

Mahindra FINANCE

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Our Company was incorporated at Mumbai as Maxi Motors Financial Services Limited on January 1, 1991 as a public limited company under the Companies Act, 1956, as amended with registration no. 11-059642 and was granted a certificate of incorporation by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). The name of our Company was changed to Mahindra & Mahindra Financial Services Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on November 3, 1992. Our Company is registered as a deposit accepting non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. For further details, see the section titled "History, Main Objects and Key Agreements" on page 108 of this Shelf Prospectus. The Corporate Identification Number of our Company is L65921MH1991PLC059642.

Registered Office: Gateway Building, Apollo Bunder, Mumbai 400001, Maharashtra
Tel: +91 22 2289 5500; **Fax:** +91 22 2287 5485

Corporate Office: 4th Floor, Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018, Maharashtra
Tel: +91 22 6652 6000; **Fax:** +91 22 2495 3608

Company Secretary and Compliance Officer: Ms. Arnava M. Pardiwalla; **Tel:** +91 6652 6017; **Fax:** +91 2495 3608
E-mail: investorhelpline_mmfs1@mahindra.com; **Website:** www.mahindrafinance.com

PUBLIC ISSUE BY MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED ("COMPANY" OR THE "ISSUER") OF UPTO 2,00,00,000 UNSECURED SUBORDINATED REDEEMABLE NON CONVERTIBLE DEBENTURES ("NCDs") OF FACE VALUE OF ₹1,000 EACH AGGREGATING UP TO ₹ 2,00,000 LAKHS ("SHELF LIMIT") ("ISSUE"). THE NCDs WILL BE ELIGIBLE FOR TIER II CAPITAL. THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHEs UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"), WHICH SHOULD BE READ TOGETHER WITH THE DRAFT SHELF PROSPECTUS AND THIS SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

PROMOTER

Our promoter is Mahindra & Mahindra Limited. For further details refer to the chapter "Our Promoter" on page 140 of this Shelf Prospectus.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the section titled "Risk Factors" on page 12 of this Shelf Prospectus and "Material Developments" the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, see section titled "Terms of the Issue" on page 201 of this Shelf Prospectus. For details relating to eligible investors please see "The Issue" on page 34 of this Shelf Prospectus.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated 'IND AAA/ Outlook Stable' for an amount of ₹ 2,00,000 lakhs, by India Ratings & Research Private Limited ("India Ratings") vide their letters dated June 6, 2017 and June 27, 2017 and 'BWR AAA, Outlook: Stable' for an amount of ₹ 2,00,000 lakhs, by Brickwork Ratings India Pvt. Ltd. ("BWR") vide their letters dated June 7, 2017 and June 27, 2017. The rating of NCDs by India Ratings and BWR indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rationale for these ratings, see Annexure A and B of this Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

LISTING

The NCDs offered through this Shelf Prospectus along with relevant Tranches are proposed to be listed on the BSE Limited ("BSE"). Our Company has received an 'in-principle' approval from the BSE vide their letter no. DCM/BM/PI-BOND/1/17-18 dated June 28, 2017. For the purpose of the Issue BSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated June 19, 2017 was filed with BSE, the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations and was open for public comments for a period of seven Working Days (i.e., until 5 p.m. on June 28, 2017) from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange.

LEAD MANAGERS TO THE ISSUE



EDELWEISS FINANCIAL SERVICES LIMITED
Edelweiss House
Off CST Road, Kalina, Mumbai 400 098
Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: mmfs1@edelweissfin.com
Investor Grievance Email: customerservice_mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi / Mr. Mandep Singh
SEBI Registration No.: INM000010650



AXIS BANK LIMITED
Axis House, 8th Floor, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025, Maharashtra, India
Tel: +91 22 6604 3293
Fax: +91 22 2425 3800
Email: mmfs12017@axisbank.com
Investor Grievance Email: sharad.sawant@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vikas Shinde
SEBI Registration No.: INM000006104



A. K. CAPITAL SERVICES LIMITED
30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: mmfs1ncd2017@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Malay Shah/ Mr. Krish Sanghvi
SEBI Registration No.: INM000010411



TRUST INVESTMENT ADVISORS PRIVATE LIMITED
109/110, Balarama, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: mbd.trust@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Ankur Jain
SEBI Registration No.: INM000011120



YES SECURITIES (INDIA) LIMITED
IFC, Tower 1 & 2, Unit no. 602 A, 6th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013, India
Tel: +91 22 22 3347 7364
Fax: 91 22 2421 4508
E-mail: mahindrafinanceNCD@yesscuritiesld.in
Investor Grievance Email: igc@yesscuritiesld.in
Website: www.yesinvest.in
Contact Person: Mr. Mukesh Garg
SEBI Registration No.: MB/INM000012227

DEBENTURE TRUSTEE



Axis Trustee Services Limited*
Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Mumbai 400 025
Tel: +91-22- 6226 0074/75
Fax: +91- 22- 4325 3000
Email: debenturetrustee@axistrustee.com
Investor Grievance Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com
Contact Person: Mr. Devraj Rao
SEBI Registration Number: IND000000494
CIN: U74999MH2008PLC18226

REGISTRAR TO THE ISSUE



Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032
Tel: 040-67162222
Fax: 040-23001153
Email: einward.ris@karvy.com
Investor Grievance Email: mahindrafinance.ncdipo2@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221
CIN: U74140TG2003PTC041636

ISSUE PROGRAMME**

ISSUE OPENS ON: As specified in relevant Tranche Prospectus

ISSUE CLOSES ON: As specified in relevant Tranche Prospectus

*Axis Trustee Services Limited under regulation 4(4) of SEBI Debt Regulations has by its letter dated June 12, 2017 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Maharashtra, Mumbai in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "Material Contracts and Documents for Inspection" on page 246 of this Shelf Prospectus.

**The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("Board") or Bond Issue Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the BSE.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Shelf Prospectus to “the Issuer”, “our Company”, “the Company” or “M&MFSL” or “MMFSL” or “Mahindra Finance” are to Mahindra & Mahindra Financial Services Limited, a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001, Maharashtra. Unless the context otherwise indicates, all references in this Shelf Prospectus to “we” or “us” or “our” are to our Company and its Subsidiaries and its Joint Venture, on a consolidated basis.

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

Company related terms

Term	Description
Articles/ Association/AoA	Articles of Association of our Company, as amended.
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof.
Bond Issue Committee	The committee constituted by our Board of Directors by a board resolution dated October 26, 2016.
Consortium (each individually, a member of the Consortium)	The Lead Managers and Consortium Members
Consortium Agreement	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium Members	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Corporate Office	The corporate office of our Company, situated at 4 th Floor, Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018, Maharashtra
Director	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 2 each.
Joint Venture	The joint venture of our Company, Mahindra Finance USA LLC.
MAMCPL	Our subsidiary, Mahindra Asset Management Company Private Limited
MIBL	Our subsidiary, Mahindra Insurance Brokers Limited
MRHFL	Our subsidiary, Mahindra Rural Housing Finance Limited
MTCPL	Our subsidiary, Mahindra Trustee Company Private Limited
Memorandum/ Association/ MoA	Memorandum of Association of our Company, as amended.
Preference Shares	Preference shares of our Company of face value of ₹ 100 each.
Reformatted Consolidated Financial Statements	The statement of reformatted consolidated assets and liabilities as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related statement of reformatted consolidated statement of profit and loss for the Fiscals 2017, 2016, 2015, 2014 and 2013 and the related statement of reformatted consolidated cash flow for the Fiscals 2017, 2016, 2015, 2014 and 2013 as examined by our Company’s Statutory Auditors, M/s. B K Khare & Co., Chartered Accountants. Our audited consolidated financial statements as at and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 form the basis for such Reformatted Financial Statements.
Reformatted Standalone Financial Statements	The statement of reformatted standalone assets and liabilities of our Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related statement of reformatted standalone statement of profit and loss for the Fiscals 2017, 2016, 2015, 2014 and 2013 and the related statement of reformatted standalone cash flow for the Fiscals 2017, 2016, 2015, 2014 and 2013 as examined by our

Term	Description
	Company's Statutory Auditors, M/s. B K Khare & Co., Chartered Accountants.
	Our audited standalone financial statements as at and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 form the basis for such Reformatted Financial Statements.
Reformatted Financial Statements	Reformatted Consolidated Financial Statements and Reformatted Standalone Financial Statements
Registered Office	The registered office is Gateway Building, Apollo Bunder, Mumbai 400001, Maharashtra.
RoC	Registrar of Companies, Maharashtra, Mumbai.
Statutory Auditors/Auditors	The statutory auditors of our Company being B. K. Khare & Co., Chartered Accountants.
Subsidiaries	The subsidiaries of our Company, as mentioned in the section titled " <i>Our Subsidiaries</i> " on page 110 of this Shelf Prospectus.

Issue related terms

Term	Description
Allotment/ Allot/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue
Applicant/ Investor	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus, Abridged Prospectus and the Application Form for any Tranche Issue.
Application	An application to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA or non-ASBA process, in terms of the Shelf Prospectus and respective Tranche Prospectus.
"ASBA" or "Application Supported by Blocked Amount" or "ASBA Application"	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process.
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Escrow Accounts and/or Public Issue Accounts will be opened by our Company in respect of the Issue, and as specified in the relevant Tranche Prospectus for each Tranche Issue.
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue.
BWR	Brickwork Ratings India Pvt. Ltd.
BSE	BSE Limited.
CARE	Credit Analysis & Research Limited.
Category I Investor	<ul style="list-style-type: none"> Public financial institutions, statutory bodies /corporations, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;

Term	Description
	<ul style="list-style-type: none"> • Provident funds, pension funds with a minimum corpus of Rs. 2,500 lakhs, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Venture Capital Funds/ Alternative Investment Fund registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual Funds registered with SEBI.
Category II Investor	<ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs; • Co-operative banks and Regional Rural Banks; • Public/private charitable/religious trusts which are authorized to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorized to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons.
Category III Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10.00 lakhs across all series of NCDs in Issue.
Category IV Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10.00 lakhs across all series of NCDs in Issue.
Credit Rating Agencies	For the present Issue, the credit rating agencies, being BWR and India Ratings.
CRISIL	CRISIL Limited.
Debenture Trustee Agreement	The agreement dated June 13, 2017 entered into between the Debenture Trustee and our Company.
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company.
Debenture Trustee/ Trustee	Debenture Trustee for the Debentureholders, in this Issue being Axis Trustee Services Limited.
Debt Application Circular	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012
Deemed Date of Allotment	The date on which the Board of Directors or the Bond Issue Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the duly constituted committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debentureholders from the Deemed

Term	Description
	Date of Allotment.
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which Application Amounts are transferred from the Escrow Accounts to the Public Issue Accounts or the Refund Account, as appropriate and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) following which the Board or the duly constituted committee shall allot the NCDs to the successful Applicants, provided that the sums received in respect of the Issue will be kept in the Escrow Accounts.
Designated Stock Exchange	BSE
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchanges.
Draft Shelf Prospectus	The Draft Shelf Prospectus dated June 19, 2017 filed by our Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the SEBI Debt Regulations.
Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Consortium and the Trading Members, as the case may be, will deposit Application Amounts from resident non-ASBA Applicants, in terms of the Shelf Prospectus, relevant Tranche Prospectus and the Escrow Agreement.
Escrow Agreement	Agreement entered into amongst our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Banks for collection of the Application Amounts from non-ASBA Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof, as specified in the relevant Tranche Prospectus for each Tranche Issue.
India Ratings	India Ratings and Research Private Limited.
Interest Payment Date	Interest Payment Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue	Public issue by our Company of unsecured subordinated redeemable non-convertible debentures of face value of ₹ 1,000 each pursuant to the Shelf Prospectus and the relevant Tranche Prospectus for an amount upto an aggregate amount of the Shelf Limit. The NCDs will be issued in one or more tranches subject to the Shelf Limit. The unsecured subordinated redeemable non convertible debentures will be eligible for Tier II Capital.
Issue Closing Date	Issue Closing Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Lead Managers/ LMs	Edelweiss Financial Services Limited, Axis Bank Limited, A. K. Capital

Term	Description
	Services Limited, Trust Investment Advisors Private Limited and Yes Securities (India) Limited.
Market Lot	1 NCD.
NCDs	Unsecured subordinated redeemable non convertible debentures of face value of ₹ 1,000 each.
Offer Document	The Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus.
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts for the Issue and/ or the SCSBs on the Designated Date, as specified in the relevant Tranche Prospectus for each Tranche Issue.
Record Date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the Redemption Date. In the event the Record Date falls on a Sunday or holidays of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date.
Redemption Amount	As specified in the relevant Tranche Prospectus.
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made (excluding all Application Amounts received from ASBA Applicants), as specified in the relevant Tranche Prospectus for each Tranche Issue.
Refund Banks	As specified in the relevant Tranche Prospectus.
Register of Debentureholders	The Register of Debentureholders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and as more particularly detailed in the section titled “ <i>Terms of the Issue – Register of NCD Holders</i> ” on page 201 of this Shelf Prospectus.
Registrar to the Issue/ Registrar	Karvy Computershare Private Limited.
Registrar Agreement	Agreement dated June 12, 2017 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue, being ₹ 2,00,000 lakhs to be issued under the Draft Shelf Prospectus, this Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	This Shelf Prospectus dated June 29, 2017 filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Simplified Listing Agreement	The Listing Agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt and equity securities of our Company.
Stock Exchange	BSE Limited.
Subordinated Debt	Subordinated Debt means a fully paid up instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument shall be subjected to discounting as provided hereunder:
	Remaining maturity of the instruments and rate of discount

Term	Description
	(a) up to one year 100% (b) more than one year but up to two years 80% (c) more than two years but up to three years 60% (d) more than three years but up to four years 40% (e) more than four years but up to five years 20% to the extent such discounted value does not exceed fifty per cent of Tier I capital.
Syndicate	Collectively, the Consortium Members, brokers and sub-brokers appointed in relation to the Issue.
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange only in the Specified Cities.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Tier I capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Transaction Registration Slip or TRS	The acknowledgement slip or document issued by the Consortium, the SCSBs, or the Trading Members, as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs.
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general

Term	Description
	information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Tripartite Agreements	Tripartite agreement dated December 5, 2005 among our Company, the Registrar and CDSL and tripartite agreement dated December 16, 2005 among our Company, the Registrar and NSDL.
Working Day(s)	Working Day(s) shall mean all days excluding Saturdays, Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or ₹ or Indian Rupees or INR	The lawful currency of India.
ACH	Automated Clearing House.
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
ASBA	Application Supported by Blocked Amount.
CDSL	Central Depository Services (India) Limited.
CEIC	Census Economic Information Centre.
Companies Act/ Act	Companies Act, 1956, as amended.
Companies Act, 2013	The Companies Act, 2013 (18 of 2013), to the extent notified by the MCA and in force as on the date of this Shelf Prospectus.
CRAR	Capital to Risk-Weighted Assets Ratio.
CSR	Corporate Social Responsibility.
ECS	Electronic Clearing Scheme.
ESOP	Employee Stock Option Scheme
Depositories Act	Depositories Act, 1996.
Depository(ies)	CDSL and NSDL.
DIN	Director Identification Number.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996.
DRR	Debenture Redemption Reserve.
FDI	Foreign Direct Investment.
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
FIR	First Information Report.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
GST	Goods and Services Tax.
HNI	High Networth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
IMF	International Monetary Fund.
Income Tax Act	Income Tax Act, 1961.

Term/Abbreviation	Description/ Full Form
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles followed in India.
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology.
LIBOR	London Inter-Bank Offered Rate.
MCA	Ministry of Corporate Affairs, GoI.
MoF	Ministry of Finance, GoI.
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines.
NACH	National Automated Clearing House.
NEFT	National Electronic Fund Transfer.
N.I. Act	Negotiable Instruments Act, 1881.
NRI or Non-Resident	A person resident outside India, as defined under the FEMA.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934 as amended.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
ALCO	Asset Liability Management Committee.
AT&C	Aggregated Technical and Commercial.
ECBs	External Commercial Borrowing.
FCNR	Foreign Currency Non-Resident.
HFC	Housing Financing Company.
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.
ISO	International Organization for Standardization.
LIC	Life Insurance Corporation of India.
MICR	Magnetic Ink Character Recognition.
MoU	Memorandum of Understanding.
NHB	National Housing Board.
NPAs	Non-Performing Assets.
RBI	Reserve Bank of India.
UTI	Unit Trust of India.
WCDL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled “*Capital Structure*”, “*Regulations and Policies*”, “*History, Main Objects and Key Agreements*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Indebtedness*”, “*Outstanding Litigation and Defaults*” and “*Issue Procedure*” on pages 50, 114, 108, 60, 122, 158, 180 and 214, respectively will have the meanings ascribed to them in such sections.

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

Certain Conventions

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

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements for the year ended March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 8/2014 dated April 4, 2014 and for the year ended March 31, 2013 is prepared in accordance with Indian GAAP including the Accounting Standards referred in section 133 of the Companies Act, 2013.

The Reformatted Standalone Financial Statements and the Reformatted Consolidated Financial Statements are included in this Shelf Prospectus and collectively referred to hereinafter as the (“**Reformatted Financial Statements**”). The examination reports on the Reformatted Financial Statements as issued by our Company’s Statutory Auditors, M/s. B. K. Khare & Co., are included in this Shelf Prospectus in the section titled “**Financial Statements**” beginning at page 157 of this Shelf Prospectus.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Shelf Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Shelf Prospectus is meaningful depends on the readers’ familiarity with and understanding of methodologies used in compiling such data.

Currency and Unit of Presentation

In this Shelf Prospectus, references to “**₹**”, “**Indian Rupees**”, “**INR**”, “**₹**” and “**Rupees**” are to the legal currency of India, references to “**US\$**”, “**USD**”, and “**U.S. dollars**” are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Shelf Prospectus, data will be given in ₹ in lakhs.

Industry and Market Data

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

Disclaimer of CRISIL:

CRISIL Research, a division of CRISIL Limited (“CRISIL”) has taken due care and caution in preparing this report (“Report”) based on the information obtained by CRISIL from sources which it considers reliable (“Data”). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not

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

Exchange Rates

The exchange rates (in ₹) of the USD as for last 5 years are provided below:

Currency	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
USD	64.84	66.33	62.59	60.10	54.39

In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

Further, in case of specific provision in the loan agreement for a rate other than the RBI rate, the rate has been taken as prescribed as in the respective loan agreement.

In this Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

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

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Shelf Prospectus, including under the section titled “*Risk Factors*” on page 12 of this Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “*Our Business*” and “*Outstanding Litigations and Defaults*” on pages 88 and 180 respectively of this Shelf Prospectus. The forward-looking statements contained in this Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing this Shelf Prospectus with the ROC and the date of the Allotment.

SECTION II-RISK FACTORS

Prospective investors should carefully consider all the information in this Shelf Prospectus, including the risks and uncertainties described below, and under the section titled “Our Business” on page 88 and under “Financial Statements” on page 157 of this Shelf Prospectus respectively, before making an investment in the NCDs. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations and financial condition. If any of the following or any other risks actually occur, our business prospects, results of operations and financial condition could be adversely affected and the price of and the value of your investment in the NCDs could decline and you may lose all or part of your redemption amounts and/ or interest amounts.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another. Unless the context requires otherwise, the risk factors described below apply to us / our operations only. You must rely on your own examination of our Company and this Issue, including the risks and uncertainties involved.

In this section, unless the context otherwise requires, a reference to “our Company”, is a reference to Mahindra & Mahindra Financial Services Limited on a standalone basis and references to “we”, “us”, and “our” are to our Company, Subsidiaries and Joint Venture on consolidated basis. Unless otherwise specifically stated in this section, financial information included in this section have been derived from our Reformatted Financial Statements.

INTERNAL RISKS

1. Any disruption in our sources of funding could adversely affect our liquidity and financial condition.

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including shareholder funding, assigned and securitized receivables, and secured and unsecured loans, including rupee-denominated term loans and cash credit facilities from banks and financial institutions, non-convertible debentures, unsecured, non-convertible debentures, commercial paper, fixed deposits and inter-corporate deposits. For further details, see “Financial Indebtedness” on page 158 of this Shelf Prospectus. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Our ability to raise funds on acceptable terms and at competitive rates depends on various factors including our current and future results of operations and financial condition, our risk management policies, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy and the perceptions of investors and lenders of the demand for debt and equity securities of non-banking financial companies (“NBFCs”). For example, regulatory developments in the past have affected NBFCs’ access to select funding sources, and have affected their costs of borrowings including through funding from banks and the assignment and securitization transactions. See “Risk Factors—Priority sector lending requirements adhered to by banks may increase our cost of funding and adversely affect our business, results of operations and financial condition”.

Changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition.

2. Any adverse developments in the industries we operate in, including the new and pre-owned vehicle financing industry could adversely affect our business and results of operations.

We are primarily engaged in providing financing for new auto and utility vehicles, tractors, cars and commercial vehicles, and for pre-owned vehicles to customers in rural and semi-urban markets. On standalone basis, for the Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013, the estimated total value of assets financed was ₹ 31,65,914 lakhs, ₹ 26,70,632 lakhs, ₹ 24,33,110 lakhs, ₹ 25,40,002 lakhs and ₹ 23,83,858 lakhs, respectively, total income from operations was ₹ 6,17,391.06 lakhs, ₹ 5,85,316.11 lakhs, ₹ 5,53,605.61 lakhs, ₹ 4,92,163.21 lakhs and ₹ 3,85,672.15 lakhs, respectively and total profit after tax was ₹ 40,023.49 lakhs, ₹ 67,259.60 lakhs, ₹ 83,177.59 lakhs, ₹ 88,722.75 lakhs and ₹ 88,269.18 lakhs respectively. Our subsidiaries

MRHFL, MIBL and MAMCPL operate in the housing finance, insurance distribution and asset management industries, respectively. Our asset portfolios include, and will likely continue to include, a high concentration of financing arrangements for vehicles in rural and semi-urban markets. The success of our business thus depends on various factors that affect demand for such vehicles, including the demand for transportation services in India, the housing and the insurance market in India, changes in Indian regulations and policies affecting utility vehicles, tractors, commercial vehicles and cars, natural disasters, calamities, fuel prices and other macroeconomic conditions in India and globally. Moreover, demand for such vehicles from our customers who are individuals or small enterprises that typically have less financial wherewithal than corporate borrowers or fleet owners or demand for rural housing, is more likely to be adversely affected by these factors. This may result in a decline in the sales or value of new and pre-owned vehicles. The aforesaid factors may also affect the business of our customer which in turn will affect their ability to perform their obligations under the existing financing agreements. Any decline in sales of, or in demand for financing for, utility vehicles, tractors, cars or commercial vehicles or non-performance of the existing financing agreements could adversely affect our business and results of operations.

3. *Changes in environmental or other laws could have a material adverse impact on the sale of vehicles, which could have a corresponding material adverse impact on the business prospects of our Company.*

Our Company is engaged in vehicle financing across various states in India. Any regulation passed by either the central Government or any of the state Governments, or any orders of judiciary to ban the sale of a particular segment of vehicles or impose additional taxes on any particular segment of vehicles, could have a material adverse impact on the future sale of those vehicles. For instance, the Supreme Court of India has imposed a ban on the sale of vehicles not complying with Bharat Emission Standards IV. Such regulatory amendments or orders of the judiciary may have a material adverse impact on the disbursements and future business prospects of our Company.

4. *There are outstanding litigations pending against us, our directors, our Promoter, our Subsidiaries and group companies which, if determined adversely, could affect our business, results of operations and financial condition.*

Our Company, our directors, our Promoter, our Subsidiaries and group companies are party to various legal proceedings arising in the ordinary course of our business. Please see “***Outstanding Litigations and Defaults***” on page 180 of this Shelf Prospectus. These legal proceedings in the nature of tax, employment related, civil, criminal and arbitration are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined against us, could adversely affect our business, results of operations and financial condition. We can give no assurance that these legal proceedings will be decided in our favour or that any further liability may arise from these claims in the future. Any adverse decision could adversely affect our results of operations.

The amounts claimed in these proceedings have been disclosed in our consolidated financial statements to the extent ascertainable. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities, which could adversely affect our results of operations.

5. *Our Company’s inability to comply with observations made by the RBI or any adverse action by the RBI may have a material adverse effect on its business, financial condition and results of operations*

Inspection by the RBI is a regular exercise and is carried out periodically by the RBI for all NBFCs registered with it under the RBI Act. Our Company, being a deposit-taking NBFC, is subject to periodic inspection by the RBI under the provisions of the RBI Act, pursuant to which the RBI inspects the books of accounts of our Company and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information which our Company may have failed to furnish when being called upon to do so. RBI has in the past issued observations pursuant to such routine inspections. Any adverse action taken by the RBI pursuant to such inspections, or non-compliance by our Company with the RBI’s observations, could materially and adversely affect our Company’s business and operations.

6. *Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share.*

We provide loans primarily to customers residing in rural and semi-urban markets. Our primary competitors have been private unorganized lenders who typically operate in rural and semi-urban markets and, increasingly, banks and NBFCs who have entered these markets. In addition to these private unorganized lenders, due to the significant growth in vehicle financing, we have recently begun to face competition from banks, NBFCs and housing finance companies, some of which may have superior technology, more resources, access to cheaper funding or existing office networks, have expanded their reach to rural and semi-urban markets and may have a better understanding of and relationships with customers in these markets. In addition, interest rate de-regulation and other liberalization measures affecting the vehicle financing sector, together with increased demand for capital, have resulted in increased competition.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding, and the interest rates at which we lend to our customers. Our ability to secure low-cost funding has been impacted by recent regulatory developments. See “*Risk Factors—Any disruption in our sources of funding could adversely affect our liquidity and financial condition*” and “*Risk Factors—Recent developments in the regulatory environment concerning assignment and securitization transactions with respect to receivables of our loan portfolio could adversely affect our ability to secure funding and our results of operations and financial condition*”. In light of this pressure, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in the interest rates on our interest-bearing liabilities to our customers. Our ability to increase interest rates on the loans we extend, however, is limited by the increasing popularity of standardized and variable interest rate vehicle financing products, variable payment terms and lower processing fees. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business or increase in our NPAs.

There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive vehicle finance industry in India. Increasing competition may adversely affect our net interest margins, income and market share, which in turn could have a material adverse effect on our financial condition and results of operations.

7. *The risk of non-payment or default by borrowers may adversely affect our financial condition and results of operations.*

We are one of the leading NBFCs in the rural and semi-urban markets of India and cater primarily to customers without formal credit histories and which typically have less financial wherewithal and may be particularly susceptible to adverse economic conditions. In addition, our customer portfolio principally consists of farmers, car-owners, transport agencies, small businessmen and home-owners with underdeveloped banking habits, and individual borrowers generally are less financially resilient than large corporate borrowers, and as a result, they can be more adversely affected by declining economics. Our total assets, as on March 31, 2017 amounts to ₹ 45,98,523.19 lakhs. We expect that the size of our loan assets will grow as a result of our expansion strategy in existing as well as new products, which will expose us to an increased risk of defaults. This may also increase our NPAs. Our Company’s gross NPAs were ₹ 4,18,266.41 lakhs, or 9.0% of our total assets as of March 31, 2017, as compared to ₹ 3,22,416.98 lakhs, or 8.0% of our total assets as of March 31, 2016. Our Company’s provision (including income reversals) on NPAs was ₹ 2,58,298.50 lakhs as of March 31, 2017, as compared to ₹ 1,98,905.61 lakhs as of March 31, 2016.

The borrowers and their guarantors under our loan agreements may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, increase in operating costs, including fuel costs and business failure, including poor agricultural production. Besides macroeconomic conditions, we face risks specific to each line of business, which may also result in increased defaults. In addition, our customers often do not have credit histories supported by tax returns and other documents that would enable us to assess their creditworthiness, and we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. Furthermore, as a nationwide credit bureau has only recently become operational in India, there is less financial information available about individuals, particularly in our customer segment, which primarily consists of low to middle income earners. This segment also has limited access to other financing sources and is located in the rural and semi-urban markets. It may therefore be difficult to carry out precise credit risk analyses on all of our customers.

Although we follow certain procedures to evaluate the credit profiles of our customers at the time of sanctioning a loan, we typically rely on a system of referrals from the local community and the value of the vehicle provided as underlying collateral rather than focusing solely on the credit profile of our customers. In addition, we have also advanced unsecured loans to customers, which aggregated ₹ 1,87,344.21 lakhs as of March 31, 2017. Non-payment or default by borrowers could adversely affect our financial condition and results of operations.

8. *If our Company's provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.*

We adhere to provisioning requirements related to our loan portfolio pursuant to the Master Directions. These provisioning requirements may be less onerous than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may moreover require subjective judgments of our management. Our Company's gross NPAs were ₹ 4,18,266.41 lakhs, or 9.0% of our total assets as of March 31, 2017, as compared to ₹ 3,22,416.98 lakhs, or 8.0% of our total assets as of March 31, 2016. Our Company's provision (including income reversals) on NPAs was ₹ 2,58,298.50 lakhs as of March 31, 2017, as compared to ₹ 1,98,905.61 lakhs as of March 31, 2016. We cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs, or otherwise adequately control our level of NPAs in future. Moreover, as our loan portfolio matures, we may experience greater defaults in principle and /or interest repayments.

Though our own existing provisioning norms are more stringent than prescribed by the RBI, our provisioning requirements may be inadequate to cover increases in non-performing loans. The Master Directions require the NBFCs to make a provision of 0.40% of the outstanding in respect of standard assets which shall not be reckoned for arriving at net NPAs as well. The provisioning required for standard assets is 0.35 % as on March 31, 2017; and 0.40 % as on March 31, 2018 and thereafter. In addition, the Master Directions specify that from Fiscal 2018 and thereafter loans be classified as non-performing after being three months overdue.

If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

9. *We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability.*

A significant component of our income is the interest income we receive from the loans we disburse, which comprised ₹ 6,55,028.88 lakhs of our total income ₹ 7,20,065.08 lakhs for the Fiscal 2017 and ₹ 5,93,902.58 lakhs of our total income of ₹ 6,59,744.99 lakhs for the Fiscal 2016.

Our interest income is affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to low-cost deposit funds. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates.

Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities. In addition, the value of any interest rate hedging instruments we may enter into in the future would be affected by changes in interest rates, which could adversely affect our ability to hedge against interest rate volatility. We cannot assure that we will continue to enter into such interest rate hedging instruments or that we will be able to enter into the correct amount of such instruments to adequately hedge against interest rate volatility in the future.

Further, pursuant to our loan agreements with customers, we may lend money on a long-term, fixed interest rate basis, typically without including a provision that interest rates due under our loan agreements will increase if

interest rates in the market increase. Any increase in interest rates over the duration of such loans may result in our losing interest income. Such increase will also affect the maturity period of the loan and may lead to increase in the amount of monthly installments due from borrowers and hence increasing the chances of default by the borrowers. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

10. Our inability to recover the full value of collateral or amounts outstanding under defaulted loans in a timely manner or at all could adversely affect our results of operations.

For each vehicle financing arrangement, we sanction an amount of credit that is less than the value of the vehicle which we take as collateral. We regulate this amount through our restrictions on the loan to value (“LTV”) ratio of each financing. We take other collateral such as houses for our housing finance business. The value of the collateral, however, may decline during the term of the loan for a variety of reasons, including depreciation and deterioration. As a result, if our customers default, we may receive less money from liquidating collateral than is owed under the relevant financing facility, and, in turn, incur losses, even where we successfully repossess and liquidate the collateral. While we require each customer to secure a guarantee, we may not be able to enforce or collect the amount owed under such guarantee, if at all.

We may also encounter difficulties in repossessing and liquidating collateral. When a customer defaults under a financing facility, we typically re-possess and then sell the collateral through an auction. There is no assurance, however, that we will be able to successfully repossess the collateral in the event of default under a loan agreement. We may also not be able to sell the collateral at a price sufficient to cover the amount owed under the financing facility, or at all. We may face additional delay and expense in conducting an auction to sell the collateral and may face significant delay in repossessing collateral, as litigation against defaulting customers, even if governed by an arbitration clause, can be slow and expensive in India. If we are unable or delay to repossess and liquidate the collateral securing loans in default, we may incur losses, which could adversely affect our results of operations and financial condition.

11. We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition.

As of March 31, 2017, we had certain contingent liabilities (including commitments) not provided for, amounting to ₹ 37,623.39 lakhs on a consolidated basis determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts. Further, the contingent liability of amounts disclosed in our audited financial statements represents estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected.

For further information on such contingent liabilities, see “*Financial Statements*” on page 157 of this Shelf Prospectus. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

12. Priority sector lending requirements adhered to by scheduled commercial banks may increase our cost of funding and adversely affect our business, results of operations and financial condition.

Pursuant to the RBI master circular dated July 1, 2015, scheduled commercial banks operating in India are required to maintain 40% of their adjusted net bank credit or credit equivalent of their off balance sheet exposure, whichever is higher, as priority sector advances. Foreign banks with 20 or more branches in India are required to achieve 40% priority sector lending within a maximum period of five years commencing from April 1, 2013 and ending on March 31, 2018 in a phased manner i.e. 32% by Fiscal 2016, 34% by Fiscal 2017, 36% by Fiscal 2018, 38% by Fiscal 2019 and 40% by Fiscal 2020. These include loans to the agriculture, micro and small enterprises, low-income housing projects, off-grid renewable energy, exports and similar sectors where the Government seeks to encourage the flow of credit to stimulate economic development in India. Commercial banks in the past have relied on specialized institutions, including microfinance institutions and other financing companies including NBFCs, to provide them with access to qualifying advances through lending programs and loan assignments, which may lead to more competition for us and may impact our business and results of operations adversely.

Any such changes in priority sector guidelines by RBI may adversely affect our business and operations. While scheduled commercial banks may still choose to lend to NBFCs they may charge higher rates to do so because these loans no longer count towards their priority sector lending requirements. This may lead to an

increase in the rates at which such loans have historically been offered to us, thus increasing our borrowing costs and adversely affecting our financial condition and results of operation.

As a result of these recent developments, our access to funds and the cost of our capital has been adversely affected and to the extent we are unable to secure replacement funding at similar cost or at all, our results of operations would be adversely affected.

13. We may be unsuccessful in expanding into new lines of business and implement our new business strategies, and such new strategies may not achieve desired result which could adversely affect our growth and business.

We continue to pursue opportunities to expand into new lines of business. For example, to complement our existing mutual fund distribution business, we incorporated an asset management company and during Fiscal 2016, obtained a certificate of registration as a registered mutual fund from SEBI. For further details, please refer to section titled "***Our Business***" on page 88 of this Shelf Prospectus. This growth strategy, and other growth strategies we pursue, may put a strain on our resources and may require us to obtain new regulatory approvals. Moreover, neither we nor Mahindra & Mahindra Limited (our **Promoter** or **M&M**) has significant operational experience in the mutual fund or banking sectors. Pursuing these business opportunities, including the setting up of an asset management company and our investments in a mutual fund business, will require significant capital, which we may not be able to raise in a timely manner, or at all. There can be no assurance that we will be successful in expanding these new lines of business, which could adversely affect our business, operations and profitability.

We may pursue new business strategies in the future, including, amongst others, increasing our presence in India, opening new offices and increasing our presence in rural centres. We will continue to introduce new products and services, such as loans to small and medium enterprises in our existing lines of business. Pursuing these strategies involves inherent business risks, such as making incorrect judgments or assumptions as to target customer or customer acceptance of any of these strategies. In addition, we may need to make additional investments for advertisement to build brand awareness among our target customers for any new business areas that we may want to venture into. There is no assurance that we will be successful in implementing any or all of these strategies. In the event that any of these business strategies fail, our overall financial performance may be adversely affected.

14. Our vehicle financing business relies on the purchase of M&M vehicles, including tractors, any decline in the sale or quality of which could adversely affect our business and results of operations.

48.47% and 44.70% of our estimated total value of assets financed were provided to purchasers of M&M vehicles, including tractors, for the Fiscal 2017 and the Fiscal 2016, respectively. We also finance the purchase of construction equipment manufactured by M&M. Accordingly, our business depends on the success of the distribution and marketing network and brand equity of M&M, particularly in rural and semi-urban markets. Customers may also delay or default on their payments due to us on account of technical failures of their vehicles or equipment because they associate these failures with M&M and, in turn, with us. M&M's inability to maintain and expand its own distribution network; increase its sales; continue to anticipate and respond effectively to challenges posed by the Indian vehicle industry, particularly in rural and semi-urban markets, or any decline in sale of rural models in M&M portfolio could adversely affect our business.

15. We may experience difficulties in expanding our business into new regions and markets in India and abroad.

As part of our growth strategy, we continue to evaluate opportunities to expand our business into new markets in India and abroad. Factors such as competition, customer requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with target customers.

As we plan to expand our geographic footprint, our business may be exposed to additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business partners with whom we may have no existing relationship; successfully marketing our products in markets in which we have no familiarity; attracting customers in a market in which we do not have significant experience or visibility; being

subject to additional local taxes; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to new markets in India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. Our inability to expand our current operations may adversely affect our business, financial conditions, and results of operations.

16. A significant portion of our collections from customers is in cash, exposing us to certain operational risks.

A significant portion of our collections from our customers is in cash. Large cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. We primarily cater to customers in rural and semi-urban markets, which carry additional risks due to limitations on infrastructure and technology.

While we have implemented technology that tracks our cash collections, taken insurance policies, including fidelity coverage and coverage for cash in safes and in transit, and undertaken measures to detect and prevent unauthorized transactions, fraud or misappropriation, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to criminal proceedings and civil litigation related to our cash collections.

Our business is also susceptible to fraud by dealers, distributors and other agents with whom we deal on account of forgery of documents, multiple financing on same vehicle, customer identification and unauthorized collection of instalments on behalf of our Company.

Given the high volume of transactions involving cash processed by us, certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are discovered and others successfully rectified. Even when we discover instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of such systems will result in losses that are difficult to detect or rectify.

The Government has by the Finance Act, 2017 introduced Section 269(ST) to the Income Tax Act which restricts cash transactions above Rs. 2.00 lakhs. Cash has been a preferred mode of payment for many of our customers and may continue to be in the future. Due to the amendments to the Income Tax Act, some of our high value collections may be affected till such time these customers start servicing our repayments through banking channels.

17. The demonetisation of currency in India could affect the business of our Company.

Our Company operates in rural areas and semi urban areas, and most of the repayments of the loans disbursed by our Company are received in cash. The Government, in its notification dated 8 November 2016, declared that the then existing series of bank notes issued by the RBI of ₹500 and ₹1,000 denominations will cease to be legal tender with effect from 9 November 2016. Due to demonetization, liquidity position of our customers and their ability to repay loans borrowed from us was adversely affected. Our Company has faced slowdown in collections which had an adverse effect on the business of our Company. Due to a decrease in repayment from customers, our liquidity and ability to lend was adversely affected, which had a material adverse impact on our business, financial condition and operations.

18. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition.

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. For example, our credit ratings may depend on the financial performance and business prospects of M&M and its

majority shareholding in our Company. CRISIL has assigned an CRISIL AA+ rating, India Ratings has assigned an AAA(IND) rating, CARE has assigned 'CAREAAA' Rating and Brickwork has assigned an BWR AAA rating to our long-term and subordinated debt. India Ratings and CRISIL have rated our short term debt as IND A1+ and CRISIL A1+ respectively, which is the highest rating for short term debt instruments. CRISIL has rated our fixed deposit program FAAA. For further details, see "*Our Business – Our Credit Ratings*" on page 105 of this Shelf Prospectus.

Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. However, these ratings are not recommendations to buy, sell or hold securities and prospective investors should take their own decisions.

19. We may not be able to sustain our growth.

In past years, we have experienced significant growth. Our growth strategy includes increasing the number of loans we extend, diversifying our product portfolio and expanding our customer base. There can be no assurance that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our product portfolio. If we increase the number of loans we extend too quickly or fail to properly assess credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which may adversely affect the quality of our assets and our results of operations and financial condition.

We also face a number of operational risks in executing our growth strategy. As part of our growth strategy, we have experienced rapid growth in our vehicle finance business, our office network has expanded significantly and we are expanding to additional smaller towns and cities within India. Our rapid growth exposes us to a wide range of risks, including business and management risks, such as the possibility that a number of our impaired loans may increase faster than anticipated or that we fail to understand the new markets we enter into, as well as operational risks and fraud, regulatory and legal risks. It will also place sufficient demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls.

Further, our growth is also dependent on the changes in product mix by the original equipment manufacturers ("OEMs") and changes in composition of cash and credit sales by OEMs.

Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target customers, training managerial personnel to address emerging challenges, developing and maintaining technical infrastructure and systems and ensuring a high standard of customer service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to evolving internal controls and risk management procedures. Failure to train our employees for the above operational controls may result in loss of business, erosion of the quality of customer service, diversion of management resources, an increase in our exposure to high-risk credit, significant costs and an increase in employee attrition rates, any of which could adversely affect our business.

20. Developments in the regulations concerning assignment and securitization transactions with respect to receivables of our loan portfolio could adversely affect the viability of funding from such transactions, our results of operations and financial condition.

We have in the past assigned / securitized a portion of the receivables from our loan portfolio to banks. During Fiscal 2017 and Fiscal 2016, our Company has entered into securitization transactions amounting to ₹ 33,772.18 lakhs and ₹ 85,586.85 lakhs. On August 21, 2012, RBI issued a circular through the policy of income recognition on assignment and securitization transaction was changed. Any change in statutory and/or regulatory requirements in relation to assignments or securitization by financial institutions, including the requirements prescribed by the RBI, could have an adverse impact on our assignment or securitization transactions.

The commercial viability of assignment and securitization transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include:

- prohibition on carrying out assignment transactions at rates lower than the prescribed base rate of the assignee bank;
- prohibition on NBFCs such as our Company from offering credit enhancements in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows;
- minimum holding period or ‘seasoning’ and minimum retention requirements of assignment and securitization loans; and
- assignments shall be eligible for classification under priority sector only if the interest rate charged to the ultimate borrower by the originating entity does not exceed base rate of such bank plus 8 % per annum.

For more details on these changes, see “*Regulations and Policies*” on page 114 of this Shelf Prospectus.

These recent developments have significantly limited the attractiveness of these assignment transactions, and have adversely affected the profitability of, securitization transactions, which could adversely affect our ability to secure funding at commercially viable rates, or at all and our results of operations and financial condition.

21. *We depend on the services of our management team and employees, our inability to recruit and retain them may adversely affect our business.*

Our future success depends substantially on the continued service and performance of members of our management team and employees and also upon our ability to manage key issues relating to human resource such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. There is intense competition for experienced senior management and other qualified personnel, particularly office managers, field executives and employees with local knowledge in client procurement, loan disbursement and installment collections. If we cannot hire additional or retain existing management personnel and employees, our ability to expand our business will be impaired and our revenue could be adversely affected. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, divert management resources, adversely affect our origination and collection rates, increase our exposure to high-risk credit and impose significant costs on us. While we have an incentive based remuneration structure, employee stock option scheme and training and development programs designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance.

As of March 31, 2017, our Company employed 17,856 permanent employees. Though we believe that we maintain good relationship with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and result operations.

22. *We face difficulties and incur additional expenses in operating in rural and semi-urban markets, where infrastructure may be limited.*

We cater primarily to customers in rural and semi-urban markets, which may have limited infrastructure, particularly for transportation and electricity. At offices in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, implementing technology measures. We may also face increased costs in conducting our business and operations, implementing security measures and expanding our advertising. We cannot assure you that such costs will not increase in the future as we expand our network in rural and semi urban markets, which could adversely affect our profitability.

Moreover, some of our customers are farmers residing in rural and semi-urban areas and our results of operations are affected by risks specific to their businesses. For example, the agriculture industry in India is substantially dependent on monsoons. Extreme weather conditions such as drought, insufficient rainfall or floods may potentially affect the quality and quantity of farming production in a given year, thereby adversely affecting the ability of our farmer customers to repay their loans.

23. *A decline in our Company’s capital adequacy ratio could restrict our future business growth.*

Pursuant to the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, as amended, we are required to maintain a capital adequacy ratio of at least 15.0% of our aggregate risk-weighted assets of our balance sheet (on-balance sheet and of risk adjusted value of off balance sheet items)

consisting of Tier I and Tier II capital on an ongoing basis. The total Tier I capital, at any point is required to be at least 10.0% by March 31, 2017. Our Company's capital adequacy ratio (without considering dividend) was 17.2% as of March 31, 2017, with Tier I capital comprising 12.8%. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favorable to us or at all, which could result in non-compliance with applicable capital adequacy ratios and may adversely affect the growth of our business.

24. Any failure, inadequacy and security breach in our computer systems and servers may adversely affect our business.

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of offices, most of which are connected through computer systems and servers to our head office. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services, particularly in the rural and semi-urban markets in which we primarily operate. Our business is particularly susceptible to such disruptions because of our reliance on handheld GPRS devices, expected implementation of mobile offices and the higher cost of installation and implementation of technology in the rural and semi-urban markets. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, employee data and propriety business data, for which we could potentially be liable. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our business.

25. We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads between the interest rates at which we borrow and lend.

Our business strategy involves a high level of ongoing interaction with our customers. We believe that this involvement is an important part of developing our relationship with our customers, identifying new cross-selling opportunities and monitoring our performance. However, this level of involvement also entails higher levels of operating costs and also requires a relatively higher gross spread, or margin, on the finance products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our finance products were to reduce substantially, which could adversely affect our results of operations.

26. We may face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.

We face potential liquidity risks because our assets and liabilities mature over different periods. As is typical for NBFCs, we meet a portion of our funding requirements through short-term funding sources, such as by issuing commercial paper, short-term loans from banks, fixed deposits and unsecured debentures. The majority of our loan assets, however, mature over the medium term. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities in a timely and cost-effective manner or at all may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and profitability. For further details on asset-liability mismatch, see "***Our Business - Liquidity Risk***" on page 103 of this Shelf Prospectus.

27. *Our Promoter will continue to retain majority shareholding in us after the Issue, which will allow it to exercise significant influence over us and could create conflicts of interest.*

Our Promoter beneficially owns approximately 51.20% of our outstanding Equity Shares. For further details, see “*Capital Structure*” on page 50 of this Shelf Prospectus. Our Promoter will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholder approval, including the composition of our Board of Directors, the adoption of amendments to our articles of association, the approval of mergers, strategic acquisitions and joint ventures and the sale of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoter. The interests of our Promoter as our controlling shareholder could conflict with our interests or the interests of our other shareholders. We cannot be sure that our Promoter will act to resolve any conflicts of interest in our favor or in the favor of other shareholders. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. We leverage on the goodwill of the Mahindra group. We believe that this goodwill ensures a steady inflow of business. In the event Mahindra group is unable to maintain the quality of its services or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected.

