspondence

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

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

6.27 Calendar for the financial year 2017 – 2018 (tentative)

Annual General Meeting	September, 2018
Unaudited results for the quarter ending June 30, 2017	Last week of July, 2017
Unaudited results for the quarter / half –Year ending September 30, 2017	Last week of October, 2017
Unaudited results for the quarter ending December 31, 2017	Last week of January, 2018
Audited results for the Year ending March 31, 2018	Last week of May, 2018

6.28 Adoption of Mandatory and Non Mandatory requirements under LODR

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

7. COMPLIANCE CERTIFICATE ON FINANCIAL REPORTING

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

8. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

9. PROFILE OF DIRECTOR SEEKING REAPPOINTMENT AT THE ENSUING AGM PURSUANT TO REGULATION 36 (3) OF THE LODR

Sri Gerrit Lodewyk Van Heerde (Din – 06870337)

Sri Gerrit Lodewyk Van Heerde, a citizen of South Africa, aged 49 years, (Date of Birth – October 9, 1967), holds a Bachelor’s degree in Commerce from the North West University and a Honors degree in Actuarial Science from the University of Stellenbosch in South Africa. He is a fellow of the Faculty of Actuaries in Scotland and a Fellow of the Actuarial Society of South Africa. He was the Chief Financial Officer of Sanlam Emerging Markets since November 2012 till August 2015. He has wide experience in the field of financial service and insurance industry. In his 24 years of experience in the financial services industry he has held various positions in Sanlam Group. Presently he is Group Executive – Client and Product Strategy. Sri Gerrit Lodewyk Van Heerde serves on the Board of Shriram Transport Finance Company Limited, Letshego Holdings Limited and Botswana Insurance Holdings Limited. He is not related to any director, inter-se of the Company and does not hold any shares in the Company.

Annexure 2

To
The Members of
Shriram City Union Finance Limited

We have examined the compliance of conditions of Corporate Governance by Shriram City Union Finance Ltd, CIN – L65191TN1986PLC012840 (“the Company”) for the year ended on March 31, 2017, as required under Part E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company.

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

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

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

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

Pijush Kumar Gupta
Partner
Membership No.015139

Place : Chennai
Date : May 2, 2017