28. *Governmental and statutory regulations, including the imposition of an interest-rate ceiling, may adversely affect our operating results and financial position.*

As a deposit-taking NBFC, we are subject to regulation by Government authorities, including the RBI. The RBI, however, has not established a ceiling on the rate of interest that can be charged by NBFCs in the asset finance sector. Currently, the RBI requires that the board of directors of each NBFCs adopts an interest rate model that takes into account relevant factors such as the cost of funds, margin and risk premium. It is unclear whether NBFCs are required to comply with the provisions of state money lending laws that establish ceilings on interest rates.

The High Court of Kerala, in relation to a notice received by us from the Sales Tax Commissioner, Kerala, has held in an order that we are required to be registered under the Kerala Money Lenders Act, 1958. We have filed a special leave petition in the Supreme Court against this order and the matter is currently pending. The Supreme Court has granted an interim stay against the enforcement of this notice. In the event we are required to register under the Kerala Money Lenders Act, 1958 or any other state money lending laws, there may be interest rate ceiling caps and other restrictions on operations of our business. Further, we have also received such notices in some other states in the past. If any regulatory authority or court imposes any penalty against us or our Directors or our officers including for prior non-compliance with respect to state money lending laws, our business, results of operations and financial condition may be adversely affected.

29. *We have entered into, and will continue to enter into, related party transactions and there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.*

We have entered into transactions with several related parties, including our Promoter, Directors and companies in the Mahindra group. We can give no assurance that we could not have achieved more favorable terms had such transactions been entered into with parties that were not related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information, see “*Financial Statements*” on page 157 of this Shelf Prospectus.

30. *Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business prospects and/or cash flows.*

As part of our business strategy, we may acquire complementary companies or businesses, divest non-core businesses or assets, enter into strategic alliances and joint ventures and make investments to further expand our business. In order to pursue this strategy successfully, we must identify suitable candidates for and successfully complete such transactions, some of which may be large and complex, and manage the integration of acquired

companies or employees. We may not fully realise all of the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations, may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

- combining product offerings and entering into new markets in which we are not experience;
- consolidating and maintaining relationships with customers;
- consolidating and rationalising transaction processes and corporate and information technology infrastructure;
- integrating employees and managing employee issues;
- coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from infrastructure integration; and
- managing other business, infrastructure and operational integration issues.

31. *Fluctuations in the market values of our investments and other asset portfolio could adversely affect our result of operations and financial condition.*

We maintain a portfolio of investments, which includes government securities, certificates of deposits and various mutual fund units. Any financial turmoil in the financial markets has the ability to adversely impact the economic activity in India and globally. Continued deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could adversely affect our reported income and financial condition.

32. *The grant of options under the Mahindra & Mahindra Financial Service Limited -Employee Stock Option Scheme 2010 (the “ESOP Scheme 2010”) will result in a charge to our profit and loss account and may adversely impact our net income.*

Our Company follows the intrinsic value method for the accounting of employee compensation cost on options granted, pursuant to which, if the exercise price of any options granted is lower than the market price at the time of grant, it will result in a charge to our profit and loss account equal to the product of the number of Equity Shares granted and the difference between the exercise price and the market price at the time of grant.

We established the ESOP Scheme 2010 in October 2010, wherein we are authorised to issue options convertible into up to 48,45,025 Equity Shares at an exercise price of ₹ 2. As of March 31, 2017, we had granted 34,64,407 options under the ESOP Scheme 2010. As a result of future grants of options under ESOP Scheme 2010, we will have to charge the difference between exercise price and the market price at the time of grant to our profit and our loss statement, which may have an adverse impact on our net income. This will be amortized over the vesting period of the options, being five years from the date of grant of the options. For Fiscal 2017 and the Fiscal 2016, the employee stock compensation cost on account of ESOPs was ₹ 879.82 lakhs and ₹ 1,431.06 lakhs, respectively.

Further, we may continue to introduce such employee stock option schemes in the future, where we issue options to our employees at substantial discount to the market price of the Equity Shares, which may have an adverse impact on our results of operations and financial condition.

33. We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.

We require certain statutory and regulatory approvals for conducting our business and may also need additional approvals from regulators to distribute insurance products through our insurance broking business and other fee-based products to our customers. For example, we are required to obtain and maintain a certificate of registration for carrying on business as an NBFC, a certificate that is subject to numerous conditions. We also require licenses and approvals to operate our various lines of business. We may not be able to obtain such approval in a timely manner or at all.

In addition, our various offices, meeting centers and customer care centers are required to be registered under the relevant shops and establishments laws of the states and also require a trade license in certain states. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. A court, arbitration panel or regulatory authority may in the future find that we have not complied with applicable legal or regulatory requirements. We may also be subject to lawsuits or arbitration claims by customers, employees or other third parties in the different state jurisdictions in India in which we conduct our business. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

34. We are subject to supervision and regulation by the RBI as a systemically important deposit-taking NBFC, and changes in RBI's regulations governing us could adversely affect our business.

We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other master directions. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost, raise additional capital or otherwise adversely affect our business and our financial performance.

The RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. Pursuant to two notifications dated December 6, 2006, (Notifications No. DNBS. 189 / CGM (PK)-2006 and DNBS.190 / CGM (PK)- 2006), the RBI amended the NBFC Acceptance of Public Deposits Directions, 1998, reclassifying deposit taking NBFCs, such as us. We are also subject to the requirements of the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, as amended.

The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could materially and adversely affect our business and our financial performance.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in laws, regulations and accounting principles and practices. There can be no assurance that the laws governing the financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

Additionally, we are required to make various filings with the RBI, the Registrar of Companies and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and compounding proceedings. For further information on laws and regulations applicable to us, see "*Regulations and Policies*" on page 114 of this Shelf Prospectus.

35. *The proposed new taxation system in India could adversely affect our Company's business, prospects, financial condition and results of operations.*

The Government has proposed major reforms in Indian tax laws, namely provisions relating to the general anti-avoidance rules (the **GAAR**). The provisions have been introduced in the Finance Act 2012 and will apply (as per the Finance Act 2015) in respect of an assessment year beginning on 1 April 2018 and each assessment year thereafter. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose, or one of the main purposes of which, is to obtain a tax benefit and which satisfy at least one of the following tests: (a) creates rights, or obligations, which are not normally created between persons dealing at arm's length; (b) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act 1961; (c) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (d) is entered into, or carried out, by means, or in a manner, which is not normally employed for *bona fide* purposes. If GAAR provisions are invoked, the tax authorities would have wide powers, including denial of tax benefit or a benefit under a tax treaty. While the GAAR provisions shall not be applicable in respect of investments made before 1 April 2017, there can be no assurance that the implementation of the GAAR provisions will not adversely affect our Company's business, prospects, financial condition and results of operations.

36. *The restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non-Banking Financial Companies dated July 1, 2015 (the "Master Circular") may restrict our ability to obtain bank financing for specific activities.*

Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain NBFC activities are ineligible for financing by bank credit, such as certain types of discounting and rediscounting of bills, investments of current and long term nature by way of shares, debentures, etc, loans and advances by NBFCs to their subsidiaries and group companies, or lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market, unsecured loans, inter-corporate deposits provided by the NBFCs and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues and/or in the form of loans of a temporary nature pending the raising of long term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

These restrictions may adversely affect our access to or the availability of bank finance, which may in turn adversely affect our financial condition and results of operations.

37. *Our insurance coverage may not adequately protect us against losses.*

We maintain insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations.

38. We do not own the trademarks we use and thus enjoy limited legal protection and our ability to use the trademark and logo may be impaired.

Our logo **Mahindra FINANCE** is not owned by the Company. We use trademarks such as “Mahindra Finance”, “Mahindra Home Finance “Ghar Ki Baat Hai” in the course of our business operations. However, these trademarks are owned by M&M. While our Company has entered into a trademark license agreement with M&M for use of the “Mahindra” trademark and logo and the “Mahindra & Mahindra” trademark, we have not entered into any license agreement with M&M for use of the other aforesaid trademarks we use in our business operations. Thus, we enjoy limited legal protection and ability for use of these trademarks. We may not be able to use aforementioned trademarks in the event of termination of trademark license agreement. Our inability to use of these trademarks and any unauthorized usage could result in the dilution of the trademarks recognised with our Company and loss of reputation, which may result in adverse effects to our business and results of operations.

39. Most of our offices are located on leased premises and non renewal of lease agreements or their renewal on terms unfavorable to us could adversely affect our operations.

As of March 31, 2017, 1,179 of our 1,182 offices (including our Registered Office) are housed on leased premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate the agreement we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

40. We have incurred significant indebtedness and may incur additional debt. The conditions and restrictions imposed by our financing agreements could adversely impede our flexibility in conducting our business.

As of March 31, 2017, we had ₹ 23,82,234.15 lakhs and ₹ 10,84,806.14 lakhs in principal amount of secured loans and unsecured loans, respectively, on a standalone basis. For further details, see “**Financial Indebtedness**” on page 158 of this Shelf Prospectus. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow further now and in the future;
- affecting our capital adequacy requirements; and
- increasing our interest expenditure.

Most of our financing arrangements are secured by our movable and immovable assets. We may seek, and may be unable to obtain, lenders’ consents to incur additional debt, increase or modify our capital expenditure plans, create additional charges on or further encumber our assets or merge with or acquire other companies, whether or not there is any failure by us to comply with the other terms of such agreements. Further, our financing arrangements also contain other restrictive covenants, including, but not limited to:

- to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;
- to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
- to create or permit any charges or lien on any mortgaged properties;
- to amend its MOA and AOA or alter its capital structure; and
- to make any major investments by way of deposits, loans, share capital, etc. in any manner.

Compliance with the various terms of our loans is subject to interpretation and we cannot assure you that we have requested, received or will receive all consents from our lenders that would be advisable under our financing documents. As a result, it is possible that a lender could assert that we have not complied with certain terms under our financing documents. Any failure to service our indebtedness, comply with a requirement to obtain consent or perform any condition or covenant could impede our flexibility in conducting our business which may have an adverse effect on our business and results of operations.

41. Inaccurate appraisal of credit may adversely impact our business.

We may be affected by failure of our employees to comply with our internal procedures requiring extensive appraisal of credit or financial worth of our clients. Failure or inaccurate appraisal of credit or financial worth of our clients by our employees may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event, we are unable to check the risks arising out of such lapses, it may have an adverse effect on our business and results of operations.

42. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries

The effectiveness of our risk monitoring and management is limited by the quality, timeliness and availability of data required for the assessment of the risks such as, information regarding market, customers, proposed policy changes, etc. These data may not be accurate or complete in all the cases thereby affecting our ability to access, monitor and manage the risk. Our hedging strategies and other risk management techniques may not be fully effective in mitigating all the types of risks that we face or may face in the market. Largely, our risk management is based on the study of historical market behaviour and as a result these studies may not predict the future risks exposures. Our risk management policies therefore may not in all cases adequately address unidentified or unanticipated risks. Our inadequacy in properly assessing the risks and hence moulding accordingly to ward of these risks may have an adverse effect on our business and results of operations.

43. We have not independently verified certain data in this Shelf Prospectus.

We and the Lead Managers have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, the Indian economy, as well as NBFCs, the automobile industry, insurance industry and mutual funds industry that are included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

44. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. In the course of our operations, we run the risk of failing to comply with the prescribed know your customer procedures and the consequent risk of fraud and money laundering by dishonest customers, despite putting in place systems and controls to prevent the occurrence of these risks. In certain of our activities and in our pursuit of business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness, despite having a Board-approved customer suitability policy and associated processes in place. Such incidents may adversely affect our business and our reputation.

45. The GoI may implement a new national tax regime by imposing GST

The GoI is in the process of implementing a comprehensive national GST regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. GST is a dual levy with state GST and central GST. GST will replace the current taxes and duties such as excise duty, service tax, counter-vailing duty, special additional duty of customs, VAT, CST, octroi, applicable central and state charges and cesses.

Currently, indirect taxes at applicable rates are lower than the applicable rate of GST to our Company. Further, new goods and services, which are currently not taxed, may get taxed in the GST regime. Due to these changes in the indirect tax regime, our financial condition and results of operations may be adversely affected.

Further, we may also be required to make changes in our IT infrastructure and other internal process to adapt to the requirements of GST, once implemented. To ensure compliance with the requirements of the GST laws, we may also need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

Risks Relating to the Utilization of Issue Proceeds

46. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for our various financing activities including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay our existing indebtedness, long term working capital requirements and general corporate purposes. For details refer section titled “*Terms of the Issue*” on page 201 of this Shelf Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

Risks Relating to the NCDs

47. There has been no prior public market for the NCDs and it may not develop in the future, and the price of the NCDs may be volatile.

The NCDs have no established trading market. There can be no assurance that an active public market for the NCDs will develop or be sustained. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs.

48. There is no guarantee that the NCDs issued pursuant to this Issue will be listed on BSE in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issue of NCDs to be submitted. There could be a failure or delay in listing the NCDs on BSE.

49. You may not be able to recover, on a timely basis or recover at all, the full value of the outstanding amounts and/ or the interest accrued thereon, in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/ or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/ or the interest accrued thereon in a timely manner, or repay at all.

50. A debenture redemption reserve will be created, only up to an extent of 25% of the value of the outstanding NCDs and in the absence of profits, we may not be able to transfer adequate amounts to the DRR.

The Company (Share Capital and Debentures) Rules, 2014 has prescribed that adequacy of DRR will be 25% of the value of the outstanding debentures issued through public issue. Therefore, our Company will maintain a DRR only to the extent of 25% of the value of the outstanding NCDs or such a percentage as may be required under applicable regulation as amended from time to time issued and the Debentureholders may find it difficult to enforce their interests in the event of or to the extent of a default in excess of such reserve.

The amount to be credited as DRR will be carved out of the profits of our Company only and there is no obligation on the part of our Company to create DRR if there is no profit or no adequate profit for the year to pay dividends for the particular year. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet the 25% of the value of the outstanding NCDs issued.

51. Any downgrading in credit rating of our NCDs may affect the trading price of our NCDs and our ability to raise funds.

CRISIL, CARE, India Ratings and Brickwork have assigned rating of 'CRISIL AA+', 'CARE AAA', 'IND AAA' and 'BWR AAA', respectively, to the long term and subordinated debt of our Company. CRISIL has rated our fixed deposit programme as 'FAAA'. CRISIL, and India Ratings assigned rating of 'CRISIL A1+' and 'IND A1+', respectively, to the short term debt and commercial paper of our Company. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the NCDs and may also affect our ability to raise further debt.

52. Payments made on the NCDs will be subordinated to payments to secured and unsecured creditors and certain tax and other liabilities preferred by law.

The NCDs will be unsecured and will be subordinated to all secured and unsecured creditors of our Company as well as certain liabilities preferred by law such as to claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the NCDs. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the NCDs. The issue of any such debt securities may reduce the amount recoverable by investors in the NCDs on our bankruptcy, winding-up or liquidation.

53. Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the NCDs are legal investments for it, (ii) the NCDs can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the NCDs.

54. The NCDs are subject to the risk of change in law.

The terms and conditions of the NCDs are based on Indian law in effect as of the date of issue of the relevant NCDs. No assurance can be given as to the impact of any possible judicial decision or change to Indian law or administrative practice after the date of issue of the relevant NCDs and any such change could materially and adversely impact the value of any NCDs affected by it.

EXTERNAL RISKS

Risk Factors Related to India

55. A slowdown in economic growth in India and other countries in which we operate could cause our business to suffer.

Any slowdown in the Indian economy or in the growth of any of the industries to which we provide financing to, or future volatility in global commodity prices, could adversely affect our borrowers and the growth of our business, which in turn could adversely affect our business, results of operations and financial condition.

India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Furthermore, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on our business, financial condition and results of operations.

56. Political instability, changes in the Government or natural calamities may adversely affect economic conditions in India, which may impact our business, financial results and results of operations.

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our NCDs may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian Governments have pursued policies of economic liberalisation and financial sector reforms. Various factors could trigger significant changes in India's economic liberalization and deregulation policies, disrupt business and economic conditions in India generally and our business in particular. Our financial performance and the market price of our shares may be adversely affected by changes in inflation, exchange rates and controls, interest rates, Government, social stability or other political, economic or diplomatic developments affecting India in the future.

India has experienced and may continue to experience natural calamities such as earthquakes, floods and drought. The extent and severity of these natural disasters determines their effect on the Indian economy. Such natural calamities could have a negative effect on the Indian economy, adversely affecting our business.

57. Economic developments and volatility in securities markets in other countries may negatively affect the Indian economy.

The Indian securities market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The collapse of the sub-prime mortgage loan market in the United States that began in September 2008 led to increased liquidity and credit concerns and volatility in the global credit and financial markets in following Fiscal years. The European sovereign debt crisis has led to renewed concerns for global financial stability and increased volatility in debt and equity markets. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi (Chinese Yuan) devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and global credit and financial markets.

In the event that the current difficult conditions in the global financial markets continue or if there are any significant financial disruptions, this could have an adverse effect on our Company's cost of funding, loan portfolio, business, future financial performance and the trading price of any NCDs issued under the Issue. Negative economic developments, such as rising Fiscal or trade deficits, or a default on national debt in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

58. Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our NCDs trade and also adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and adversely affect our business, financial condition and results of operations. In addition,

any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which may adversely affect the price of our NCDs.

India has also witnessed civil unrest including communal disturbances and riots in recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on the price of our NCDs.

59. Any downgrade of credit ratings of India may adversely affect our ability to raise debt financing.

India's sovereign ratings reflect an assessment of the Indian government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

No assurance can be given that any statistical rating organisation will not downgrade the credit ratings of India. Any such downgrade could adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance.

60. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. Further declines in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the NCDs.

61. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

62. Financial difficulty and other problems in certain financial institutions in India could adversely affect our business.

As an Indian NBFC, we are exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis and who may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and hence could adversely affect our business. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme.

63. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required

approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

64. *An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have an adverse effect on our business and results of operations.*

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concerns could have a negative effect on the economies, financial markets and business activities in the countries in which our end markets are located, which could have an adverse effect on our business. We can give no assurance that a future outbreak of an infectious disease among humans or animals or any other serious public health concerns will not have an adverse effect on our business.

65. *Significant differences exist between Indian GAAP used to prepare our Company's financial statements and other accounting principles, such as IFRS, with which investors may be more familiar. Furthermore, our Company will be subject to a number of new accounting standards as part of our transition to Indian Accounting Standards converged with IND-AS (as defined below) that may significantly impact its financial statements in future reporting periods.*

Our Company's financial statements included in this Offering Circular are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS and other accounting principles and standards. Our Company has not made any attempt to quantify the impact of IFRS on the financial data included in this Offering Circular, nor does our Company provide a reconciliation of our financial statements to those of IFRS. If our Company were to prepare our financial statements in accordance with such other accounting principles, our Company's results of operations, cash flows and financial condition may be substantially different. The significant accounting policies applied in the preparation of its Indian GAAP financial statements are set forth in the notes to the our financial statements included in this Offering Circular.

Prospective investors should review the accounting policies applied in the preparation of our Company's financial statements summarised in the section "*Index to Financial Statements*" and "*Summary of Significant Differences between Indian GAAP and IFRS*", and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

Accordingly, the degree to which the financial statements included in this Offering Circular will provide meaningful information is entirely dependent on the investor's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Offering Circular should accordingly be limited.

The Companies (Indian Accounting Standards) Rules, 2015 (**IAS Rules**), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Indian Accounting Standards converged with IFRS (**IND-AS**), although any company may voluntarily implement IND-AS for the accounting period beginning from 1 April 2015. All NBFCs having a net worth of more than ₹50,000 lakhs are required to mandatorily adopt IND-AS for the accounting period beginning from 1 April 2018 with comparatives for the period ending on 31 March 2018.

As there is not yet a significant body of established practice, such as interpretations of the new accounting standards, on which to draw in forming judgments regarding the new system's implementation and application, our Company has not determined with any degree of certainty the impact such adoption will have on our financial reporting. However, the IND-AS accounting standards will change its methodology for estimating allowances for probable loan losses. They may require our Company to value our NPAs by reference to their market value (if a ready market for such loans exists) or to calculate the present value of the expected future cash flows realisable from our loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate) in estimating allowances for probable loan losses. This may result in our Company recognising higher allowances for probable loan losses in the future.

Our Company's financial statements are prepared in accordance with the Indian GAAP. In January 2016, the Ministry of Corporate Affairs laid out a road map for implementation of IND-AS for scheduled commercial banks, insurance companies and NBFCs. NBFCs will be required to prepare IND-AS based financial statements (consolidated and individual) in two phases. Under Phase I, NBFCs that have a net worth of ₹5 billion or more,

including our Company, and their holding, subsidiary, joint venture or associate companies are required to prepare IND-AS based financial statements for accounting periods beginning from 1 April 2018 onwards with comparatives for the periods ending 31 March 2018 or thereafter. Under Phase II, NBFCs whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and have a net worth less than ₹5 billion, NBFCs that are not listed and have a net worth of more than ₹2.5 billion but less than ₹5 billion, and their respective holding, subsidiary, joint venture or associate companies are required to prepare IND-AS based financial statements for accounting periods beginning from 1 April 2019 onwards with comparatives for the periods ending 31 March 2019 or thereafter. NBFCs that have a net worth below ₹2.5 billion shall continue to apply the accounting standards specified in Annexure to Companies (Accounting Standards) Rules, 2006.

We may not be able to determine with a degree of certainty the impact of adoption of IND-AS on our financial reporting. As a result, there can be no assurance that our Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. Our Company's management may also have to divert significant time and additional resources in order to implement IND-AS on a timely and successful basis. There can be no assurance that our Company's adoption of IND-AS will not adversely affect our reported results of operations or financial condition in the future and any failure to successfully adopt IND-AS could adversely affect our Company's business, financial condition and results of operations in the future.

66. The new bankruptcy code in India may affect our Company's right to recover loans from its borrowers.

The Insolvency and Bankruptcy Code, 2016 (Bankruptcy Code) was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process. If the Bankruptcy Code provisions are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

SECTION III-INTRODUCTION

THE ISSUE

The following is a summary of terms of the NCDs, to be issued for an amount not exceeding the Shelf Limit. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled “*Terms of the Issue*” on page 201 of this Shelf Prospectus.

COMMON TERMS FOR ALL SERIES OF THE NCDs

Issuer	Mahindra & Mahindra Financial Services Limited
Type of instrument/ Name of the security/ Seniority	Subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, the NCDs will be in the nature of subordinated debt and will be eligible for Tier II capital.
Nature of the instrument	Unsecured Subordinated Redeemable Non-Convertible Debenture
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, Axis Bank Limited, A. K. Capital Services Limited, Trust Investment Advisors Private Limited and Yes Securities (India) Limited
Debenture Trustee	Axis Trustee Services Limited
Depositories	NSDL and CDSL
Registrar	Karvy Computershare Private Limited
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible investors	See the section titled “ <i>Issue Procedure – Who are eligible to apply for NCDs?</i> ” on page 214 of this Shelf Prospectus
Objects of the Issue	Please see “ <i>Objects of the Issue</i> ” on page 58 of this Shelf Prospectus
Details of utilization of the proceeds	See the section titled “ <i>Objects of the Issue</i> ” on page 58 of this Shelf Prospectus
Interest rate	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issuance mode of the instrument	Demat
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual/ Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	The principal amount on the NCDs along with interest accrued on them as on the Redemption Date
Redemption premium/ discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Price (in ₹)	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue

Put option date	Not applicable
Put option price	Not applicable
Call option date	Not applicable
Call option price	Not applicable
Put notification time.	Not applicable
Call notification time	Not applicable
Face value	₹ 1,000 per NCD
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot/ Trading Lot	One
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The NCDs proposed to be issued under this Issue have been rated ‘IND AAA’/ Outlook Stable’ for an amount of ₹ 2,00,000 lakhs, by India Ratings <i>vide</i> their letters dated June 6, 2017 and June 27, 2017 and “BWR AAA, Outlook: Stable” for an amount of ₹ 2,00,000 lakhs, by BWR <i>vide</i> their letter dated June 7, 2017 and June 27, 2017. The rating of NCDs by India Ratings and BWR indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rationale for these ratings, see <i>Annexure A & B</i> of this Shelf Prospectus.
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closing Date. For more information, see “ <i>Other Regulatory and Statutory Disclosures</i> ” on page 188 of this Shelf Prospectus.
Issue size	As specified in the respective Tranche Prospectuses
Modes of payment	Please see the section titled “ <i>Issue Procedure – Terms of Payment</i> ” on page 228 of this Shelf Prospectus.
Trading	In dematerialised form only
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date**	As specified in the relevant Tranche Prospectus for each Tranche Issue <i>**The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or Bond Issue Committee thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the BSE.</i>
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the Redemption Date. In the event the Record Date falls on a Sunday or holidays of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date.
Issue documents	The Draft Shelf Prospectus, this Shelf Prospectus, the Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, Application Form, Abridged Prospectus and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Escrow Agreement, the Registrar Agreement, the Agreement with the Lead Managers and the Consortium Agreement. For further details please refer to “ <i>Material Contracts and Documents for Inspection</i> ” on page 246 of this Shelf Prospectus
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.

Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
Events of default / cross default	See the section titled “ <i>Terms of the Issue – Events of Default</i> ” on page 213 of this Shelf Prospectus
Deemed date of Allotment	The date on which the Board of Directors or the Bond Issue Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or duly Bond Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debentureholders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	See the section titled “ <i>Terms of the Issue – Trustee for NCD holders</i> ” on page 201 of this Shelf Prospectus
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively
Working day convention	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

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

*** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board or the Bond Issue Committee of the Board constituted by resolution of the Board dated October 25, 2016. In the event of such early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE.*

SUMMARY OF BUSINESS

In this section only, any reference to “we”, “us”, “our” or “our Company” refers to Mahindra & Mahindra Financial Services Limited. Unless stated otherwise, the financial data in this section is as per our Reformatted Financial Statements prepared in accordance with Indian GAAP set forth elsewhere in this Shelf Prospectus.

The following information should be read together with the more detailed financial and other information included in this Shelf Prospectus, including the information contained in the chapter titled “Risk Factors” beginning on page 12 of this Shelf Prospectus.

We are one of the leading non-banking finance companies (“NBFCs”) with customers primarily in the rural and semi-urban markets of India. We are part of the Mahindra group, which is one of the largest business conglomerates in India. We are primarily engaged in providing financing for new and pre-owned auto and utility vehicles, tractors, cars and commercial vehicles. We also provide housing finance, personal loans, financing to small and medium enterprises, insurance broking and mutual fund distribution services. In addition we, among other services, provide wholesale inventory-financing to dealers and retail-financing to customers in the United States for purchase of Mahindra group products through Mahindra Finance USA LLC, our joint venture with a subsidiary of the Rabobank group.

Our Company was incorporated in 1991 and commenced operations as a finance company in 1993. Our Company was registered as a deposit-taking NBFC in 1998 and have since established a pan-India presence, spanning 27 states and 4 union territories through 1,182 offices as of March 31, 2017. Our Company caters to the financing needs of retail customers and small and medium-sized enterprises. Our Company primarily focusses on providing financing for purchases of auto and utility vehicles, tractors, cars, commercial vehicles and construction equipment and pre-owed vehicles and others which accounted for 28%, 19%, 22%, 11% and 20% of estimated total value of the assets financed, respectively, for the year ended March 31, 2017. We benefit from our close relationships with dealers and our long-standing relationships with OEMs, which allow us to provide on-site financing at dealerships.

As a supplement to our lending business, in May 2004, we started an insurance broking business through our subsidiary, MIBL. We provide insurance broking solutions to individuals and corporates through, MIBL. MIBL has a “composite broking license” from the IRDA, which allows MIBL to undertake broking of life, non-life and reinsurance products. It has been awarded the ISO 9001:2008 Certification for Quality Management Systems for services related to broking of life and non-life insurance products to corporate and retail customers. During Fiscal 2017, MIBL earned an income of ₹ 17,423.40 lakhs and achieved a profit after tax of ₹ 5,304.80 lakhs.

In October 2007, we commenced our housing finance business through our subsidiary MRHFL. We provide housing loans to individuals through, MRHFL, a registered housing finance company, in which NHB presently owns a 12.5% equity share capital of MRHFL. We grant housing loans for purchase, construction, extension and renovation of house property. During Fiscal 2017, MRHFL’s total income was ₹ 70,336.89 lakhs and achieved a profit after tax of ₹ 8,300.55 lakhs.

On September 27, 2010, our Company entered into an agreement with De Lage Landen Financial Services Inc., which is wholly-owned by the Rabobank group, to form a joint venture company in the United States, Mahindra Finance USA LLC. Mahindra Finance USA LLC was formed to provide, among other services, wholesale inventory financing to U.S. based dealers purchasing products of the Mahindra group and retail financing to customers for financing the purchase of the Mahindra group products. Our Company owns a 49.0% interest in Mahindra Finance USA LLC with the balance owned by De Lage Landen Financial Services Inc.

On 20 June 2013, Mahindra Asset Management Company Private Limited was incorporated and has been appointed as the asset management company of 'Mahindra Mutual Fund'. Mahindra Mutual Fund was constituted as a trust on 29 September 2015 and was registered with SEBI on 4 February 2016 under the registration code MF/069/16/01. MMFSL is the sponsor to the mutual fund and Mahindra Trustee Company Private Limited, a 100% subsidiary of MMFSL, is the trustee to the mutual fund. The maiden fund of the Mahindra Mutual Fund - 'Mahindra Liquid Fund' received approval from the SEBI on 20 June 2016 and was launched on 4 July 2016.

On standalone basis, for the Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013, the estimated total value of assets financed was ₹ 31,65,914 lakhs, ₹ 26,70,632 lakhs, ₹ 24,33,110 lakhs, ₹ 25,40,002 lakhs and ₹ 23,83,858 lakhs, respectively, total income from operations was ₹ 6,17,391.06 lakhs, ₹ 5,85,316.11 lakhs,

₹ 5,53,605.61 lakhs, ₹ 4,92,163.21 lakhs and ₹ 3,85,672.15 lakhs, respectively and total profit after tax was ₹ 40,023.49 lakhs, ₹ 67,259.60 lakhs, ₹ 83,177.59 lakhs, ₹ 88,722.75 lakhs and ₹ 88,269.18 lakhs respectively.

On standalone basis, as of March 31, 2017, we maintained a NPA coverage ratio of 61.8%, net NPA of 3.6% of total assets, capital adequacy ratio of 17.2%, total loans and advances outstanding of ₹ 42,52,336.65 lakhs and total assets of ₹ 45,98,523.19 lakhs, compared to, as of March 31, 2016, we maintained a NPA coverage ratio of 61.7%, net NPA of 3.2% of total assets, capital adequacy ratio of 17.3%, total loans and advances outstanding of ₹ 36,66,156.57 lakhs and total assets of ₹ 39,57,947.92 lakhs.

Key Operational and Financial Parameters (on consolidated basis)

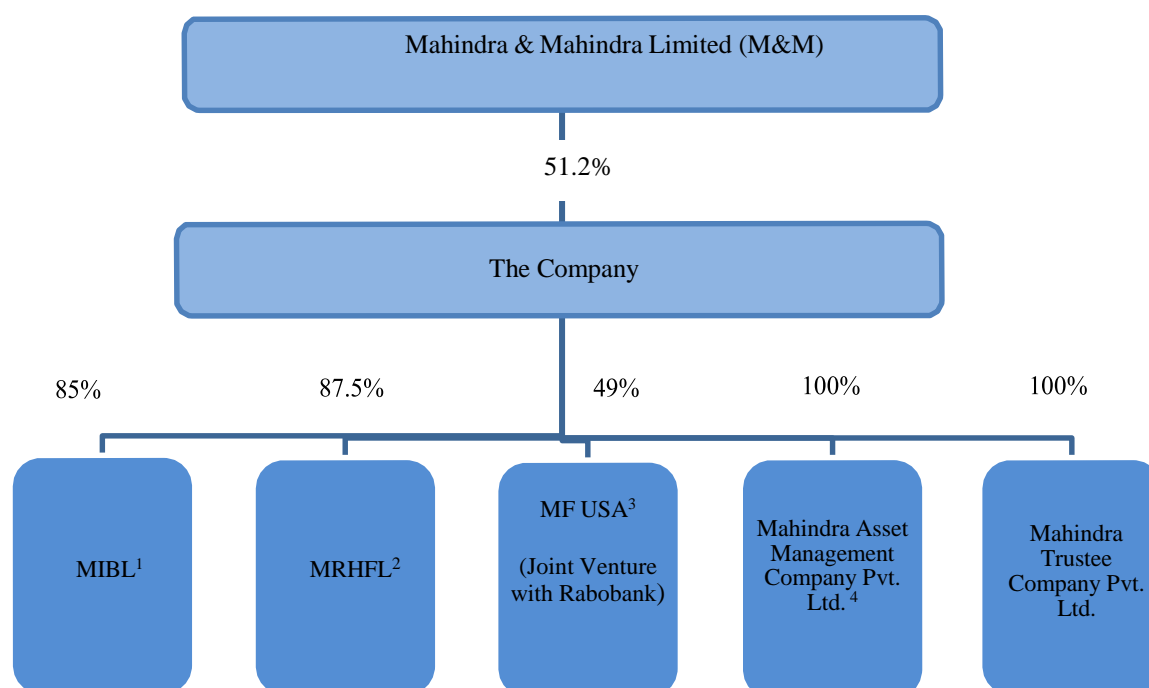
(₹ in lakhs)

Parameters	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net worth	6,96,015.55	6,46,939.78	5,94,271.69
Total Debt	40,81,105.01	34,04,369.39	29,23,169.82
of which – Non Current Maturities of Long Term Borrowing	24,98,492.31	20,34,120.59	16,86,524.66
- Short Term Borrowing	7,21,762.80	5,21,753.18	5,25,861.91
- Current Maturities of Long Term Borrowing	8,60,849.90	8,48,495.62	7,10,783.25
Net Fixed Assets	13,453.06	12,907.14	11,917.57
Non Current Assets	29,84,321.75	24,25,024.87	21,16,526.16
Cash and Cash Equivalents	60,387.54	60,593.65	49,018.36
Current Investments	59,239.85	54,670.33	9,449.80
Current Assets	22,23,254.95	19,47,488.38	16,76,402.13
Current Liabilities	2,76,798.98	1,93,256.10	1,56,988.00
Assets Under Management	54,19,688.27	46,36,063.20	40,31,364.00
Off Balance Sheet Assets	79,031.12	1,35,378.84	1,80,349.97
Interest Income	6,55,028.88	5,93,902.58	5,39,440.61
Interest Expense	3,16,075.05	2,84,204.58	2,61,899.78
Provisioning & Write-offs	1,38,955.10	1,09,819.07	84,912.26
PAT	51,163.67	77,229.36	91,290.54
Gross NPA (%)*	9.0%	8.0%	5.9%
Net NPA (%)*	3.6%	3.2%	2.4%
Tier I Capital Adequacy Ratio (%)*	12.8%	14.6%	15.5%
Tier II Capital Adequacy Ratio (%)*	4.4%	2.7%	2.8%

*All ratios on standalone basis

Corporate Structure

The following chart outlines our corporate structure:



¹ MIBL is engaged in the business of direct insurance broking in the life and non-life insurance businesses. Inclusion Resources Pvt. Ltd., a subsidiary of Leapfrog Financial Inclusion Fund, incorporated in Singapore, holds 15 % of the equity share capital of MIBL.

² MRHFL is engaged in the business of extending loans to customers for housing needs. The National Housing Bank holds 12.5 % of the equity share capital of MRHFL.

³ MF USA is engaged in the business of providing wholesale inventory-financing to dealers and retail-financing to customers in the United States for purchase of Mahindra group products.

⁴ Mahindra Asset Management Company Private Limited is the asset management company of 'Mahindra Mutual Fund'. The maiden fund of the Mahindra Mutual Fund - 'Mahindra Liquid Fund' received approval from SEBI on 20 June 2016 and was launched on 4 July 2016.

Our Competitive Strengths

Our competitive strengths are as follows:

Knowledge of rural and semi-urban markets

We have over 20 years of operating experience primarily in rural and semi-urban markets, which has led to a significant understanding of local characteristics of these markets and has allowed us to address the unique needs of our customers. Of our Company's 1,182 offices spanning across 27 states and 4 union territories, as of March 31, 2017, majority cater to customers located in rural and semi-urban markets. We have adapted to markets that are affected by limitations of rural infrastructure and have developed a diversified customer base of farmers, car-owners, transport agencies, small businessmen and home-owners. For origination and collection, we hire employees with knowledge of the local markets and have also implemented a de-centralized process to approve loans that meet pre-determined criteria. Further, our field executives use hand-held general packet radio service ("GPRS") devices to record data while collecting loan payments at the customer's home or business location. This leads to face-to-face interaction that improves our understanding of the needs of our customers and enables us to be more responsive to local market demand. We believe that our knowledge of the rural and semi-urban markets is a key strength that has enabled us to become one of India's leading NBFCs.

We were early entrants into the rural and semi-urban markets, initially providing financing solely for products of M&M which has been selling its products in those markets for over 6 decades. Credit in these markets was principally provided by banks from the organised finance sector or by the local money lenders. There was a large section of the rural population which did not have access to credit largely due to their inability to meet the

lending covenants of the banks or because they could not service the high rates of the money lenders. We identified this opportunity and positioned ourselves to service this population. We adopted simple and prompt loan approval and documentation procedures and set our offer rates between those of the banks and the money lenders. In addition, the markets we serve are largely cash driven and we understand the challenges and limitations of rural infrastructure and have created processes/systems to overcome such limitations and challenges. For example, our field executives collect cash at the customer's premises saving them the need to travel to one of our offices or a bank. These visits also enable us to develop our customer relationships and importantly allow us to understand their businesses. This understanding enables us to be proactive and develop future products for our customers. Our nationwide network, locally recruited employees, regular visits and our close relationship with the dealers enables us to understand the needs of our customers. We believe that due to our early entry, our client relationships and our relationship with OEMs, we have built a recognisable brand in the rural and semi-urban markets of India.

Extensive network of offices

We operate an extensive network of our 1,182 offices spanning across 27 states and 4 union territories, as of March 31, 2017. The reach of our offices allows us to service our existing customers and attract new customers as a result of personal relationships cultivated through proximity and frequent interaction by our employees. Our widespread office network reduces our reliance on any one region in India and allows us to apply best practices developed in one region to other regions. Our geographic diversification also mitigates some of the regional, climatic and cyclical risks, such as heavy monsoons or droughts. In addition, our extensive office network benefits from a de-centralized approval system, which allows each office to grow its business organically as well as leverage its customer relationships by offering distribution of insurance products and mutual funds. We service multiple products through each of our offices, which reduces operating costs and improves total sales. We believe that the challenges inherent in developing an effective office network in rural and semi-urban areas provide us with a significant first mover advantage over our competitors in these areas.

Streamlined Approval and Administrative Procedures and Effective Use of Technology

We believe that we benefit from our streamlined company-wide approval and administrative procedures that are supplemented by our employee training and integrated technology. Our local offices are responsible for appraisal, disbursement, collection and delinquency management of loans. We require simple documentation to comply with the regulatory norms and for the collateral on the vehicle or equipment purchased. Typically, we disburse loan funds within two business days from receiving the complete loan application. Each of our security agreements contains alternate dispute resolution provisions for arbitration, re-possession and sale of assets that secure defaulting loans. We also require that the customer provides a guarantor as part of a reference check prior to disbursing the funds, a process which we believe acts as a social enforcement mechanism for timely repayment by customers.

We believe that our de-centralized streamlined origination process is successful because of our employee training and integrated technology. We train our employees to use soft skills and offer customised financial products based on the credit requirements and credit history of customers. Moreover, we are able to regularly monitor origination, disbursement and collection with our integrated technology. In addition, hand-held GPRS devices used by our employees provide us with installment collection, customer and certain risk management information in a prompt manner, thus enabling better monitoring. The recording of data in this manner enables us to provide intimation by SMS to customers in a prompt manner at every stage of the transaction and we believe, it also allows us to handle customer queries more efficiently.

History of strong customer and dealer relationships

We believe that we benefit from strong relationships with our customers, forged from long-term in-person customer contact, the reach of our office network, local knowledge and our continued association with automotive, farm equipment and car dealers. As part of our customer-centric approach, we recruit employees locally to increase our familiarity with the local customers and area. We believe that this personal contact, which includes visits by our employees to a customer's home or business to collect installment payments, increases the likelihood of repayment, encourages repeat business, establishes personal relationships and helps build our reputation for excellent customer service. We also believe that our Company's close relationships with dealers help us develop and maintain strong customer relationships.

Brand recall and synergies with the Mahindra group

M&M, our Promoter and the flagship company of the Mahindra group has been selling automotive and farm equipment in semi-urban and rural markets for over 6 decades. The Mahindra group is one of the largest business conglomerates in India and has a strong presence in utility vehicles, tractors, information technology, financial services, aerospace, real estate, hospitality and logistics sectors. We believe that our relationship with the Mahindra group provides brand recall and we will continue to derive significant marketing and operational benefits.

Access to cost-effective funding

We believe that we are able to access cost-effective debt financing due to our strong brand equity, stable credit history, superior credit ratings and conservative risk management policies. Historically, we have secured cost-effective funding from a variety of sources. Our Company maintains borrowing relationships with several banks, mutual funds and insurance companies. We adhere to write-off and provisioning standards that are stricter than norms prescribed by RBI. Our long-term and subordinated debt is presently rated IND AAA, BWR AAA, CARE AAA and CRISIL AA+ by India Ratings & Research Private Limited, Brickwork Ratings India Private Limited, Credit Analysis & Research Limited and CRISIL respectively. India Ratings & Research Private Limited and CRISIL has rated our short-term debt as Ind A1+ and A1+ respectively, which is the highest rating for short-term debt instruments, and CRISIL has rated our fixed deposit programs FAAA. For the Fiscal 2017 and Fiscal 2016, our average annualized interest cost of borrowed funds was 8.8% and 9.4%, respectively.

Experienced management team

We have an experienced management team, which is supported by a capable and motivated pool of employees. Our senior managers have diverse experience in various financial services and functions related to our business. Our senior managers have an in-depth understanding of the specific industry, products and geographic regions they cover, which enables them to appropriately support and provide guidance to our employees. We also have an in-house experienced legal team consisting of qualified professionals, well-equipped to handle all our legal requirements ranging from loan and security documentation to recovery, repossession, security enforcement and related litigation, if any. In addition, our management has a track record of entering and growing new lines of business, such as insurance broking and housing finance. Our Board, including the independent directors, also has extensive experience in the financial services and banking industries in India.

Our Strategies

Our business strategies are as follows:

Focus on the rural and semi-urban markets to grow our market share

We plan to continue to expand our office network and increase the market share of our existing products and services in the rural and semi-urban markets of India. We intend to grow our market share by expanding our customer base and strengthening our relationships with dealers. Our Company has a network of 1,182 offices as of March 31, 2017. In opening each office site, we analyze the local market and proximity to target customers. We believe our customers appreciate this convenience and that well-placed office sites allow us to attract new customers. In addition to our offices and region-based organisational structure, we have also formed a separate vertical for each of our key products, which works with our employees across offices to customize our products based on customers feed-back.

We also seek to expand our dealer relationships by strengthening our presence at dealers and by continuing to engage dealers beyond M&M for customer relationships. We believe that this strategy will increase our customer base and revenues and mitigate risks associated with deriving a substantial percentage of our vehicle financing revenues from purchasers of M&M vehicles. In order to enhance our dealer relationships, we also provide trade funding to assist with the working capital requirements of these dealers. We believe that we are in a position to leverage our existing distribution infrastructure to increase our penetration in markets where we already have a presence.

Focus on effective use of technology

As we continue to expand our geographic reach and scale of operations, we intend to further develop and integrate our technology to support our growth and improve the quality of our services. We intend to increase the number of offices connected to the centralized data centre in Mumbai. We also intend to expand our use of hand-held GPRS devices, which collect data used to monitor our operations and risk exposure. We have also rolled out an advanced version of the GPRS devices, which functions as a “mobile office” and is equipped with portable camera, scanning, voice recording and biometric features that allows our employees to originate loans, issue receipts and conduct know-your-customer checks at a customer’s home or business location. We believe that as we develop and integrate such programs into our business, we can further capitalize on the reach of our offices and increase our market share. Our use of technology will also allow us to continue providing streamlined approval and documentation procedures and reduce incidence of error.

Further, our continued focus on the effective use of technology is aimed at allowing employees across our office network to collect and feed data to a centralized management system, providing our senior management with prompt operational data and assisting with treasury management. We believe that the accurate and timely collection of such data gives us the ability to operate our business in a centralized manner and develop better credit procedures and risk management

Diversify product portfolio

We also intend to further improve the diversity of our product portfolio to cater to the various financial needs of our customers and increase the share of income derived from sale of financial products. We intend to improve the diversity of our product portfolio both within our vehicle financing business as well as through the introduction and growth of other financial products. We intend to grow the share of our disbursements to pre-owned vehicles and light and heavy commercial vehicles to capture market share in what we believe is a growth area and improve the diversity of our loan exposure. We also intend to leverage our OEM relationships and our existing office network to diversify and expand our product portfolio.

Beyond our vehicle financing business, we intend to leverage our brand and office network, develop complementary business lines and become the preferred provider of financial products in rural and semi-urban markets—a one-stop shop for customers’ financial needs. We have also launched a direct marketing initiative to target our existing and former customers to cater to all their financing requirements, thus generating new business and diversifying our loan portfolio. We expect that complementary business lines will allow us to offer new products to existing customers while attracting new customers as well. To this end, we intend to grow our housing finance, SME financing and increase distribution of mutual funds and insurance products. We will continue to focus on growing our rural housing portfolio through our subsidiary MRHFL, which in partnership with the National Housing Bank, we believe is in a unique position to cater to a large and untapped customer base.

Continue to attract and retain talented employees

We are focused on attracting and retaining high quality talent. We recognize that the success of our business depends on our employees, particularly as we continue to expand our operations. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. We will continue to attract talented employees through our retention initiatives and recruitment from local graduate colleges. Our retention initiatives include job rotation, secondments, quarterly reviews, incentive-based compensation, employee recognition programs, an employee stock option plan, training at our training facility and on-the-job training. We invest a significant amount of time and resources for training our employees, which we believe fosters mutual trust, improves the quality of our customer service and puts further emphasis on our continued retention.

GENERAL INFORMATION

Our Company was incorporated on January 1, 1991, as Maxi Motors Financial Services Limited as a public limited company under the provisions of the Companies Act, as amended and was granted a certificate of incorporation by the RoC. The name of our Company was changed to Mahindra & Mahindra Financial Services Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on November 3, 1992.

Registered Office:

Gateway Building, Apollo Bunder, Mumbai, – 400 001, Maharashtra, India.
Tel: +91 22 2289 5500; Fax: +91 22 2287 5485
E-mail: investorhelpline_mmfs1@ mahindra.com;
Website: www.mahindrafinance.com

Corporate Office:

Mahindra Towers, 4th Floor,
Dr. G M. Bhosale Marg,
P K. Kurne Chowk, Worli,
Mumbai - 400 018, Maharashtra, India.
Tel: +91 22 6652 6017; Fax: +91 22 2495 3608
E-mail: investorhelpline_mmfs1@ mahindra.com;
Website: www.mahindrafinance.com

Registration:

Corporate Identification Number: L65921MH1991PLC059642 issued by the RoC.

Our Company holds a certificate of registration dated September 4, 1998 bearing number 13.00996 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934 which has been renewed on March 21, 2007.

Chief Financial Officer:

Mr. Ravi Venkatraman (V Ravi)
Mahindra & Mahindra Financial Services Limited
Mahindra Towers, 4th Floor, Dr. G M. Bhosale Marg,
P K. Kurne Chowk, Worli, Mumbai –400 018
Tel: +91 22 66526000
Fax: +91 22 24984170/71
Email: ravi.v@mahindra.com

Compliance Officer and Company Secretary:

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Arnavaz M. Pardiwalla
Company Secretary
Mahindra & Mahindra Financial Services Limited
Mahindra Towers, 4th Floor, Dr. G M. Bhosale Marg,
P K. Kurne Chowk, Worli, Mumbai –400 018
Tel: +91 22 6652 6000 (Board) / 6652 6017
Fax: +91 22 24984170/71
Email: investorhelpline_mmfs1@mahindra.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application money etc.

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Trading Members may be addressed directly to the respective Stock Exchanges

Lead Managers:

Edelweiss Financial Services Limited

Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Tel: +91 22 4086 3535
Fax: +91 22 -4086 3610
Email: mmfslncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi / Mr. Mandeep Singh
Compliance Officer: Mr B. Renganathan
Email (Compliance Officer): customerservice.mb@edelweissfin.com
Tel (Compliance Officer): +91 22 4086 3535
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

Axis Bank Limited

Axis House, 8th Floor, C-2,
Wadia International Centre,
P.B. Marg, Worli, Mumbai – 400 025,
Maharashtra, India
Tel: +91 22 6604 3293
Fax: +91 22 2425 3800
Email: mmfsl2017@axisbank.com
Investor Grievance Email: sharad.sawant@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vikas Shinde
Compliance Officer: Mr. Sharad Sawant
Email (Compliance Officer): sharad.sawant@axisbank.com
Tel (Compliance Officer): +91 22 2425 2869
SEBI Registration No.: INM000006104
CIN: L65110GJ1993PLC020769

A. K. Capital Services Limited

30-39, Free Press House, 3rd Floor,
Free Press Journal Marg,
215, Nariman Point,
Mumbai – 400 021
Tel: +91 22 6754 6500/ 6634 9300
Fax: + 91 22 6610 0594
Email: mmfslncd2017@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Malay Shah / Mr. Krish Sanghvi
Compliance Officer: Mr. Tejas Davda
Email (Compliance Officer): investor.grievance@akgroup.co.in
Tel (Compliance Officer): +91 22 6754 6500/ 6634 9300

SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

Trust Investment Advisors Private Ltd.

109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: mbd.trust@trustgroup.in
Investor Grievance: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Ankur Jain
Compliance Officer: Mr. Ankur Jain
Email (Compliance Officer): ankur.jain@trustgroup.in
Tel (Compliance Officer): +91 22 42245037
SEBI Registration No: INM000011120
CIN: U67190MH2006PTC162464

YES Securities (India) Limited

IFC, Tower 1 & 2
Unit no. 602 A, 6th Floor
Senapati Bapat Marg, Elphinstone Road
Mumbai 400 013, India
Tel.: +91 22 22 3347 7364
Fax: 91 22 2421 4508
E-mail: mahindrafinanceNCD@yessecuritiesltd.in
Investor Grievance Email: igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Mr. Mukesh Garg
Compliance Officer: Dr. Dhanraj Uchil
Email (Compliance Officer): dhanraj.uchil@yessecuritiesltd.in
Tel (Compliance Officer): +91 22 3347 7364
SEBI Registration No.: MB/INM000012227
CIN: U74992MH2013PLC240971

Consortium Members

As specified in the relevant Tranche Prospectus for each Tranche Issue

Debenture Trustee:

Axis Trustee Services Limited
Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Worli Mumbai 400 025
Tel:+91-22- 6226 0074 / 75
Fax:+91- 22- 4325 3000
Email: debenturetrustee@axistrustee.com
Investor Grievance Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com
Contact Person: Mr. Devraj Rao
SEBI Registration Number: IND000000494
CIN: U74999MH2008PLC182264

Registrar:

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda, Gachibowli,
Hyderabad – 500 032
Tel: 040-67162222
Fax: 040-23001153
Email: einward.ris@karvy.com
Investor Grievance Email: mahindrafinance.ncdipo2@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221
CIN: U74140TG2003PTC041636

Statutory Auditor*

B K Khare & Co.

Chartered Accountants
706-708, Sharda Chambers,
New Marine Lines,
Mumbai – 400 020.
Tel: +91 22 22006360/7318, +91 22 66315835
Email: info@bkkhareco.com
Firm registration number: 105102W

Date of appointment as Statutory Auditor: 22 July 2016

*Subject to approval of the Shareholders at forthcoming annual general meeting, the Board of Directors at its meeting held on April 25, 2017 approved the appointment of M/s. BSR & Co. LLP, Chartered Accounts as statutory auditors of our Company from a period of 5 years, from the conclusion of the 27th annual general meeting to be held on 24th July 2017 upto conclusion of 32rd annual general meeting to held in the year 2022.

Refund Bank

As specified in the relevant Tranche Prospectus

Credit Rating Agencies

Brickwork Ratings India Pvt. Ltd.

C-502, Business Square, 151,
Andheri Kurla Road, Chakala, Andheri East,
Mumbai – 400 093
Tel: +91 22 2831 1439
Fax: +91 22 2838 9144
Email: kn.suvarna@brickworkratings.com
Website: www.brickworkratings.com
Contact Person: Mr. KN Suvarna
SEBI Registration No.: IN/CRA/005/2008

India Ratings & Research Private Limited

Workhardt Tower, Level 4, West Wing, Bandra Kurla
Complex, Bandra (E), Mumbai 400 051,
Maharashtra, India
Tel: +91 22 4000 1700
Fax: +91 22 4000 1701
Email: shrikant.dev@indiaratings.co.in
Website: www.indiaratings.com
Contact Person: Mr. Srikant Dev
SEBI Registration No.: IN/CRA/002/1999

Legal Advisor to the Issue:

Khaitan & Co

One Indiabulls Centre,
13th Floor, Tower 1,
841 Senapati Bapat Marg
Mumbai- 400 013
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050

Bankers to the Issue:

As specified in relevant Tranche Prospectus

Self Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <http://www.sebi.gov.in> or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Lead Managers or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Lead Managers or the Trading Members of the Stock Exchange is provided on <http://www.sebi.gov.in/> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Lead Managers or the Trading Members of the Stock Exchange only in the Specified Cities, see the above mentioned web-link.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who - (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75 % of the Base Issue Size, prior to the Issue Closing Date the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by our Company in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

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

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated “IND AAA’/ Outlook Stable” for an amount of ₹ 2,000,000 lakhs, by India Ratings and “BWR AAA, Outlook: Stable” for an amount of ₹ 2,00,000 lakhs, by BWR. The rating of NCDs by India Ratings indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

The rationale for the aforementioned rating issued by India Ratings is as follows:

Core to Parent's Business: The ratings reflect the credit strength of MMFSL's parent Mahindra & Mahindra Limited (M&M; 'IND AAA'/Stable; holds a 51.2% stake) and factors in IndRa's expectation of strong, timely financial support to MMFSL from M&M, if required. IndRa considers MMFSL to be core to M&M's operations, as it supports a substantial proportion of the parent's business. M&M has articulated that MMFSL's business remains aligned with that of the parent, and that it remains committed to providing support, if required.

MMFSL is the largest financier of M&M's vehicles, given it provides financing for about a quarter of M&M's total sales. MMFSL has high rural penetration and provides finance largely to customers with a weak credit profile that may not otherwise be targeted by other financiers. Therefore, in IndRa's opinion, it is crucial to M&M's sales of rural and semiurban products (tractors, pickup vans and others). MMFSL shares its parent's brand name and has strong operational linkages with it. M&M's CFO is on the board of MMFSL, solidifying the linkages with the parent. The business plans of MMFSL are formulated after considering M&M's strategies and are in alignment with the latter's plans. IndRa has factored in the possible support to MMFSL while arriving at M&M's ratings. M&M generally maintains sufficient liquidity to cover the debt obligations of both M&M and MMFSL payable over one quarter.

Comfortable Liquidity and Resource Profile: Asset liability tenors are well matched, although this has to be seen in the light of a significant part of loan portfolio being in overdue buckets. The company's borrowings are well-diversified among capital markets and banks, and it maintains reasonable amount of unutilised bank lines.

Asset Quality Under Pressure: The current delinquencies, although marginally improved continues to remain under pressure, partly on account of two consecutive droughts in FY15 and FY16. Loan portfolio grew 16% in FY17 higher than the growth exhibited in the past two years; however, the complete recovery in the environment is yet to be seen. Lack of economic revival in few states may continue to exert pressure on MMFSL's asset quality. The demonetisation event in 3QFY17 had an impact on cash collections. In 4QFY17, gross non-performing assets (120+ days past due) stood at 9.9% (FY16: 8.9%), credit cost remained at elevated levels of 3.3% (3.0%) and operating profit buffers were subdued at 1.4x (1.9x). With a focus on growing its used assets portfolio, yields are expected to improve; however, the ability to control credit cost would determine the profitability.

Although, an improvement in the cash levels and expected revival in rural economic activities, both on account of normal monsoon and increased government spend on rural activities (government has budgeted 24% increase in rural spending for FY18), should help in containing incremental delinquencies in FY18. However, the headline number is likely to remain elevated on account of a buildup of a large stock of stressed assets over the past few years, which will resolve gradually. In addition, the migration to 90 days past due non-performing asset recognition norms could add in about 300bp.

Weakened Capitalisation: MMFSL's capitalisation has weakened, as net non-performing loan-to-equity stood at 28% at end-March 2017 from 22% at end-March 2016 (Tier 1: 13.2% at end-March 2017). With a targeted growth of around 1215% in FY18, capital infusion would be required to maintain the current level of cushion above the regulatory capital requirement.

Rating sensitivities

A negative rating action could result from any substantial decline in the proportion of M&M's revenue from MMFSL due to M&M's fast expansion in urban products and highend products and/or with sharply increased participation from other financiers in M&M's sales, making it less dependent on MMFSL. The ratings would also be affected if MMFSL's operational linkages with M&M dilute significantly. Any weakening of M&M's credit profile or its ability to support MMFSL's increasing debt levels will also be negative for MMFSL's ratings.

The rationale for the aforementioned rating issued by BWR is as follows:

BWR has principally relied upon the audited financial results of the Company upto FY17, projections, publicly available information, and information / clarifications provided by the Company's management.

The rating has factored, inter alia, the strength and support of MMFSL's parent Mahindra & Mahindra (M&M) Limited to the company, its experienced & professional management, growing business profile, comfortable capital adequacy with diversified source of funding and adequate provision coverage for assets. The rating is however, constraint by the stressed asset quality, cyclical nature of the sectors catered to by MMFSL and the competitive landscape for NBFCs.

Rating outlook: Stable

BWR believes MMFSL's business risk profile will be maintained over the medium term. The "Stable" outlook indicates a low likelihood of rating change over the medium term. Any major volatility in profitability or further deterioration in assets quality with impact on capitalization may lead to revision in the rating or the outlook.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see "*Objects of the Issue*" on page 58 of this Shelf Prospectus.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

Applications Forms for the Issue will be accepted only between 10 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, at the centres mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, only at the selected cities. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

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

**The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or Bond Issue Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the BSE.*

CAPITAL STRUCTURE

Details of Share Capital and Securities Premium account

The following table lays down details of our authorised, issued, subscribed and paid up Share capital and securities premium account as of the date of this Shelf Prospectus:

Authorised share capital	Aggregate value
70,00,00,000 Equity Shares	14,000.00
50,00,000 Redeemable Preference Shares	5,000.00
Total Authorised Share Capital	19,000.00
Issued, subscribed and paid up Equity Share capital	
56,87,64,960 Equity Shares of Rs. 2 each	11,375.30
Paid up equity share capital after the Issue	
56,87,64,960 Equity Shares	11,375.30
Securities premium account	
Existing Securities Premium Account	2,02,563.60
Securities Premium Account after the Issue	2,02,563.60

Details of change in Authorized share capital of our company as on the date of this Shelf Prospectus for last five years:

Date of AGM/EGM	Alteration
February 5, 2013	The Authorised Share Capital of our Company was re-organised upon sub-division from 14,00,00,000 Equity Shares of ₹ 10 each and 50,00,000 Redeemable Preference Shares of ₹ 100 each to 70,00,00,000 Equity Shares of ₹ 2 each and 50,00,000 Redeemable Preference Shares of ₹ 100 each, vide a resolution passed by the shareholders of our Company, by way of postal ballot.

1. *Equity Share capital history of our Company*

The following is the history of the paid up Equity Share capital of our Company for the last five years ended **March 31, 2017**:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration in cash/ Other than cash	Cumulative			Nature of allotment
					No. of Equity Shares	Equity Share capital (₹)	Share premium account (₹)	
November 16, 2012	97,50,257	10	889	Cash	11,37,52,992	1,13,75,29,920	20,41,83,25,232	Allotment of shares through QIP ⁽¹⁾
February 5, 2013	56,87,64,960	2	-	-	56,87,64,960	1,13,75,29,920	20,41,83,25,232	Sub division of equity shares

Notes

(1) 97,50,257 Equity Shares were allotted pursuant to QIP vide resolution of QIP Committee dated November 16, 2012.

2. ***Details of Promoter's shareholding in our Company's subsidiaries as on March 31, 2017:***

Nil

3. ***Shareholding of Directors in our Company***

The Articles of Association do not require the Directors to hold any qualification Equity Shares. The shareholding of the Directors in our Company as of March 31, 2017 is mentioned below:

S. No.	Name of Director	No. of Equity Shares
1.	Mr. Ramesh Iyer	7,43,432
2.	Mr. V Ravi	5,18,933
3.	Mr. Dhananjay Narendra Mungale	50,000
4.	Mr. Manohar Gopal Bhide	50,000
5.	Mr. Piyush Gunwantrao Mankad	50,000
6.	Mrs. Rama Bijapurkar	30,000
7.	Mr. V. S. Parthasarathy	250

None of our Independent Directors hold any ESOPs.

4. ***Shareholding of Directors in our Subsidiaries and Joint Venture***

None of our Directors hold equity shares in our Subsidiaries and Joint Venture in their personal capacity.

5. ***Shareholding pattern of our Company***

The following is the shareholding pattern of our Company, as of March 31, 2017:

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting (XIV) Rights							Total as a % of (A+B+C)	No.	As a % of total Shares held (b)	No.		As a % of total Shares held (b)
								Class eg: X	Class eg: y	Total										
(A)	Promoter & Promoter Group	2	294930958			294930958	51.85	294930958		29,49,30,958	51.85								294930958	
(B)	Public	57954	273834002			273834002	48.15	273834002		27,38,34,002	48.15								272887569	
(C)	Non Promoter- Non Public																			
(C1)	Shares underlying DRs																			
(C2)	Shares held by Employee Trusts																			
	Total	57956	568764960			568764960	100	568764960		568764960	100.00								567818527	

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)
						No of Voting (XIV) Rights		Total as a % of Total Voting rights		
						Class eg: X	Total			
A	Table II - Statement showing shareholding pattern of the Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals/Hindu undivided Family									
(b)	Central Government/ State Government(s)									
(c)	Financial Institutions/ Banks									
(d)	Any Other (specify)	2	294930958	294930958	51.85	294930958.00	294930958	51.85	51.85	294930958
	Sub-Total (A)(1)	2	294930958	294930958	51.85	294930958.00	294930958	51.85	51.85	294930958
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)									
(b)	Government									
(c)	Institutions									
(d)	Foreign Portfolio Investor									
(e)	Any Other (specify)									
	Sub-Total (A)(2)									
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2	294930958	294930958	51.85	294930958.00	294930958	51.85	51.85	294930958

B	Table III - Statement showing shareholding pattern of the Public shareholder									
(1)	Institutions									
(a)	Mutual Funds	103	53513071	53513071	9.41	53513071	53513071	9.41	9.41	53513071
(b)	Venture Capital Funds	1	1855000	1855000	0.33	1855000	1855000	0.33	0.33	1855000
(c)	Alternate Investment Funds									
(d)	Foreign Venture Capital Investors									
(e)	Foreign Portfolio Investors	385	172877428	172877428	30.40	172877428	172877428	30.40	30.40	172877428
(f)	Financial Institutions/ Banks	8	6685035	6685035	1.18	6685035	6685035	1.18	1.18	6685035
(g)	Insurance Companies	2	5126423	5126423	0.90	5126423	5126423	0.90	0.90	5126423
(h)	Provident Funds/ Pension Funds									

(i)	Any Other (specify)									
Sub-Total (B)(1)		499	240056957	240056957	42.21	240056957.00	240056957	42.21	42.21	240056957
(2)	Central Government / State Government(s)/ President of India									
Sub-Total (B)(2)										
(3)	Non-institutions									
(a(i))	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	55071	16568098	16568098	2.91	16568098	16568098	2.91	2.91	16079865
(a(ii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	18	5304642	5304642	0.93	5304642	5304642	0.93	0.93	5018932
(b)	NBFCs registered with RBI	6	22139	22139	0.00	22139	22139	0.00	0.00	22139
(c)	Employee Trusts									
(d)	Overseas Depositories (holding DRs) (balancing figure)									
(e)	Any Other (specify)	2360	11882166	11882166	2.09	11882166	11882166	2.09	2.09	11709676
Sub-Total (B)(3)		57455	33777045	33777045	5.94	33777045.00	33777045	5.94	5.94	32830612
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		57954	273834002	273834002	48.15	273834002.00	273834002	48.15	48.15	272887569

C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder									
(1)	Custodian/DR Holder - Name of DR Holders (If Available)									
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)									
Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)										
Total (A+B+C2)		57956	568764960	568764960	100.00	568764960.00	568764960	100.00	100.00	567818527
Total (A+B+C)		57956	568764960	568764960	100.00	568764960.00	568764960	100.00	100.00	567818527

6. **Details of the top 10 Equity shareholders of our Company**

Given below are details of the top 10 Equity shareholders of our Company as of March 31, 2017:

Sr. No.	Name	No. of Equity Shares	No. of Equity Shares held in dematerialised form	As % of total number of shares
1.	Mahindra & Mahindra Limited	29,12,07,660	29,12,07,660	51.20
2.	Franklin Templeton Investment Funds	1,72,27,212	1,72,27,212	3.03
3.	Aranda Investments (Mauritius) Pte Ltd	1,41,59,390	1,41,59,390	2.49
4.	Valiant Mauritius Partners Offshore Limited	67,66,572	67,66,572	1.19
5.	Amansa Holdings Private Limited	61,92,593	61,92,593	1.09
6.	Life Insurance Corporation of India	60,01,482	60,01,482	1.06
7.	Bank Muscat India Fund	53,80,135	53,80,135	0.95
8.	Valiant Mauritius Partners Limited	51,06,241	51,06,241	0.90
9.	Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Index Fund	49,39,352	49,39,352	0.87
10.	Merrill Lynch Markets Singapore Pte. Ltd	48,89,510	48,89,510	0.86
TOTAL		36,18,70,147	36,18,70,147	63.62

7. **Top 10 debenture holders (secured and unsecured) of our Company**

Given below are details of the top 10 debenture holders[^] (secured and unsecured) of our Company as of March 31, 2017:

Sr. No.	Name of Debenture Holders	Amount
1.	Reliance Capital Trustee Co Ltd	1,69,690
2.	Kotak Mahindra Trustee Company Limited	1,17,100
3.	Employees' Provident Fund Organization	1,00,010
4.	ICICI Prudential Asset Management Company Ltd	73,100
5.	WIPRO Limited	69,690
6.	Postal Life Insurance Fund	51,500
7.	State Bank of India	50,000
8.	Punjab National Bank	47,500
9.	Birla Sun Life Trustee Company Private Limited	47,500
10.	IDFC Asset Management Company Ltd	43,000
Total		7,69,090

[^]On the basis of PAN of the Debenture holder, consolidating their holdings under different schemes, where applicable.

8. **Long term debt to equity ratio***

Particulars	Prior to the Issue (as of March 31, 2017)	Post-Issue*
Debts		
Short term debts (A)	586,476.76	586,476.76
Long term debts		
– maturity beyond 1 year	728,312.52	728,312.52
– maturity within 1 year	2,145,371.00	2,345,371.00
Total Long term debts (B)	2,873,683.52	2,873,683.52

Particulars	Prior to the Issue (as of March 31, 2017)	Post-Issue*
Total debts (C)	3,460,160.28	3,667,040.28
Shareholders' fund		
Share capital	11,300.83	11,300.83
Reserves and surplus excluding revaluation reserve	636,423.59	636,423.59
Total shareholders' funds (D)	647,724.42	647,724.42
Long term debt/ equity (B/D)	4.43:1	4.76:1
Total debt/ equity(C/D)	5.34:1	5.66:1

*Any change in total debt and net worth after March 31, 2017 has not been considered.

9. Statement of the aggregate number of securities of our Company and its Subsidiaries purchased or sold by our Promoter and the directors of our Promoter, our Directors and/or their relatives within six months immediately preceding the date of filing this Shelf Prospectus:

Except for Mr Nadir Godrej, director of our Promoter who has sold 2,000 Equity Shares of our Company, none of the Directors of our Company including their relatives as defined under Section 2(77) of the Companies Act, 2013, the directors of our Promoter and the Promoter of our Company have undertaken purchase and/or sale of the Equity Shares of our Company and its subsidiaries during the preceding 6 (six) months from the date of this Shelf Prospectus.

10. None of the Equity Shares are pledged or otherwise encumbered by the Promoter.
11. There has been no change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI).
12. Details of any acquisition or amalgamation in the last one year: *Nil*
13. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Shelf Prospectus.
14. For details of the outstanding borrowing of our Company, please see the section titled "**Financial Indebtedness**" on page 158 of this Shelf Prospectus.
15. **Employee Stock Option Scheme:**

Our Company has formulated two employee stock option schemes titled "Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme-2005" ("ESOS-2005") and Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme-2010" ("ESOS-2010"). Both the schemes in accordance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended (the "SEBI ESOP Guidelines"). The ESOS-2005 was authorized pursuant to a special resolution passed by the shareholders of our Company and Board Resolution dated October 24, 2005 while the ESOS-2010 has been authorized *vide*, Board resolution dated October 22, 2010 and resolution passed by Shareholders of our Company by means of postal ballot dated September 18, 2010.

The purpose of the ESOS-2005 is to provide the employees with an additional incentive in the form of options to receive the equity shares of our Company at a future date. The ESOS-2005 is aimed at further motivating, and retaining the employees and thereby increasing the profitability of our Company. During the FY 2016-17, no options have been granted nor exercised under ESOS-2005.

The purpose of the ESOS-2010 is not merely to have another kind of remuneration. The objective is also to use the scheme as a business strategy to enhance our Company's profitability by providing equity linked incentive to employees, so that the employees keep exploring possibilities of increasing the revenue, saving costs and enhancing the profits our Company. The details are as follows:

Particulars	Sch 2005	Sch 2010
Options Outstanding on April 1, 2016	NIL	17,14,173
Add: Options Granted during the period / year	NIL	2,17,400
Less: Options forfeited / lapsed during the period / year	NIL	23,580
Less: Options exercised during the period/year	NIL	4,40,284
Options Outstanding as on March 31, 2017	NIL	14,67,709
Less: Options vested but not exercised on March 31, 2017	NIL	2,35,038
Options Unvested	NIL	12,32,671

OBJECTS OF THE ISSUE

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company (“**Net Proceeds**”), estimated to be approximately ₹ [•] lakhs, towards funding the following objects (collectively, referred to herein as the “**Objects**”):

1. For the purpose of onward lending, financing, refinancing the existing indebtedness of our Company, long-term working capital; and
2. General corporate purposes;

The Main Objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

The details of the Proceeds of the Issue are set forth in the following table:

(₹ in lakhs)		
Sr. No.	Description	Amount
1.	Gross Proceeds of the Issue	[•]
2.	Issue Related Expenses	[•]
3.	Net Proceeds	[•]

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

Requirement of funds and Utilisation of Net Proceeds

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

Sr. No.	Objects of the Fresh Issue	Percentage of amount proposed to be financed from Issue Proceeds
1.	Onward lending, financing, refinancing the existing indebtedness of our Company, long-term working capital	At least 75%
2.	General Corporate Purposes*	up to 25%
Total		100%

**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI Debt Regulations.*

The NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II capital and accordingly will be utilised in accordance with statutory and regulatory requirements including requirements of RBI.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in

investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2017-18, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Details regarding lending done out of the issue proceeds of previous public issues

The issue proceeds from previous public issue of unsecured, subordinated, redeemable, non-convertible debentures in Fiscal 2017 were utilized towards, refinancing the existing indebtedness of our Company and general corporate purposes.

- (i) Lending policy: For details of our lending policy see “*Our Business*” on page 88 of this Shelf Prospectus.
- (ii) Classification of loans/advances given to associates, entities /person relating to Board, Senior Management, Promoters, Others, etc.: Nil
- (iii) Classification of loans/advances given to according to type of loans, sectors, maturity profile (less than one year, 1-3 yrs, 3-5 yrs, 5-10 yrs, etc.), denomination (loans of value below Rs. 50 lakhs, Rs. 50 Lakhs – 1 Cr; Rs. 1 Cr- 5 Cr, Rs. 5 Cr- 25 Cr, Rs. 25 Cr.-100 Cr etc.), geographical classification of borrowers, etc.: Nil
- (iv) Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its guidelines on Corporate Governance for NBFCs, from time to time: Nil
- (v) Details of loans, overdue and classified as non-performing in accordance with RBI guidelines: Nil

Other Confirmation

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

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter.

The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

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

Variation in terms of contract or objects in Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in the Shelf Prospectus or objects for which the Shelf Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Mahindra & Mahindra Financial Services Limited

Dear Sirs,

Statement of Possible Tax Benefits available to the debenture holders of Mahindra & Mahindra Financial Services Limited

We, B. K. Khare & Co., Chartered Accountants, hereby report that the enclosed statement states the possible tax benefits available to the debenture holders of Mahindra & Mahindra Financial Services Limited ('the Company') under the Income-tax Act, 1961 (amended by The Finance Act, 2017), presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives it faces in the future, it may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We do not express any opinion or provide any assurance as to whether:

- i) the debenture holders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Yours faithfully

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration Number: 105102W

Padmini Khare Kaicker
Partner
Membership Number: 044784
Mumbai
June 19, 2017

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

Under the current tax laws, the following tax benefits, inter-alia, will be available to the Debenture Holders. The tax benefits are given as per the prevailing tax laws applicable to Financial Year 2017-18 (Assessment Year 2018-19) and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

The implications have been prepared in the context of proposed issue of Non-Convertible Debentures ('NCDs' or 'securities') by Mahindra & Mahindra Financial Services Limited ('the Company' or 'MMFSL')

I. To the Resident Debenture Holder

1. Interest on NCD received by resident Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

- a. In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF') Debenture Holder does not or is not likely to exceed Rs. 5,000 in the aggregate during the financial year and the interest is paid by an account payee cheque.
- b. In case of payment of interest on any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- c. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest, then the income-tax is deductible as per Assessment Officer's directions per the Certificate (supra).
- d. (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income-tax.

To illustrate, the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,50,000; in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is Rs. 3,00,000; and in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs. 5,00,000 for Financial Year 2017-18. Further, section 87A provides a rebate of 100 percent of income-tax or an amount of Rs. 5,000 whichever is less to a resident individual whose total income does not exceed Rs. 500,000.

- (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any/lower tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.
3. Under section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the debentures from the sale consideration. However as per the third proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gains arising on transfer of listed debentures would be subject to tax at the rate of 10 % computed without indexation.

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

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 3 above would also apply to such short term capital gains.
5. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at assessment level) may seek to challenge the said characterization as business income and hold such income as interest income in the hands of such Debenture Holder(s).

II. *To the Non Resident Debenture Holder*

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:
 - a. Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
 - b. Under section 115F of the I.T. Act, if long term capital gains arise to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange and if the net consideration from such transfer is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act, then the long-term capital gains arising from transfer of such debentures will be exempt from capital gain tax in accordance with and subject to the provisions contained therein.

However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or

converted into money.

- c. Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his/her total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
 - d. Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from specified foreign exchange assets (other than on shares in an Indian Company) in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
2. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act and if he does so, the provisions of Chapter XII-A shall not apply to him for that assessment year. In that case -
 - a. Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation; and
 - b. Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
 3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source for non-resident Indians is 20% on investment income and 10% on any long-term capital gains as per section 115E, and at 30% for Short Term Capital Gains if the payee Debenture Holder is a Non Resident in India.
 4. The income-tax deducted shall be increased by a surcharge as under:
 - (i) In the case of non- resident Indians surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs.50,00,000/- but does not exceed Rs. 1,00,00,000/-; 15% in other cases.
 - (ii) In the case of non-domestic companies, at the rate of 2% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs.1,00,00,000/- but does not exceed Rs.10,00,00,000/-; 5% in other cases.

2% education cess and 1% secondary & higher education cess on the total income tax (including surcharge) is also required to be deducted at source under section 195 of the I.T. Act (as above).
 5. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate, is a mandatory condition for availing benefits under any DTAA. Particulars per Rule 37BC may be provided. If the tax residency certificate does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assessee.
 6. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at assessment level) may seek to challenge the said characterization as business income and hold such income as interest income in the hands of such Debenture Holder(s)

III. *To the Foreign Institutional Investors (FIIs)*

1. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
2. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD.
3. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.
4. The provisions at para II (4 and 5) above would also apply to FIIs.

IV. *To the Other Eligible Institutions*

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the RBI are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act, subject to and in accordance with the provisions contained therein.

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

1. Under section 54EC of the I.T. Act, long term capital gains arising to the resident debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of Rs 50 Lakhs during any financial year in the notified bonds. Where the benefit of section 54EC of the Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.
2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

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

residential house is acquired.

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

1. Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.
2. a. Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB ('deductee') to furnish his/her PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
 - (i) at the rate specified in the relevant provision of the I.T. Act; or
 - (ii) at the rate or rates in force; or
 - (iii) at the rate of twenty per cent.
- b. A declaration under Section 197A(1) or 197A(1A) 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.
- c. No certificate under section 197 would be granted unless the application made under that section contains the PAN of the applicant.
- d. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply

VII. Taxability of Gifts received for nil or inadequate consideration

As per provisions of Section 56(2)(x) of the Act and subject to exception specified in proviso therein, where any person receives securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such securities over the said consideration is chargeable to tax under the head 'Income from other sources'. However, the said section is not applicable in case the securities are received under instances specified under the proviso thereon.

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished Wealth Tax Act, 1957 with effect from 1 April 2015 which shall then apply in relation to FY 2015-16 and subsequent years.

Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant direct tax law benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits are as per the direct tax laws as in force as on date. Investors are advised to keep in touch with changes, if any, made in tax laws. Several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the nonresident has fiscal domicile.
7. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty & local tax laws, subject to fulfilment of stipulated conditions.
8. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 / 195 of the I.T. Act
9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV-ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from publicly-available documents, including officially-prepared materials from the Government of India and its various ministries, trade, industry or general publications and other third-party sources, including Society of Indian Auto Manufacturers, India Ratings and Research as cited in this section. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. The information may not be consistent with other information compiled by third parties within or outside India. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in the Shelf Prospectus. Accordingly, investment decisions should not be based on such information. While we have exercised reasonable care in compiling and reproducing such official, industry, market and other data in this document, it has not been independently verified by us or any of our advisors, or the Lead Managers or any of its advisors, and should not be relied on as if it had been so verified.

Global Economy

With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018, slightly above the October 2016 World Economic Outlook (WEO) forecast. Stronger activity and expectations of more robust global demand, coupled with agreed restrictions on oil supply, have helped commodity prices recover from their troughs in early 2016. Higher commodity prices have provided some relief to commodity exporters and helped lift global headline inflation and reduce deflationary pressures. Financial markets are buoyant and expect continued policy support in China and fiscal expansion and deregulation in the United States. If confidence and market sentiment remain strong, short-term growth could indeed surprise on the upside. But these positive developments should not distract from binding structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term. Structural problems—such as low productivity growth and high income inequality—are likely to persist. Against this backdrop, economic policies have an important role to play in staving off downside risks and securing the recovery.

Activity is projected to pick up markedly in emerging market and developing economies because conditions in commodity exporters experiencing macroeconomic strains are gradually expected to improve, supported by the partial recovery in commodity prices, while growth is projected to remain strong in China and many other commodity importers. In advanced economies, the pickup is primarily driven by higher projected growth in the United States, where activity was held back in 2016 by inventory adjustment and weak investment. In line with stronger-than-expected momentum in the second half of 2016, the forecast envisages a stronger rebound in advanced economies. Headline inflation has been picking up in advanced economies due to higher commodity prices, but core inflation dynamics remain subdued and heterogeneous (consistent with diversity in output gaps). Core inflation has improved little where it had been the weakest (for instance, in Japan and parts of the euro area). Headline inflation has also picked up in many emerging market and developing economies due to higher commodity prices, but in a number of cases it has receded as pass-through from the sharp currency depreciations in 2015 and early 2016 continues to fade. Headline inflation has been picking up in advanced economies due to higher commodity prices, but core inflation dynamics remain subdued and heterogeneous (consistent with diversity in output gaps). Core inflation has improved little where it had been the weakest (for instance, in Japan and parts of the euro area). Headline inflation has also picked up in many emerging market and developing economies due to higher commodity prices, but in a number of cases it has receded as pass-through from the sharp currency depreciations in 2015 and early 2016 continues to fade. Many of the challenges that the global economy confronts call for individual country actions to be supported by multilateral cooperation. Key areas for collective action include preserving an open trading system, safeguarding global financial stability, achieving equitable tax systems, continuing to support low income countries as they pursue their development goals, and mitigating and adapting to climate change.

(Source: <http://www.imf.org/en/Publications/WEO/Issues/2017/04/04/world-economic-outlook-april-2017>)

Overview of the Indian Economy

India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favorable terms of trade, and lower external vulnerabilities. Beyond the immediate challenge of replacing currency in circulation following the November 2016 currency exchange initiative, policy actions should focus on reducing labor and product market rigidities to ease firm entry and exit, expand the manufacturing base, and gainfully employ the abundant pool of labor. Policy actions should also consolidate the disinflation under way since the collapse in commodity prices through agricultural sector reforms and infrastructure enhancements to ease supply bottlenecks; boost financial stability through full recognition of nonperforming loans and raising public sector banks' capital buffers; and secure the public finances through continued reduction of poorly targeted subsidies and structural tax reforms, including implementation of the recently approved nationwide goods and services tax. In India, the growth forecast for 2017 has been trimmed by 0.4 percentage point to 7.2 percent, primarily because of the temporary negative consumption shock induced by cash shortages and payment disruptions from the recent currency exchange initiative. Medium-term growth prospects are favorable, with growth forecast to rise to about 8 percent over the medium term due to the implementation of key reforms, loosening of supply-side bottlenecks, and appropriate fiscal and monetary policies.

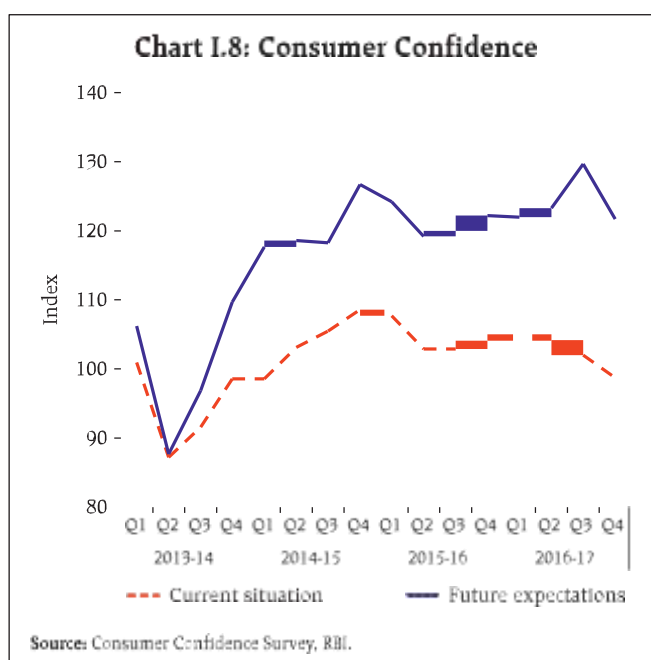
(Source: <http://www.imf.org/en/Publications/WEO/Issues/2017/04/04/world-economic-outlook-april-2017>)

The Outlook for Growth

With the effects of demonetisation turning out to be short-lived and modest relative to some doomsday expectations, the outlook for 2017-18 has been brightened considerably by a number of factors. First, with the accelerated pace of remonetisation, discretionary consumer spending held back by demonetisation is expected to have picked up from Q4:2016-17 and will gather momentum over several quarters ahead. The recovery will also likely be aided by the reduction in banks' lending rates due to large inflows of current and savings accounts (CASA) deposits, although the fuller transmission impact might be impeded by stressed balance sheets of banks and the tepid demand for bank credit.

Second, various proposals in the Union Budget 2017-18 are expected to be growth stimulating: stepping up of capital expenditure; boosting the rural economy and affordable housing; the planned roll-out of the GST; and steps to attract higher foreign direct investment (FDI) through initiatives like abolishing the Foreign Investment Promotion Board (FIPB).

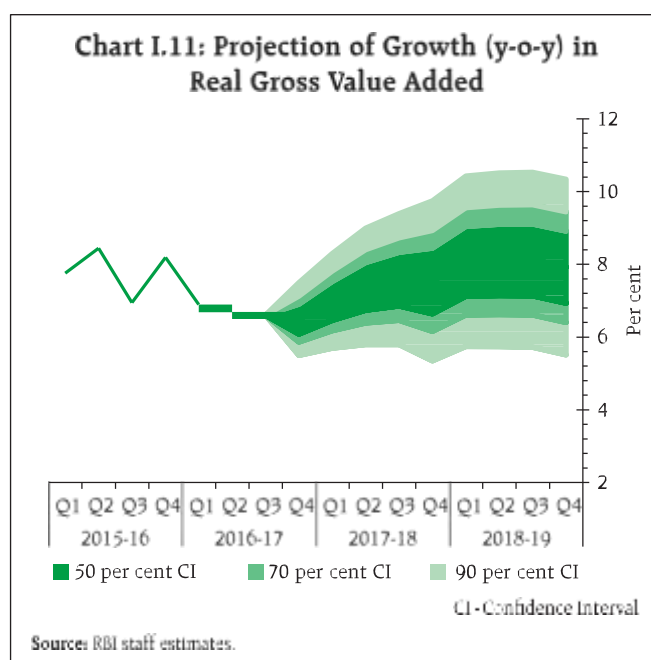
Third, global trade and output are expected to expand at a stronger pace in 2017 and 2018 than in recent years, easing the external demand constraint on domestic growth prospects. However, the recent increase in the global commodity prices, if sustained, could have a negative impact on our net commodity importing domestic economy. Finally, the pace of economic activity would critically hinge upon the outturn of the south-west monsoon, especially in view of the rising probability being assigned to an el niño event in July-August, 2017.



(Source: <https://rbi.org.in/Scripts/PublicationsView.aspx?id=17454#C2>)

Turning to forward-looking surveys, the consumer confidence moderated in the March 2017 round of Reserve Bank's survey (Chart I.8). Respondents were less optimistic about the prospects for economic conditions, employment, and income a year ahead.

Considering the baseline assumptions, the fast pace of remonetisation, survey indicators and updated model forecasts, RBI staff's baseline scenario projects that real GVA growth will improve from 6.6 per cent in Q3:2016-17 and 6.5 per cent in Q4 to 7.0 per cent in Q1:2017-18 and 7.4-7.6 per cent in the remaining three quarters of 2017-18, with risks evenly balanced around this baseline path (Chart I.11). Looking beyond 2017-18 and assuming a normal monsoon, a congenial global environment, no policy induced structural change and no supply shocks, structural model estimates yield real GVA growth of 8.1 per cent in 2018-19.



(Source: <https://rbi.org.in/Scripts/PublicationsView.aspx?id=17454#C2>)

The Outlook for Inflation

Headline inflation declined to significantly low levels during November 2016-February 2017, much lower than projected in the October 2016 MPR. Yet, the persistence of inflation excluding food and fuel poses a challenge to the inflation outlook. Also, there is considerable uncertainty as to how prices will pan out over the coming months. As vegetable price declines were likely on account of demonetization driven distress sales in addition to seasonal factors, remonetisation could fuel a sharp reversal in vegetable prices, going forward. This development imparts uncertainty to the near-term outlook for inflation. Households largely form inflation expectations adaptively, based on past movements in salient prices, especially those of food and fuel. The March 2017 round of the Reserve Bank's survey of urban households indicated an increase of 20-50 bps in inflation expectations over the December round, reversing partly the sharp decline of 2-3 percentage points recorded in the previous (i.e., December) round. Three months and one year ahead inflation expectations were 7.5 per cent and 8.8 per cent, respectively.

Taking into account the revised baseline assumptions, signals from the various forward-looking surveys and estimates from structural and other models, RBI staff's baseline path for headline CPI inflation is expected to take it from its current level of 3.7 per cent (February 2017) to 4.2 per cent in Q1:2017-18, and 4.7 per cent in Q2. It is then forecast to edge higher to 5.1 per cent in Q3 on account of the demonetization induced base effect before moderating to 4.9 per cent in Q4:2017-18, with risks evenly balanced around this trajectory (the 50 per cent confidence interval for inflation in Q4:2017-18 is in a range of 3.4-6.4 per cent and the 70 per cent confidence interval is in a range of 2.6-7.2 per cent). Forecasts from the structural model indicate that inflation may evolve in a stable manner through 2018-19 and reach 4.6 per cent in Q4:2018-19 under the baseline scenario, with the monetary policy stance remaining unchanged. There are three major upside risks to the baseline inflation path –

uncertainty in crude oil prices; exchange rate volatility due to global financial market developments, especially if political risks materialise; and implementation of the house rent allowances under the 7th Central Pay Commission (CPC) award. The likely impact of these shocks to headline inflation is explored in Section I.3. The proposed introduction of the goods and services tax (GST) in 2017-18 also poses some uncertainty for the baseline inflation path, particularly on account of oneoff but somewhat uncertain duration of price effects that are typically associated with the introduction of taxes on value added in the cross-country experience.

(Source: <https://rbi.org.in/Scripts/PublicationsView.aspx?id=17454#C2>)

NBFC

A NBFC is a company registered under the Companies Act, 1956/2013 and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property. A non-banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any other manner, or lending in any manner is also a non-banking financial company (Residuary non-banking company). It is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. All NBFCs are not entitled to accept public deposits. Only those NBFCs holding a valid Certificate of Registration with authorisation to accept public deposits can accept/hold public deposits. NBFCs authorised to accept/hold public deposits besides having minimum stipulated net owned fund should also comply with the directions such as investing part of the funds in liquid assets, maintain reserves, rating etc. issued by the Bank (Source: RBI). As of December 1, 2015, there were 208 NBFCs in India registered to accept public deposits

(Source: http://www.rbi.org.in/scripts/NBFC_Pub_lic.aspx). Further, as of January 1, 2016, there were 11,541 NBFCs in India that do not accept public deposits (Source: http://www.rbi.org.in/scripts/bs_nbfclist.aspx)

Types of NBFCs

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

- (i) **Asset Finance Company (AFC):** An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.

II. **Investment Company (IC):** IC means any company which is a financial institution carrying on as its principal business the acquisition of securities,

III. **Loan Company (LC):** LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.

IV. **Infrastructure Finance Company (IFC):** IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ` 300 crore, c) has a minimum credit rating of 'A' or equivalent d) and a CRAR of 15%.

V. **Systemically Important Core Investment Company (CIC-ND-SI):** CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-

- (a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;

- (b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
- (c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
- (d) it does not carry on any other financial activity referred to in Section 45II and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
- (e) Its asset size is Rs 100 crore or above and
- (f) It accepts public funds

VI. Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC) : IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.

VII. Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:

- a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 1,00,000 or urban and semi-urban household income not exceeding ₹ 1,60,000;
- b. loan amount does not exceed ₹ 50,000 in the first cycle and ₹ 1,00,000 in subsequent cycles;
- c. total indebtedness of the borrower does not exceed ₹ 1,00,000;
- d. tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;
- e. loan to be extended without collateral;
- f. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
- g. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower.

VIII. Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.

IX. Mortgage Guarantee Companies (MGC) – MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹100 crore.

X. NBFC- Non-Operative Financial Holding Company (NOFHC) is financial institution through which promoter / promoter groups will be permitted to set up a new bank. It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

(Source: <https://www.rbi.org.in/Scripts/FAQView.aspx?Id=92>)

Retail Finance

CRISIL Research expects the overall disbursements in auto finance industry to grow at 15-17% in 2016-17. The disbursements will be lower compared to last year dented by effect of demonetization in H2 FY17. Excluding demonetization, in H1 all the segment of auto finance industry performed well led by lower cost of ownership (lower fuel prices), higher GDP growth, improved industrial activity, and faster project clearances and expected better monsoon than last year. With the implementation of MCLR regime, the overall interest rate has reduced, resulting in lower cost to end consumer. Implementation of the Seventh Pay Commission will also drive the PV sales. Over the next 5 years also, auto financing industry is expected to grow at 16-18% CAGR.

Segment-wise growth in disbursements

Growth in loan disbursements	Disbursements 2016-17E (Rs billion)	2016-17E Growth (%)	2017-18E Growth (%)	FY 16 -FY 21P CAGR
Cars & utility vehicles	961	19%	17%	17-19%
Commercial vehicles	424	4%	12%	16-18%
Two-wheelers	163	18%	18%	10-12%

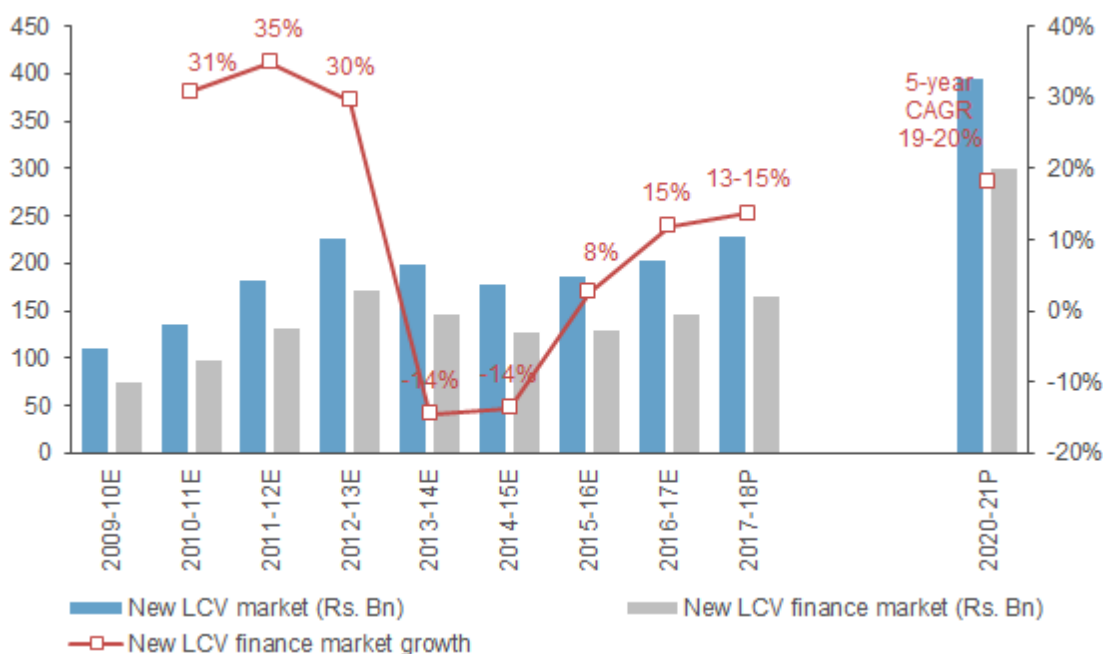
E: Estimated; P: Projected

Source: CRISIL Research, CRISIL Research (Retail finance-Auto opinion, February 2017)

CV finance: A lucrative market over the next 5 years

Over 2010-11 to 2015-16, CV loan disbursements grew at a CAGR of about 1%. However, disbursements for LCVs grew faster than MHCV loan disbursements as sales of the former rose rapidly. While loan disbursements for LCVs grew at a 6% CAGR over 2010-11 to 2015-16, disbursements for MHCVs remained flat, as underlying asset sales slumped following the economic slowdown.

Over the next 5 years, both (LCV and M&HCV) are expected to grow at a healthy pace. The high finance penetration and increasing LTV will support the higher disbursements. Also increasing vehicle prices will lead to higher disbursements.



E: Estimated; P: Projected;

LCV: Light commercial vehicle

Source: CRISIL Research, CRISIL Research (Retail finance-Auto opinion, February 2017)



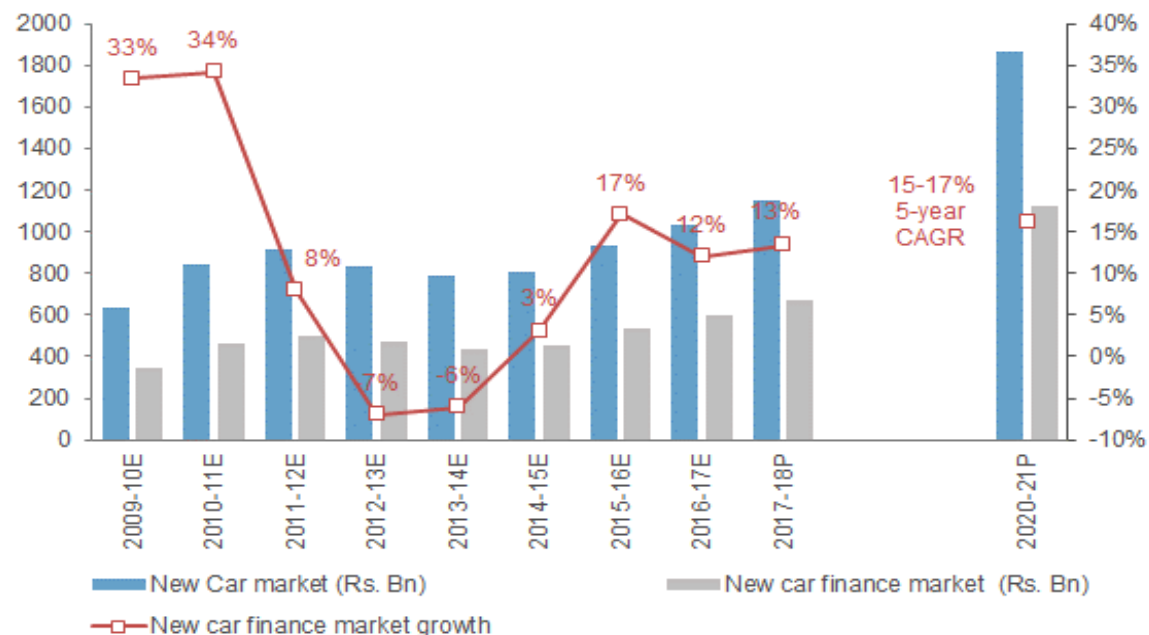
E: Estimated; P: Projected; MHCV: Medium and heavy commercial vehicle
 Source: CRISIL Research; CRISIL Research (Retail finance-Auto, February 2017)

Car market Vs. Car disbursements

Overall car sales is expected to grow at 10-12% over 2016-17 to 2020-21, where the small car segment is projected to register 10-12% growth, the sedan segment to grow at 7-9% over the same period. Growth will also be driven by an increase in disposable income, greater urbanization and with global automakers flooding India with new models to capitalize on the enormous growth opportunities as India is one of the lowest passenger vehicle penetrated market.

Cars disbursements market will register higher growth given increase in average LTV and higher penetration in the segment. As per the sourcing from various industry players the average LTV to increase by 1-1.5% over next 5 years and the finance penetration to go up by approx. 2-3%. The average car price is also expected to increase by 4-4.5%, which will result in overall disbursements growing by as high as 15-17% CAGR from 2016-17 to 2020-21.

New car finance market growth



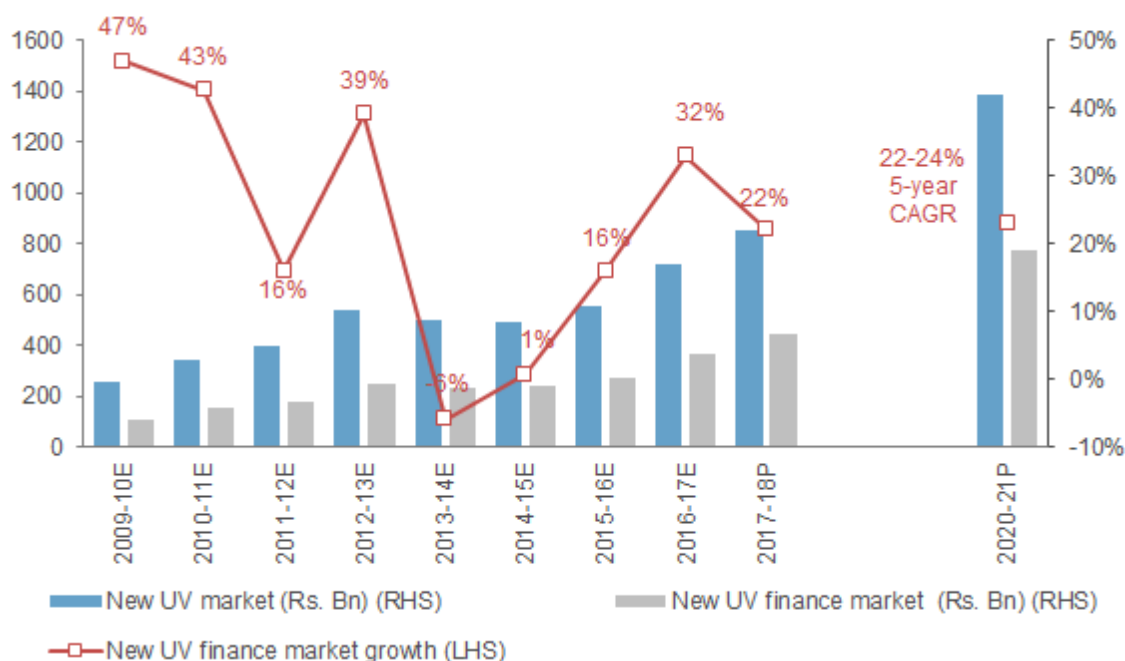
Note: E: Estimate, P: Projected
 Source: CRISIL Research, CRISIL Research (Retail finance-Auto, February 2017)

UV market Vs. UV disbursements

Overall UV sales is expected to grow at 17-19% CAGR from 2016-17 to 2020-21 driven by the increase in addressable market and shift in the consumer's preference for compact UVs and premium hatchback models. Utility vehicles have traditionally been powered by diesel engines, but several compact UVs have been launched with a petrol variant as well, following the increase in diesel prices, which will support sales.

UV disbursements market is expected to grow faster than that of car market given higher sales as the choice of consumers are shifting to this segment. The average LTV in UV segment is expected to go up by 3-4% by 2020-21 and will converge to the car finance LTV. The overall market size of UV disbursement is projected to grow as high as 22-24% CAGR form 2015-16 to 2020-21, supported by the moderate increase in price of vehicle as well as fascination of rural market towards this segment.

New UV finance market growth



Note: E: Estimate, P: Projected

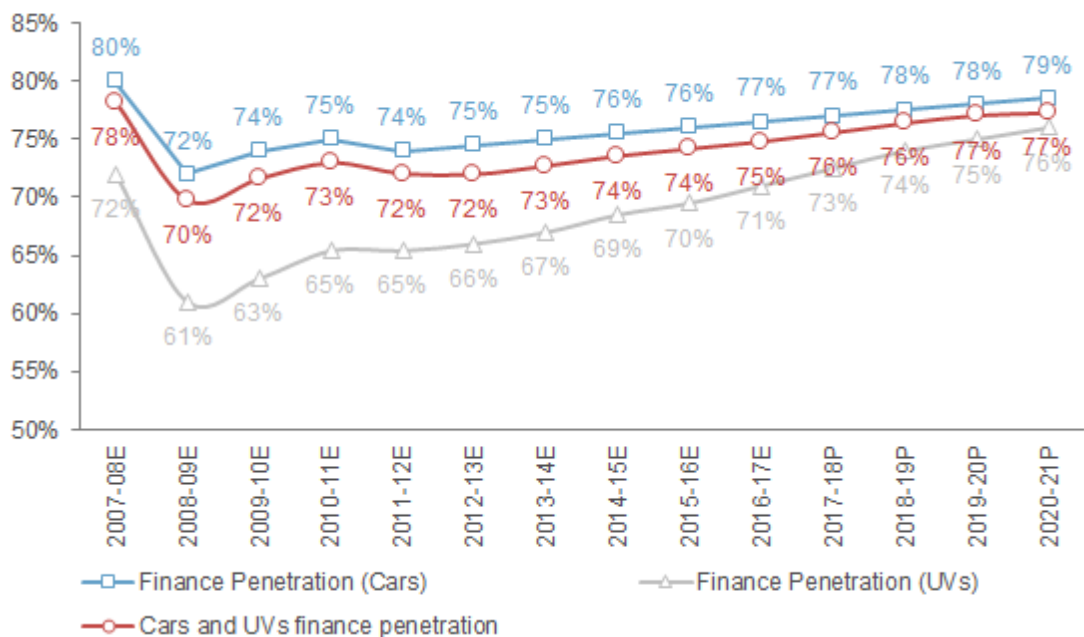
Source: CRISIL Research, CRISIL Research (Retail finance-Auto, February 2017)

Finance penetration to increase

Finance penetration for cars and UVs improved slightly to 74.8% in 2016-17, but remained below the near 80% level witnessed before 2008-09. This penetration will rise further as the vehicle cost is rising with BS-IV norms as well as the demand for luxury segment is increasing. Also post demonetization banks have started offering the waiver of foreclosure and pre-payment charge (as banks have introduced 8 years loan and customer can repay it in 2-3 year without any penalty, which ensures that people will embrace the financing option), which were always there in home loan segment and not in car loan segment so the introduction will improve finance penetration going forward.

Over the next 5 years the finance penetration in non-metro markets to grow at a healthy pace as NBFCs expand their reach. A recovery in sales of cars and UVs, along with greater availability of credit information is also expected to boost finance penetration.

Finance penetration in the top 20 cities is higher at about 80% vis-a-vis a penetration of about 65% in the other cities. The self-employed buyers who form a higher proportion outside the top 20 cities have lower EMI servicing capability due to the absence of a continuous income stream and some prefer purchasing a vehicle with cash.



Note: E: Estimate, P: Projected

Source: CRISIL Research, CRISIL Research (Retail finance-Auto, February 2017)

Aggressive retail focus and ease of financing will result in higher disbursements growth over 5 years

Though overall car and UV loan disbursements grew by just 5% CAGR over 2010-11 to 2015-16, growth in loans for UVs (12%) outpaced that of cars (3%). Changing consumer preferences have prompted players to focus on the compact UV segment.

CRISIL Research expects the overall disbursements to grow by 18-20% CAGR over 2016-17 to 2020-21, where the disbursements of cars finance and UVs finance are projected to improve by 16-18% & 20-22% respectively. Disbursements are expected to be strong because of aggressive focus by financing players in tier II & tier III cities, rising aspirations of growing working populations, increase in LTV and increase in prices of cars and UVs (as Union Budget 2016-17 imposed infrastructure cess and luxury tax on cars and UVs).

According to Wards Auto reports in 2013-14, in India there is only around 18 passenger vehicle per thousand people, which is significantly lower than the other developed as well as developing nations (Thailand- 93, Brazil-147, etc.). The passenger vehicle penetration is expected to grow to 27 vehicle per thousand people by 2020-21, which provides ample opportunities of growth for financing players in this segment.

Demonetization to not hurt PVs financing growth in long term

In 2016-17 and 2017-18, cars and UV sales are expected to grow at 19% and 17% respectively, backed by better monsoon, implementation of pay commission, faster growth in disposable income (due to lower inflation), new model launches and lower cost of ownership. Further CRISIL Research expect's GST implementation will aid growth in this segment. Along with an increase in the vehicle prices, marginal improvements in the LTV and finance penetration, is expected to lead to a 17-19% increase in car and UV loan disbursements over a period to next 5 years.

In cars and UVs, the impact of demonetization was on the self-employed segment. Hence, the financiers are aggressively focussing on the salaried class in current fiscal, which remained largely unaffected. Most of the banks have come with 100% on-road financing schemes for salaried customers as the delinquencies are minimal in this segment.

New cars and UVs market size is projected to grow by 17% in 2016-17 vis-a-vis 15% growth in previous year, supported by the factors such as low inflation, low fuel prices and interest rate cuts are driving a higher growth. Sales (in value terms) of new cars is expected to grow by 10-11% in 2016-17, led by growth in small car sales

(micro+mini+compact). Sales of utility vehicles projected to grow by 26-28% in 2016-17, supported by the highest number of models launched in this segment during the year.

Growth in car and UV finance disbursements

(Rs Billion)	2013-14	2014-15	2015-16	2016-17P	2017-18P	2020-21 P
New cars & UV market size	1286	1295	1486	1746	2003	3247
New cars & UV Finance disbursements	676	691	807	961	1122	1897
New cars & UV Finance disbursements Growth	-6%	2%	17%	19%	17%	17-19% 5 yr CAGR

Note: E: Estimate, P: Projected

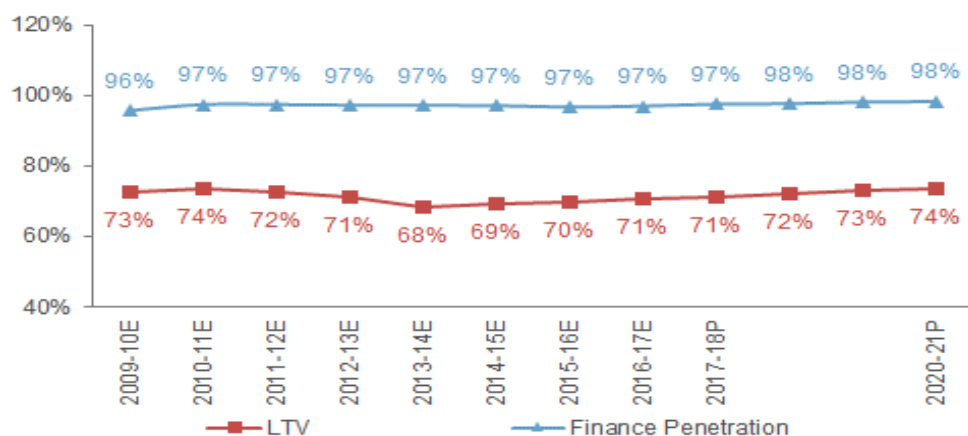
Source: CRISIL Research, CRISIL Research (Retail finance-Auto, February 2017)

LTVs to improve marginally

Weak economic scenario and the rising pressure on transporter margins led to rising delinquencies in the CV financing portfolio. Consequently, CV financiers lowered their LTV ratios in 2012-13 and 2013-14. The sharper drop in disbursements of MHCV loans which are offered at higher LTV also affected average LTV in 2013-14. LTV ratios primarily depend on the borrowers' profile. The model of the vehicle purchased is also factored in while deciding the LTV. A borrower purchasing a higher selling model is offered a higher LTV due to the ease of selling the vehicle in the used vehicle market in the event of repossession.

The average LTV in the top 20 cities is higher than that in other regions due to the higher proportion of MHCV sales. MHCV buyers are primarily large fleet operators (LFOs) who have a stronger credit profile than LCV buyers. CRISIL Research expects LTV ratios to improve marginally in 2016-17 and continue to remain at the same level till 2017-18 as sales of MHCVs which are typically offered a far higher LTV than LCVs is likely to be higher. LCV financiers have become cautious owing to the build-up in delinquencies and hence, have tightened their appraisal criteria. This has led to loans being disbursed only to customers with a better profile, who are offered slightly higher LTV.

In 2017-18, with an overall improvement in the economy, the asset quality in the CV loan portfolio is likely to improve, prompting financiers to offer higher LTV. Over the next 5 years, CRISIL Research expects LTV to improve gradually to about 73-74%.



E: Estimated; P: Projected; LTV: Loan-to-Value

Source: CRISIL Research, CRISIL Research (Retail finance-Auto, February 2017)

Retail Finance – Housing

Summary

Lower rates, government sops, higher penetration: Win-win for borrowers, lenders

With the impact of demonetisation waning, low interest rates and rising income levels are expected to spur demand for housing loans. Increase in disposable income on account of low inflation and recovery in economic growth will improve the debt-servicing capability of buyers, making them eligible for higher loan amounts.

The government and RBI have been doing their bit to support growth. The government has been providing various incentives such as credit-linked subsidy scheme (in terms of interest rate subsidy) to the housing finance segment under the Pradhan Mantri Awas Yojana (PMAY), and infra status to affordable housing companies etc. In the recent monetary policy (June 8, 2017) the RBI has also taken significant steps such as reduction in standard assets provisioning, risk-weights and increasing loan-to-value (LTV) ratio to build the confidence of financiers as well as borrowers.

Increasing urbanisation, transparency, affordability will keep players busy

Despite a flourishing housing industry, India still faces a huge shortage of houses, especially in urban areas. The share of urban population rose steadily from 28.8% in 2004 to 31.2% in 2016. CRISIL Research expects urbanisation to accelerate, translating into 1.8-2.0% CAGR in urban population between 2016 and 2022, compared with overall population growth of 1.2% during the same period. Post-demonetisation, CRISIL Research expects the 'black' component in property transactions to reduce. This coupled with implementation of the Real Estate Regulatory Act (RERA) in 2017-18 will make the industry more transparent. CRISIL Research expects overall disbursements to grow at 18-20% CAGR over next five years.

Profitability to remain strong led by better borrowing mix, improved recovery process

Over the past couple of years, housing finance companies (HFCs) focused more on cost optimisation to improve their bottom line, given the highly competitive nature of the industry. With increasing digitalisation, financiers are unable to charge a high premium, which has put some pressure on yield. But despite increasing competition, profitability of HFCs is expected to remain strong (with RoA of 2.0-2.4%) mainly led by lower cost of funds, improving borrowing mix and wider reach in Tier II and Tier III cities. Many mid- and small HFCs are primarily focusing on self-employed borrowers, where banks are not very aggressive.

HFCs to maintain market share of 40% over next two years

HFCs will maintain their market share even when banks turn aggressive, riding on HFCs' increased presence in untapped market, greater focus on home loans, strong origination skills and relatively superior customer service.

Disbursement & outstanding growth

Government sops, favourable regulations and improved infrastructure development to drive housing finance segment

Demonetisation had a transient impact on the housing finance segment, with housing finance companies (HFCs) and banks reporting a normalisation/pick-up in the housing loan business post-demonetisation. Disbursements and collection efficiency, however, decreased to an extent post-demonetisation, especially in November and December 2016, but reverted back to pre-demonetisation levels post January 2017. Moreover, higher government support for the affordable housing segment (in terms of interest rate subsidy), as well as a declining interest rate scenario will boost overall housing loan demand over the next 2-3 years. On June 8, 2017, the RBI reduced the risk weights (for the home loans over Rs 30 lakh category) and standard assets provisioning (from 0.40% to 0.25%), which will release capital for the banking industry and further reduce home loan rates. Also increase in loan-to-value (LTV) for various loan buckets will increase the housing portfolio of banks.

As per government data, as on March 2017, a total of 82,048 houses had been constructed under the Pradhan Mantri Awas Yojana (PMAY). To achieve the target of constructing 20 million houses across India by 2022, the pace of construction work will increase and subsequently lead to higher demand for loans. Also, the inclusion of

the Middle Income Group (MIG) (household income between 6-18 lakh per annum), under the credit linked interest subsidy scheme, will lead to a surge in loan disbursements in the medium to long term.

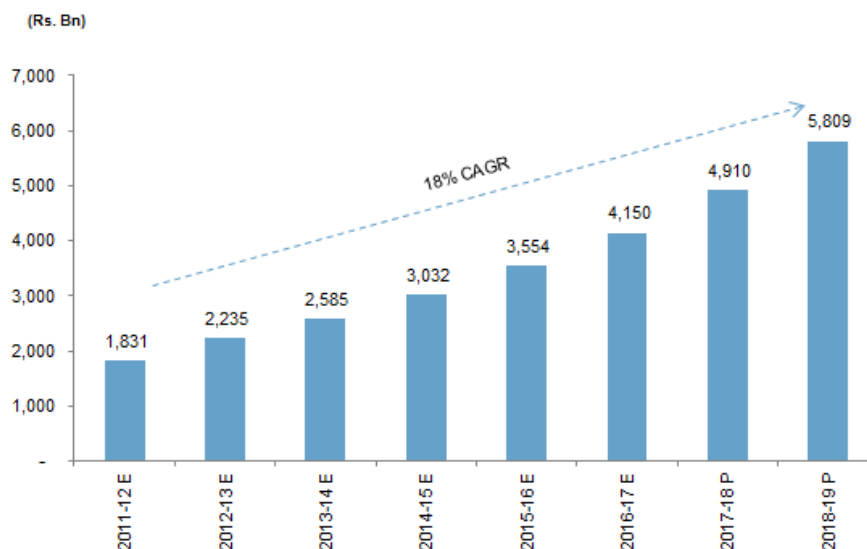
The awarding of infrastructure status to affordable housing will push more developers to enter the segment, as they will now enjoy easier access to institutional credit and help in reducing their cost of borrowing for affordable projects, leading to a greater supply of units at reasonable prices. Also, the Real Estate (Regulatory & Development) Act, 2016, will lead to more structure, transparency and discipline in the sector in the future.

Other factors driving up disbursements include:

- Low current mortgage penetration
- Rising urbanisation, nuclearisation of families and an increase in the number of affordable housing projects
- Easing availability of home loans, lower interest rates and faster loan sanctions

CRISIL Research expects housing loan disbursements to grow at a healthy pace of 18-20% CAGR over the next two years, from fiscals 2017 to 2019.

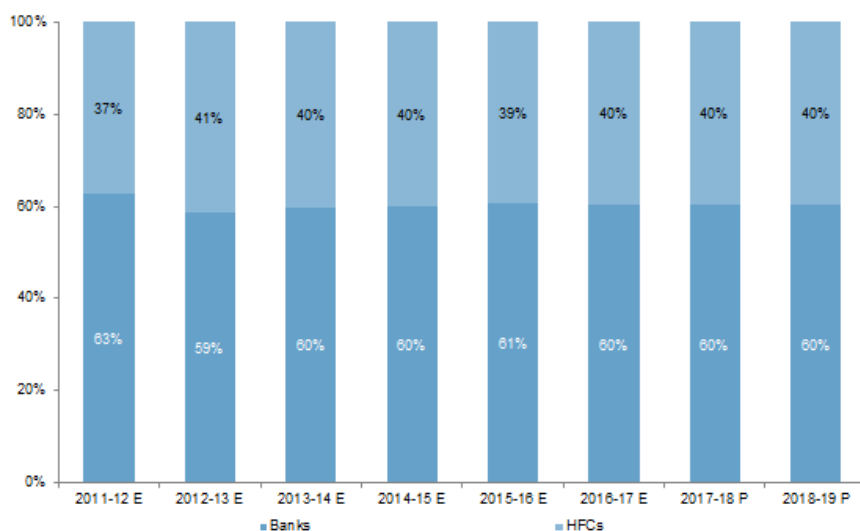
Housing loan disbursement to grow, led by pick-up in demand in Tier-II & III cities



E: Estimated; P: Projected

Source: CRISIL Research Report on Retail Finance - Housing

HFCs share to remain stable as banks become aggressive



E: Estimated; P: Projected

Source: CRISIL Research Report on Retail Finance - Housing

The market share of HFCs will increase steadily over the next 2-3 years, led by a regulatory focus on increasing funding avenues and containing borrowing costs for HFCs. For example:

- The RBI has reduced risk weights on bank lending to AAA rated HFCs to 20% from 100%, helping reduce loan costs.
- In February 2017, SEBI increased cap for debt mutual funds on additional exposure to AA (and above) rated HFCs from 10% to 15% (over the 25% sectoral limit), also IRDA has exempted investments in AAA rated HFCs from sectoral cap.

Thrust on affordable housing to boost disbursements

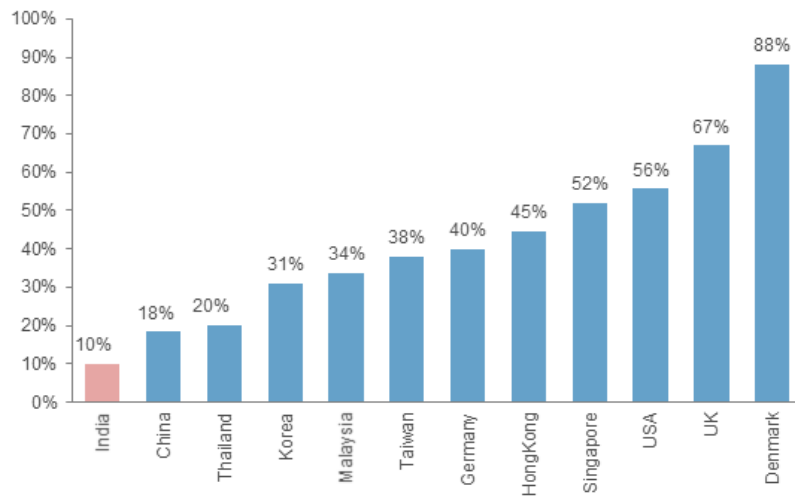
The recent push by the government to provide 'housing for all' by 2022 and the various steps taken to implement the same are expected to boost sales of affordable, low-cost housing units and consequently, financing for the same. Some key steps taken by the RBI include:

- In December 2012, RBI allowed housing finance companies (and real estate developers) who met certain criteria in terms of paid-up capital, net owned funds, non-performing assets etc., to raise external commercial borrowings (ECB) to fund affordable housing projects.
- In June 2013, the RBI created a sub-category within the commercial real estate (CRE) segment - the residential housing (CRE-RH) segment, which includes loans to builders/developers. The new segment would be allocated lower risk weight of 75% for calculation of capital adequacy ratio (CAR), compared to 100% for the CRE segment.
- In July 2014, RBI permitted banks to raise long-term infrastructure bonds to fund affordable housing and infrastructure projects. These bonds would be exempt from mandatory norms such as cash reserve and statutory liquidity ratios.
- In October 2015, RBI reduced risk weights applicable for affordable housing loans for CAR calculation. This is likely to lower capital requirements of financiers and lead to lower interest rates on these loans.
- Revision on interest spread cap from 2% to 3.5% for refinancing under rural housing fund will increase lender interest in rural areas.

India's mortgage penetration remains very low

India's mortgage-to-GDP ratio was still low at 10% in 2016-17 when compared to other developing countries, although it did improve from 7.4% in 2009-10, driven by rising incomes, improved affordability of housing options, growing urbanisation, including emergence of tier-II and Tier-III cities, evolution of the nuclear family concept, tax incentives, widening reach of financiers and faster loan sanctioning.

Mortgage penetration (as percentage of GDP)



Note: India data for FY17, Other countries data for CY15

Source: European Mortgage Federation, HOFINET, CRISIL Research Report on Retail Finance - Housing

Based on our analysis, mortgage penetration levels in India are 9-11 years behind other regional emerging markets like China and Thailand. However, due to various structural drivers, including a young population, smaller family sizes, urbanisation, rising income levels and widening reach of financiers, CRISIL Research believes growth rates in the mortgage segment will remain healthy over the long term.

MCLR will cap interest rate and improve disbursements

Effective April 1, 2016, the Reserve Bank of India (RBI) implemented the marginal cost of funds-based lending rate (MCLR) scheme, forcing banks to pass the benefit of lower borrowing costs to customers. Following that guideline, interest rates on home loans for banks came down by 90-95 bps between April 2016 and March 2017.

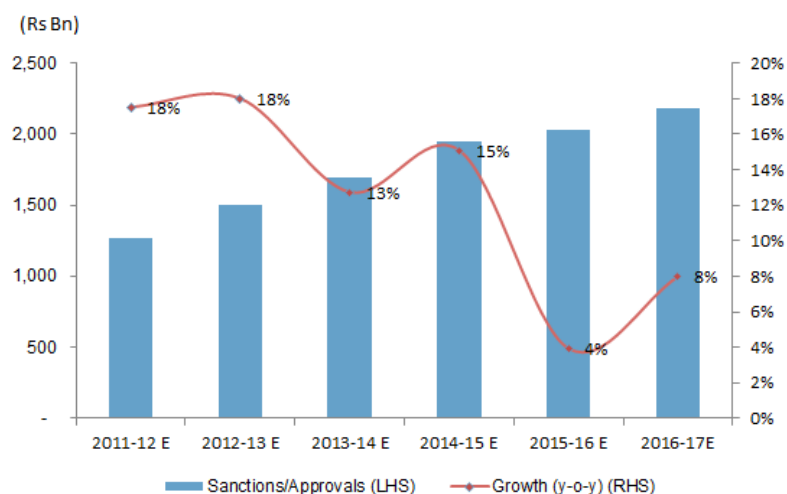
Amid rising gross income levels, declining interest rates will lower equated monthly installments (EMIs) on home loans, making borrowers eligible for higher loan amounts. This will, in turn, enable buyers to purchase higher-priced homes or increase the loan-to-value (LTV) on loans, thereby enhancing the average ticket size of home loan disbursements.

Competitive interest rates lower loan transfers

As interest rates charged by players became more competitive, balance transfers (loan transfer between institutions) will continue to remain low. Balance transfers had increased significantly following the launch of teaser loans by some public sector banks.

Growth in sanctions/approvals was 4% in 2015-16 and was largely affected by lower growth of sanctions at HDFC (-8%); excluding that, approvals grew 26% in 2015-16 compared to 24% a year ago. In 2016-17, while loan sanctions grew at around 8%, higher than the previous year, they remained impacted by the government's demonetisation initiative.

Growth in loan sanctions

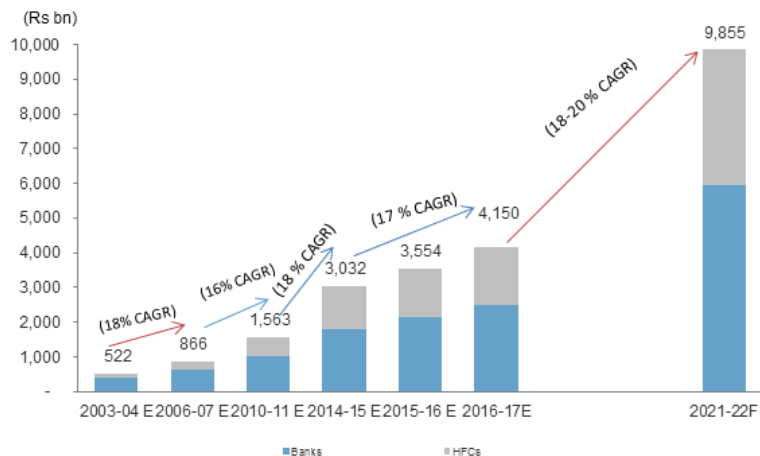


Note: The above numbers are an average of HDFC, LICHL, DHFL, Can Fin Homes and Repco Home Finance.
 Source: Company reports, CRISIL Research Report on Retail Finance – Housing

Banks' and HFCs' aggressiveness towards this segment will be key to disbursements growth

CRISIL Research expects home loan disbursements to record five-year CAGR of 18-20% to reach Rs 9.8 trillion by 2021-22, aided by higher finance penetration, improving affordability, urbanisation and demand for affordable housing.

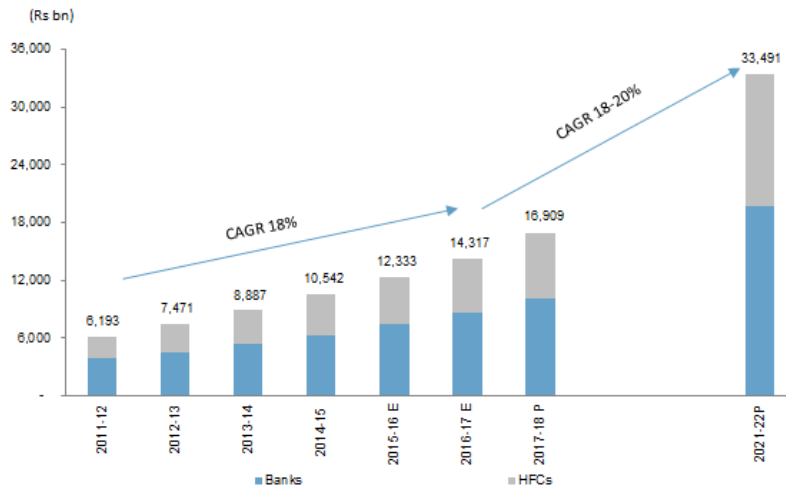
Growth in housing finance disbursements



E: Estimated; F: Forecast
 Source: CRISIL Research Report on Retail Finance – Housing

Higher government support and increasing demand in tier-II and smaller towns to fuel loan growth over the next 5 years

The retail housing finance outstanding loan portfolio is projected to expand at 18-20% CAGR, from Rs 14.3 trillion in 2016-17 to Rs 33.0 trillion in 2021-22.



E: Estimated; F: Forecast

Source: CRISIL Research Report on Retail Finance – Housing

Prepayment rates to increase marginally in near term

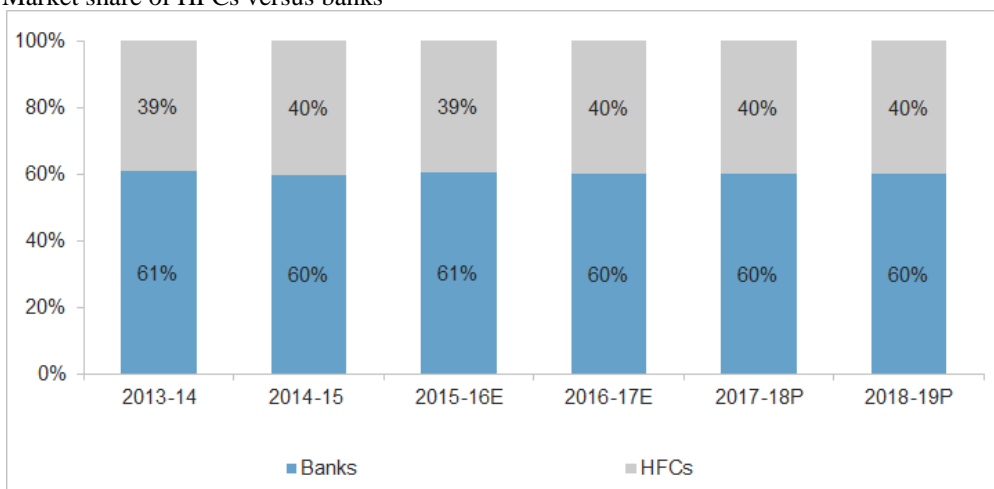
The outstanding loan portfolio is a function of repayments, prepayments and disbursements, which are all affected by loan tenure and interest rates. Overall prepayments can be divided into structural and cyclical prepayments. While the former depends on an increase in borrower's income, which encourages prepayment of the loan, the latter is sensitive to interest rates. In a downward interest rate environment, cyclical prepayments would be higher.

Structural prepayments were subdued in 2016-17 as income growth remained uncertain, whereas cyclical prepayments were seen due to the interest rate cut in fiscal 2017. In 2017-18 and 2018-19, CRISIL Research expects prepayment rates to step up with rising disposable incomes and lower interest rates.

Share of HFCs to remain steady over next two years

Banks currently have the lion's share of housing loan outstanding (60% as of 2016-17). Even though HFCs are likely to get more aggressive, their share is likely to remain stable, as banks too have become aggressive in the retail segment due to asset quality issues in corporate loans. However, in the longer term, the share of HFCs may increase, led by lower borrowings costs and better service quality as compared to Public Sector Banks (PSBs).

Market share of HFCs versus banks



E: Estimated; F: Forecast

Source: CRISIL Research Report on Retail Finance – Housing

While banks have traditionally competed on interest rates, CRISIL Research believes that HFCs' specialised focus on home loans makes them attractive. Over the past few years, robust growth in outstanding loans enabled HFCs to significantly enhance their market share. However, with the recent slowdown in corporate credit, banks are aggressively focusing and competing with HFCs; so, over the next two years, CRISIL Research expect banks to register slightly higher growth than HFCs.

Recently, there have been concerns about renewed aggression by banks in the home loan market, given their aggressive pricing. Our analysis, on the other hand, shows that banks have limited room to get more aggressive on pricing without affecting profitability.

Moreover, with HFCs recently accessing non-bank sources of funds (along with easing bond yields), their competitiveness on 'cost of funds' versus banks has improved. On non-pricing factors, CRISIL Research believe HFCs could continue to retain an upper hand given their specialisation. Thus, overall, CRISIL Research believe HFCs would remain competitive in the mortgage market; their share is expected to remain stable.

In the long term, growth in advances for both banks and HFCs will remain range-bound despite banks' aggressiveness. HFCs' strong origination skills and relatively superior customer service will help them maintain good growth. Banks will not be far behind with their sharpened focus on retail assets and better data availability.

Retail segment: A key focus in Indian mortgage market

As bad loans started mounting in banks' financials, they altered their strategy of expanding their home loan portfolio for two main reasons:

- Growth has not yet picked up in the corporate loan-book.
- Retail loans went through a cyclical slowdown post 2006-07, having grown robustly after 2002-03. PSU banks will be increasingly aggressive in the retail segment, giving stiff competition to HFCs and private sector banks.

With rising non-performing assets (NPA), most banks had to reassess their strategies. With a slowdown in the economy, most banks shifted focus from corporate loans to the retail segment. Over the past few years, however, retail consumer balance sheets have been far stronger than corporate balance sheets, resulting in negligible impairments over past few years.

Key Growth drivers

Pradhan Mantri Awas Yojana (PMAY)

Four components of the scheme

1. Slum redevelopment
 - Land as a resource with private participation
 - Extra floor space index (FSI)/ floor area ratio (FAR) and transfer of development rights (TDR), if required
 - Government of India's grant of Rs 1 lakh per house
 - Developers to benefit from "free sale component"
2. Affordable housing in partnership
 - With private sector or public sector agencies
 - Central assistance of Rs 1.5 lakh per economically weaker sections (EWS) house in projects where the project has at least 250 houses and 35% houses eligible for EWS category
3. Affordable housing through credit-linked subsidy
4. Subsidy for beneficiary-led housing
 - For individuals of EWS category for own house construction or enhancement
 - Central assistance of Rs. 1.5 lakh per beneficiary

Credit-linked subsidy scheme (CLSS)

- Under the 'Housing for All' mission, the central government has implemented credit-linked subsidy component as a demand-side intervention to expand institutional credit flow to the housing needs of people residing in urban regions.

- Credit-linked subsidy will be provided on home loans taken by eligible urban population for acquisition and construction of houses.
- Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) have been identified as Central Nodal Agencies
- (CNAs) to channelise this subsidy to the lending institutions and for monitoring the progress of this component.
- Under the mission, affordable housing through CLSS will be implemented through banks/financial institutions.

Details of the revised CLSS are as follows:

Category	Annual Household Income (Rs)	Loan amount (Rs)	Interest subsidy	Size of the proposed house (carpet area; sq mt)
EWS	Upto 3 lakhs	6 lakh	6.50%	30
LIG	Between 3-6 lakhs	6 lakh	6.50%	60
MIG 1	Between 6-12 lakhs	9 lakh	4%	90
MIG 2	Between 12-18 lakhs	12 lakh	3%	110

Source: PMAY website, CRISIL Research Report on Retail Finance – Housing

- For all the income slabs, any additional loan taken by the beneficiary up to a maximum tenure of 20 years will be at non-subsidised rates.

The interest subsidy amount will not be the differential of interest amount (of actual and subsidised rate) but the net present value (NPV) of the interest subsidy amount - to be calculated at a discount rate of 9%.

Revision of interest spread caps for Rural Housing Fund (RHF)

The NHB, in January 2016, revised the interest rate and the on-lending cap under the Rural Housing Fund (RHF) with immediate effect. CRISIL Research believes the new on-lending cap of 3.5% is a positive development in the affordable housing segment as the previous 2% cap made financing unattractive due to higher operating costs incurred to serve rural areas.

Infra status to affordable housing companies will push more developers to enter this sector

A long-pending wish of the real estate industry was partially realised with the government granting infrastructure status to affordable housing sector, thereby entailing relatively lower finance costs. Grant of the infrastructure status, coupled with priority sector status accorded to retail loans for affordable housing projects by Reserve Bank of India (RBI) in July 2014, ensures adequate demand and supply-side impetus to the sector. Typically, sectors enjoying infrastructure status can also avail of loans under external commercial borrowings (ECB) route. However, this facility was already granted to affordable housing sector in 2014 by RBI.

Infrastructure bonds available to banks

To encourage infrastructure development and affordable housing, the RBI in July 2014 exempted long-term bonds from regulatory mandatory norms such as cash reserve ratio (CRR) and statutory liquidity ratio (SLR) if the money raised is used for funding such projects. Banks are allowed to raise bonds of minimum maturity of seven years for lending to:

- Long-term projects in infrastructure sub-sectors
- Affordable housing

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

The purpose of AMRUT is to provide basic services (e.g., water supply, sewerage, urban transport) to households and build amenities in cities, and to improve the quality of life for all, especially the poor and the disadvantaged.

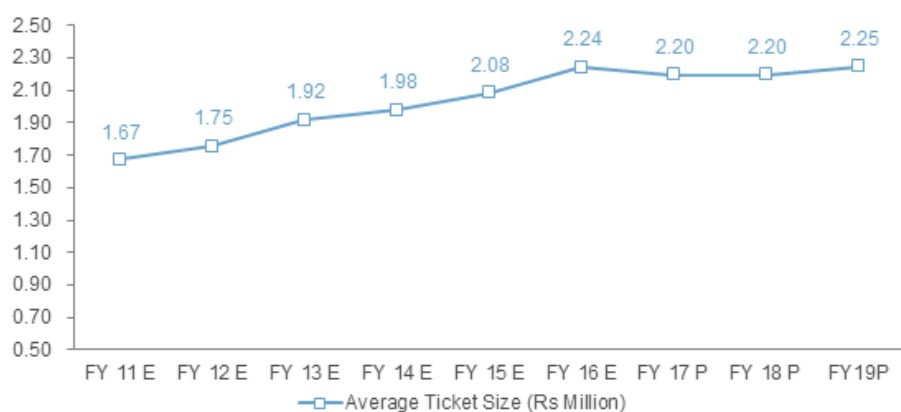
Key components of the mission

- To ensure that every household has access to a tap, with assured supply of water and a sewerage connection
- To increase amenities in cities by developing greenery and well-maintained open spaces (e.g., parks)
- To reduce pollution by switching to public transport or constructing facilities for non-motorised transport (e.g., walking and cycling).

Ticket size of loans to remain broadly flat

Average ticket size of loans disbursed by housing finance companies increased in line with rapid rise in urban property prices, fueling growth in the sector. While average ticket size of loans grew 7-8% to Rs 2.24 million in 2015-16, it declined marginally in 2016-17 owing to drop in property prices. As property prices declined post demonetisation, CRISIL Research expects average ticket size to remain stable in 2017-18, but increase marginally in 2018-19 on recovery in prices.

Trend in average ticket size



Note: For the calculation of average ticket size aggregate financials of Housing Development Finance Corporation Limited, LIC Housing Finance Limited, Dewan Housing Finance Corporation Limited, Indiabulls Housing Finance Limited, REPCO Home Finance and Gruh Finance are considered.

Source: CRISIL Research Report on Retail Finance – Housing

Urbanisation

Despite a flourishing housing finance industry, India still faces a huge shortage of houses, especially in urban areas. The share of urban population rose steadily from 28.8% in 2004 to 31.8% in 2014. Though overall population growth slowed, urban population recorded a 2.8% CAGR over 2001 to 2011. CRISIL Research expects urbanisation to accelerate, translating into a CAGR of 2-2.5% in urban population between 2016 and 2021, compared with the overall population growth of 1.2% during the same period, thereby implying that the difference between urban and rural population will narrow.

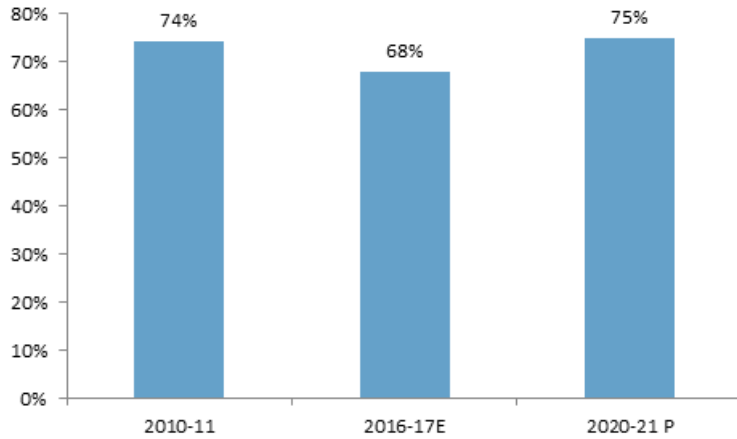
Urbanisation has a twin impact on housing demand: it reduces the area per household, and results in rise in the number of nuclear families, leading to formation of more urban households.

LTV to inch up as prices rise

The average loan-to-value (LTV) ratio disbursed in the top 13 cities declined from 74.3% to 67.2% from 2010-11 to 2015-16, as rising interest rates and slow income growth led to higher EMIs and, consequently, a decline in LTVs. With interest rates likely to decline over the medium term, the LTV ratio is likely to increase from the current levels.

In the long term as well, as urban property prices rise, borrowers will find it increasingly difficult to arrange for the required equity. However, factors such as regulatory obligations and prudent lending norms are expected to deter financiers from increasing LTV levels significantly. Hence, over the longer term, the LTV ratio is projected to go up to 75%.

Average LTV ratio

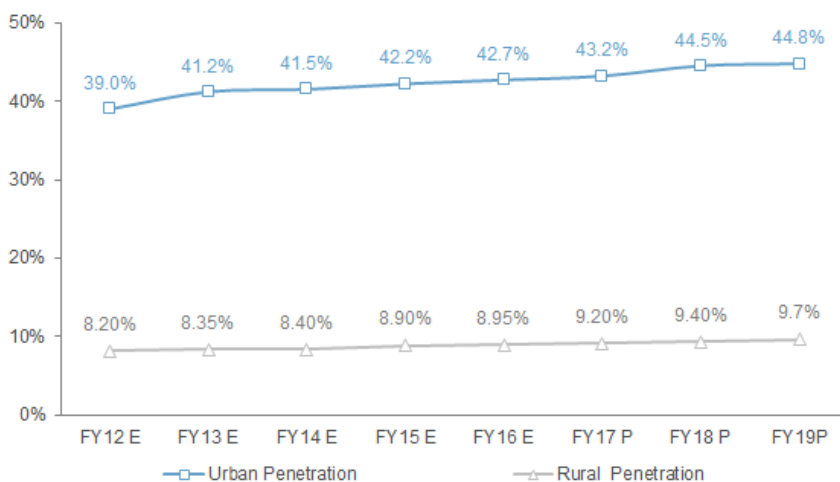


Note: E: Estimate, P: Projected; Numbers are based on data from top 13 cities
Source: RBI, CRISIL Research Report on Retail Finance – Housing

Rise in finance penetration to drive industry

An increase in finance penetration is also expected to support the industry's growth. Rising demand for housing from tier-II and tier-III cities, and a subsequent surge in construction activity, have increased the focus of financiers on these geographies. Consequently, finance penetration in urban areas is estimated to have increased to 42.7% in 2015-16, from an estimated 39% in 2011-12, while penetration in rural areas is estimated to have risen only slightly to 8.95% in 2015-16, from 8.20% in 2011-12. Boosted by the affordable housing push and rising competition in higher ticket size loans, CRISIL Research expects finance penetration to increase to 44.5% in urban areas and to 9.4% in rural areas by 2017-18.

Finance penetration in rural and urban areas



Source: CRISIL Research Report on Retail Finance – Housing, Company Report, NHB

Rural areas are also likely to witness considerable improvement in finance penetration, led by the government's efforts to provide housing for all. However, operational challenges, such as timely collection of payments, lower

ticket sizes and higher delinquencies in comparison with the urban markets will pose headwinds to rural expansion.

Lowering risk-weights for banking home loan will boost disbursements

The RBI in its June monetary policy reduced the risk weights for banks and increased the LTV for some category of loans. Under the new regulation, the LTV on loans between Rs 30 and 75 lakh is increased to 80% from the previous 75% and the risk weights have reduced to 35% from 50%. For a loan above Rs 75 lakh, the risk weights have been reduced to 50% from 75%. CRISIL Research expects the NHB to follow the same path to keep HFCs under the same umbrella.

Key regulations	Banks	HFC's
Regulator	The Reserve Bank of India	National Housing Bank
Capital adequacy ratio	9%	12%
Risk weight on housing loan	35% of loans upto Rs 7.5 million; LTV cap 80%	35% of loans upto Rs 3 million; LTV cap 80%
	50% of loans upto Rs 3 million; LTV cap 90%	35% of loans between Rs 3-7.5 million; LTV cap 75%
	50% for loans above Rs 7.5 million; LTV cap 75%	50% of loans upto Rs 3 million; LTV cap 90%
		50% of loans between Rs 3-7.5 million; LTV cap 80%
		75% for loans above Rs 7.5 million; LTV cap 75%
Risk weight on commercial real estate loan	100%	100%
Risk weight on commercial real estate - residential housing loan	75%	75%
Need to maintain cash reserve ratio	Yes, 4% of net time and demand deposits	No
Need to maintain statutory liquidity ratio	Yes, 21% of net time and demand deposits	Yes, 12.5% of net time and demand deposits

Source: CRISIL Research Report on Retail Finance – Housing, RBI, NHB

OUR BUSINESS

In this section only, any reference to “we”, “us”, “our” or “our Company” refers to Mahindra & Mahindra Financial Services Limited. Unless stated otherwise, the financial data in this section is as per our Reformatted Financial Statements prepared in accordance with Indian GAAP set forth elsewhere in this Shelf Prospectus.

The following information should be read together with the more detailed financial and other information included in this Shelf Prospectus, including the information contained in the chapter titled “Risk Factors” on page 12 of this Shelf Prospectus.

We are one of the leading non-banking finance companies (“NBFCs”) with customers primarily in the rural and semi-urban markets of India. We are part of the Mahindra group, which is one of the largest business conglomerates in India. We are primarily engaged in providing financing for new and pre-owned auto and utility vehicles, tractors, cars and commercial vehicles. We also provide housing finance, personal loans, financing to small and medium enterprises, insurance broking and mutual fund distribution services. In addition we, among other services, provide wholesale inventory-financing to dealers and retail-financing to customers in the United States for purchase of Mahindra group products through Mahindra Finance USA LLC, our joint venture with a subsidiary of the Rabobank group.

Our Company was incorporated in 1991 and commenced operations as a finance company in 1993. Our Company was registered as a deposit-taking NBFC in 1998 and have since established a pan-India presence, spanning 27 states and 4 union territories through 1,182 offices as of March 31, 2017. Our Company caters to the financing needs of retail customers and small and medium-sized enterprises. Our Company primarily focusses on providing financing for purchases of auto and utility vehicles, tractors, cars, commercial vehicles and construction equipment and pre-owed vehicles and others which accounted for 28%, 19%, 22%, 11% and 20% of estimated total value of the assets financed, respectively, for the year ended March 31, 2017. We benefit from our close relationships with dealers and our long-standing relationships with OEMs, which allow us to provide on-site financing at dealerships.

As a supplement to our lending business, in May 2004, we started an insurance broking business through our subsidiary, MIBL. We provide insurance broking solutions to individuals and corporates through, MIBL. MIBL has a “composite broking license” from the IRDA, which allows MIBL to undertake broking of life, non-life and reinsurance products. It has been awarded the ISO 9001:2008 Certification for Quality Management Systems for services related to broking of life and non-life insurance products to corporate and retail customers. During Fiscal 2017, MIBL earned an income of ₹ 17,423.40 lakhs and achieved a profit after tax of ₹ 5,304.80 lakhs.

In October 2007, we commenced our housing finance business through our subsidiary MRHFL. We provide housing loans to individuals through, MRHFL, a registered housing finance company, in which NHB presently owns a 12.5% equity share capital of MRHFL. We grant housing loans for purchase, construction, extension and renovation of house property. During Fiscal 2017, MRHFL’s total income was ₹ 70,336.89 lakhs and achieved a profit after tax of ₹ 8,300.55 lakhs.

On September 27, 2010, our Company entered into an agreement with De Lage Landen Financial Services Inc., which is wholly-owned by the Rabobank group, to form a joint venture company in the United States, Mahindra Finance USA LLC. Mahindra Finance USA LLC was formed to provide, among other services, wholesale inventory financing to U.S. based dealers purchasing products of the Mahindra group and retail financing to customers for financing the purchase of the Mahindra group products. Our Company owns a 49.0% interest in Mahindra Finance USA LLC with the balance owned by De Lage Landen Financial Services Inc.

On 20 June 2013, Mahindra Asset Management Company Private Limited was incorporated and has been appointed as the asset management company of 'Mahindra Mutual Fund'. Mahindra Mutual Fund was constituted as a trust on 29 September 2015 and was registered with SEBI on 4 February 2016 under the registration code MF/069/16/01. MMFSL is the sponsor to the mutual fund and Mahindra Trustee Company Private Limited, a 100% subsidiary of MMFSL, is the trustee to the mutual fund. The maiden fund of the Mahindra Mutual Fund - 'Mahindra Liquid Fund' received approval from the SEBI on 20 June 2016 and was launched on 4 July 2016.

On standalone basis, for the Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013, the estimated total value of assets financed was ₹ 31,65,914 lakhs, ₹ 26,70,632 lakhs, ₹ 24,33,110 lakhs, ₹ 25,40,002 lakhs and ₹ 23,83,858 lakhs, respectively, total income from operations was ₹ 6,17,391.06 lakhs, ₹ 5,85,316.11 lakhs,

₹ 5,53,605.61 lakhs, ₹ 4,92,163.21 lakhs and ₹ 3,85,672.15 lakhs, respectively and total profit after tax was ₹ 40,023.49 lakhs, ₹ 67,259.60 lakhs, ₹ 83,177.59 lakhs, ₹ 88,722.75 lakhs and ₹ 88,269.18 lakhs, respectively.

On standalone basis, as of March 31, 2017, we maintained a NPA coverage ratio of 61.8%, net NPA of 3.6% of total assets, capital adequacy ratio of 17.2%, total loans and advances outstanding of ₹ 42,52,336.65 lakhs and total assets of ₹ 45,98,523.19 lakhs, compared to, as of March 31, 2016, we maintained a NPA coverage ratio of 61.7%, net NPA of 3.2% of total assets, capital adequacy ratio of 17.3%, total loans and advances outstanding of ₹ 36,66,156.57 lakhs and total assets of ₹ 39,57,947.92 lakhs.

Key Operational and Financial Parameters (on consolidated basis)

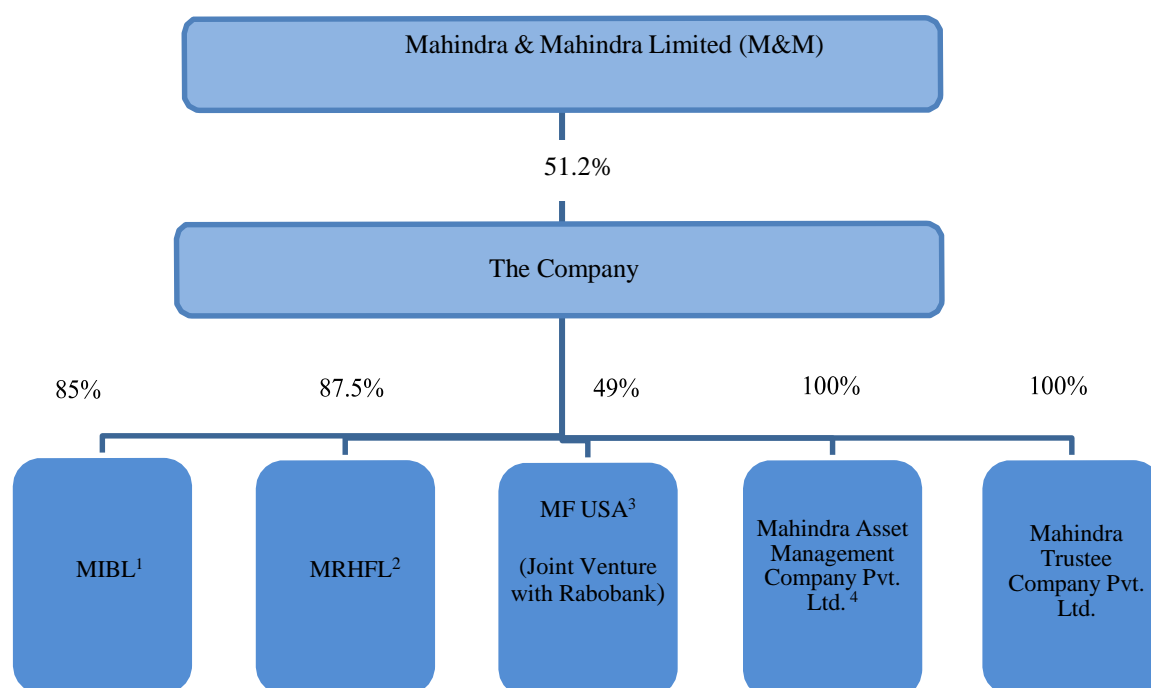
(₹ in lakhs)

Parameters	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net worth	6,96,015.55	6,46,939.78	5,94,271.69
Total Debt	40,81,105.01	34,04,369.39	29,23,169.82
of which – Non Current Maturities of Long Term Borrowing	24,98,492.31	20,34,120.59	16,86,524.66
- Short Term Borrowing	7,21,762.80	5,21,753.18	5,25,861.91
- Current Maturities of Long Term Borrowing	8,60,849.90	8,48,495.62	7,10,783.25
Net Fixed Assets	13,453.06	12,907.14	11,917.57
Non Current Assets	29,84,321.75	24,25,024.87	21,16,526.16
Cash and Cash Equivalents	60,387.54	60,593.65	49,018.36
Current Investments	59,239.85	54,670.33	9,449.80
Current Assets	22,23,254.95	19,47,488.38	16,76,402.13
Current Liabilities	2,76,798.98	1,93,256.10	1,56,988.00
Assets Under Management	54,19,688.27	46,36,063.20	40,31,364.00
Off Balance Sheet Assets	79,031.12	1,35,378.84	1,80,349.97
Interest Income	6,55,028.88	5,93,902.58	5,39,440.61
Interest Expense	3,16,075.05	2,84,204.58	2,61,899.78
Provisioning & Write-offs	1,38,955.10	1,09,819.07	84,912.26
PAT	51,163.67	77,229.36	91,290.54
Gross NPA (%)*	9.0%	8.0%	5.9%
Net NPA (%)*	3.6%	3.2%	2.4%
Tier I Capital Adequacy Ratio (%)*	12.8%	14.6%	15.5%
Tier II Capital Adequacy Ratio (%)*	4.4%	2.7%	2.8%

*All ratios on standalone basis

Corporate Structure

The following chart outlines our corporate structure:



¹ MIBL is engaged in the business of direct insurance broking in the life and non-life insurance businesses. Inclusion Resources Pvt. Ltd., a subsidiary of Leapfrog Financial Inclusion Fund, incorporated in Singapore, holds 15 % of the equity share capital of MIBL.

² MRHFL is engaged in the business of extending loans to customers for housing needs. The National Housing Bank holds 12.5 % of the equity share capital of MRHFL.

³ MF USA is engaged in the business of providing wholesale inventory-financing to dealers and retail-financing to customers in the United States for purchase of Mahindra group products.

⁴ Mahindra Asset Management Company Private Limited is the asset management company of 'Mahindra Mutual Fund'. The maiden fund of the Mahindra Mutual Fund - 'Mahindra Liquid Fund' received approval from SEBI on 20 June 2016 and was launched on 4 July 2016.

Our Competitive Strengths

Our competitive strengths are as follows:

Knowledge of rural and semi-urban markets

We have over 20 years of operating experience primarily in rural and semi-urban markets, which has led to a significant understanding of local characteristics of these markets and has allowed us to address the unique needs of our customers. Of our Company's 1,182 offices spanning across 27 states and 4 union territories, as of March 31, 2017, majority cater to customers located in rural and semi-urban markets. We have adapted to markets that are affected by limitations of rural infrastructure and have developed a diversified customer base of farmers, car-owners, transport agencies, small businessmen and home-owners. For origination and collection, we hire employees with knowledge of the local markets and have also implemented a de-centralized process to approve loans that meet pre-determined criteria. Further, our field executives use hand-held general packet radio service ("GPRS") devices to record data while collecting loan payments at the customer's home or business location. This leads to face-to-face interaction that improves our understanding of the needs of our customers and enables us to be more responsive to local market demand. We believe that our knowledge of the rural and semi-urban markets is a key strength that has enabled us to become one of India's leading NBFCs.

We were early entrants into the rural and semi-urban markets, initially providing financing solely for products of M&M which has been selling its products in those markets for over 6 decades. Credit in these markets was principally provided by banks from the organised finance sector or by the local money lenders. There was a large section of the rural population which did not have access to credit largely due to their inability to meet the

lending covenants of the banks or because they could not service the high rates of the money lenders. We identified this opportunity and positioned ourselves to service this population. We adopted simple and prompt loan approval and documentation procedures and set our offer rates between those of the banks and the money lenders. In addition, the markets we serve are largely cash driven and we understand the challenges and limitations of rural infrastructure and have created processes/systems to overcome such limitations and challenges. For example, our field executives collect cash at the customer's premises saving them the need to travel to one of our offices or a bank. These visits also enable us to develop our customer relationships and importantly allow us to understand their businesses. This understanding enables us to be proactive and develop future products for our customers. Our nationwide network, locally recruited employees, regular visits and our close relationship with the dealers enables us to understand the needs of our customers. We believe that due to our early entry, our client relationships and our relationship with OEMs, we have built a recognisable brand in the rural and semi-urban markets of India.

Extensive network of offices

We operate an extensive network of our 1,182 offices spanning across 27 states and 4 union territories, as of March 31, 2017. The reach of our offices allows us to service our existing customers and attract new customers as a result of personal relationships cultivated through proximity and frequent interaction by our employees. Our widespread office network reduces our reliance on any one region in India and allows us to apply best practices developed in one region to other regions. Our geographic diversification also mitigates some of the regional, climatic and cyclical risks, such as heavy monsoons or droughts. In addition, our extensive office network benefits from a de-centralized approval system, which allows each office to grow its business organically as well as leverage its customer relationships by offering distribution of insurance products and mutual funds. We service multiple products through each of our offices, which reduces operating costs and improves total sales. We believe that the challenges inherent in developing an effective office network in rural and semi-urban areas provide us with a significant first mover advantage over our competitors in these areas.

Streamlined Approval and Administrative Procedures and Effective Use of Technology

We believe that we benefit from our streamlined company-wide approval and administrative procedures that are supplemented by our employee training and integrated technology. Our local offices are responsible for appraisal, disbursement, collection and delinquency management of loans. We require simple documentation to comply with the regulatory norms and for the collateral on the vehicle or equipment purchased. Typically, we disburse loan funds within two business days from receiving the complete loan application. Each of our security agreements contains alternate dispute resolution provisions for arbitration, re-possession and sale of assets that secure defaulting loans. We also require that the customer provides a guarantor as part of a reference check prior to disbursing the funds, a process which we believe acts as a social enforcement mechanism for timely repayment by customers.

We believe that our de-centralized streamlined origination process is successful because of our employee training and integrated technology. We train our employees to use soft skills and offer customised financial products based on the credit requirements and credit history of customers. Moreover, we are able to regularly monitor origination, disbursement and collection with our integrated technology. In addition, hand-held GPRS devices used by our employees provide us with installment collection, customer and certain risk management information in a prompt manner, thus enabling better monitoring. The recording of data in this manner enables us to provide intimation by SMS to customers in a prompt manner at every stage of the transaction and we believe, it also allows us to handle customer queries more efficiently.

History of strong customer and dealer relationships

We believe that we benefit from strong relationships with our customers, forged from long-term in-person customer contact, the reach of our office network, local knowledge and our continued association with automotive, farm equipment and car dealers. As part of our customer-centric approach, we recruit employees locally to increase our familiarity with the local customers and area. We believe that this personal contact, which includes visits by our employees to a customer's home or business to collect installment payments, increases the likelihood of repayment, encourages repeat business, establishes personal relationships and helps build our reputation for excellent customer service. We also believe that our Company's close relationships with dealers help us develop and maintain strong customer relationships.

Brand recall and synergies with the Mahindra group

M&M, our Promoter and the flagship company of the Mahindra group has been selling automotive and farm equipment in semi-urban and rural markets for over 6 decades. The Mahindra group is one of the largest business conglomerates in India and has a strong presence in utility vehicles, tractors, information technology, financial services, aerospace, real estate, hospitality and logistics sectors. We believe that our relationship with the Mahindra group provides brand recall and we will continue to derive significant marketing and operational benefits.

Access to cost-effective funding

We believe that we are able to access cost-effective debt financing due to our strong brand equity, stable credit history, superior credit ratings and conservative risk management policies. Historically, we have secured cost-effective funding from a variety of sources. Our Company maintains borrowing relationships with several banks, mutual funds and insurance companies. We adhere to write-off and provisioning standards that are stricter than norms prescribed by RBI. Our long-term and subordinated debt is presently rated IND AAA, BWR AAA, CARE AAA and CRISIL AA+ by India Ratings & Research Private Limited, Brickwork Ratings India Private Limited, Credit Analysis & Research Limited and CRISIL respectively. India Ratings & Research Private Limited and CRISIL has rated our short-term debt as Ind A1+ and A1+ respectively, which is the highest rating for short-term debt instruments, and CRISIL has rated our fixed deposit programs FAAA. For the Fiscal 2017 and Fiscal 2016, our average annualized interest cost of borrowed funds was 8.8% and 9.4%, respectively.

Experienced management team

We have an experienced management team, which is supported by a capable and motivated pool of employees. Our senior managers have diverse experience in various financial services and functions related to our business. Our senior managers have an in-depth understanding of the specific industry, products and geographic regions they cover, which enables them to appropriately support and provide guidance to our employees. We also have an in-house experienced legal team consisting of qualified professionals, well-equipped to handle all our legal requirements ranging from loan and security documentation to recovery, repossession, security enforcement and related litigation, if any. In addition, our management has a track record of entering and growing new lines of business, such as insurance broking and housing finance. Our Board, including the independent directors, also has extensive experience in the financial services and banking industries in India.

Our Strategies

Our business strategies are as follows:

Focus on the rural and semi-urban markets to grow our market share

We plan to continue to expand our office network and increase the market share of our existing products and services in the rural and semi-urban markets of India. We intend to grow our market share by expanding our customer base and strengthening our relationships with dealers. Our Company has a network of 1,182 offices as of March 31, 2017. In opening each office site, we analyze the local market and proximity to target customers. We believe our customers appreciate this convenience and that well-placed office sites allow us to attract new customers. In addition to our offices and region-based organisational structure, we have also formed a separate vertical for each of our key products, which works with our employees across offices to customize our products based on customers feed-back.

We also seek to expand our dealer relationships by strengthening our presence at dealers and by continuing to engage dealers beyond M&M for customer relationships. We believe that this strategy will increase our customer base and revenues and mitigate risks associated with deriving a substantial percentage of our vehicle financing revenues from purchasers of M&M vehicles. In order to enhance our dealer relationships, we also provide trade funding to assist with the working capital requirements of these dealers. We believe that we are in a position to leverage our existing distribution infrastructure to increase our penetration in markets where we already have a presence.

Focus on effective use of technology

As we continue to expand our geographic reach and scale of operations, we intend to further develop and integrate our technology to support our growth and improve the quality of our services. We intend to increase the number of offices connected to the centralized data centre in Mumbai. We also intend to expand our use of hand-held GPRS devices, which collect data used to monitor our operations and risk exposure. We have also rolled out an advanced version of the GPRS devices, which functions as a “mobile office” and is equipped with portable camera, scanning, voice recording and biometric features that allows our employees to originate loans, issue receipts and conduct know-your-customer checks at a customer’s home or business location. We believe that as we develop and integrate such programs into our business, we can further capitalize on the reach of our offices and increase our market share. Our use of technology will also allow us to continue providing streamlined approval and documentation procedures and reduce incidence of error.

Further, our continued focus on the effective use of technology is aimed at allowing employees across our office network to collect and feed data to a centralized management system, providing our senior management with prompt operational data and assisting with treasury management. We believe that the accurate and timely collection of such data gives us the ability to operate our business in a centralized manner and develop better credit procedures and risk management

Diversify product portfolio

We also intend to further improve the diversity of our product portfolio to cater to the various financial needs of our customers and increase the share of income derived from sale of financial products. We intend to improve the diversity of our product portfolio both within our vehicle financing business as well as through the introduction and growth of other financial products. We intend to grow the share of our disbursements to pre-owned vehicles and light and heavy commercial vehicles to capture market share in what we believe is a growth area and improve the diversity of our loan exposure. We also intend to leverage our OEM relationships and our existing office network to diversify and expand our product portfolio.

Beyond our vehicle financing business, we intend to leverage our brand and office network, develop complementary business lines and become the preferred provider of financial products in rural and semi-urban markets—a one-stop shop for customers’ financial needs. We have also launched a direct marketing initiative to target our existing and former customers to cater to all their financing requirements, thus generating new business and diversifying our loan portfolio. We expect that complementary business lines will allow us to offer new products to existing customers while attracting new customers as well. To this end, we intend to grow our housing finance, SME financing and increase distribution of mutual funds and insurance products. We will continue to focus on growing our rural housing portfolio through our subsidiary MRHFL, which in partnership with the National Housing Bank, we believe is in a unique position to cater to a large and untapped customer base.

Continue to attract and retain talented employees

We are focused on attracting and retaining high quality talent. We recognize that the success of our business depends on our employees, particularly as we continue to expand our operations. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. We will continue to attract talented employees through our retention initiatives and recruitment from local graduate colleges. Our retention initiatives include job rotation, secondments, quarterly reviews, incentive-based compensation, employee recognition programs, an employee stock option plan, training at our training facility and on-the-job training. We invest a significant amount of time and resources for training our employees, which we believe fosters mutual trust, improves the quality of our customer service and puts further emphasis on our continued retention.

Our Vehicle Financing Business

We are primarily engaged in asset financing of vehicles, which we divide into five categories: (a) auto and utility vehicles; (b) tractors; (c) cars; (d) commercial vehicles and construction equipment; and (e) pre-owned vehicles and others. Our customers include various transport operators, small businesses and self-employed and salaried individuals.

Vehicle Financing by Segment

- *Auto and Utility Vehicles.* We finance the purchase of new auto and utility vehicles, which are typically used to transport passengers and goods. The auto and utility business comprised 28.1% of the estimated total value of assets financed for the Fiscal 2017.
- *Tractors.* We finance the purchase of new tractors, which are used as farm equipment and to carry and to pull goods. The tractors business comprised 18.7% of the estimated total value of assets financed for the Fiscal 2017.
- *Cars.* We finance the purchase of new cars which are used for personal or commercial purposes. The cars business comprised 22.1% of estimated total value of assets financed for the Fiscal 2017.
- *Commercial Vehicles and Construction Equipment.* We finance the purchase of new commercial vehicles, including light commercial vehicles (“LCVs”), which carry goods and passengers, and heavy commercial vehicles (“HCVs”), which carry goods, and construction equipment. For LCVs, our customers are typically medium and small fleet operators. For HCVs, our customers are typically transport operators and small businesses. The commercial vehicles and construction equipment business comprised 11.5% of estimated total value of assets financed for the Fiscal 2017.
- *Pre-Owned Vehicles and Others.* We finance the purchase of pre-owned vehicles, primarily cars and multi-utility vehicles and other vehicles, which include two-wheelers and three-wheelers. We also provide finance to SME, gold loans and personal loans. The pre-owned vehicles and other business comprised 19.6% of estimated total value of assets financed for the Fiscal 2017.

On standalone basis, estimated total value of assets financed in each of our vehicle financing businesses is set forth below:

	Fiscal				
	2017	2016	2015	2014	2013
Auto and Utility	28.1%	30.4%	33.6%	31.9%	30.7%
Tractors	18.7%	14.7%	17.7%	19.9%	19.0%
Cars	22.1%	22.3%	22.0%	22.3%	23.9%
Commercial Vehicles and Construction Equipment	11.5%	11.2%	8.7%	10.6%	14.1%
Pre-owned Vehicles and others	19.6%	21.4%	18.0%	15.3%	12.2%

Origination

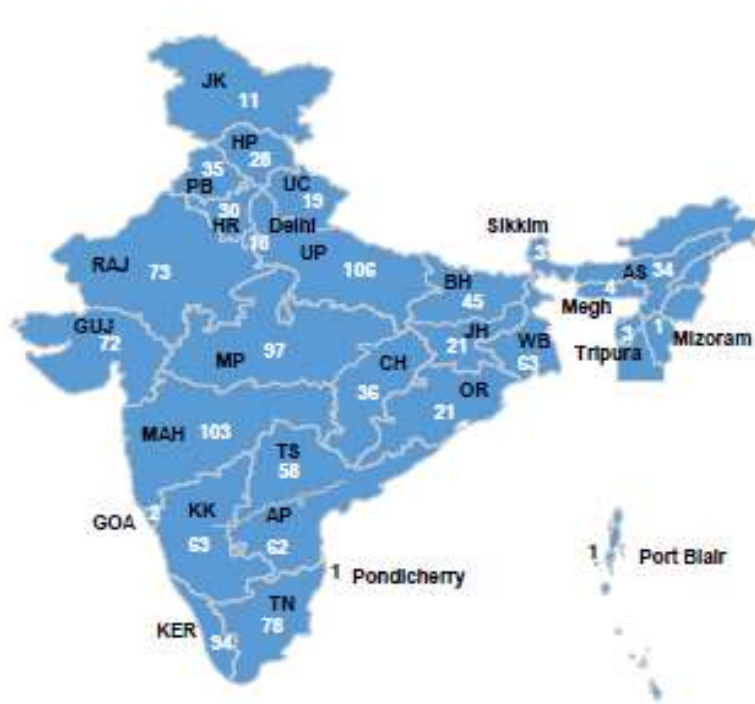
Customer Base

Our customers are predominantly small entrepreneurs and self-employed individuals in rural and semi-urban areas, such as transport operators, taxi operators and farmers. We secure our loans through the hypothecation of each asset financed.

Office Network

As of March 31, 2017, our Company had 1,182 offices located in 27 states and 4 union territories in India. Our offices are authorized to approve loans within prescribed guidelines and have appropriate staffing to process and monitor the loans made. Office employees report to their respective regional offices, which, in turn, report to their zone office and the head office in Mumbai.

The distribution of offices across India by state as of March 31, 2017 is set out in the map below:



Relationships with Dealers

We initially provided financing to M&M dealers and have since developed close relationships with other dealers across India. Our Company has entered into a memorandum of understanding with OEMs through which we have an opportunity to provide financing to customers and cooperate in promotional activities across their dealership network in India.

As part of our lending operations, we provide trade advances to dealers, which allow their customers to enter into direct contracts with us. These arrangements speed up financing and help us maintain close relationships with dealers. From time to time, we also organize dealer conferences and sales meetings, through which dealers provide us with feedback on customer requirements and market trends. As part of our marketing efforts, we also organize “loan fairs” with dealers.

Dealer Council

We have formed a “Dealer Council” in 2009, which includes select mix of OEM dealers. The Dealer Council is mandated to discuss ways to strengthen our relationships with the dealers and develop a framework to address the various financial requirements of the dealers and provide structured feedback on the market trends and customer preferences. Further, we expect that the Dealer Council will help us to undertake process improvement initiatives based on the feedback from dealers and customers, which we believe will help us in becoming more customer centric.

Our Operations – Lending policy

Initial Evaluation

Once we identify a customer and complete his application, a field executive obtains information from the customer, including proof of identification and residence, background, potential of servicing the loan, other outstanding loans, loan type sought and the proposed use of the vehicle being financed. We also require that the customer provide a guarantor, typically another vehicle owner and preferably an existing or former customer of ours.

For a customer seeking to finance a pre-owned vehicle, our field executive prepares a vehicle inspection and evaluation report to determine the registration details, condition and market value of the vehicle. The field

executive also prepares a field investigation report, which includes details of various movable and immovable properties of the applicant and guarantor. For an existing customer, the field executive also evaluates the customer's track record of payments.

The field executive then recommends whether the loan should be approved based on our prescribed guidelines and forwards a recommendation to the office manager for disbursement.

Approval Process

Our office managers evaluate proposals received from field executives. Office managers primarily evaluate a customer's ability to repay, which includes permanency of residence, record of past repayment, income from other sources, entrepreneurial attitude, physical verification and operational viability of the proposed business, if applicable. To minimize the time required for approvals, we conduct know-your-customer procedures as required by the RBI in-house, use decentralized approval authority and standardized documentation and procedures across our offices. We typically approve loans within two days of receiving a complete application together with relevant supporting documents.

For the trade advances that we provide to authorized dealers, particularly for utility vehicles, tractors and cars, we also undertake background checks with the vehicle manufacturer, credit history, business volumes and seasonality. Our head office sets and communicates limits on trade advances for dealers.

For SME financing, there are four teams involved which include relationship, credit, risk and compliance. The relationship team collects the credit login information based on which it will visit the customer and does the assessment. The customer requirement is fulfilled with products defined in the credit policy. After the customer accepts the product structure, the proposal is provided to the approval authority as defined in the credit policy. Thereafter, the compliance team takes care of the execution of conditions of approval and the disbursement of the loan. The disbursement is conducted by the accounts team. All the activities, from login, approval, compliance and disbursement, are taken care of from our single software system. The credit policy and products are designed, taking into consideration the customer segments and industry segment.

Disbursement

After confirming completion of the initial evaluation and approval process, our disbursing officers meet the customers to execute the loan documentation, ensuring that we gain security over the collateral. The disbursing officer verifies the know-your-customer checklist with the customer and verifies the completed checklist with information in our file. The disbursing officer explains the contents of the loan documents and based on customer's request, provides copies of the executed loan documents to the customer. In certain cases, we also require the customer to submit post-dated cheques typically covering the first 12 instalments prior to any loan disbursement. Options such as direct debit and Automated Clearing House (ACH) are provided to our customers to facilitate ease in repayment. For pre-owned vehicles, we also require endorsement of the registration certificate and the insurance policy. We aim to appraise customers and complete disbursement within the shortest amount of time while adhering to our internal standards and regulatory requirements.

Loan Administration and Monitoring

At the outset of loan disbursement, we give our customers an option to pay using one of five methods—cash, cheque, demand drafts, ECS or ACH—at a frequency that is fixed after determining the customer's expected cash flow. Our field executives visit customers to collect installments as they become due. We track loan repayment schedules on a monthly basis through our central MIS department, which monitors installments due and loan defaults. We ensure that all customer accounts are reviewed by an office manager at regular intervals, with customers who have larger exposures or missed payments reviewed more frequently.

Collection and Recovery

Our field executives are responsible for collecting installments, with each field executive typically having responsibility for specified number of borrowers, depending on the volume of loan disbursements in the area. We consider opening a new office to handle additional customers in the region in an effort to ensure that each office can closely monitor its risks and collections.

We believe that our loan recovery procedure is well-suited to rural and semi-urban markets. The entire collection process is administered in-house. If a customer misses installment payments, our field executives identify the reasons for default and initiate action pursuant to our internal guidelines.

In the event of default under a loan agreement, we may initiate the process for re-possessing collateral. We typically use external agencies to re-possess collateral. Where appropriate, our loan asset re-construction department coordinates with our legal team and external lawyers to initiate and monitor legal proceedings.

Asset Quality

We maintain our asset quality by adhering to credit evaluation standards, limiting customer and vehicle exposure and interacting with customers directly and regularly. We ensure that prudent LTV ratios are adhered to while lending. We ensure prompt collection and proper storage of post-disbursement documents. We periodically inspect, either by ourselves or by internal auditors, our customers and the assets financed on a random basis. Our office accountants conduct tele-verification of the customers' key details and close follow-up is undertaken to ensure timely collection and control overdues.

Asset Classification

The Master Directions provide standards for asset classification, treatment of NPAs and provisioning against NPAs for deposit-taking NBFCs in India. Our Company, like other deposit-taking NBFCs, is required to classify lease and hire purchase assets, loans, advances and other forms of credit into various classes.

The Master Directions for asset classification are set forth below:

- *Standard Asset* - an asset in respect of which no default in repayment of principal or payment of interest is perceived and which has no disclosed problems and does not carry a risk higher than is normally associated with the business;
- *Sub-standard Asset* - an asset that has been an NPA for a period not exceeding 14 months, provided that the period 'not exceeding 14 months' shall be 'not exceeding 14 months' for the financial year ending 31 March 2017 and 'not exceeding 12 months' for the financial year ending 31 March 2018 and thereafter. An asset shall be sub-standard where the terms of the agreement regarding interest and / or principal have been renegotiated or rescheduled after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms;
- *Doubtful Asset* - an asset which remains a sub-standard asset for a period exceeding 14 months, provided that the period 'not exceeding 14 months' shall be 'not exceeding 14 months' for the financial year ending 31 March 2017 and 'not exceeding 12 months' for the financial year ending 31 March 2018 and thereafter; and
- *Loss Asset* - an asset that (a) has been identified as a loss asset by the NBFC or its internal or external auditor or by the RBI during the inspection of the NBFC, to the extent that it is not written off by the NBFC; and (b) is adversely affected by a potential threat of non-recoverability due to either erosion in the value or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

An NPA shall mean:

- (a) an asset, in respect of which, interest has remained overdue for a period of six months or more;
- (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of six months or more or on which interest amount remained overdue for a period of six months or more;
- (c) a demand or call loan, which remained overdue for a period of six months or more from the date of demand or call or on which interest amount remained overdue for a period of six months or more;
- (d) a bill which remains overdue for a period of six months or more;
- (e) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/advances, which facility remained overdue for a period of six months or more;
- (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of six months or more;

Provided that the period of 'six months or more' stipulated in (a) to (f) above shall be 'five months or more' for Fiscal 2016; 'four months or more' for Fiscal 2017; and 'three months or more' for Fiscal 2018 and thereafter;

- (g) the lease rental and hire purchase instalment, which has become overdue for a period of twelve months or more;
provided that the period of 'twelve months or more' stipulated in (g) above shall be 'nine months or more' for Fiscal 2016; 'six months or more' for Fiscal 2017; and 'three months or more' for Fiscal 2018 and thereafter;
- (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/beneficiary when any of the above credit facilities becomes non-performing asset;
provided that in the case of lease and hire purchase transactions, an applicable NBFC shall classify each such account on the basis of its record of recovery.

The Master Directions require NBFCs to make provisions against sub-standard assets, doubtful assets and loss assets, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realization of the security and the erosion over time in the value of the security charged.

Loans Advances and Other Credit Facilities including Bills Purchased and Discounted

The provisioning requirement in respect of loans advances and other credit facilities including bills purchased and discounted is:

- Sub-standard Assets: A general provision of 10.0% of the total outstanding sub-standard assets is required to be made;
- Doubtful Assets: (a) A 100.0% provision to the extent to which the advance is not covered by the realisable value of the security to which the applicable NBFC has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis; and (b) in addition to (a), depending on the period for which the asset has remained doubtful, provision to the extent of 20.0% to 50.0% of the secured portion of the doubtful assets (i.e. estimated realisable value of the outstanding amount) is required to be made as follows: (i) if the asset has been considered doubtful for up to one year, provision to the extent of 20.0% of the secured portion of the doubtful assets is required to be made; (ii) if the asset has been considered doubtful for one to three years, provision to the extent of 30.0% of the secured portion of the doubtful assets is required to be made; and (iii) if the asset has been considered doubtful for more than three years, provision to the extent of 50.0% of the secured portion of the doubtful assets is required to be made; and
- Loss Assets: The entire asset is required to be written off. If the asset is permitted to remain in the books for any reason, 100.0% of the outstanding amount should be provided for.

Lease and Hire Purchase Assets

The provisioning requirement in respect of hire purchase assets is the total dues (overdues and future instalments, collectively) as reduced by (a) the finance charges not credited to the profit and loss account and carried forward as non-matured finance charges; and (b) the depreciated value of the underlying asset. For this purpose (i) the depreciated values of the asset is notionally computed as the original cost of the asset to be reduced by depreciation at the rate of 20.0% per annum on a straight line method; and (ii) in the case of second hand assets, the original cost is the actual cost incurred for acquisition of the second hand asset.

In respect of lease and hire purchase assets, the following additional provisions are required to be made:

- Where the amount of hire charges or lease rentals is overdue for less than 12 months, no provision is required to be made;
- Where any amount of hire charges or lease rentals is overdue for 12 to 24 months, 10.0% of the net book value should be provided for;
- Where any amount of hire charges or lease rentals are overdue for more than 24 months but up to 36 months, 40.0% of the net book value should be provided for;
- Where such amount of hire charges or lease rentals are overdue for more than 36 months but up to 48 months, 70.0% of the net book value should be provided for;

- Where any amount of hire charges or lease rentals are overdue for more than 48 months, 100.0% of the net book value should be provided for; and
- On expiry of a period of 12 months after the due date of the last instalment of hire purchase/leased asset, the entire net book value is required to be provided for.

Standard Assets Provisioning: Every applicable NBFC shall make provisions for standard assets at 0.35% by the end of March 2017 and 0.40% by the end of March 2018 and thereafter, of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Our provisioning policy

Our Audit Committee has approved a more conservative policy for making provisions against loans in default than that which has been prescribed by the RBI, and we make further provisions if we identify a risk. We currently make provisions as follows:

Duration	Our Norms
More than 4 months but less than or equal to 11 months	10.0%
More than 11 months but less than or equal to 24 months	50.0%
More than 24 months*	100.0%

Further, from Fiscal 2013, we have followed a conservative provision on standard assets of 0.40% as against a provisioning of 0.35% as prescribed in the Master Directions. Our Company has recognised NPAs based on the four months norms from Fiscal 2016. During the Fiscal 2014 and 2015, our Company recognised NPA based on five months norms.

Our Company, with effect from the quarter ended 30 June 2016, has started considering the estimated realisable value of underlying security (which conforms to the Master Directions) for loan assets to determine 100% provisioning for assets which were 24 months overdue, which has resulted in a lower provision of ₹ 8,337 lakhs for the Fiscal 2017 with a consequent impact on profit before tax.

On a standalone basis, our write-offs were ₹ 84,500.16 lakhs and ₹ 51,003.24 lakhs as of March 31, 2017 and March 31, 2016, respectively. On a standalone basis, our Company had a total provision (including income reversals) of ₹ 2,58,298.50 lakhs, and ₹ 1,98,905.61 lakhs, which constituted 61.8% and 61.7% of our NPAs, as of 31 March 2017 and 31 March 2016, respectively. Details of provisions and amounts written off, on a standalone basis, excluding our portfolio of receivables on assignment, as of the specified dates are set out in the table below:

(₹ in lakhs except %)

Particulars	As of 31 March		
	2017	2016	2015
Gross NPAs	4,18,266.41	3,22,416.98	2,09,972.20
Provisions	2,58,298.50	1,98,905.61	1,28,151.56
Net NPAs	1,59,967.91	1,23,511.37	81,820.64
Total Assets (including income reversal)	46,63,375.06	40,07,368.51	35,38,949.01
Gross NPA to Total Assets	9.0%	8.0%	5.9%
Net NPA to Total Assets	3.6%	3.2%	2.4%
NPA Coverage Ratio	61.8%	61.7%	61.0%

Our Other Business Initiatives

Insurance Broking

We provide insurance broking solutions to individuals and corporates through our wholly-owned subsidiary, MIBL. MIBL has a “composite broking license” from the Insurance Regulatory and Development Authority (“IRDA”), which allows MIBL to undertake broking of life, non-life and reinsurance products. It has been awarded the ISO 9001:2008 Certification for Quality Management Systems for services related to broking of life

and non-life insurance products to corporate and retail customers.

The life insurance products that customers can choose from include children's plans, endowment, money back, retirement plans, term, unit linked and whole-life plans. Group policies include credit cover, employee term cover, gratuity and superannuation. Non-life insurance policies include personal, industrial, commercial, social and liability products to individuals and corporates. MIBL also offers customized insurance solutions, such as Mahindra Loan Suraksha, which provides group credit term cover to our retail loan customers, typically in rural and semi-urban markets and, in case of the death of a customer, allows the customer's family to retain the financed asset without further loan repayment. MIBL also facilitates protection of the assets hypothecated to our Company by offering motor insurance policies to the customers.

Housing Finance

We provide housing finance to individuals through our subsidiary, MRHFL, a registered housing finance company, in which NHB owns a 12.5% equity capital. We grant housing loans for purchase, construction, extension and renovation of house property. Our housing finance business, which currently operates in ten states.

SME Financing

Our Company provides loans for varied purposes such as project finance, equipment finance, working capital finance, vehicle finance and bill discounting services to small and medium enterprises. Our Company intends to leverage our existing customer base and the strengths of the Mahindra group to target the auto ancillary, engineering and food and agri-processing sectors through our SME business.

Mutual Fund business

Mahindra Asset Management Company Private Limited, which was incorporated on 20 June 2013, has been appointed as the asset management company of 'Mahindra Mutual Fund'. Mahindra Mutual Fund was constituted as a trust on 29 September 2015 and was registered with SEBI on 4 February 2016 under the registration code MF/069/16/01. MMFSL is the sponsor to the mutual fund and Mahindra Trustee Company Private Limited, a 100% subsidiary of MMFSL, is the trustee to the mutual fund.

The maiden fund of the Mahindra Mutual Fund - 'Mahindra Liquid Fund' received approval from the SEBI on 20 June 2016 and was launched on 4 July 2016.

Personal and Gold Loans

We provide secured and unsecured personal loans to customers including Mahindra group employees. Customers typically seek personal loans for weddings, children's education, medical treatment or working capital for a small or medium-sized enterprise. These loans are typically repayable in monthly or quarterly installments. We also provide gold loans, which are typically small loans secured by the pledge of used gold jewellery.

Mahindra Finance USA, LLC, United States

We among other services, provide wholesale inventory-financing to dealers and retail-financing to customers in the United States for purchase of Mahindra group products through MF USA, our joint venture with De Lage Landen Financial Services, Inc., in which our Company holds 49% of the equity share capital.

Treasury Operations

Our treasury operations help us meet our funding requirements and manage short-term surpluses. Our fund requirements are predominantly sourced by way of term loans, debentures, commercial paper, fixed deposits and securitization of receivables. We believe that through our treasury operations, we maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates.

Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI's requirements for asset and liability management. Our objective is to ensure the smooth functioning of our business and at the same time avoid holding excessive cash. We actively manage our cash and funds flow using various cash management services provided by banks. As part of our treasury activities, we also invest our surplus fund in fixed deposits with banks, liquid debt-based mutual funds and government

securities. All of our investments are made in accordance with the investment policy approved by our Board.

The principal components of our secured loans as of the dates indicated are set out below:

(₹ in lakhs)

Secured Loans	As of March 31,				
	2017	2016	2015	2014	2013
<i>Long Term Borrowings</i>					
Non-convertible Debentures	14,20,710.00	9,64,860.00	5,09,310.00	5,05,040.00	4,81,800.00
Term Loans From Banks	7,29,274.14	8,76,514.29	10,02,661.90	12,66,833.71	9,44,490.67
Foreign Currency Loan	99,559.95	80,160.34	54,544.47	52,288.51	37,952.07
<i>Total (a)</i>	22,49,544.10	1,921,534.63	15,66,516.37	18,24,162.22	14,64,242.74
<i>Short Term Borrowings</i>					
Term Loans from Banks	70,600.00	28,100.00	72,700.00	55,500.00	40,500.00
Cash Credit	62,090.05	81,834.60	59,105.33	57,232.21	75,027.03
<i>Total (b)</i>	1,32,690.05	1,09,934.60	1,31,805.33	1,12,732.21	1,15,527.03
Total (a+b)	23,82,234.15	20,31,469.23	16,98,321.70	19,36,894.43	15,79,769.77

The principal components of our unsecured loans as of the dates indicated are set out below:

(₹ in lakhs)

Unsecured Loans	As of March 31,				
	2017	2016	2015	2014	2013
<i>Long Term Borrowings</i>					
Fixed Deposits	4,12,609.42	4,60,596.67	4,61,080.33	3,54,288.65	2,29,430.81
Unsecured Bonds (Subordinate Debt)	2,18,410.00	1,18,410.00	1,00,910.00	79,410.00	62,510.00
Term Loans from Banks	0.00	10,000.00	10,000.00	10,000.00	0.00
Loans and advances from related parties (ICDs)	0.00	0.00	725.00	775.00	925.00
<i>Total (a)</i>	6,31,019.42	5,89,006.67	5,72,715.33	4,44,473.65	2,92,865.81
<i>Short Term Borrowings</i>					
Commercial Paper	3,65,500.00	2,76,000.00	3,47,500.00	0.00	5,000.00
Term Loans from Banks and Financial Institutions	7,400.00	0.00	0.00	2,200.00	2,019.79
Term Loans – Others	-	-	-	-	-
Fixed Deposits	25,686.71	17,829.68	6,943.06	5,931.15	3,362.41
Loans and advances from related parties (ICDs)	55,200.00	30,925.00	850.00	3,565.00	4,215.00
<i>Total (b)</i>	4,53,786.71	3,24,754.68	3,55,293.06	11,696.15	14,597.20
Total (a+b)	10,84,806.14	9,13,761.35	9,28,008.39	4,56,169.80	3,07,463.01

In our vehicle financing, SME Finance, housing finance, personal loans and gold loans businesses, we generate profit from the difference between the interest rates on our interest-earning assets, which are the loans we extend, and interest-bearing liabilities, which are our borrowings. The average cost of borrowings for the dates indicated is set out below:

	2017	2016	Fiscal 2015	2014	2013
Our Company (MMFSL)	8.8%	9.4%	9.9%	10.1%	9.8%

We believe that our established track record of timely debt repayment, strong brand equity, credit ratings and risk

management have allowed us to secure attractive interest rates on our term loans. While we have gradually decreased our dependence on mutual funds in an effort to diversify our funding sources, pursuant to a recent SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 (“**SEBI Circular 2016**”), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval. This shall restrict our ability to raise funds by issuance of debt securities to mutual funds.

Fixed Deposits

We accept fixed deposits, primarily from individuals, corporates and trusts as a source of financing our business. Our fixed deposits constituted 12.6%, 16.2%, 17.8%, 15.1% and 12.3% of our total borrowings as of March 31, 2017, 2016, 2015, 2014 and 2013, respectively. Our fixed deposit program is currently rated ‘FAAA’ by CRISIL. We offer cumulative and non-cumulative fixed deposits schemes to our customers. As of March 31, 2017, our non-cumulative schemes range from 12 to 60 months, offer quarterly or semi-annual distributions with present interest rates ranging between 7.30% and 7.55% per annum.

Assignment/Securitization of Portfolio against Financing Activities

We currently undertake non-recourse assignments/securitisation of receivables as a cost-effective source of funds and to increase our capital adequacy ratio. We sell a portion of the receivables generated from our financing businesses through assignment/securitisation transactions. In our assignment /securitisation transactions, we provide collateral, which can be in the form of undertakings or guarantees by our Company or bank deposits.

During the year ended Fiscal 2017, Fiscal 2016, Fiscal 2015, 2014, and 2013 we entered into securitisation/assignment transactions aggregating to ₹ 33,772.18 lakhs, ₹ 85,586.85 lakhs, ₹ 72,229.92 lakhs, ₹ 1,46,143.53 lakhs, ₹ 1,43,361.38 lakhs and ₹ 1,48,741.39 lakhs, respectively

Capital Adequacy Ratio

We are subject to capital adequacy requirements set out by the RBI for systemically important deposit-taking NBFCs, which currently require us to maintain a capital adequacy ratio consisting of Tier I and Tier II capital of not less than 15.0% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off balance sheet items. Our capital adequacy ratios were 17.2%, 17.3%, 18.3%, 18.0% and 19.7%, as of March 31, 2017, 2016, 2015, 2014 and 2013, respectively. Information related to our capital adequacy ratio on an unconsolidated basis, for the dates specified are set out below:

		(₹ in lakhs)				
		As of March 31,				
		2017	2016	2015	2014	2013
Eligible Tier I Capital		5,35,160.02	5,27,218.72	5,07,749.50	4,63,988.34	4,18,997.15
Eligible Tier II Capital		1,84,343.92	95,563.79	91,071.10	75,834.00	66,088.00
Total Capital		7,19,503.94	6,22,782.51	5,98,820.60	5,39,822.34	4,85,085.15
Total Risk-weighted Assets		41,78,394.61	36,02,830.44	32,72,499.97	29,95,296.09	24,57,839.56
Tier I Capital Ratio		12.8%	14.6%	15.5%	15.5%	17.0%
Capital Adequacy Ratio		17.2%	17.3%	18.3%	18.0%	19.7%

*The Capital Adequacy Ratio for Fiscal 2017 is computed after providing for the proposed dividend for Fiscal 2017.

Risk Management

Risk management forms an integral part of our business. We continue to improve our policies and implement our policies rigorously for the efficient functioning of our business. As a lending institution, we are exposed to various risks that are related to our lending business and operating environment. Our objective in our risk management

processes is to appreciate, measure and monitor the various risks that we are subject to and to follow policies and procedures to address these risks. We do so through our risk management architecture, which includes a team, headed by our Chief Financial Officer that identifies, assesses and monitors all of our principal risks. The major types of risk we face in our businesses are credit risk, interest rate risk, operational risk, liquidity risk, cash management risk, asset risk and foreign exchange risk. Our Board has also adopted foreign exchange and interest rate risk management policies. For further risks please see “**Risk Factors**” on page 12 of this Shelf Prospectus.

Credit Risk

Credit risk is the risk of loss that may occur from the default by our customers under our loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. Our credit approval policy includes a proposal evaluation and investigation procedure for credit appraisal. We manage our credit risk by evaluating the creditworthiness of our customers, carrying out cash flow analysis, setting credit limits, obtaining collateral and setting prudent LTV ratios. Actual credit exposures, credit limits and asset quality are regularly monitored at various levels.

Interest Rate Risk

We are subject to interest rate risk, principally because we lend to customers at fixed interest rates and for periods that may differ from our funding sources, which bear fixed and floating rates and are from banks and issuing debt. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage the interest rate risk on our balance sheet by managing our assets and liabilities. From time to time we enter into interest rate swaps to help manage the risks we may incur from being exposed to liabilities at floating rates.

We maintain an asset liability management policy, which has been approved and adopted by our Asset Liability Committee. Assets and liabilities are categorized into various time buckets based on their maturities and re-pricing options. Efforts are made and action plans are drawn to ensure minimum mismatch in each of the time buckets in line with guidelines prescribed by the RBI.

Operational Risk

Operational risks are risks arising from inadequate or failed internal processes, people and systems or from external events. As one of the features of our lending operations, we offer a speedy loan approval process and therefore have adopted de-centralised loan approval systems. In order to control our operational risks, we have adopted clearly defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking contingency planning. In addition, we have appointed local audit firms to conduct internal audits at a number of our offices to assess adequacy of and compliance with our internal controls, procedures and processes. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.

Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate price and tenure. We attempt to minimize this risk through a mix of strategies, including assignment of receivables and short-term funding. We also monitor liquidity risk through our Asset Liability Committee and our operating committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. Through our asset and liability management policy, we have capped maximum mismatches in various maturities in line with guidelines prescribed by the RBI. For further details refer section titled “**Risk Factors**” on page 12 of this Shelf Prospectus.

We manage short-term mismatches between assets and liabilities by issuing commercial paper or obtaining funding from banks. A summary of our asset and liability maturity profile as of March 31, 2017 on a unconsolidated basis, which is based on certain estimates, assumptions and our prior experience of the performance of our assets, is set out below:

(₹ in lakhs)

	Up to One Month	Between One Month and One Year	Between One and Three Years	Between Three and Five Years	Over Five Years	Total
Liabilities / Outflow						
Equity Capital	0.00	0.00	0.00	0.00	11,301	11,301
Preference Shares	0.00	0.00	0.00	0.00	0.00	0.00
Reserves and Surplus	0.00	0.00	0.00	0.00	636,424	636,424
Borrowings	99,232	1,113,186	1,651,614	283,931	342,515	3,490,477
Current Liabilities and Provisions	64,249	72,800	76,136	22,966	30,723	266,875
Total	1,63,481	1,185,986	1,727,750	3,06,897	1,020,963	4,405,077
Assets / Inflow						
Owned Assets	49	0.00	0.00	0.00	10,844	10,893
Investment	27,700	22,500	4,193	21,001	113,554	188,948
Cash and Bank Balance	41,841	12,209	15,396	12	0.00	69,457
Inflow from Loans and Advances	299,239	1,414,395	1,751,900	392,398	163,748	4,021,679
Other Assets	2,759	5,451	29,443	10	76,436	114,099
Unutilized Bank Lines	62,348	0.00	(62,348)	0.00	0.00	0.00
Total	433,937	1,454,555	1,738,583	413,421	364,581	4,405,077
Surplus / (Deficit)	270,455	268,569	10,833	106,524	(656,382)	0.00
Cumulative Surplus (Deficit)	270,455	539,024	549,857	656,382	0.00	0.00

Assumptions:

1. Bank borrowings mature as per maturity schedule. Bank CC to mature in 6-12 months' time.
2. Interest accrued but not due on fixed deposits is based on maturity profile of the fixed deposits.
3. Maturity of contingent liabilities has not been estimated as they may or may not crystallize.
4. Non NPA Debtors with age 1-5 months to mature in 6-12 months and debtors with age 7-11 months to mature in 1-3 years.
5. NPAs net of NPA provision to mature after a period of 5 years.
6. Deferred tax asset to mature after 5 years.
7. Un-utilized bank lines can be accessed as and when required as to bridge excess of outflow over inflow, if any.
8. The unutilized limit with the banks as of March 31, 2017 is estimated at ₹62,348 lakhs after considering cash credit balance as per bank statement.
9. Additional unutilised bank term loans / working capital loans sanctioned and documents executed approximately Rs. 2,10,000 lakhs not included for above calculation.

Cash Management Risk

Our offices collect and deposit a large amount of cash through a high volume of small transactions taking place in our network. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems.

Asset risk

Asset risks arise due to the decrease in the value of the collateral over time. The selling price of a re-possessed asset may be less than the total amount of loan and interest outstanding in such borrowing and we may be unable to realize the full amount lent to our customers due to such a decrease in the value of the collateral. We may also face certain practical and execution difficulties during the process of seizing collateral. We engage experienced repossession agents to repossess assets of defaulting customers. We ensure that these repossession agents follow legal procedures and take appropriate care in dealing with customers for seizing assets.

Foreign Exchange Risk

While substantially all our revenues is denominated in rupees, we have incurred and expect to incur indebtedness denominated in currencies other than rupees for our capital requirements. As of March 31, 2017, we had ₹ 99,559.95 lakhs of fully hedged foreign currency FCNR(b) borrowings outstanding under term-loans.

Risk Management Architecture

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through the Audit Committee, the Asset Liability Committee and the Risk Management Committee.

- *Audit Committee.* Our Audit Committee acts as a link between the statutory and internal auditors and our Board. It is authorized to select and establish accounting policies, review reports of the statutory and the internal auditors and meet with them to discuss their findings, suggestions and other related matters. Our Audit Committee has access to all information it requires from our Company and can obtain external professional advice whenever required.
- *Asset Liability Committee.* Asset Liability Committee reviews the working of the Asset Liability Operating Committee, its findings and reports in accordance with the guidelines of the RBI. Our Asset Liability Committee reviews risk management policies related to liquidity, interest rates and investment policies.
- *Risk Management Committee.* Our Risk Management Committee manages the integrated risk, informs our Board about the progress made in implementing a risk management system and periodically reviews the risk management policy followed by our Company.

Centralized Management and Technology

Our information technology support systems aid us in performing the processes involved in a loan transaction. For example, at the pre-disbursement stage, we store know-your-customer details and other details of customer appraisal into the system for future reference. After disbursement, our system can generate the interest due on each loan at any given point and track each phase of the payment schedule up to maturity. We can control our information technology system from our head office in Mumbai, allowing senior management to receive operational data on a prompt basis. We are also able to track our liquidity position, which allows us to plan for shortfalls in advance. We have also rolled out an advanced version of the GPRS devices, which functions as a “mobile office” and is equipped with portable camera, scanning, voice recording and biometric features that enables our employees to originate loans, issue receipts and conduct know-your-customer checks at a customer’s home or business location.

Our production servers also allow us to conduct a daily automated backup. We currently have the technology and facilities in place to back up our systems and have established disaster recovery procedures in Mumbai.

Our Credit Ratings

Our present credit ratings are set forth below:

Agency	Instrument	Rating	Outlook
CRISIL	Fixed deposit program	FAAA	Stable
	Short term debt	CRISIL A1+	-
	Long term and subordinated debt	CRISIL AA+	Stable
India Ratings	Long term and subordinated debt	IND AAA	Stable
	Short term debt	IND A1+	-
CARE	Long term and subordinated debt	CARE AAA	Stable
Brickwork	Long term and subordinated debt	BWR AAA	Stable

Insurance

We have taken a corporate cover policy including a fidelity policy, standard fire and special perils, burglary and earthquake cover in respect of our offices across India. We have a money insurance policy in respect of cash in safe and cash in transit. In addition, our directors are insured under directors’ and officers’ liability insurance policy for the Mahindra group.

Employees

As of March 31, 2017, our Company employed 17,856 number of employees.

We have established training programs for our employees on a continuous basis and we intend to continue investing in recruiting, training and maintaining a rewarding work environment. In addition to ongoing on-the-job training, we provide employees with courses in specific areas as required. To create a sense of ownership among and as a long-term incentive to our employees, our Company has adopted two employee stock option schemes to issue options convertible into Equity Shares to select employees linked to their performance. We also use employee recognition programs, such as Dhruv Tara, Annual Convention Award and Achievement Box, to reward our employees for performance.

We launched the Mahindra Finance Academy in Mumbai on October 26, 2010, which currently provide training to our prospective and present employees at five locations. We conduct a five day induction programme for our new employees, which covers product knowledge, business processes and aptitude training.

Select employees also participate in the Mahindra group's "Talent Management and Retention" program. This program is developed to identify, assess and acquire talent for Mahindra group. We also run an assessment and development centre for our promising employees.

Competition

We believe that our relationships with dealers, our knowledge of the rural and semi-urban market, existing customer base and associated relationships, the continued expansion of our office network and our dealer relationships coupled with our proactive approach in providing flexible loan products and speedy service will enable us to remain competitive. Competition in our industry is expected to continue to increase. Our primary competitors are public sector banks, private banks (including foreign banks), co-operative banks, regional rural banks and NBFCs. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We are exposed to the risk that these banks continue to expand their operations into the retail vehicle financing in rural and semi-urban markets, which would result in greater competition and lower spreads on our loans, particularly because these banks have greater resources and access to cheaper funding than us. Increasing competition from banks in rural and semi-urban markets has already resulted in downward pressure on our interest margins.

Property

Our registered office is located at Gateway Building, Apollo Bunder, Mumbai 400 001, Maharashtra. We currently do not have an agreement with M&M for the use of this premise. Our corporate office is located at Mahindra Towers, 4th floor, Dr. G.M. Bhosale Marg, P.K. Kune Chowk, Worli, Mumbai 400 018, Maharashtra and is leased by our Company.

Except three of our regional offices at Pune, Jaipur and Aurangabad, which are located in properties owned by us, our other offices and corporate office are located at premises leased or licensed by us. All of our owned properties are free from encumbrances and have clear title except our property at Aurangabad, which is under mortgage for secured non-convertible debentures issued by us.

Intellectual Property

Our Company entered into a trademark license agreement dated December 8, 2009 with M&M for the non-exclusive, non-assignable right to use the trademark 'Mahindra' logo and 'Mahindra & Mahindra' trademark as part of its corporate name and trading style, domain name and its products and services. The trademark license agreement shall remain valid unless terminated or once our Company ceases to be a subsidiary of M&M. M&M also holds the trademarks for 'Mahindra Finance', 'Mahindra Insource' and 'Mahindra Home Finance Ghar Ki Baat Hai'. We currently do not have a license agreement with M&M for the use of these trademarks.

Corporate Social Responsibility (“CSR”)

The Corporate Social Responsibility Committee (‘CSR Committee’ Board level) of our Company is responsible to formulate and recommend to the Board the CSR policy indicating the activities falling within the purview of schedule VII to the Companies Act, 2013, to be undertaken by our Company, to recommend the amount to be spent on CSR activities presented by the Financial Services Sector CSR Council (‘FSS CSR Council’) and to monitor the CSR Policy periodically. The FSS CSR Council is supported by the CSR secretariat made up of cross-functional team, zonal CSR secretariat at the zones and the regional CSR secretariat at regions, for implementation of the approved projects. For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee shall allocate for its annual CSR budget, 2% of the average net profits of our Company made during the three immediately preceding financial years, calculated in accordance with the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The thrust areas under CSR Policy are education, health, environment and others.

HISTORY, MAIN OBJECTS AND KEY AGREEMENTS

Brief background of our Company

Our Company was incorporated on January 1, 1991 under the name of Maxi Motors Financial Services Limited as a public limited company under the provisions of the Companies Act, 1956. Our Company commenced its operations, pursuant to a certificate of commencement of business dated February 19, 1991. Pursuant to a fresh certificate of incorporation dated November 3, 1992, consequent to change of name, our Company's name was changed to Mahindra & Mahindra Financial Services Limited. The registered office of our Company is Gateway Building, Apollo Bunder, Mumbai 400 001.

Our Company holds a certificate of registration dated September 4, 1998 bearing number 13.00996 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934 which has been renewed on March 21, 2007.

Change in registered office of our Company

There has been no change in the registered office of our Company.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

- To carry on the business of buying, selling, leasing, lease broking, letting on hire, hire purchase or on easy payment system, motor vehicles, taxi cabs, mopeds, scooters, motor cycles, 3 wheelers, auto-rickshaws, automobiles, tractors, commercial vehicles, vans, pickups, earth moving equipment, material handling equipment, trailers, oil rigs, coaches, garages and all other vehicles drawn by motor, steam, oil, petroleum, electricity or any mechanical or other power or device, agricultural implements and machinery, airships, aeroplanes and helicopters, tools, plants, implements, utensils, apparatus and requisites and accessories, household and office furniture, wireless and television receivers, telephones, telex, tele printers, computers, tabulators, addressing machines and other sophisticated office machinery or other apparatus, ships, dredgers, barges and containers and to carry on the business of hire purchase of moveable properties of any kind including machinery, plant of all kinds, to buy, sell, alter, repair, exchange and deal in and finance the sale of furniture, apparatus, machinery, materials, goods, and articles, to hire out or sell any of the same on hire purchase system and to lease or otherwise deal with them in any manner whatsoever including resale thereof regardless of whether the property purchased and leased be new and/or used, from India or from any part of the world.
- To carry on mutual fund activities in India or abroad, acting as a sponsor to a Mutual Fund, incorporating or causing the incorporation of and/or acquiring or holding shares in an asset management company and/or trustee company to a mutual fund and to engage in such other activities relating to the Mutual Fund business as permitted under the applicable laws, to set-up, create, issue, float, promote and manage assets, trusts or funds including mutual funds, growth funds, investment funds, income or capital funds, taxable or tax exempt funds, charitable funds, venture funds, risk funds, real estate funds, education funds, on shore funds, off shore funds, consortium funds, or organise or manage funds or investments on a discretionary or non-discretionary basis on behalf of any person or persons (whether individual, firms, companies, bodies corporate, public body or authority, supreme, local or otherwise, trusts, pension funds, charities, other associations or other entities), whether in the private or public sector and to act as administrators, managers, portfolio managers; or trustees of funds and trusts, brokers, managers or agents to the issue, registrar to the issue, underwriters to the issue, financial advisors, trusteeship services, and wealth advisory services.

Key terms of our Material Agreements

(1) Shareholders Agreement dated November 30, 2012 (“Shareholders Agreement”) among our Company, Inclusion Resources Private Limited (“Investor”) and MIBL:

Our Company has executed the Shareholders Agreement with the Investor and MIBL. The Investor is a subsidiary of LeapFrog Financial Inclusion Fund (“LeapFrog”), an investment fund focused on investing in companies engaged in providing high quality and affordable insurance and related financial services to people with low annual incomes.

The salient features of the Shareholder's Agreement are as follows:

(i) *Arrangement with LeapFrog Labs Limited ("LFL")*

MIBL shall work together with LeapFrog Labs Limited, a company registered under the laws of Scotland, whereby LFL will provide expertise to MIBL to facilitate research, development and technical assistance, and also provide monetary grants towards developing MIBL's insurance capabilities particularly with respect to rural and semi-urban low-income Indians. Towards this end, LFL shall, from its global experience, provide MIBL with insights and resources available to it, from time to time.

(ii) *Relationship with the Mahindra group:*

Our Company shall provide full access to its branch networks (including offices) and customer databases including those of its subsidiaries to MIBL for the purpose of business. The said access shall be exclusive with respect to the business of insurance broking, reinsurance broking and distribution as carried out by MIBL and our Company shall not provide to any other entity engaged in same or competing business as mentioned above. Our Company shall ensure that MIBL shall continue to exclusively manage the loan protection plans i.e. group credit plans for retail individual customers of our Company. Subject to the above, MIBL shall to its best efforts ensure that it shall act as the insurance broker for all the insurance policies taken up by the entities within the Mahindra group.

(iii) *Exit*

MIBL and our Company will make best efforts to provide an exit from MIBL to the Investor before the end of the 6th year of its investment, either in the form of an IPO, a private sale of equity to a permitted transferee or MIBL may buyback the investor shares in accordance with the buyback regulations and other applicable laws. In the event that the Investor does not fully exit by the end of the sixth year of the investment, our Company will purchase or arrange for another party to purchase Investor's shareholding in MIBL at the then fair market value. This will take place at the request of Investor any time between 6 and 8 years after the investment.

(2) **Subscription Agreement dated August 12, 2008 ("Subscription Agreement") between NHB and MRHFL:**

MRHFL and NHB have executed the Subscription Agreement to mobilise funds for providing long term finance for construction, purchase, renovation, extension of houses for residential purposes in India. Pursuant to the Subscription Agreement, NHB has subscribed to 57,50,000 equity shares of face value of Rs 10 each of MRHFL. As on March 31, 2017, 1,18,91,511 equity shares of Rs. 10 each have been subscribed.

OUR SUBSIDIARIES

As on the date of this Shelf Prospectus our Company has following four subsidiaries.

MIBL:

MIBL was incorporated pursuant to a certificate of incorporation dated February 18, 1987 issued by the RoC as an insurance broking business having its Registered Office situated at Mahindra Towers, Mumbai – 400018.

Shareholding pattern:

The Shareholding Pattern of MIBL as on date of this Shelf Prospectus is as follows:

Sr.No.	Name of Shareholder	Address	No. of Equity Shares	Face Value (in ₹)	Amount (in ₹)
1.	MMFSL	Gateway Building, Apollo Bunder, Mumbai-400001	21,90,692	10	2,19,06,920
2.	MMFSL jointly with Mr. V Ravi	Gateway Building, Apollo Bunder, Mumbai-400001	5	10	50
3.	MMFSL jointly with Mr. Ramesh Iyer	Gateway Building, Apollo Bunder, Mumbai-400001	5	10	50
4.	MMFSL jointly with Mr. Rajeev Dubey	Gateway Building, Apollo Bunder, Mumbai-400001	5	10	50
5.	MMFSL jointly with Mr. Rajesh Vasudevan	Gateway Building, Apollo Bunder, Mumbai-400001	5	10	50
6.	MMFSL jointly with Dr. Jaideep Devare	Gateway Building, Apollo Bunder, Mumbai-400001	5	10	50
7.	MMFSL jointly with Mr. S. Durgashankar	Gateway Building, Apollo Bunder, Mumbai-400001	5	10	50
8.	Inclusion Resources Private Limited	c/o Lee & Lee, 50 Raffles Place, No 6-00 Singapore Land Tower, Singapore 048623	3,86,598	10	38,65,980
Total			25,77,320		2,57,73,200

Board of Directors:

The board of directors of MIBL comprises of the following persons:

1. Mr. Rajeev Dubey - Chairman;
2. Dr. Jaideep Devare - Managing Director;
3. Mr. Ramesh Iyer - Director;
4. Mr. V Ravi - Director;
5. Mr. Hemant Sikka - Director;
6. Mr. Nityanath P. Ghanekar - Independent Director; and
7. Ms. Anjali Raina - Independent Director.

MRHFL:

MRHFL was incorporated pursuant to a certificate of incorporation dated April 9, 2007 issued by the Registrar of Companies, Mumbai and having its registered office situated at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018.

Shareholding pattern:

The Shareholding Pattern of MRHFL as on date of this Shelf Prospectus is as follows:

Sr.No.	Name of Shareholder	Address	No. of Equity Shares	Face Value (in ₹)	Amount (in ₹)
1.	MMFSL	Gateway Building, Apollo Bunder, Mumbai-400001	8,32,40,643	10	83,24,06,430
2.	MMFSL jointly with Mr. Ramesh Iyer	Gateway Building, Apollo Bunder, Mumbai-400001	2	10	20
3.	MMFSL jointly with Mr. Rajesh Vasudevan	Gateway Building, Apollo Bunder, Mumbai-400001	2	10	20
4.	MMFSL jointly with Mr. V Ravi	Gateway Building, Apollo Bunder, Mumbai-400001	2	10	20
5.	MMFSL jointly with Mr. Ravi Kulkarni	Gateway Building, Apollo Bunder, Mumbai-400001	2	10	20
6.	MMFSL jointly with Mr. Dinesh Prajapati	Gateway Building, Apollo Bunder, Mumbai-400001	2	10	20
7.	MMFSL jointly with Mr. Anuj Mehra	Gateway Building, Apollo Bunder, Mumbai-400001	2	10	20
8.	National Housing Bank	Core 5-A, 4 th Floor, India Habitat Centre, Lodhi Road, New Delhi - 110003	1,18,91,511	10	11,89,15,110
Total			9,51,32,166		95,13,21,660

Board of Directors:

The board of directors of MRHFL comprises of the following persons:

1. Mr. Ramesh Iyer -Chairman;
2. Mr. Anuj Mehra – Managing Director;
3. Mr. K Chandrasekar - Director;
4. Mr. V Ravi - Director;
5. Mr. K. Chakravarthy - Nominee Director of NHB;
6. Mr. Nityanath P. Ghanekar - Independent Director;
7. Dr. Narendra Mairpady - Independent Director; and
8. Mrs. Anjali Raina- Independent Director.

MAMCPL:

MAMCPL was incorporated pursuant to a certificate of incorporation dated June 20, 2013 issued by the Registrar of Companies, Mumbai and having its registered office situated at 4th Floor, A Wing, Mahindra Towers, Dr G M Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400018. MAMCPL has been granted registration of its mutual fund, 'Mahindra Mutual Fund' by Securities & Exchange Board of India, under a certificate of registration bearing no. 069/16/01 dated February 4, 2016.

Shareholding pattern:

The Shareholding Pattern of MAMCPL as on date of this Shelf Prospectus is as follows:

Sr.No.	Name of Shareholder	Address	No. of Equity Shares	Face Value (in ₹)	Amount (in ₹)
1.	MMFSL	Gateway Building, Apollo Bunder, Mumbai-400001	9,09,99,998	10	90,99,99,980
2.	MMFSL jointly with Mr. Ramesh Iyer	Gateway Building, Apollo Bunder, Mumbai-400001	1	10	10
3.	MMFSL jointly with Mr. V Ravi	Gateway Building, Apollo Bunder, Mumbai-400001	1	10	10
Total			9,10,00,000		91,00,00,000

Board of Directors:

The board of directors of MAMCPL comprises of the following persons:

1. Mr. V Ravi – Chairman;
2. Mr. Ashutosh Bishnoi – Managing Director and Chief Executive Officer;
3. Mr. Sethu Gururajan-Independent Director; and
4. Mr. Gautam R. Divan - Independent Director.

MTCPL:

MTCPL is a wholly-owned subsidiary of our Company, was registered on July 10, 2013 and having its registered office situated at Mahindra Towers, Mumbai – 400018.

Shareholding pattern:

The Shareholding Pattern of MTCPL as on date of this Shelf Prospectus is as follows:

Sr.No.	Name of Shareholder	Address	No. of Equity Shares	Face Value (in ₹)	Amount (in ₹)
1.	MMFSL	Gateway Building, Apollo Bunder, Mumbai-400001	499,998	10	49,99,800
2.	MMFSL jointly with Mr. M.G. Bhide	Gateway Building, Apollo Bunder, Mumbai-400001	1	10	10
3.	MMFSL jointly with Mr. R.K. Kulkarni	Gateway Building, Apollo Bunder, Mumbai-400001	1	10	10
Total			5,00,000		50,00,000

Board of Directors:

The board of directors of MTCPL comprises of the following persons:

1. Mr. Manohar Gopal Bhide - Chairman;
2. Mr. Debabrata Bandyopadhyay - Independent Director;
3. Mr. Gautam G. Parekh- Independent Director; and
4. Dr. Narendra Mairpady - Independent Director.

REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The following information is based on the current provisions of applicable Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

As per the RBI Act, a financial institution has been defined as a non-banking institution, carrying on as its business or part of its business of, *inter alia*, the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own, and is engaged in the acquisition of shares, stock, bonds, debentures and/or securities issued by the Government or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business, but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the purchase or sale of any goods (other than securities) or the providing of any services or the sale, purchase and/or construction of immovable property.

Any company which carries on the business of a non-banking financial institution as its principal business is to be treated as an NBFC. Since the term ‘principal business’ has not been defined in law, the RBI has clarified through a press release (Ref. No. 1998-99/ 1269) in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration (“CoR”). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, the RBI has raised the requirement of minimum net owned fund (“NOF”) from ₹ 25 lakhs to ₹ 200 lakhs for the NBFC which commences business on or after April 21, 1999 also it shall be mandatory for all NBFCs to attain a minimum NOF of ₹ 200 lakhs by the end of 1 April 2017.

NBFCs failing to maintain NOF of ₹ 200 lakhs in the prescribed time shall not be eligible to hold a certificate of registration as an NBFC.

1. Regulation of NBFCs registered with the RBI

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial Company –Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“**Master Directions**”) and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 (“**Public Deposit Directions**”). In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

2. Types of Activities that NBFCs are permitted to carry out

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important, key differences. The most important distinctions are:

- (i) an NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand;
- (ii) NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and
- (iii) deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositor of NBFCs.

3. Types of NBFCs:

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC (“**NBFC-D**”) or as a non-deposit accepting NBFC (“**NBFC-ND**”).

NBFCs registered with RBI are further classified as:

- (i) asset financing companies;
- (ii) investment companies;
- (iii) loan companies;
- (iv) infrastructure finance companies;
- (v) systematically important core investment companies;
- (vi) infrastructure debt fund – NBFCs;
- (vii) NBFC- Factors;
- (viii) Mortgage guarantee Company;
- (ix) NBFC- Non operative financial holding company; and/or
- (x) NBFC – micro finance institutions.

Our Company has been classified as an NBFC-D and is further classified as an “asset finance company.” An asset finance company is an NBFC whose whole principal business is to finance physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.

4. Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 200 lakhs (Rupees Two Hundred Lakhs Only). For this purpose, the RBI Act has defined “net owned funds” to mean:

- (a) the aggregate of the paid-up equity capital, preference shares which are compulsorily convertible into equity and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of loss, (ii) deferred revenue expenditure, (iii) deferred tax assets (net); and (iv) other intangible assets; and
- (b) further reduced by amounts representing,
 - (1) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and
 - (2) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group,

to the extent such amount exceeds 10% of (a) above.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI within 21 days from the date of such withdrawal.

Maintenance of liquid assets

The RBI has prescribed that every NBFC shall invest, and continue to invest, in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day, be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the close of business on the last working day of the second preceding quarter.

5. Obligations of NBFC-D under the Public Deposit Directions

The RBI's Public Deposit Directions governs the manner in which NBFCs may accept and/or hold public deposits. The Public Deposit Directions places the following restrictions on NBFCs in connection with accepting public deposits:

1. Prohibition from accepting any demand deposits: NBFCs are prohibited from accepting or renewing any public deposit which is repayable on demand.
2. Ceiling on quantum of deposits: An asset finance company or a loan company or an investment company (a) having minimum NOF as stipulated by RBI, and (b) complying with all the prudential norms, may accept or renew public deposit, together with the amounts remaining outstanding in the books of the company as on the date of acceptance or renewal of such deposit, not exceeding one and one-half times of its NOF. Provided that an asset finance company holding public deposits in excess of the limit of one and one-half times of its NOF shall not renew or accept fresh deposits till such time they reach the revised limit.
3. Downgrading of credit-rating: In the event that a credit rating issued by a credit rating agency recognised by RBI, for an asset finance company is downgraded below the minimum specified investment grade, with respect to the relevant credit rating agency, the NBFC, being an asset finance company or a loan company or an investment company, shall regularise the excess deposit as provided hereunder:
 - (a) forthwith stop accepting fresh public deposits and renewing existing deposits;
 - (b) all existing deposits should runoff to maturity; and
 - (c) report the position of the credit rating within fifteen working days, to the concerned Regional Office of the RBI where the NBFC is registered.
4. Ceiling on rate of interest: NBFCs are prohibited from inviting or accepting or renewing public deposit at a rate of interest exceeding twelve and half per cent per annum. Interest may be paid or compounded at rests which shall not be shorter than monthly rests.

NBFCs are also prohibited from inviting or accepting or renewing repatriable deposits from Non-Resident Indians under the Non-Resident (External) Account Scheme at a rate exceeding the rate specified by the RBI for such deposits with Scheduled Commercial Banks (The period of repatriable deposits shall be not less than one year and not more than three years).

5. Minimum lock-in period: A NBFC is prohibited from granting any loan against a public deposit or making any premature repayment of a public deposit within a period of three months (lock-in period) from the date of acceptance of such public deposit.

Provided that in the event of the death of a depositor, a NBFC may repay the public deposit prematurely, even within the lock-in period, to the surviving depositor/s in the case of joint holding with survivor clause, or to the nominee or the legal heir/s of the deceased depositor, on the request of the surviving depositor, nominee or legal heir, and only against submission of proof of death, to the satisfaction of the company.

6. Obligations of NBFC-D under the Master Directions

NBFC-Ds are required to comply with prescribed capital adequacy ratios, single and group exposure norms, and other specified prudential requirements prescribed under the Master Directions. Some of the important obligations are as follows:

- i) **Income Recognition:** NBFC-Ds are required to follow recognised accounting principles in connection with recognition of income. Income including interest/discount or any other charges on NPA is recognised only when it is actually realised. NBFCs may recognise income on accrual basis in respect of the projects under implementation, which are classified as “standard.” NBFCs should not recognise income on accrual basis in respect of the projects under implementation which are classified as a “sub-standard” asset. NBFCs may recognise income in such accounts only on realisation on cash basis. Any such income recognised before the asset became non-performing and remaining unrealised must be reversed. With respect to hire-purchase assets, where instalments are overdue for more than 12 months, income shall be recognised only when hire charges are actually received. Any such income taken to the credit of profit and loss account before the asset became non-performing and remaining unrealised must be reversed.

Consequently, NBFCs which have wrongly recognised income in the past should reverse the interest if it was recognised as income during the current year or make a provision for an equivalent amount if it was recognised as income in the previous year(s).

- ii) **Asset Classification and provisioning of assets:** Every NBFC-D is required to, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes, namely:

- Standard assets;
- Sub-standard assets;
- Doubtful assets; and
- Loss assets.

The class of assets referred to above shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for the upgradation. Further, an NBFC-D must, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets in the manner prescribed by RBI.

- iii) **Provisioning of Standard Assets:** NBFCs are required to make a general provision of 0.30% as of 31 March 2016, 0.35% as of 31 March 2017 and 0.40% as of 31 March 2018 and thereafter of the outstanding standard assets. The provisions on standard assets are not reckoned for arriving at the net NPAs. The provisions towards standard assets are not needed to be netted from gross advances but shown separately as ‘Contingent Provisions on Standard Assets’ in the balance sheet.
- iv) **Loans against NBFC’s own shares prohibited:** No NBFC-D can lend against its own shares.
- v) **Capital Adequacy:** Every non-banking financial company shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The total Tier I capital, at any point of time shall not be less than 8.5 percent by March 31, 2016 and 10 percent by March 31, 2017. The total of Tier II capital of any NBFC-D at any point of time shall not exceed one hundred percent of Tier I capital.
- vi) **Disclosure Requirements:** Every non-banking financial company is required to separately disclose in its balance sheet the provisions made in accordance with the applicable prudential norms prescribed by the RBI without netting them from the income or against the value of assets. Further, the provisions shall be distinctly indicated under separate heads of account as under:
- provisions for bad and doubtful debts; and
 - provisions for depreciation in investments.

Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the non-banking financial company. Such provisions for each year shall be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves may be written back without making adjustment against them.

- vii) **Fair Practices Code:** The RBI has framed the Fair Practice guidelines, to promote good and fair practices by setting minimum standards to be adhered to by NBFCs in dealing with customers. These guidelines require NBFCs to ensure that they meet the commitments and standards specified therein for the products and services they offer and in the procedures and practices their staff follows, their products and services meet relevant laws and regulations in letter and spirit, and their dealings with customers rest on ethical principles of integrity and transparency. Further, the said guidelines prescribe the requirements in connection with information to be provided and disclosures to be made by NBFCs to their customers. Accordingly, the guidelines require NBFCs to provide information on interest rates, common fees and charges, provide clear information explaining the key features of their services and products that customers are interested in, provide information on any type of product and service offered, that may suit the customer's needs, tell the customers about the various means through which products and services are offered, and provide more information on the key features of the products, including applicable interest rates / fees and charges.
- viii) **KYC Guidelines:** NBFCs have been advised, *vide* RBI Master Circular dated July 1, 2015, to follow certain customer identification procedure for opening of accounts and monitoring transactions of suspicious nature for the purpose of reporting it to appropriate authority, ("**KYC Norms**"). Accordingly, NBFCs have been advised to ensure that a proper policy framework on 'know your customer' and anti-money laundering measures is formulated and put in place with the approval of the RBI. The KYC Norms also require that while preparing operational guidelines NBFCs may keep in mind to treat the information collected from the customer for the purpose of opening of account as confidential and not divulge any details thereof for cross selling or any other purposes. NBFCs may, therefore, ensure that information sought from the customer is relevant to the perceived risk, is not intrusive, and is in conformity with the guidelines issued in this regard. Any other information from the customer should be sought separately with his /her consent and after opening the account.

Rating of Financial Product

As per the Master Directions, all NBFCs with asset size of ₹ 10,000 lakhs and above are required to furnish at the regional office of the RBI under whose jurisdiction the registered office of the NBFC is functioning, information relating to the upgrading and downgrading of assigned rating of any financial products issued by them within 15 days of such change.

Norms for excessive interest rates

All NBFCs are required to put in place appropriate internal principles and procedures in determining interest rates and charges for loans and advances. The Master Directions stipulate that the Board of each NBFC shall adopt an interest rate model after taking into account the various relevant factors, such as, among others, cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers shall be required to be disclosed in the application form and communicated explicitly in the sanction letter. Furthermore, the same is also required to be made available on the company's website or be published in the relevant newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be annualised rates so that the borrower is aware of the exact rates that would be charged to the account.

7. Corporate Governance

RBI vide its notification (DNBS.019/CGM (CDS)-2015) dated May 10, 2015, has laid down corporate governance guidelines for the consideration of all NBFC-Ds. The guidelines recommend that such NBFCs constitute an Audit Committee (to ensure that an information system audit of internal systems and processes is conducted at least once in two years to assess operational risks), a Nomination Committee (to ensure that fit and proper persons are nominated as directors on their respective boards) and a Risk Management Committee to institute risk management systems. Further, all NBFCs are required to obtain undertakings and a deed of covenant from all directors and furnish a quarterly statement to the RBI on change of directors along with a certificate from the managing director that 'fit and proper criteria' has been followed. All applicable NBFCs are required to disclose

details pertaining to asset-liability profile, non-performing assets and movement of non-performing assets, details of exposures, etc. in their annual financial statements.

8. In addition to the above, NBFCs are required to rotate the partner of the chartered accountant firm conducting the audit every three years so that the same partner does not continuously conduct the audit of the company for more than a period of three years. NBFCs are also mandated to frame internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines which shall be published on the company's web-site, if any, for the information of various stakeholders.

Accounting Standards & Accounting policies
Subject to the changes in Indian Accounting Standards and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the Profit and Loss account of these changes in each of the accounting years preceding the change.

In such case our profit/loss for the preceding years might not be strictly comparable with the profit/loss for the period for which such accounting policy changes are being made.

9. Reporting by Statutory Auditor

The statutory auditor of the NBFC-D is required to submit to the Board of Directors of our Company a report *inter-alia* certifying that such company has complied with the Master Directions relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts and standard assets as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

10. Other Regulations

Applicable Foreign Investment Regime

FEMA Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion (DIPP), GoI which is regulated by the FIPB.

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“**FEMA Regulations**”) to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. As laid down by the FEMA Regulations, no prior consent and approval is required from the RBI, for FDI under the “automatic route” within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

RBI on September 09, 2016 vide Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Thirteenth Amendment) Regulations, 2016 made amendments to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, (Notification No. FEMA 20/2000-RB dated 3rd May 2000), in Schedule 1, in Annex B, Paragraph F.8 by providing FDI under automatic route up to 100% in Financial Services activities regulated by financial sector regulators, viz., RBI, SEBI, Insurance Regulatory and Development Authority, Provident Fund Regulatory Development Authority, National Housing Bank or any other financial sector regulator as may be notified by the Government of India subject to other conditions introduced vide paragraph F.8.1

Foreign Direct Investment

FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy (“**FDI Policy**”) by the DIPP. FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities.

Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/ activities that cannot be brought in under the automatic route (other than in prohibited sectors) may be brought in through the approval route.

Further:

- (a) As per the sector specific guidelines of the Government of India, 100% FDI/ NRI investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.
- (b) Minimum Capitalisation Norms for fund based NBFCs:
 - (i) For FDI up to 51% - US\$ 5 lakhs to be brought upfront
 - (ii) For FDI above 51% and up to 75% - US \$ 50 lakhs to be brought upfront
 - (iii) For FDI above 75% and up to 100% - US \$ 500 lakhs out of which US \$ 75 lakhs to be brought upfront and the balance in 24 months
- (c) NBFCs (i) having foreign investment more than 75% and up to 100%, and (ii) with a minimum capitalisation of US\$ 50 lakhs can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. The minimum capitalization condition as mandated by the FDI Policy at paragraph 3.10.4.1, therefore, shall not apply to downstream subsidiaries.
- (d) Joint venture operating NBFCs that have 75% or less than 75% foreign investment can also set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capitalisation norm mentioned in (b)(i), (ii) and (iii) above and (e) below.
- (e) Non- Fund based activities: US \$ 50 lakhs million to be brought upfront for all permitted nonfund based NBFCs irrespective of the level of foreign investment subject to the following condition. It would not be permissible for such a company to set up any subsidiary for any other activity, nor can it participate in any equity of an NBFC holding/operating company.
- (f) These norms will be subject to compliance with the guidelines of RBI.

Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

Laws Relating to Employment

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

Our Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Laws relating to Intellectual Property

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 *inter-alia* govern the law in relation to intellectual property, including brand names, trade names and service marks and research works.

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, various tax related legislations and other applicable statutes.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. As on the date of this Shelf Prospectus, we have 9 (nine) Directors on our Board.

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, defaulter list maintained by the RBI and/or Export Credit Guarantee Corporation of India Limited.

Details relating to Directors

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
Mr. Dhananjay Narendra Mungale <i>Chairman and Independent Director</i> Age: 64 years DIN: 00007563 PAN: AADPM4264H Occupation: Consultant Term of appointment: July 24, 2014 till July 23, 2019	U.K. (Nationality of origin – Indian)	July 24, 2014	10 A / Ameya Apartments, Near Kirti College, Off. Dhuru Road, Prabhadevi, Mumbai, 400028, Maharashtra, India	i. I-nestor Advisors Private Ltd; ii. Mentor Technologies Private Limited; iii. J P Morgan Asset Management India Private Limited; iv. J P Morgan Securities India Private Limited; v. LICHFL Trustee Company Private Limited; vi. Chowgule Steamships Limited vii. NOCIL Limited; viii. Tamilnadu Petroproducts Limited; ix. Lavgan Dockyard Private Limited; x. Kalpataru Limited; xi. Samson Maritime Limited; and xii. Mahindra CIE Automotive Limited.
Mr. Ramesh Iyer <i>Vice-Chairman and Managing Director</i> Age: 59 years DIN: 00220759 PAN: AAAPI6054Q Occupation: Service	Indian	April 30, 2016	A-801/802, 8th Floor, Oberoi Gardens, Western Express Highway, Kandivali (East), Mumbai, 400101, Maharashtra, India	i. Mahindra Insurance Brokers Limited; ii. Mahindra First Choice Wheels Limited.; iii. NBS International Limited; iv. Mahindra Rural Housing Finance Limited; v. Mahindra First Choice Services Limited;

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
Term of appointment: April 30, 2016 to April 29, 2021				vi. Mahindra Finance USA LLC; and vii. Finance Industry Development Council
Mr. V Ravi <i>Executive Director and Chief Financial Officer</i> Age: 58 years DIN: 00307328 PAN: ABKPV6883B Occupation: Service Term of appointment: July 25, 2015 to July 24, 2020	Indian	April 23, 2014 (as CFO under Companies Act, 2013) July 25, 2015 (as Whole Time Director)	A-4 New Samrat, 2 nd Floor, Andheri Kurla Road, Andheri (East), Mumbai, 400069, Maharashtra, India	i. Mahindra Insurance Brokers Limited; ii. Mahindra Rural Housing Finance Limited; iii. Mahindra Solar One Private Limited; iv. Mahindra Asset Management Company Private Limited; and v. Mahindra Finance USA LLC
Mr. V S Parthasarathy <i>Non-Executive Non-Independent Director</i> Age: 55 years DIN: 00125299 PAN: AADPV5236G Occupation: Service Term of appointment: Liable to retire by rotation	Indian	July 24, 2014	501-502, Mayfair Bliss, Lena Cottage Co.Op.Hsg.Soc.Ltd,7th Road, Khar West, Mumbai, 400052, Maharashtra, India	i. Mahindra Aerospace Private Limited; ii. Mahindra eMarket Limited iii. Mahindra Defence Systems Limited; iv. Mahindra USA Inc.; v. Mahindra Yueda (Yancheng) Tractor Company Limited; vi. Mahindra Tractor Assembly Inc.; vii. CIE Automotive, S.A.; viii. Mahindra Holidays & Resorts India Limited; ix. New Democratic Electoral Trust; x. Mahindra Two Wheelers Limited; xi. Peugeot Motorcycles; xii. Tech Mahindra Limited;

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
Mr. Chandrashekhar Bhave <i>Independent Director</i> Age: 67 years DIN: 00059856 PAN: AADPB6164B Occupation: Self Employed Term of appointment: February 3, 2015 to February 2, 2020	Indian	February 3, 2015	64 Tower 4, Pebble Bay, 1ST Main Rmv 2ND Stage, Dollars Colony, Bangalore, 560094, Karnataka, India	xiii. Mahindra Automotive North America Inc.; xiv. Mahindra Electric Mobility Limited; and xv. Bombay Chambers of Commerce and Industry. i. Indian Institute for Human Settlements; ii. Avenue Supermarts Limited; and iii. Vistaar Financial Services Private Limited
Mr. Manohar Gopal Bhide <i>Independent Director</i> Age: 78 years DIN: 00001826 PAN: ABBPB2711K Occupation: Management Consultant Term of appointment: July 24, 2014 till July 23, 2019	Indian	July 24, 2014	A-5, Bageshree, Shankar Ghanekar Marg, Prabhadevi, Mumbai, 400025, Maharashtra, India	i. Mahindra Agri Solutions Limited; ii. J. P. Morgan Securities India Private Limited; iii. Talwalkars Better Value Fitness Limited; and iv. Mahindra Trustee Company Private Limited.

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
Mr. Piyush Gunwantrai Mankad <i>Independent Director</i> Age: 76 years DIN: 00005001 PAN: AEDPM7042R Occupation: Consultant Term of appointment: July 24, 2014 till July 23, 2019	Indian	July 24, 2014	P161, ATS Green Village, Sector - 93A, Expressway, Noida - 201301, Uttar Pradesh, India	i. DSP BlackRock Investment Managers Private Limited; ii. Heidelberg Cement India Limited; iii. Noida Toll Bridge Company Limited; iv. Hindustan Media Ventures Limited; and v. DSP BlackRock Pension Fund Managers Private Limited.
Mrs. Rama Bijapurkar <i>Independent Director</i> Age: 60 years DIN: 00001835 PAN: AADPB9849D Occupation: Management Consultant Term of appointment: July 24, 2014 till July 23, 2019	Indian	July 24, 2014	8,C-D, Mona Apartments, 46F, Bhulabhai Desai Road, Mumbai, 400026, Maharashtra, India	i. ICICI Prudential Life Insurance Company Ltd.; ii. Ambit Private Limited; iii. People Research on India's Consumer Economy; iv. RBL Bank Limited (The Ratnakar Bank Limited); v. Indian Council on Global Relations; vi. National Payments Corporation of India; vii. Redington Gulf FZE; and viii. Emami Limited
Dr Anish Shah <i>Non-Executive Non-Independent Director</i> Age: 48 years DIN: 02719429 PAN: AACPS2427B	U.S.A. (Nationality of origin – Indian)	March 18, 2016	2/21, Beach Queen, 35/3, Azad Road, Juhu, Mumbai, 400049, Maharashtra, India	i. Mahindra Truck & Buses Limited; ii. Mahindra Lifespace Developers Limited; iii. PF. Holdings B.V.; iv. Mahindra Ecole Centrale; and v. Orizonte Business Solutions Limited.

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
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Occupation:
Service

Term of
Appointment:
Liable to retire by
rotation

Profile of Directors

Mr. Dhananjay Narendra Mungale

Mr. Dhananjay Narendra Mungale is a Chairman and independent director of our Company. He has been associated with our Company for a period of over 17 years.

Mr. Ramesh Iyer

Mr. Ramesh Iyer has been Vice-Chairman & Managing Director of our Company with effect from March 18, 2016 and is associated with us since inception.

Mr. Ramesh Iyer has also recently won the “Business Leadership Award” by Indian Achievers Forum on September 10, 2015. In 2014, he was also awarded the “Best CEO – Financial Services” Mid-Sized Companies by Business Today. He has also been conferred two awards in the category “CEO of the Year” & “Most Admired Rural Entrepreneur of the Year Award” at The Rural Marketing Forum and Awards, conducted by CMO Asia on February 14, 2015. He is also the recipient of the award “CEO – Financial Services” at the CEO Awards 2015 organized by CEO India magazine on March 12, 2015. He has received the prestigious Asia Pacific Entrepreneurship Award (APEA) 2017 INDIA on 27th April 2017.

Mr. V Ravi

Mr. V Ravi is the Executive Director and Chief Financial Officer of our Company and has been associated with our Company since its inception.

Mr. V Ravi was awarded the “CFO 100 Roll of Honour 2014” award in the category – ‘Winning Edge in Raising Capital/Fund Management – Revenues above ₹ 1,000 Crores’ in the year 2014. He was also awarded the “CFO100 League of Excellence 2015” award by CFO 100. In 2015, he has also been recognized as the “Most Influential CFO in India” by the Chartered Institute of Management Accountants. Mr. Ravi was awarded “100 Most Influential CFO’s of India” from Chartered Institute of Management Accountants (CIMA).

Mr. V S Parthasarathy

Mr. V S Parthasarathy is non-executive and non-independent director of our Company. He has been associated with our Company for a period of over 1 year.

He has received many accolades and recognitions in the field of finance, M&A & IT; some notable awards being:

- **As group chief financial officer**
 - CFO Hall of Fame – from CFO India in 2014 for life time contribution to world of finance;
 - CFO Manufacturing Sector –At 8th ICAI Awards 2014 by The Institute of Chartered Accountants of India;
 - ‘CFO of the Year’ 2013 award – from International Market Assessment (IMA); and
 - Best CFO of India Award by Corporate Excellence Awards.

- **As group chief information officer (“CIO”)**
 - CIOL Life Time Achievement Award by CIOL's C-Change Enterprise Awards 2015;
 - Global CIO-Hall of Fame 2012 by Information Week; and
 - CIO 100 – Hall of Fame by CIO.
- **As president – group finance and mergers and acquisition**
 - CFO Innovation Asia Award 2014 for excellence in mergers & acquisitions;
 - Best CFO Award - 2012 by Business Today / Yes Bank in the “Enhancing Competitiveness through M&As”;
 - Facilitation of global M&A Strategy by CCH Wolters & Kluwer in 2011; and
 - Award for Innovation & Excellence for ‘Treasury Transformation from Treasury Management International’ in 2014.

Mr. Chandrashekhar Bhave

Mr. Chandrashekhar Bhave is an independent director of our Company. He has been associated with our Company for a period of over 2 years. He started his career in the Indian Administrative Service (IAS) in 1975.

Mr. Bhave was the Chairman of SEBI, India's capital markets regulator, from 2008 to 2011. Prior to this, he was the Chairman and Managing Director of the National Securities Depository Limited (NSDL). He was also the Chairman of the Asia-Pacific Regional Committee of the International Organisation of Securities Commissions (IOSCO).

Mr. Bhave has several professional affiliations that include:

- Member of the Board of the Public Interest Oversight Board (PIOB), Madrid which supervises the work of the standard-setting bodies of the International Federation of Accountants from the perspective of public interest.
- Member of the City of London Advisory Council for India.
- Trustee of the IFRS Foundation, London that oversees the International Accounting Standards Board and Independent and Public Spirited Media Foundation.
- Member of the Board of Directors of Avenue Supermarts Ltd.
- Trustee of the Independent Public Spirited Media Foundation.
- Member of the Regulatory Committee Abu Dhabi Global Markets.

Mr. Manohar Gopal Bhide

Mr. Manohar Gopal Bhide is an independent director of our Company. He has been associated with our Company for a period of over 16 years.

Mr. Piyush Gunwantrao Mankad

Mr. Piyush Gunwantrao Mankad is an independent director of our Company. He has been associated with our Company for a period of over 11 years. Mr. Piyush G. Mankad joined Indian Administrative Service in 1964.

Mrs. Rama Bijapurkar

Mrs. Rama Bijapurkar is an independent director of our Company for a period of over 7 years. She is a respected thought leader on India's Consumer Economy and is a leading market strategy consultant. She is the author of “WALTO”, “A Never- Before – World- Tracking the Evolution of Consumer India” and “Customer in the Boardroom” Crafting Customer- Based Business Strategy and is a visiting faculty at the Indian Institute of Management, Ahmedabad.

Dr. Anish Shah

Dr. Anish Shah is a director of our Company. He holds a Ph.D. degree and a Master's degree in Industrial Administration (Accounting) from Carnegie Mellon University, Pennsylvania. He also holds a Postgraduate diploma in Management from the Indian Institute of Management, Ahmedabad. His former role was President and Chief Executive Officer of GE Capital India.

Remuneration of the Directors

Pursuant to a resolution dated March 20, 2015, and in compliance with requirements under Section 134(3)(e) of the Companies Act, 2013 read with Section 178(2) of the Companies Act, 2013 and erstwhile clause 49 of the listing agreement, our Company has formulated a policy on Appointment of Directors and Senior Management and Succession Planning for Orderly Succession to the Board and the Senior Management. Pursuant to a resolution passed by the Board at its meeting held on March 19, 2014, the Board has constituted a Nomination and Remuneration Committee (“NRC”).

Pursuant to the recommendation of our NRC at its meeting held on April 25, 2017 and the resolution passed by the Board of the Directors at its meeting held on April 25, 2017, the eligible Non-Executive directors and independent directors have been paid commission for the Fiscal 2017, as follows:

Sr. No.	Designation	Amount (₹ in Lakhs)
1.	Mr. Dhananjay Mungale - Chairman of the Audit Committee	24.00
2.	Mr. Piyush Gunwantrao Mankad – Chairman of the Nomination and Remuneration Committee	17.00
3.	Mr. Manohar Gopal Bhide – Chairman of the Stakeholders Relationship Committee	17.00
4.	Independent Directors (other than Chairmen of above mentioned Committees)	34.00

Pursuant to the special resolution passed at the 20th AGM of our Company held on July 23, 2010 and partially modified by the special resolution passed at the 21st AGM held on July 29, 2011, the eligible non-executive directors were paid commission up to a maximum of 1% of the net profits of our Company for the Fiscals 2010-2015.

Further, pursuant to the special resolution passed at the 25th AGM of our Company held on July 24, 2015 all the Directors who are neither in the full time employment of our Company, nor Managing Director or Executive Director of our Company with effect from April 1, 2015, shall be paid remuneration by way of commission either by way of a monthly payment or at a specified percentage of the net profits of our Company or partly by one way and partly by the other, as the Board of Directors may from time to time determine, up to one per cent of the net profits of our Company.

Pursuant to the resolutions passed by the Board at its meetings held on July 24, 2014, April 23, 2015 and January 21, 2016 the independent directors and eligible Non-Executive Director(s) are entitled to be paid sitting fees for attending the meetings of the Board and its Committees as under:

Meeting	Overall limit per Director (₹)
Meetings of the Board	50,000
Meetings of Audit Committee	40,000
Meetings of Nomination and Remuneration Committee	30,000
Meetings of Risk Management Committee	30,000
Meetings of Asset Liability Committee	30,000
Meetings of Corporate Social Responsibility Committee	30,000
Meetings of Stakeholders Relationship Committee	30,000
Meetings of the Strategy Committee for Acquisitions	20,000

Appointment and Remuneration of Managing Director

Mr. Ramesh Iyer, was re-appointed as Vice Chairman & Managing Director of our Company for a period of 5 (five) years with effect from April 30, 2016 pursuant to a resolution of the Board passed at its meeting held on April 23, 2016.

Further, the salary payable to Mr. Ramesh Iyer was restructured, within the scale of ₹ 5,00,000 to ₹ 10,00,000 per month *vide* resolution of the Nomination and Remuneration Committee dated April 23, 2016. The shareholders of our Company have approved the remuneration pursuant to the Special Resolution passed by Postal Ballot on July 16, 2016.

The remuneration payable to our Managing Director for the Fiscal 2017, by way of salary and other perquisites is as follows:

i. Salary:

Salary payable is in the scale of ₹ 5,00,000 to ₹ 10,00,000 per month.

ii. Perquisites:

- a) In addition to the salary, the Managing Director shall also be entitled to perquisites (including allowances) which would include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, performance award, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities including those under the Company's Special Post Retirement Benefits Scheme in accordance with the Rules of our Company.
- b) The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.
- c) Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- d) Encashment of earned leave at the end of the tenure as per Rules of our Company shall not be included in the computation of ceiling on remuneration.
- e) Provision of car for use on Company's business, telephone and other communication facilities at residence would not be considered as perquisites.

iii. Commission:

In addition to the salary and perquisites, the Managing Director would be entitled to such commission based on the net profits of our Company in any financial year not exceeding one-fourth per cent of such profits as the Nomination and Remuneration Committee shall decide, having regard to the performance of our Company.

Our Managing Director is entitled to a commission of ₹ 97.65 lakhs for the year ended March 31, 2017 and as approved *vide* the resolution passed at the meetings of the NRC and Board of Directors on April 25, 2017.

iv. Other Applicable Terms:

Where in any financial year during the currency of the tenure of the Vice-Chairman & Managing Director, our Company has no profits or inadequate profits, our Company may pay to the Managing Director remuneration as the minimum remuneration for a period not exceeding 3 years from the date of appointment by way of salary, perquisites and other allowances and benefits subject to receipt of approvals.

Encashment of earned leave at the end of the tenure as per our Company's Rules is not included in the computation of ceiling on remuneration.

Provision for car for use on Company's business and telephone and other communication facilities at residence would not be considered as perquisites.

Mr. Ramesh Iyer, Vice-Chairman & Managing Director of our Company does not receive any remuneration or commission from any of the Subsidiaries. However, Mr. Ramesh Iyer has been granted stock options under the Employees' Stock Option Scheme of the holding company, Mahindra & Mahindra Limited. The remuneration of Mr. Ramesh Iyer is as per the "Policy on Remuneration of Directors" of our Company.

During the Fiscal 2017 Mr Ramesh Iyer was paid a compensation of ₹ 684.93 lakhs.

Appointment and Remuneration of Executive Director & Chief Financial Officer

Mr. V Ravi was appointed as the Executive Director & Chief Financial Officer of our Company on the recommendation of NRC at its meeting held on July 24, 2015 and pursuant to a resolution of the Board passed at its adjourned meeting held on July 24, 2015 for a period of 5 years with effect from July 25, 2015.

The remuneration payable to our Executive Director & Chief Financial Officer is as follows:

i. Salary:

₹ 3,00,000 per month in the scale of ₹ 3,00,000 to ₹ 6,00,000 per month.

ii. Perquisites:

a) In addition to the salary, Mr. V Ravi is also entitled to perquisites which would include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, performance award, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities including those under our Company's Special Post Retirement Benefits Scheme in accordance with the Rules of our Company.

The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

- b) Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- c) Encashment of earned leave at the end of the tenure as per Rules of our Company shall not be included in the computation of ceiling on remuneration.
- d) Provision of car for use on Company's business, telephone and other communication facilities at residence would not be considered as perquisites.

iii. Commission:

In addition to the salary and perquisites, Mr. V Ravi is entitled to such commission based on the net profits of our Company in any financial year not exceeding one-fourth per cent of such profits as the Nomination and Remuneration Committee shall decide, having regard to the performance of our Company.

Provided that the remuneration payable to Mr. V Ravi (including the salary, commission, perquisites, allowances, benefits and amenities) shall not exceed the limits laid down in sections 197 and 198 of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force read with Schedule V of the Companies Act, 2013.

If in any financial year during the currency of the tenure of Mr. V Ravi, our Company has no profits or its profits are inadequate, subject to the requisite approvals, our Company may pay the remuneration, as mentioned aforesaid, as the minimum remuneration for a period not exceeding 3 years from the date of appointment by way of salary, perquisites and other allowances and benefits as specified above and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V of the Act. The remuneration proposed for Mr. V. Ravi is as per the 'Policy on Remuneration of Directors' of our Company.

Mr. V Ravi is entitled to a commission of ₹ 45.68 lakhs for the year ended March 31, 2017 and as approved *vide* the resolution passed at the meetings of the NRC and Board of Directors on April 25, 2017.

During the Fiscal 2017 Mr V Ravi was paid a compensation of ₹ 305.53 lakhs.

Borrowing Powers of the Board

Pursuant to a resolution passed by the Board at its meeting held on April 25, 2017, and the approval of the shareholders by way of postal ballot on June 15, 2017 in accordance with provisions of Section 180(1)(c) of the Companies Act, 2013, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company upon such terms and conditions and with or without security as the Board may think fit, provided that money or monies to be borrowed together with the monies already borrowed by our Company (apart from temporary loans (including working capital facilities) obtained from our Company's bankers in the ordinary course of business) shall not exceed ₹ 60,000 crores (Rupees Sixty Thousand Crores only).

Interest of the Directors

All the directors of our Company, including our independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them and the independent directors may be deemed to be interested to the extent of commission out of net profits as may be paid to them as approved by the shareholders in the Annual General Meeting held on July 24, 2015, of our Company. All the non-executive independent directors of our Company are entitled to receive sitting fees for every meeting of the Board or a committee thereof. The Managing Director of our Company is interested to the extent of remuneration paid for services rendered as an officer or employee of our Company.

All the directors of our Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, stock options such as employee stock options scheme held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company. None of the Directors have any interest in immovable property acquired or proposed to be acquired by our Company in the preceding two years as of the date of this Shelf Prospectus.

Our Company's directors have not taken any loan from our Company. Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details, refer "*Financial Statements*" beginning on page 157 of this Shelf Prospectus.

None of the relatives of the Directors have been appointed to an office or place of profit.

Except as disclosed hereinabove and the section titled "*Risk Factors*" on page 12 of this Shelf Prospectus the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the section titled "*Financial Statements*" and to the extent of compensation and commission if any, and their shareholding in the Company, our Directors do not have any other interest in our business.

Debenture holding of Directors:

As on March 31, 2017 none of the Directors of our Company hold any Debentures issued by our Company.

Changes in the Directors of our Company during the last three years:

The changes in the Board of Directors of our Company in the three years preceding the date of this Shelf Prospectus are as follows:

Name of the Director, Designation and DIN	Appointment /Resignation/Change in Designation	Date of Appointment/Resignation
Mr. Dhananjay Mungale Independent Director DIN: 00007563	Change in designation to Non-Executive Independent	July 24, 2014
Mr. Manohar Gopal Bhide Independent Director DIN: 00001826	Change in designation to Non-Executive Independent	July 24, 2014
Mr. Piyush Mankad Independent Director DIN: 00005001	Change in designation to Non-Executive Independent	July 24, 2014
Mr. V. S. Parthasarathy Non-Executive Non-Independent Director DIN: 00125299	Appointment	July 24, 2014
Mrs. Rama Bijapurkar Independent Director DIN: 00001835	Change in designation to Non-Executive Independent	July 24, 2014
Dr. Pawan Kumar Goenka Non-Executive Non-Independent Director DIN: 00254502	Cessation (Date of appointment: July 27, 2009)	July 24, 2014
Mr. Chandrashekhar Bhawe Independent Director DIN: 00059856	Appointment	February 3, 2015
Mr. Uday Phadke Non-Executive Non-Independent Director DIN: 00030191	Cessation (Date of appointment: May 27, 1999)	July 24, 2015
Mr. V Ravi Appointed as Additional Director and designated as Executive Director and Chief Financial Officer DIN: 00307328	Executive Director and Chief Financial Officer (Whole-time Director)	July 25, 2015
Mr. Bharat Doshi Non-Executive Non-Independent Chairman DIN: 00012541	Cessation (Date of appointment: March 30, 1992)	March 9, 2016
Mr. Dhananjay Mungale Independent Director DIN: 00007563	Change in designation to Chairman	March 18, 2016
Dr. Anish Shah Additional Director DIN: 02719429	Appointment	March 18, 2016
Mr. Ramesh Iyer Managing Director DIN: 00220759	Change in designation to Vice-Chairman & Managing Director	April 30, 2016
Dr. Anish Shah Additional Director DIN: 02719429	Appointment regularised as Director	June 16, 2016
Mr. V Ravi Executive Director and Chief Financial Officer DIN: 00307328	Appointment regularised as Executive Director and Chief Financial Officer	June 16, 2016

Shareholding of Directors, including details of qualification shares held by our Directors

As per the provisions of our AOA, our Directors are not required to hold any qualification shares. Details of the shares held in our Company by our Directors, as on March 31, 2017 are provided in the table given below:

S. No.	Name of Director	No. of Equity Shares
1.	Mr. Ramesh Iyer	7,43,432
2.	Mr. V Ravi	5,18,933
3.	Mr. Dhananjay Mungale	50,000
4.	Mr. Manohar Gopal Bhide	50,000
5.	Mr. Piyush Mankad	50,000
6.	Mrs. Rama Bijapurkar	30,000
7.	Mr. V. S. Parthasarathy	250

Details of various committees of the Board

Our Company has various committees which have been constituted as a part of the good corporate governance practices.

A. Audit Committee

The Board at its meeting held on March 18, 2016 reconstituted the Audit Committee. The members of the Audit Committee are:

Mr. Chandrashekhar Bhave - Chairman;
Mr. Dhananjay Mungale;
Mr. Manohar G. Bhide;
Mr. Piyush Mankad;
Mrs. Rama Bijapurkar;
Mr. V.S. Parthasarathy; and
Dr. Anish Shah.

The brief terms of reference of the Audit Committee, *inter alia*, include:

a. Appointment/Re-appointment of Statutory Auditors

1. To recommend to the Board the appointment/ reappointment, remuneration and terms of appointment/ reappointment of Statutory Auditors ("Auditor/Auditors") of the Company including filling of any casual vacancy thereof and if required, the replacement or removal of the Auditor.
2. To recommend to the Board, the name of individual auditor or the audit firm who may be rotated in the place of the present incumbent.
3. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
4. To approve and recommend to the Board availing of such other services from the Auditor as may be deemed necessary from time to time excluding such services as may be prohibited from time to time and payment for the same.

b. Functions, Role and Duties

1. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
2. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Examination of and reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. The going concern assumption;
 - vi. Compliance with accounting standards;
 - vii. Compliance with listing and other legal requirements relating to financial statements;
 - viii. Disclosure of any related party transactions;
 - ix. Modified Opinions in the draft audit report.
4. Providing comments/explanation on observations made by the auditors in the auditors' report/ modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Scrutiny of inter-corporate loans and investments.
7. Valuation of undertakings or assets of the Company, wherever it is necessary.
8. Evaluation of internal financial controls and risk management systems.
9.
 - a. Monitoring the end use of funds raised through public offers/any issue and related matters;
 - b. Reviewing, with the Management :
 - the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).
 - the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue.
 - c. Making appropriate recommendations to the Board to take up steps in this matter.
10. To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
11. Calling for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board for its approval and discussion with the internal and statutory auditors and the management of the company on any related issues.
12. Monitoring and Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Reviewing the financial statements, in particular, the investments made by the unlisted subsidiary companies.
14. To review the instances of fraud reported by auditor and provide comments thereon.
15. To investigate into any matter within its terms of reference or referred to it by the Board.
16. To obtain outside legal or other professional advice.
17. To seek information from any employee and shall have full access to information contained in the records of the Company.
18. To secure attendance of outsiders with relevant expertise, if it considers necessary.
19. Approval of system for storage, retrieval, display or printout of the electronic records for accounts.
20. To ensure that an Information System Audit of the internal system and processes is conducted at least once in two years to assess operational risk faced by the Company.

c. Internal Audit

1. To recommend the appointment, removal and terms of remuneration of the Chief Internal Auditor and review the same.
2. In consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
3. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
4. Discussion with Internal Auditors of any significant findings and follow-up thereon.
5. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

d. Review

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

e. Related Party Transactions (“RPTs”)

1. In accordance with the provisions of the Companies Act, 2013 and Rules made thereunder (“the Act”) and/or Clause 23 of the SEBI Listing Regulations:
 - a. Approval or any subsequent modification of transactions of the Company with related parties which are in the ordinary course of business and on arm’s length basis;
 - b. To grant prior approval for all RPTs which are not in the ordinary course of business and/or on arm’s length basis and if approved, recommending it to the Board and for further placing it before the Shareholders for approval in case the transactions exceed the values prescribed under the Act.
2. To grant prior approval to all RPTs to be entered into by the Company in accordance with Clause 23 of the SEBI Listing Regulations as amended from time to time.
3. To grant omnibus approval for RPTs proposed to be entered into by the Company, which shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one financial year. The omnibus approval shall be subject to following conditions:
 - a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on RPT of the company and such approval shall be applicable in respect of transactions which are repetitive in nature;
 - b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
 - c. Such omnibus approval shall specify:
 - (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
 - (ii) the indicative base price / current contracted price and the formula for variation in the price, if any; and
 - (iii) such other conditions as the Audit Committee may deem fit.
4. To grant omnibus approval where the need for RPTs cannot be foreseen and aforesaid details are not available, subject to their value not exceeding Rs.1 crore per transaction. Such omnibus approvals shall be valid for a period not exceeding one year.

5. To review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approvals given.
6. To define significant related party transactions.

f. CFO Appointment

To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate and recommend the same to the Board.

g. Whistle Blower Policy / Vigil Mechanism

- To oversee/review the functioning of the Whistle Blower Policy/Vigil Mechanism.
- To review matters raised pursuant to Vigil Mechanism.
- To investigate and take actions for frivolous matters if necessary.

h. Insider Trading Regulations

Reviewing on a quarterly basis, the report on compliance under SEBI (Prohibition of Insider Trading) Regulations, 2015 given by the Compliance Officer.

i. Residual Matters

- Carrying out such other function as may be delegated to the Committee from time to time.
- Carrying out additional functions as contained in the Listing Regulations or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
- Confirming annually to the Board that responsibilities outlined in the terms of reference have been carried out.

B. Nomination and Remuneration Committee (“NRC”)

The Board at its meeting held on March 18, 2016 reconstituted the NRC. The constitution and the terms of reference of the NRC are in compliance with the provisions of section 178(1) of the Companies Act, 2013 and the SEBI LODR Regulations. The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director :

- i. All Board appointments shall be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective;
- ii. Ability of the candidate to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making;
- iii. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors.

The members of the Nomination and Remuneration Committee are:

Mr. Piyush Mankad - Chairman;
 Mr. Manohar G. Bhide;
 Mr. Dhananjay Mungale; and
 Mr. Chandrashekhhar Bhawe.

The role of the NRC is to establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record and integrity, and recommend candidates for Board membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of our Company in line with the appropriate legislations, establish director retirement policies and appropriate succession plans, devise policy on Board diversity, determine overall compensation policies of our Company, and administer the “Mahindra & Mahindra Financial Services Limited Employees’ Stock Option Scheme – 2005 ”, “Mahindra & Mahindra Financial Services Limited Employees’ Stock Option Scheme – 2010 ”, and such further ESOP Schemes as may be formulated from time to time and take appropriate decisions in terms of the concerned Schemes. The role of the Committee includes:

- i. review of market practices and to decide on remuneration packages applicable to the Managing Director, Executive Director(s), Functional Heads, etc., set out performance parameters for Managing Director, Executive Director(s), Functional Heads, etc., and review the same.
- ii. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- iii. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

C. Stakeholders' Relationship Committee

The Board in its meeting held on 19th March, 2014 had changed the name of the 'Share Transfer & Shareholders/ Investors' Grievance Committee' to 'Stakeholders Relationship Committee' and had amended its terms of reference subsequently on November 29, 2016 in order to fall in line with the provisions of section 178 of the Companies Act, 2013. The Stakeholders' Relationship Committee was reconstituted by a resolution passed in a meeting by the Board held on July 24, 2015.

The members of the Stakeholders' Relationship Committee are:

Mrs. Rama Bijapurkar - Chairperson
 Mr. Manohar G. Bhide;
 Mr. Ramesh Iyer; and
 Mr. V Ravi.

The terms of reference of the Stakeholders' Relationship Committee, *inter alia*, include:

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending to and redressal of the grievances of stakeholders/security holders and the investors of our Company. The Committee in particular looks into:

- a. approve transfer of Shares including approving of the transfer of shares on receipt of the duly filled transfer forms along with the duplicate share certificates to Investor Education and Protection Fund ("IEPF");
- b. approve transmission of Equity Shares/Debentures held in the name(s) of a deceased shareholder(s)/debentureholder(s) to the legal representative(s) without production of Succession Certificate or Probate or Letters of Administration or other legal representation based on an Affidavit and Indemnity Bond in a form acceptable to the Company;
- c. approve transmission of Equity Shares/Debentures held in the name(s) of a deceased shareholder(s)/debentureholder(s) to the legal representative(s) with production of Succession Certificate or Probate or Letters of Administration or other legal representation based on an Affidavit and Indemnity Bond in a form acceptable to the Company;
- d. approve the transfer/transmission of other securities;
- e. approve the issue of duplicate share certificate(s) in lieu of the original certificate(s) lost or misplaced, or for the purpose of transferring of shares to IEPF;
- f. approve the issue of duplicate debenture certificate(s) in lieu of the original certificate(s) lost or misplaced;
- g. look into redressal of shareholders, debentureholders and investor complaints such as transfer of shares/debentures, non-receipt of Balance Sheet, non-receipt of declared dividends, etc.;
- h. look into all shares and securities related matters including legal cases, compliances under the Companies Act, 2013, Listing Regulations, SEBI Regulations, etc.;
- i. monitor and resolve the grievances of security holders of the Company;
- j. monitor and review the performance and service standards of the Registrar and Transfer Agents of the Company;
- k. provide guidance and make recommendations to improve the service level for investors; and
- l. attend to such other matters and functions as may be prescribed from time to time.

D. Asset Liability Committee

The members of the Asset Liability Committee are:

Mr. Manohar G. Bhide – Chairman;
Mr. Dhananjay Mungale;
Mr. Ramesh Iyer;
Mr. V. S. Parthasarathy; and
Mr. V Ravi.

The Asset Liability Committee (“ALCO”) was reconstituted by the Board at its meeting held on July 24, 2015. The Committee is responsible for supervising our Company’s treasury and financial risk management activities. Its functions include *inter-alia* reviewing the working of the Asset Liability Operating Committee, its findings and reports in accordance with the guidelines of the RBI.

E. Committee for Strategic Investments

The Board in its meeting held on March 23, 2017 had changed the name of the ‘Strategy Committee for Acquisitions’ to ‘Committee for Strategic Investments’. The Committee for Strategic Investments was reconstituted by the Board at its meeting held on March 23, 2017.

The members of the Committee for Strategic Investments are:

Mr. Manohar G. Bhide;
Mr. Dhananjay Mungale;
Mr. V.S. Parthasarathy; and
Dr. Anish Shah.

The Committee for Strategic Investments was constituted by the Board to take up evaluation and scrutinise significant investments/ funding including but not limited to business acquisitions, reviewing and monitoring existing investments in subsidiaries and the joint venture company, overseeing and reviewing performance of the subsidiaries and make necessary recommendations to the Board from time to time including disinvestments.

F. Risk Management Committee

The Risk Management Committee was reconstituted by the Board at its Meeting held on January 24, 2017. The members of the Risk Management Committee are:

Mr. Chandrashekhar Bhave – Chairman;
Mr. Manohar G. Bhide;
Mrs. Rama Bijapurkar;
Mr. Dhananjay Mungale;
Mr. V. S. Parthasarathy; and
Mr. Piyush Mankad.

The Risk Management Committee was reconstituted by the Board at its Meeting held on January 24, 2017, to manage the integrated risk, inform the Board about the progress made in implementing a risk management system and review periodically the Risk Management Policy and strategy followed by our Company. The Executive Director and Chief Financial Officer apprise the Risk Management Committee and the Board of the major risks as well as the movement in the profile of the high-risk category, the root causes of risks and their impact, key performance indicators, risk management measures and the current controls being exercised to mitigate these risks.

G. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Mr. Piyush Mankad - Chairman;
Mr. Ramesh Iyer;
Mr. V Ravi; and
Dr. Anish Shah.

The Corporate Social Responsibility Committee (“**CSR Committee**”) was reconstituted on March 18, 2016 and our Company has aligned its CSR Policy in accordance with the Companies Act, 2013 read with the (Corporate Social Responsibility Policy) Rules, 2014 at the Board Meeting held on March 19, 2014. The CSR Committee is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII of the Companies Act, 2013, to be undertaken by our Company, to recommend the amount to be spent on CSR activities and to monitor the CSR Policy periodically. The CSR Committee adopted terms of reference after a resolution been passed at its Board Meeting held on July 22, 2016.

The terms of reference of the CSR Committee, *inter alia*, include:

- i. to formulate and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- ii. to recommend the amount to be spent on these activities;
- iii. to monitor the Company's CSR policy periodically;
- iv. to formulate and recommend to the Board for its approval and implementation, the Business Responsibility (“BR”) Policy(ies) of the Company, undertake periodical assessment of the Company’s BR performance, review the draft Business Responsibility Report and recommend the same to the Board for its approval and inclusion in the Annual Report of the Company; and
- v. to attend to such other matters and functions as may be prescribed from time to time.

Payment of benefits and profit-share to Employees

The broad structure of compensation payable to employees is under:

- i. Fixed pay which has components like basic salary & other allowances/ flexi pay as per the grade where the employees can choose allowances from bouquet of options.
- ii. Variable pay (to certain grades) in the form of annual/ half yearly performance pay based on KRA’s agreed.
- iii. Incentives either monthly or quarterly based on targets in the lower grades.
- iv. Retirals such as PF, Gratuity & superannuation (for certain grades).
- v. Benefits such as car scheme, medical and dental benefit, loans, insurance, etc., as per grades.

OUR PROMOTER

Profile of our Promoter

Our Promoter is Mahindra and Mahindra Limited (“M&M”). M&M, the flagship company of the Mahindra group, was included by Forbes in its ‘Global 2000’ list for 2014, a comprehensive listing of the world’s largest, most powerful public companies as measured by revenue, profits, assets and market value. M&M has been selling automotive and farm equipment primarily in semi-urban and rural markets for around six decades. The Mahindra Group is one of the largest business conglomerates in India and has a strong presence in utility vehicles, tractors, information technology, financial services, aerospace, real estate, and hospitality and logistics sectors. M&M was incorporated on October 2, 1945. Its registered office is located at, Gateway Building, Apollo Bunder, Mumbai - 400 001, Maharashtra, India.

Board of Directors of M&M

1. Mr. Anand G. Mahindra
2. Dr. Pawan Goenka
3. Mr. Deepak Parekh
4. Mr. Nadir Godrej
5. Mr. M. M. Murugappan
6. Mr. R. K. Kulkarni
7. Mr. Vikram Singh Mehta
8. Mr. Anupam Puri
9. Mr. S. B. Mainak
10. Dr. Vishakha Desai
11. Mr. T N Manoharan

Shareholding Pattern of M&M as on March 31, 2017:

Shareholding pattern of M&M is as follows:

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of Shares underlying Depository Receipts (VI)	Total Nos. of shares Held (VII) = (IV)+(V) +(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C 2)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights					Total as a % of (A+B +C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class X	Class Y	Total								
(I)	(II)																	
(A)	Promoter & Promoter Group *	27	156967795	0	0	156967795	26.69	156967795	0	156967795	25.27	0	26.69	0	0.00	7309815	4.66	156967795
(B)	Public	185854	431244738	0	0	431244738	73.31	431244738	0	431244738	69.44	0	73.31	0	0.00		NA	425837391
(C)	Non Promoter-Non Public	1	0		32879851	32879851	0.00	32879851	0	32879851	5.29	0	0.00	0	0.00		NA	32879851
(C1)	Shares underlying DRs	1	0	0	32879851	32879851	NA	32879851	0	32879851	5.29	0	0.00	0	0.00		NA	32879851
(C2)	Shares held by Employees Trusts *	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00		NA	0
	Total:	185882	588212533	0	32879851	621092384	100.00	621092384	0	621092384	100.00	0	100.00	0	0.00	7309815	1.18	615685037

* 2,74,81,857 shares representing 4.42% of share capital of the company held by Mahindra & Mahindra Employees Stock Option Trust and 20,30,870 shares representing 0.32% of the share capital of the company held by Employee Welfare Trust are shown under the category Promoter & Promoter Group.

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

(I)	Category & Name of the Shareholders (I)	No. of shareholders (III) ^s	No. of fully paid-up equity shares held (IV)	Nos. of Partly paid-up equity shares held (V)	Nos. of Shares Underlying Depository Receipts (VI)	Total Nos. of shares held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
								Class X	Class Y	Total									
(1)	Indian																		
(a)	Individuals/Hindu undivided Family	19	3942046	0	0	3942046	0.67	3942046	0	3942046	0.64	0	0.67	0	0.00	70000	1.78		3942046
	KESHUB MAHINDRA [#]	2	442296	0	0	442296	0.08	442296	0	442296	0.07	0	0.08	0	0.00	0	0.00		442296
	ANAND GOPAL MAHINDRA	1	715004	0	0	715004	0.12	715004	0	715004	0.12	0	0.12	0	0.00	0	0.00		715004
	ANJALI MEHRA	1	111104	0	0	111104	0.02	111104	0	111104	0.02	0	0.02	0	0.00	0	0.00		111104
	ANUJA P SHARMA	1	34259	0	0	34259	0.01	34259	0	34259	0.01	0	0.01	0	0.00	0	0.00		34259
	ANURADHA MAHINDRA	1	228545	0	0	228545	0.04	228545	0	228545	0.04	0	0.04	0	0.00	0	0.00		228545
	DEVESHWAR JAGAT SHARMA	1	12000	0	0	12000	0.00	12000	0	12000	0.00	0	0.00	0	0.00	0	0.00		12000

	Category & Name of the Shareholders (I)	No. of shareholders (III) ^s	No. of fully paid-up equity shares held (IV)	Nos. of Partly paid-up equity shares held (V)	Nos. of Shares Underlying Depository Receipts (VI)	Total Nos. of shares held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total								
	DHRUV S SHARMA	1	12000	0	0	12000	0.00	12000	0	12000	0.00	0	0.00	0	0.00	0	0.00	12000
	GAUTAM P KHANDELWAL	1	300	0	0	300	0.00	300	0	300	0.00	0	0.00	0	0.00	0	0.00	300
	LEENA S LABROO	1	706192	0	0	706192	0.12	706192	0	706192	0.11	0	0.12	0	0.00	0	0.00	706192
	NISHEETA LABROO	1	80000	0	0	80000	0.01	80000	0	80000	0.01	0	0.01	0	0.00	0	0.00	80000
	RADHIKA NATH	1	46808	0	0	46808	0.01	46808	0	46808	0.01	0	0.01	0	0.00	0	0.00	46808
	SANJAY LABROO	1	72720	0	0	72720	0.01	72720	0	72720	0.01	0	0.01	0	0.00	7000	96.26	72720
	SUDHA KESHUB MAHINDRA*	5	726016	0	0	726016	0.12	726016	0	726016	0.12	0	0.12	0	0.00	0	0.00	726016
	UMA R MALHOTRA	1	754802	0	0	754802	0.13	754802	0	754802	0.12	0	0.13	0	0.00	0	0.00	754802
(b)	Central Government/S	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

	Category & Name of the Shareholders (I)	No. of shareholders (III) ^s	No. of fully paid-up equity shares held (IV)	Nos. of Partly paid-up equity shares held (V)	Nos. of Shares Underlying Depository Receipts (VI)	Total Nos. of shares held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
								Class X	Class Y	Total									
	State Government(s)																		
(c)	Financial Institutions/Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
(d)	Any Other	7	152476327	0	0	152476327	25.92	152476327	0	152476327	24.54	0.00	25.92	0.00	0.00	7239815	4.75	152476327	7
(i)	Bodies Corporates	2	71128386	0	0	71128386	12.09	71128386	0	71128386	11.45	0	12.09	0	0	7239815	10.18	71128386	8
	PRUDENTIAL MANAGEMENT & SERVICES PRIVATE LIMITED	1	70760970	0	0	70760970	12.03	70760970	0	70760970	11.39	0	12.03	0	0.00	7239815	10.23	70760970	70
	KEMA SERVICES INTERNATIONAL PVT LTD	1	367416	0	0	367416	0.06	367416	0	367416	0.06	0	0.06	0	0.00	0	0.00	367416	16
(ii)	MAHINDRA AND	1	27481857	0	0	27481857	4.67	27481857	0	27481857	4.42	0	4.67	0	0.00	0	0.00	27481857	57

	Category & Name of the Shareholders (I)	No. of shareholders (III) ^s	No. of fully paid-up equity shares held (IV)	Nos. of Partly paid-up equity shares held (V)	Nos. of Shares Underlying Depository Receipts (VI)	Total Nos. of shares held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)		
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)			
								Class X	Class Y	Total										
	MAHINDRA EMPLOYEES ' STOCK OPTION TRUST																			
(iii)	EMPLOYEE WELFARE TRUST	3	2030870	0	0	2030870	0.35	2030870	0	2030870	0.32	0	0.35	0	0	0	0	0	0	2030870
	M&M EMPLOYEES WELFARE FUND NO. 1- RAJAN RAGHUNATH SURVE, VIJAY BHALCHANDRA THAKUR DESAI, DAXA JAWAHAR	1	1263156	0	0	1263156	0.21	1263156	0	1263156	0.20	0	0.21	0	0.00	0	0.00	0	0.00	1263156

Category & Name of the Shareholders (I)	No. of shareholders (III) ^s	No. of fully paid-up equity shares held (IV)	Nos. of Partly paid-up equity shares held (V)	Nos. of Shares Underlying Depository Receipts (VI)	Total Nos. of shares held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
							No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
							Class X	Class Y	Total									
BAXI - TRUSTEE																		
M&M EMPLOYEES WELFARE FUND NO. 2 - RAJAN RAGHUNATH SURVE, VIJAY BHALCHANDRA THAKUR DESAI, DAXA JAWAHAR BAXI - TRUSTEE	1	682914	0	0	682914	0.12	682914	0	682914	0.11	0	0.12	0	0.00	0	0.00		682914
M&M EMPLOYEES WELFARE FUND NO. 3 - RAJAN	1	84800	0	0	84800	0.01	84800	0	84800	0.01	0	0.01	0	0.00	0	0.00		84800

	Category & Name of the Shareholders (I)	No. of shareholders (III) ^s	No. of fully paid-up equity shares held (IV)	Nos. of Partly paid-up equity shares held (V)	Nos. of Shares Underlying Depository Receipts (VI)	Total Nos. of shares held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
								Class X	Class Y	Total									
	RAGHUNATH SURVE, VIJAY BHALCHANDRA THAKUR DESAI, DAXA JAWAHAR BAXI - TRUSTEE																		
(iv)	M&M BENEFIT TRUST - BHARAT N DOSHI, A.K.NANDA - TRUSTEES	1	51835214	0	0	51835214	8.81	51835214	0	51835214	8.35	0	8.81	0	0.00	0	0.00		51835214
	Sub-Total (A)(1)	26	156418373	0	0	156418373	26.59	156418373	0	156418373	25.18	0	26.59	0	0.00	7309815	4.67		156418373
(2)	Foreign																		
(a)	Individuals (Non-Resident)	1	549422	0	0	549422	0.10	549422	0	549422	0.09	0	0.10	0	0.00	0	0.00		549422

Category & Name of the Shareholders (I)	No. of shareholders (III) ^s	No. of fully paid-up equity shares held (IV)	Nos. of Partly paid-up equity shares held (V)	Nos. of Shares Underlying Depository Receipts (VI)	Total Nos. of shares held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
							No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
							Class X	Class Y	Total									
Individuals/Foreign Individuals																		
YUTHICA KESHUB MAHINDRA	1	549422	0	0	549422	0.10	549422	0	549422	0.09	0	0.10	0	0.00	0	0.00		549422
(b) Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00		0
(c) Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00		0
(d) Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00		0
(e) Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00		0
Sub-Total (A)(2)	1	549422	0	0	549422	0.10	549422	0	549422	0.09	0	0.10	0	0.00	0	0.00		549422
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	27	156967795	0	0	156967795	26.69	156967795	0	156967795	25.27	0	26.69	0	0.00	7309815	4.66		156967795

\$ Without consolidating the folios on the basis of PAN, 'Promoter & Promoter Group' holds under 39 folios

Keshub Mahindra is holding shares jointly under 2 folios with different shareholders. The shareholding under both folios is consolidated on basis of PAN

* Sudha K Mahindra is Holding shares under 5 folios with different shareholders. The shareholding under all 5 folios is consolidated on the basis of PAN

Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the Shareholders (I)	Nos. of Shareholders (III)	No of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total No. of Shares Held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class X	Class Y	Total								
(1)	Institutions																	
(a)	Mutual Funds	274	40908501	0	0	40908501	6.95	40908501	0	40908501	6.59	0	6.95	0	0.00	NA	40907507	
	SBI FUND along with its sub-accounts	9	7183149	0	0	7183149	1.22	7183149	0	7183149	1.16	0	1.22	0	0.00	NA	7183149	
	FRANKLIN TEMPLETON MUTUAL FUND along with its sub-accounts	10	7129813	0	0	7129813	1.21	7129813	0	7129813	1.15	0	1.21	0	0.00	NA	7129813	
	ICICI PRUDENTIAL FUND along with its sub-accounts	41	6819017	0	0	6819017	1.16	6819017	0	6819017	1.10	0	1.16	0	0.00	NA	6819017	
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0	
(c)	Alternate Investment Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0	
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0	
(e)	Foreign Portfolio Investors (including FII's & FPC's)	617	214330813	0	0	214330813	36.44	214330813	0	214330813	34.51	0	36.44	0	0.00	NA	214323077	

Category & Name of the Shareholders (I)	Nos. of Shareholders (III)	No of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total No. of Shares Held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
							No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
							Class X	Class Y	Total								
EUROPACIFIC GROWTH FUND	1	20051100	0	0	20051100	3.41	20051100	0	20051100	3.23	0	3.41	0	0.00	NA	20051100	
GOVERNMENT OF SINGAPORE	2	13931914	0	0	13931914	2.37	13931914	0	13931914	2.24	0	2.37	0	0.00	NA	13931914	
FIRST STATE INVESTMENTS ICVC-STEWART INVESTORS AS	1	12191090	0	0	12191090	2.07	12191090	0	12191090	1.96	0	2.07	0	0.00	NA	12191090	
DODGE AND COX INTERNATIONAL STOCK FUND	1	7171971	0	0	7171971	1.22	7171971	0	7171971	1.15	0	1.22	0	0.00	NA	7171971	
ARANDA INVESTMENTS (MAURITIUS) PTE LTD	1	6832016	0	0	6832016	1.16	6832016	0	6832016	1.10	0	1.16	0	0.00	NA	6832016	
(f) Financial Institutions/Banks	91	2249638	0	0	2249638	0.38	2249638	0	2249638	0.36	0	0.38	0	0.00	NA	2204048	
(g) Insurance Companies	55	80720400	0	0	80720400	13.72	80720400	0	80720400	13.00	0	13.72	0	0.00	NA	80714488	
LIFE INSURANCE CORPORATION OF INDIA alongwith its sub	46	68051139	0	0	68051139	11.57	68051139	0	68051139	10.96	0	11.57	0	0.00	NA	68051139	

	Category & Name of the Shareholders (I)	Nos. of Shareholders (III)	No of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total No. of Shares Held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total								
	accounts																	
	GENERAL INSURANCE CORPORATION OF INDIA	1	6450000	0	0	6450000	1.10	6450000	0	6450000	1.04	0	1.10	0	0.00	NA		6450000
(h)	Provident Funds/Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA		0
(i)	Any Other																	
	Sub Total (B)(1)	1037	338209352	0	0	338209352	57.49	338209352	0	338209352	54.46	0	57.49	0	0.00	NA		338149120
(2)	Central Government/State Government(s)/ President of India	5	943161	0	0	943161	0.16	943161	0	943161	0.15	0	0.16	0	0.00	NA		501029
	Sub Total (B)(2)	5	943161	0	0	943161	0.16	943161	0	943161	0.15	0	0.16	0	0.00	NA		501029
(3)	Non-Institutions																	
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	176132	39632028	0	0	39632028	6.74	39632028	0	39632028	6.38	0	6.74		0.00	NA		35213035
	ii. Individual shareholders holding	50	6024024	0	0	6024024	1.02	6024024	0	6024024	0.98	0	1.02		0.00	NA		5939880

	Category & Name of the Shareholders (I)	Nos. of Shareholders (III)	No of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total No. of Shares Held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total								
	nominal share capital in excess of Rs. 2 Lakhs																	
(b)	NBFCs Registered with RBI	15	19982	0	0	19982	0.00	19982	0	19982	0.00	0	0.00	0	0.00	NA	19982	
(c)	Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0	
(d)	Overseas Depositories (Holding DRs)(Balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	0	
(e)	Any Other	8615	46416191	0	0	46416191	7.90	46416191	0	46416191	7.47	0	7.90	0	0	0	46014345	
	TRUSTS	57	4012663	0	0	4012663	0.68	4012663	0	4012663	0.65	0	0.68	0	0.00	NA	4012663	
	OVERSEAS CORPORATE BODIES	4	1607960	0	0	1607960	0.28	1607960	0	1607960	0.26	0	0.28	0	0.00	NA	1607720	
	NON RESIDENT INDIANS - REPATRIATION	4815	1070264	0	0	1070264	0.18	1070264	0	1070264	0.17	0	0.18	0	0.00	NA	847520	
	NON RESIDENT INDIANS - NON-REPATRIATION	1671	1169551	0	0	1169551	0.20	1169551	0	1169551	0.19	0	0.20	0	0.00	NA	1058421	
	CLEARING MEMBERS	196	3507359	0	0	3507359	0.60	3507359	0	3507359	0.56	0	0.60	0	0.00	NA	3507359	
	BODIES CORPORATES	1865	34678261	0	0	34678261	5.90	34678261	0	34678261	5.58	0	5.90	0	0.00	NA	34610529	

Category & Name of the Shareholders (I)	Nos. of Shareholders (III)	No of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total No. of Shares Held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
							No. of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held (b)	No.	As a % of total Shares held (b)	
							Class X	Class Y	Total								
ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	1	16135508	0	0	16135508	2.74	16135508	0	16135508	2.60	0	2.74	0	0.00	NA	16135508	
FOREIGN BODIES	4	369582	0	0	369582	0.06	369582	0	369582	0.06	0	0.06	0	0.00	NA	369582	
FOREIGN NATIONALS	3	551	0	0	551	0.00	551	0	551	0.00	0	0.00	0	0.00	NA	551	
Sub Total (B)(3)	184812	92092225	0	0	92092225	15.66	92092225	0	92092225	14.84	0	15.66	0	0.00	NA	87187242	
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	185854	431244738	0	0	431244738	73.31	431244738	0	431244738	69.44	0	73.31	0.00	0.00	NA	425837391	

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

Category & Name of the Shareholder (I)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total no. of shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not applicable)
							No. of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
							Class X	Class Y	Total								
(1) Custodian/DR Holder	1	0	0	32879851	32879851	NA	32879851	0	32879851	5.29	0	0.00	0	0.00	NA	NA	32879851
JP MORGAN CHASE BANK, NA (Shares held as Custodians against which Global Depository Receipts have been issued)	1	0	0	32879851	32879851	NA	32879851	0	32879851	5.29	0	0.00	0	0.00	NA	NA	32879851
(2) Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0

Category & Name of the Shareholder (I)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total no. of shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in Shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not applicable)	
							No. of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)		
							Class X	Class Y	Total									(a)
Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)	1	0	0	32879851	32879851	0.00	32879851	0	32879851	5.29	0	0	0	0	0	0	NA	32879851

SECTION V-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Examination report and Reformatted Consolidated Financial Statements	F-1
2.	Examination report and Reformatted Standalone Financial Statements	F-256

REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Report as required by Section 26 of the Companies Act, 2013 read with Rule 3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014

Report of auditors on the Reformatted Consolidated Financial Statements of Mahindra & Mahindra Financial Services Limited as at and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013

The Board of Directors
Mahindra & Mahindra Financial Services Limited
4th Floor, Mahindra Towers
P. K. Kurne Chowk, Worli
Mumbai 400018

Dear Sirs

We have examined the Reformatted Consolidated Financial Statements (the "Reformatted Consolidated Financial Statements") of Mahindra & Mahindra Financial Services Limited (the "Company") and its subsidiaries and joint venture (collectively known as "the Group") as at and for the year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 annexed to this report for the purposes of inclusion in the offer document prepared by the Company in connection with its proposed Public Issue of Debt Securities. Such financial statements, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

- a) Section 26(1) (b) of the Companies Act, 2013 ("the Act") and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and
- b) the Securities & Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992

The preparation of such Reformatted Consolidated Financial Statements is the responsibility of the Company's management. Our responsibility is to report on such statements based on our procedures.

1. The Reformatted Consolidated Financial Statements have been extracted by the Management from the audited Consolidated Financial Statements of the Group as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and from the books of account underlying such financial statements of the Group which were approved by the Board of Directors April 23, 2017, April 25, 2016, April 23, 2015, April 23, 2014 and April 23, 2013 respectively, which have been audited by us and in respect of which we have issued our audit opinions dated April 23, 2017, April 25, 2016, April 23, 2015, April 23, 2014 and April 23, 2013 respectively to the members of the Company.
2. We have examined such reformatted financial information taking into consideration:
 - a) The terms of reference received from the Company requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Public Issue of Debt Securities; and
 - b) the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.
3. For the purpose of our examination of the Reformatted Consolidated Financial Statements of the Company as at and for the year ended March 31, 2017, we have placed reliance on the following:
 - a. The Audited Consolidated Financial Statements of the Company as at and for the year ended March 31, 2017;
 - b. We did not audit the financial statements of Mahindra Finance USA (Joint Venture), whose financial statements reflect total assets of Rs 297,127.58 lakhs as at March 31, 2017, total revenues of Rs. 14,822.81 lakhs and net cash outflow amounting to Rs. 46.61 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by

the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid joint venture and our report in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statements / financial information. Our opinion is not modified in respect of the above matter.

4. In consideration of the requirements of Section 26(1)(b) of the Act and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, terms of our engagement agreed with you, we further report that:

The Reformatted Consolidated Statement of Assets and Liabilities and Schedules forming part thereof, the Reformatted Consolidated Statement of Profits and Losses and Schedules forming part thereof and the Reformatted Consolidated Statement of Cash Flows (together referred to as “Reformatted Consolidated Financial Statements”) of the Group, including as at and for the year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 examined by us are set out in Annexure I to III to this report. These Reformatted Consolidated Financial Statements are after making adjustments and regrouping as in the management opinion, are appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure IV);

5. Based on our examination as above, we further report that:
- The Reformatted Consolidated Financial Statements have to be read in conjunction with the notes given in Annexure V;
 - there are no extraordinary items which need to be disclosed separately in the attached Reformatted Consolidated Financial Statements;
 - there are no qualifications in the auditor’s reports, which require any adjustments to the Reformatted Consolidated Financial Statements; and
 - in the preparation and presentation of Reformatted Consolidated Financial Statements based on audited financial statements as referred to in paragraph 1 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 above.
6. As stated in our audit reports referred to in paragraph 1 above, we conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India to enable us to issue an opinion on the General Purpose Financial Statements. 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 misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
7. Our audits referred to in paragraph 1 above were carried out for the purpose of reporting the general purpose financial statements taken as a whole. For none of the periods referred to in paragraph 1 above, did we perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion on the reformatted financial statements.

Other Consolidated Financial Information

8. At the Company’s request, we have also examined the following Consolidated financial information proposed to be included in the Offer document prepared by the Management and approved by the Board of Directors of the Company

and annexed to this report relating to the Group as at and for the year ended March 2017, March 2016, March 31, 2015, March 31, 2014 and March 31, 2013:

a) Statement of Contingent Liabilities, as appearing in Annexure VI

9. In our opinion, the reformatted Consolidated financial information as disclosed in the Annexures to this report read with respective significant accounting policies and notes disclosed in Annexure IV and after making adjustments and regrouping as considered appropriate and disclosed in Annexure IV has been prepared in accordance with Section 26(1)(b) of the Companies Act 2013 (“the Act”) and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations.
10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. This report is intended solely for your information and for inclusion in the offer document prepared in connection with the proposed Public Issue of Debt Securities of the Mahindra & Mahindra Financial Services Limited and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Place: Mumbai
Date: June 19, 2017

Padmini Khare Kaicker
Partner
Membership No. 044784

ANNEXURE I
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED
REFORMATTED CONSOLIDATED BALANCE SHEET

(Rs. In lakhs unless stated otherwise)

Particulars	Note No.	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
I. EQUITY & LIABILITIES						
1) Shareholders' funds						
a) Share capital	1	11300.83	11292.03	11282.81	11270.50	11260.40
b) Reserves and surplus	2	684714.72	635647.75	582988.88	518099.02	446695.15
		<u>696015.55</u>	<u>646939.78</u>	<u>594271.69</u>	<u>529369.52</u>	<u>457955.55</u>
MINORITY INTEREST						
		9980.11	6752.75	4929.60	3647.83	2367.17
2) non-current liabilities						
a) Long-term borrowings	3	2498492.31	2034120.59	1686524.66	1825376.57	1381540.40
b) Other long-term liabilities	4	42741.10	43263.99	30247.97	27701.56	24297.19
c) Long term provisions	5	62168.69	49171.91	35267.59	33309.64	31840.62
		<u>2603402.10</u>	<u>2126556.49</u>	<u>1752040.22</u>	<u>1886387.77</u>	<u>1437678.21</u>
3) Current liabilities						
a) Short-term borrowings	6	721762.80	521753.28	525861.91	151027.60	158191.25
b) Trade payables	7					
(i) Micro and Small Enterprises		0.00	0.00	0.00	0.00	0.00
(ii) Other than Micro and Small Enterprises		69442.05	49638.93	49545.23	45074.04	48934.04
c) Other current liabilities	8	1068206.83	992112.79	818226.02	698126.60	535336.46
d) Short term provisions	9	171847.71	156930.35	118439.35	92116.10	66616.43
		<u>2031259.39</u>	<u>1720435.35</u>	<u>1512072.51</u>	<u>986344.34</u>	<u>809078.18</u>
TOTAL		<u>5340657.15</u>	<u>4500684.37</u>	<u>3863314.02</u>	<u>3405749.46</u>	<u>2707079.11</u>
II. ASSETS						
1) Non-current assets						
a) Fixed assets	10					
i) Tangible assets		12931.37	12345.94	11415.94	12350.21	11077.90
ii) Intangible assets		407.81	559.35	470.09	498.15	154.37
iii) Capital work-in-progress		55.67	1.85	31.54	22.99	135.51
iv) Intangible assets under development		58.21	0.00	0.00	0.00	0.00
b) Non-current investments	11	79794.03	65220.87	55967.01	37895.56	24168.13
c) Deferred tax assets (Net)	12	75717.77	59923.93	42125.77	32535.84	24208.08
d) Long-term loans and advances	13	2817526.07	2294643.63	1995169.92	1779198.89	1424925.24
e) Other non-current assets	14	11283.88	5236.44	23263.46	13643.00	17106.50
		<u>2997774.81</u>	<u>2437932.01</u>	<u>2128443.73</u>	<u>1876144.64</u>	<u>1501775.73</u>
2) Current assets						
a) Current investments	15	59239.85	54670.33	9449.80	34289.13	21585.34
b) Trade receivables	16	2295.93	2000.45	1454.15	2289.90	1573.78
c) Cash and bank balances	17	60387.54	60593.65	49018.36	57043.28	36796.59
d) Short-term loans and advances	18	2217662.88	1936636.73	1670200.55	1431857.40	1143079.02
e) Other current assets	19	3296.14	8851.20	4747.43	4125.11	2268.65
		<u>2342882.34</u>	<u>2062752.36</u>	<u>1734870.29</u>	<u>1529604.82</u>	<u>1205303.38</u>
TOTAL		<u>5340657.15</u>	<u>4500684.37</u>	<u>3863314.02</u>	<u>3405749.46</u>	<u>2707079.11</u>
Summary of significant accounting policies and notes to the financial statements						
	IV & V					

The notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred in our report of even date.

For B K Khare and Co.
Chartered Accountants
FRN:105102W

Ramesh Iyer
Vice - Chairman &
Managing Director

V Ravi
Executive Director &
Chief Financial Officer

Padmini Khare Kaicker
Partner
Membership No. 044784
Place: Mumbai

Date: June 19, 2017

ANNEXURE II
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED

Reformatted Consolidated Statement of Profit and Loss for the

Particulars	Note No.	Year ended Mar 31, 2017	Year ended Mar 31, 2016	Year ended Mar 31, 2015	Year ended Mar 31, 2014	Year ended Mar 31, 2013
I. Revenue from operations	20	714620.43	655386.74	602114.28	527522.73	409498.79
II. Other income	21	5444.65	4358.25	3970.80	2532.55	1797.35
III. Total Revenue (I + II)		720065.08	659744.99	606085.08	530055.28	411296.14
IV. Expenses:						
Employee benefits expense	22	88663.96	70409.22	56710.19	49450.51	37928.82
Finance costs	23	318617.44	286834.73	264299.81	228096.44	167059.05
Depreciation and amortization expense	24	5372.32	4569.78	4550.76	2608.05	2365.90
Loan provisions and write offs	25	138955.10	109819.07	84912.26	51898.42	28815.02
Other expenses	26	84680.81	65700.21	55625.20	51849.11	42913.81
Total expenses		636289.63	537333.01	466098.22	383902.53	279082.60
V. Profit before exceptional and extraordinary items and tax (III - IV)		83775.45	122411.98	139986.86	146152.75	132213.54
VI. Exceptional items (net) - income / (expense)	27	0.00	0.00	0.00	0.00	3052.27
VII. Profit before tax (V + VI)		83775.45	122411.98	139986.86	146152.75	135265.81
VIII. Tax expense:						
Current tax		46353.48	61439.94	57611.27	58004.66	46252.02
Deferred tax		(15548.01)	(17768.11)	(10111.16)	(8329.33)	(3876.94)
		30805.47	43671.83	47500.11	49675.33	42375.08
IX. Profit for the year before Minority Interest (VII - VIII)		52969.98	78740.15	92486.75	96477.42	92890.73
X. Minority Interest		1806.31	1510.79	1196.21	1035.28	187.19
XI. Profit for the year (IX - X)		51163.67	77229.36	91290.54	95442.14	92703.54
XII. Earnings per equity share (Rupees) :	43					
(Face value - Rs.2/- per share)						
(1) Basic		9.06	13.69	16.19	16.95	17.43
(2) Diluted		9.00	13.59	16.05	16.78	17.23
Summary of significant accounting policies and notes to the financial statements	IV & V					

The notes referred to above form an integral part of the Statement of Profit and Loss
This is the Statement of Profit and Loss referred in our report of even date.

For B K Khare and Co.
Chartered Accountants
FRN:105102W

Ramesh Iyer
Vice - Chairman &
Managing Director

V Ravi
Executive Director &
Chief Financial Officer

Padmini Khare Kaicker
Partner
Membership No. 044784
Place: Mumbai

Date: June 19, 2017

REFORMATTED CONSOLIDATED CASH FLOW STATEMENT

	for the year ended				Rs.in lakhs	
	March 2017	March 2016	March 2015	March 2014	March 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES						
Profit before taxes and contingencies and exceptional items	83775.45	122411.98	139986.86	146152.75	132213.54	
Add/(Less):						
<u>Non Cash Expenses :</u>						
Depreciation and amortisation expense	5372.32	4569.78	4550.76	2608.05	2365.90	
Exchange fluctuation	(695.38)	1022.95	573.01	799.17	218.79	
Provision for Non-performing assets (net)	49904.87	56064.16	34728.06	25449.51	6142.43	
General provision for Standard assets	2725.36	1775.75	1330.83	2284.13	1730.40	
Higher provision & provision for diminution in the fair value of restructured advances	(0.94)	0.64	31.87	0.00	0.00	
Bad debts and write offs	86325.81	51978.52	48804.81	24164.78	20942.19	
Employee compensation expense on account of ESOP Scheme	879.82	1431.06	1065.33	307.33	443.02	
Add/(Less):	144511.86	116842.86	91084.67	55612.97	31842.73	
<u>Income considered separately :</u>						
Income from investing activities	(6481.81)	(5218.58)	(3962.26)	(2517.32)	(2235.48)	
(Profit)/Loss on sale / retirement of assets	(9.76)	(100.34)	(9.65)	(2.80)	2.89	
(Profit)/Loss on sale of Investment	(308.35)	0.00	(468.64)	(9.15)	(231.18)	
Income from Assignment / Securitisation transactions	(11936.72)	(20633.45)	(25622.33)	(21372.47)	(21454.93)	
	(18736.64)	(25952.37)	(30062.88)	(23901.74)	(23918.70)	
Operating profit before working capital changes	(I)	209550.67	213302.47	201008.65	177863.98	140137.57
Less:						
(Increase)/Decrease in interest accrued on investment/others	5087.29	901.85	909.07	(1094.49)	23.35	
(Increase)/Decrease in Trade receivables	483.14	(86.84)	(40040.07)	(34608.46)	(19834.06)	
(Increase)/Decrease in Loans & Advances	(897050.39)	(693673.78)	(526837.78)	(765509.33)	(861327.83)	
	(891479.96)	(692858.77)	(565968.78)	(801212.28)	(881138.54)	
Add: Increase in Current liabilities	82278.51	49400.74	27092.22	25910.25	43431.72	
	(II)	(809201.45)	(643458.03)	(775302.03)	(837706.82)	
Cash generated from / (used in) operations	(I+II)	(599650.78)	(430155.56)	(337867.91)	(597438.04)	(697569.25)
Advance taxes paid		(53144.24)	(65547.73)	(59145.11)	(55919.65)	(47379.41)
		(652795.02)	(495703.29)	(397013.02)	(653357.69)	(744948.66)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		(652795.02)	(495703.29)	(397013.02)	(653357.69)	(744948.66)

B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets / Software	(6283.46)	(5538.04)	(4469.93)	(4115.88)	(3493.86)
Sale of fixed assets	118.61	236.85	603.22	104.96	69.16
Purchase of Investments	(533709.69)	(234599.19)	(267533.24)	(214931.38)	(95990.51)
Investments in / maturity of term deposits with banks	12452.00	10913.77	(4066.77)	(19021.00)	(20063.00)
Sale of Investments	510175.36	180074.80	274769.77	188509.31	90368.73
Income received from investing activities	7153.08	4920.43	4105.39	2446.57	3617.45
(Increase) / Decrease in Earmarked balances with banks	(0.53)	5.56	0.24	4.58	(8.04)
Proceeds from sale of long-term investments in equity shares of Mahindra Insurance Brokers Limited	0.00	0.00	0.00	0.00	6432.99
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	(10094.63)	(43985.82)	3408.68	(47002.84)	(19067.08)
C. CASH FLOW FROM FINANCING ACTIVITIES					
Issue of Equity Shares (net of issue expenses)	137.06	796.64	552.76	399.31	90191.91
Increase/(Decrease) in Bank borrowings (net)	(107685.09)	(122402.47)	(245042.73)	344064.87	200175.75
Increase/(Decrease) in long term borrowings (net)	663697.27	585673.70	133089.93	113127.04	250766.92
Increase/(Decrease) in short term borrowings (net)	148738.94	1334.43	338500.62	(18597.74)	(8862.93)
Increase/(Decrease) in Fixed Deposits (net)	(38680.21)	6777.96	100738.59	124726.58	95305.83
Proceeds from Assignment / Securitisation transactions	45708.90	99463.75	89044.34	159029.71	161623.22
Dividend paid (including tax on dividend)	(28868.21)	(28590.94)	(26176.51)	(24422.32)	(18786.14)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	683048.66	543053.07	390707.00	698327.45	770414.56
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	20159.01	3363.96	(2897.34)	(2033.08)	6398.82
Cash and Cash Equivalents at the beginning of the year	23567.43	20203.47	23100.81	25133.89	18735.07
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	43726.44	23567.43	20203.47	23100.81	25133.89

Note : The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'.

For B K Khare & Co.
Chartered Accountants
FRN : 105102W

Ramesh Iyer
Vice - Chairman &
Managing Director

V Ravi
Executive Director &
Chief Financial Officer

Padmini Khare Kaicker
Partner
Membership No. 044784
Place: Mumbai
Date: June 19, 2017

ANNEXURE IV

For FY 2016-17:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

- 1) The Consolidated Financial Statements relate to Mahindra & Mahindra Financial Services Limited (MMFSL, the Company) and its subsidiaries and its Joint Venture entity. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements" and Accounting Standard 27 (AS27) "Financial Reporting of Interests in Joint Ventures" prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements have been prepared on the following basis:
- a. The Financial Statements of the Company, its subsidiary companies and joint venture have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses (on a proportionate basis in case of joint venture) after eliminating inter group balances, inter group transactions and unrealised profits or losses.
 - b. The difference between the cost of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill on consolidation or Capital Reserve on consolidation. Goodwill arising on consolidation is not amortised in the books of account.
 - c. The difference between the foreign exchange rates prevailing at the time of making the investment and on the date, on which the accounts of the joint venture are made, is recognised in the financial statements as Foreign Exchange Fluctuation Reserve.
 - d. The Financial Statements of the subsidiary companies and the joint venture are drawn for the same period as the Company.
 - e. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Statement of profit and loss as profit or loss on disposal of investment in subsidiaries.
 - f. Minority Interest in the net assets of consolidated subsidiaries consists of:
 - i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - ii) the minorities' share of movements in equity since the date on which investment in a subsidiary relationship comes into existence.
- The subsidiaries and the joint venture (which along with Mahindra & Mahindra Financial Services Limited, the parent, constitute the "Group") considered in the presentation of these consolidated financial statements are :

Name of the Subsidiary Company / Joint Venture	Country of Origin	Proportion of Ownership Interest (*)
Mahindra Insurance Brokers Limited (MIBL)	India	85.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	87.50%
Mahindra Asset Management Company Pvt. Ltd (MAMCL)	India	100.00%
Mahindra Trustee Company Pvt. Ltd (MTCPL)	India	100.00%
Mahindra Finance USA, LLC (MFUSA)	USA	49.00%

* There is no change in the proportion of ownership interest as compared to the previous year.

2) Basis for preparation of financial statements:

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India for Non-Banking Financial Companies and by Mahindra Rural Housing Finance Limited, one of the Subsidiaries, follows similar norms prescribed by The National Housing Bank for Housing Finance Companies. The Company has a policy of making additional provision on a prudential basis (refer note no. 34 of notes to the financial statements).

The joint venture (MFUSA) records an allowance for credit losses to provide for estimated losses in the receivable portfolio. Management evaluates the allowance for credit losses on a periodic basis based upon the known and inherent risks in the joint venture's receivable portfolio. Accounts are written off (net of fair value of collateral less costs to sell) when delinquency reaches 360 days or when the joint venture's evaluation indicates the account is uncollectible, if earlier.

3) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

4) Revenue recognition :

i. General :

Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measureable.

ii. Income from loans :

- a) Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.
- b) Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.

- c) Delayed payment charges, fee based income and Interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.
- d) In respect of MMFSL, Income on business assets classified as Non-performing Assets, is recognised strictly in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies. Unrealized interest recognized as income in the previous period is reversed in the month in which the asset is classified as Non-performing.
- e) In respect of MRHFL, Income on business assets classified as Non-performing Assets, is recognised on realisation in accordance with the guidelines issued by The National Housing Bank for Housing Finance Companies. Unrealized interest recognized as income in the previous period is reversed in the month in which the asset is classified as Non-performing.
- f) Direct costs incurred and fees received related to the origination of finance receivables, relating to joint venture, are deferred and amortized over the estimated term of the related receivables.
- g) The joint venture's (MFUSA) interest income from finance receivables and inventory receivables is recognised using the effective-interest method. Late payment charges are credited to income when received. Accrual of interest and finance fees is suspended when collection is greater than 90 days delinquent or if indication of impairment exists. Income is recognised on a cash basis after a receivable is put on non-accrual status. The accrual of interest resumes when the receivable becomes less than 90 days delinquent and the customer is no longer in default status.

iii. Subvention income :

Subvention received from dealers/manufacturers on vehicles financed is booked over the period of the contract.

iv. Brokerage and handling charges Income:

Brokerage, handling charges and broker retainer's fees are recognised on accrual basis when services are rendered and are net of service tax.

v. Insurance consultancy fees:

Revenue from Insurance Consultancy is recognised net of service tax on rendition of service in accordance with the terms of the contract with customer.

vi. Income from assignment / securitisation transactions :

A. Income accounted prior to the issuance of RBI Circular dated August 21, 2012:

- i. In case of receivables assigned/securitised by the Company, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser.
- ii. On de-recognition, the difference between book value of the receivables assigned/securitised and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment
- iii. On the maturity of an underlying assignment/securitisation deal, estimated provision for loss/expenses and incidental expenses in respect of the said deal has been reversed since the actual losses/expenses have already been debited to the Statement of Profit and Loss over the period.

B. Income accounted post the issuance of RBI Circular dated August 21, 2012:

i. Securitisation transactions:

- a. Securitised receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.
- b. Gains arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
- c. Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront

ii. Assignment transactions:

- a. Receivables under the assignment transactions are de-recognized in the balance sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances (refer note no. 13 and 18).
- b. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the formula prescribed as per the Circular. The unamortized portion is reflected as "Other long-term liabilities" / "Other current liabilities" (refer note no. 4 and 8).

vii. Income from investments:

- a) Dividend from investments is accounted for as income when the right to receive dividend is established.
- b) Interest income is accrued on time proportion basis.

5) Fixed assets, depreciation and amortization:

a) Tangible assets :

- i) Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.
- ii) Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b) Depreciation on Tangible assets:

Depreciation on tangible assets is charged on Straight Line Method (SLM) in accordance with the useful lives specified Part – C of Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets :

- a) Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

- b) Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
- c) In respect of MMFSL, Repossessed assets that have been capitalised for own use are depreciated at the rate of 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of Company's 'Tangible assets' in note no.10.
- d) Residual value of the assets considered as nil reflecting the realisable value at the end of the useful life of an asset.

c) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

d) Amortization of Intangible assets:

Intangible assets comprise of computer software which is amortized over the estimated useful life. The maximum period for such amortization is 36 months based on estimates of useful life.

6) Foreign exchange transactions and translations :

i. Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

ii. Conversion

- a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.
- b. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.
- c. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Exchange Fluctuation Reserve until the disposal of the net investment, at which time they are recognized as income or as expenses.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.
- b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

iv. Forward exchange contracts entered into to hedge foreign currency risk of an existing assets/liabilities

- a. In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate which is either a premium or discount arising at the inception of a forward contract is amortised over the life of the contract. Unamortised forward

premium as at the year end is reflected as Other long-term / short-term liabilities depending on the period over which the premium is amortised.

- b. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.
- c. As per the risk management policy, the Company has taken foreign currency swap to cover the risk exposure on account of foreign currency loans. These transactions are structured in such a way that the Company's foreign currency liability is crystallized at a rate of exchange prevailing on the date of taking the swap. The foreign currency loans are valued at the exchange rate prevailing on the reporting date. Foreign currency swaps are marked to market on reporting date and resultant gain or loss is charged to Statement of profit and loss.
- d. Cross currency Interest rate swaps in the nature of hedge, taken to manage currency risk as well as interest rate risk on foreign currency liabilities, whereby variable interest rate in foreign currency is swapped for fixed interest rate in Indian rupees or vice-versa. Such Interest rate swaps are marked to market at each reporting date and resultant gain or loss is recognised in Statement of profit and loss.

7) Investments :

In respect of the Company (MMFSL), in terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are generally carried at cost comprising of acquisition and incidental expenses. Long-term investments in structured instruments are carried at cost less principal repayments till reporting date. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Any premium on acquisition is amortised over the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

8) Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatured finance charges.

9) Employee benefits :

(a) Contribution to provident fund -

Company's contribution paid/payable during the year to provident fund and labour welfare fund are recognised in the Statement of profit and loss.

(b) Gratuity -

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(c) Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to statement of profit and loss. The Company has no obligation to the scheme beyond its monthly contributions.

(d) Leave encashment / compensated absences -

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

10) Borrowing costs :

Borrowing costs are charged to the Statement of profit and loss. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

11) Current and deferred tax :

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

12) Securities issue expenses :

Expenses incurred in connection with fresh issue of Share capital and public issue of debt securities are adjusted against Securities premium reserve as per the provisions of section 52 of the Companies Act, 2013.

13) Impairment of assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

14) Provisions and contingent liabilities :

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

15) Employee stock compensation costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation cost is amortized over the vesting period of the option on a straight line basis. The options which have lapsed are reversed by a credit to Employee compensation cost, equal to the amortised portion of value of lapsed portion and credit to Deferred employee compensation cost equal the unamortised portion.

16) Lease :

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals in respect of assets taken on operating lease arrangements are recognized as per the terms of the lease.

17) 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares, etc. 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.

For FY 2015-16:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

- 1) The Consolidated Financial Statements relate to Mahindra & Mahindra Financial Services Limited (MMFSL, the Company) and its subsidiaries and its Joint Venture entity. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements" and Accounting Standard 27 (AS27) "Financial Reporting of Interests in Joint Ventures" prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements have been prepared on the following basis:
- The Financial Statements of the Company, its subsidiary companies and joint venture have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses (on a proportionate basis in case of joint venture) after eliminating inter group balances, inter group transactions and unrealised profits or losses.
 - The difference between the cost of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill on consolidation or Capital Reserve on consolidation. Goodwill arising on consolidation is not amortised in the books of account.
 - The difference between the foreign exchange rates prevailing at the time of making the investment and on the date, on which the accounts of the joint venture are made, is recognised in the financial statements as Foreign Exchange Fluctuation Reserve.
 - The Financial Statements of the subsidiary companies and the joint venture are drawn for the same period as the Company.
 - The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Statement of profit and loss as profit or loss on disposal of investment in subsidiaries.
 - Minority Interest in the net assets of consolidated subsidiaries consists of:
 - the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - the minorities' share of movements in equity since the date on which investment in a subsidiary relationship comes into existence.
- The subsidiaries and the joint venture (which along with Mahindra & Mahindra Financial Services Limited, the parent, constitute the "Group") considered in the presentation of these consolidated financial statements are :

Name of the Subsidiary Company / Joint Venture	Country of Origin	Proportion of Ownership Interest (*)
Mahindra Insurance Brokers Limited (MIBL)	India	85.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	87.50%
Mahindra Asset Management Company Pvt. Ltd (MAMCL)	India	100.00%
Mahindra Trustee Company Pvt. Ltd (MTCPL)	India	100.00%
Mahindra Finance USA, LLC (MFUSA)	USA	49.00%

* There is no change in the proportion of ownership interest as compared to the previous year.

2) Basis for preparation of financial statements:

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India for Non-Banking Financial Companies and by Mahindra Rural Housing Finance Limited, one of the Subsidiaries, follows similar norms prescribed by The National Housing Bank for Housing Finance Companies. The Company has a policy of making additional provision on a prudential basis (refer note no. 33 of notes to the financial statements).

The joint venture (MFUSA) records an allowance for credit losses to provide for estimated losses in the receivable portfolio. Management evaluates the allowance for credit losses on a periodic basis based upon the known and inherent risks in the joint venture's receivable portfolio. Accounts are written off (net of fair value of collateral less costs to sell) when delinquency reaches 360 days or when the joint venture's evaluation indicates the account is uncollectible, if earlier.

3) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

4) Revenue recognition :

i. General :

Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measureable.

ii. Income from loans :

- a) Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.
- b) Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.
- c) Delayed payment charges, fee based income and Interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.
- d) In respect of MMFSL, Income on business assets classified as Non-performing Assets, is recognised strictly in accordance with the guidelines issued by The Reserve Bank of India

- for Non-Banking Financial Companies. Unrealized interest recognized as income in the previous period is reversed in the month in which the asset is classified as Non-performing.
- e) In respect of MRHFL, Income on business assets classified as Non-performing Assets, is recognised on realisation in accordance with the guidelines issued by The National Housing Bank for Housing Finance Companies. Unrealized interest recognized as income in the previous period is reversed in the month in which the asset is classified as Non-performing.
 - f) Direct costs incurred and fees received related to the origination of finance receivables, relating to joint venture, are deferred and amortized over the estimated term of the related receivables.
 - g) The joint venture's (MFUSA) interest income from finance receivables and inventory receivables is recognised using the effective-interest method. Late payment charges are credited to income when received. Accrual of interest and finance fees is suspended when collection is greater than 90 days delinquent or if indication of impairment exists. Income is recognised on a cash basis after a receivable is put on non-accrual status. The accrual of interest resumes when the receivable becomes less than 90 days delinquent and the customer is no longer in default status.

iii. Subvention income :

Subvention received from dealers/manufacturers on vehicles financed is booked over the period of the contract.

iv. Brokerage and handling charges Income:

Brokerage, handling charges and broker retainer's fees are recognised on accrual basis when services are rendered and are net of service tax.

v. Insurance consultancy fees:

Revenue from Insurance Consultancy is recognised net of service tax on rendition of service in accordance with the terms of the contract with customer.

vi. Income from assignment / securitisation transactions :

A. Income accounted prior to the issuance of RBI Circular dated August 21, 2012:

- i. In case of receivables assigned/secured by the Company, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser.
- ii. On de-recognition, the difference between book value of the receivables assigned/secured and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment
- iii. On the maturity of an underlying assignment/secured deal, estimated provision for loss/expenses and incidental expenses in respect of the said deal has been reversed since the actual losses/expenses have already been debited to the Statement of Profit and Loss over the period.

B. Income accounted post the issuance of RBI Circular dated August 21, 2012:

i. Securitisation transactions:

- a. Securitised receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.

- b. Gains arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
- c. Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront

ii. Assignment transactions:

- a. Receivables under the assignment transactions are de-recognized in the balance sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances (refer note no. 13 and 18).
- b. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the formula prescribed as per the Circular. The unamortized portion is reflected as "Other long-term liabilities" / "Other current liabilities" (refer note no. 4 and 8).

vii. Income from investments:

- a) Dividend from investments is accounted for as income when the right to receive dividend is established.
- b) Interest income is accrued on time proportion basis.

5) Fixed assets, depreciation and amortization:

a) Tangible assets :

- i) Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.
- ii) Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b) Depreciation on Tangible assets:

Depreciation on tangible assets is charged on Straight Line Method (SLM) in accordance with the useful lives specified Part – C of Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets :

- a) Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
- b) Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
- c) In respect of MMFSL, Repossessed assets that have been capitalised for own use are depreciated at the rate of 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of Company's 'Tangible assets' in note no.10.
- d) Residual value of the assets is considered as nil reflecting the realisable value at the end of the useful life of an asset.

c) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

d) Amortization of Intangible assets:

Intangible assets comprise of computer software which is amortized over the estimated useful life. The maximum period for such amortization is 36 months based on estimates of useful life.

6) Foreign exchange transactions and translations :

i. Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

ii. Conversion

- a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.
- b. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.
- c. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Exchange Fluctuation Reserve until the disposal of the net investment, at which time they are recognized as income or as expenses.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.
- b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

iv. Forward exchange contracts entered into to hedge foreign currency risk of an existing assets/liabilities

- a. In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate which is either a premium or discount arising at the inception of a forward contract is amortised over the life of the contract. Unamortised forward premium as at the year end is reflected as Other long-term / short-term liabilities depending on the period over which the premium is amortised.
- b. Exchange differences on such contracts are recognised in the Statement of profit and loss in the period in which the exchange rate changes.

- c. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the period.
- d. As per the risk management policy, the Company has taken foreign currency swap to cover the risk exposure on account of foreign currency loans. Such transactions are structured in such a way that the Company's foreign currency liability is crystallized at a rate of exchange prevailing on the date of taking the swap. Accordingly, no loss or gain is expected on the settlement of swap as compared to the rate of exchange prevailing on the date of the swap. In such cases, foreign currency gain/losses on currency swap contracts are recognised to the extent of loss/gain on the underlying loan liabilities.
- e. Interest rate swaps in the nature of hedge, taken to manage interest rate risk on foreign currency liabilities, whereby variable interest rate is swapped for fixed interest rate, are recognized on accrual basis at fixed interest rate and charged to the Statement of Profit and Loss.

7) Investments :

In respect of the Company (MMFSL), in terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are generally carried at cost comprising of acquisition and incidental expenses. Long-term investments in structured instruments are carried at cost less principal repayments till reporting date. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Any premium on acquisition is amortised over the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

8) Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatrued finance charges.

9) Employee benefits :

(a) Contribution to provident fund -

Company's contribution paid/payable during the year to provident fund and labour welfare fund are recognised in the Statement of profit and loss.

(b) Gratuity -

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(c) Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to statement of profit and loss. The Company has no obligation to the scheme beyond its monthly contributions.

(d) Leave encashment / compensated absences -

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

10) Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

11) Current and deferred tax :

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

12) Share issue expenses :

Expenses incurred in connection with fresh issue of Share Capital are adjusted against Securities Premium reserve or charged to Statement of Profit & Loss in the year in which they are incurred.

13) Impairment of assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

14) Provisions and contingent liabilities :

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

15) Employee stock compensation costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation cost is amortized over the vesting period of the option on a straight line basis. The options which have lapsed are reversed by a credit to Employee compensation cost, equal to the amortised portion of value of lapsed portion and credit to Deferred employee compensation cost equal the unamortised portion.

16) Lease :

Payments under operating lease arrangements are recognized as per the terms of the lease.

17) 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares, etc. 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.

For FY 2014-15:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

- 1) The Consolidated Financial Statements relate to Mahindra & Mahindra Financial Services Limited (MMFSL, the Company) and its subsidiaries and its Joint Venture entity. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements" and Accounting Standard 27 (AS27) "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standard) Rules, 2006. The Consolidated Financial Statements have been prepared on the following basis:
- a. The Financial Statements of the Company, its subsidiary companies and joint venture have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses (on a proportionate basis in case of joint venture) after eliminating inter group balances, inter group transactions and unrealised profits or losses.
 - b. The difference between the cost of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill on consolidation or Capital Reserve on consolidation. Goodwill arising on consolidation is not amortised in the books of account.
 - c. The difference between the foreign exchange rates prevailing at the time making the investment and on the date, on which the accounts of the joint venture are made, is recognised in the financial statements as Foreign Exchange Fluctuation Reserve.
 - d. The Financial Statements of the subsidiary companies and the joint venture are drawn for the same period as the Company.
 - e. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Statement of profit and loss as profit or loss on disposal of investment in subsidiaries.
 - f. Minority Interest in the net assets of consolidated subsidiaries consists of:
 - i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - ii) the minorities' share of movements in equity since the date on which investment in a subsidiary relationship comes into existence.
 - . The subsidiaries and the joint venture (which along with Mahindra & Mahindra Financial Services Limited, the parent, constitute the "Group") considered in the presentation of these consolidated financial statements are :

Name of the Subsidiary Company / Joint Venture	Country of Origin	Proportion of Ownership Interest (*)
Mahindra Insurance Brokers Limited (MIBL)	India	85.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	87.50%
Mahindra Asset Management Company Pvt Ltd (MAMCL)	India	100.00%
Mahindra Trustee Company Pvt Ltd (MTCPL)	India	100.00%
Mahindra Finance USA, LLC (MFUSA)	USA	49.00%

* There is no change in the proportion of ownership interest as compared to the previous year.

2) Basis for preparation of financial statements:

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards notified under Section 132 of the Companies Act, 2013.

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India for Non-Banking Financial Companies and by The National Housing Bank for Housing Finance Companies. The Company has a policy of making additional provision on a prudential basis (refer note no. 29 of notes to the financial statements).

The joint venture records an allowance for credit losses to provide for estimated losses in the receivable portfolio. Management evaluates the allowance for credit losses on a periodic basis based upon the known and inherent risks in the joint venture's receivable portfolio. Accounts are written off (net of fair value of collateral less costs to sell) when delinquency reaches 360 days or when the joint venture's evaluation indicates the account is uncollectible, if earlier.

3) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

4) Revenue recognition :

i. General :

The Company follows the accrual method of accounting for its income and expenditure except delayed payment charges, fee based income and Interest on trade advances, which on account of uncertainty of ultimate collection are accounted on receipt basis.

Further, in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies, income on business assets classified as Non-performing assets, is recognised on receipt basis. Accordingly, unrealised interest recognised as income in the previous period is reversed in the accounting period in which the loan is classified as Non-Performing Asset and accounted as income when it is actually realised.

In accordance with the guidelines issued by The National Housing Bank for Housing Finance Companies, income on business assets classified as Non-Performing assets, is recognized on receipt basis.

ii. Income from loans :

- a) Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.
- b) Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.
- c) Direct costs incurred and fees received related to the origination of finance receivables, relating to joint venture, are deferred and amortized over the estimated term of the related receivables.
- d) The joint venture's interest income from finance receivables and inventory receivables is recognised using the effective-interest method. Late charges are credited to income when received. Accrual of interest and finance fees is suspended when collection is greater than 90 days delinquent or if indication of impairment exists. Income is recognised on a cash basis after a receivable is put on non accrual status. The accrual of interest resumes when the receivable becomes less than 90 days delinquent and the customer is no longer in default status.

iii. Subvention income :

Subvention received from dealers/manufacturers on retail cases is booked over the period of the contract.

iv. Brokerage and handling charges Income:

Brokerage, handling charges and broker retainer's fees are recognised on accrual basis when services are rendered and are net of service tax.

v. Insurance consultancy fees:

Revenue from Insurance Consultancy is recognised net of service tax on rendition of service in accordance with the terms of the contract with customer.

vi. Income from manpower supply services :

Manpower supply services income is recognised on accrual basis when services are rendered and is net of service tax.

vii. Income from assignment / securitisation transactions :

A. Income accounted prior to the issuance of RBI Circular dated August 21, 2012:

- i. Receivables assigned/securitised by the Company, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser.
- ii. On de-recognition, the difference between book value of the receivables assigned/securitised and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment
- iii. On the maturity of an underlying assignment/securitisation deal, estimated provision for loss/expenses and incidental expenses in respect of the said deal has been reversed since the actual losses/expenses have already been debited to the Statement of profit and loss over the period.

B. Income accounted post the issuance of RBI Circular dated August 21, 2012:

i. Securitisation transactions:

- a. Securitised receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.

- b. Gains arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
- c. Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront

ii. Assignment transactions:

- a. Receivables under the assignment transactions are de-recognized in the balance sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances (refer note no. 13 and 18).
- b. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the formula prescribed as per the Circular. The unamortized portion is reflected as "Other long-term liabilities" / "Other current liabilities" (refer note no. 4, 8 and 34 (b)).

viii. Income from investments:

- a) Dividend from investments is accounted for as income when the right to receive dividend is established.
- b) Interest income is accounted on accrual basis.

5) Fixed assets, depreciation and amortization:

a) Tangible assets :

- i) Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.
- ii) Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b) Depreciation on Tangible assets:

Depreciation on tangible assets is charged on Straight Line Method (SLM) in accordance with the useful lives specified Part – C of Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets :

- a) Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
- b) Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
- c) Repossessed assets that have been capitalised for own use are depreciated at the rate of 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of Company's 'Tangible assets' in note no.10.
- d) Residual value of the assets considered as nil reflecting the realisable value at the end of the useful life of an asset.

c) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

d) Amortization of Intangible assets:

Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is 36 months based on estimates of useful life.

6) Foreign exchange transactions and translations :

i. Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

ii. Conversion

- a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.
- b. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.
- c. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Exchange Fluctuation Reserve until the disposal of the net investment, at which time they are recognized as income or as expenses.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.
- b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

iv. Forward exchange contracts entered into to hedge foreign currency risk of an existing assets/liabilities

- a. In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate which is either a premium or discount arising at the inception of a forward contract is amortised over the life of the contract. Unamortised forward premium as at the year end is reflected as Other long-term / short-term liabilities depending on the period over which the premium is amortised.
- b. Exchange differences on such contracts are recognised in the Statement of profit and loss in the period in which the exchange rate changes.

- c. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.
- d. As per the risk management policy, the Company has taken foreign currency swap to cover the risk exposure on account of foreign currency loans. Such transactions are structured in such a way that the Company's foreign currency liability is crystallized at a rate of exchange prevailing on the date of taking the swap. Accordingly, no loss or gain is expected on the settlement of swap as compared to the rate of exchange prevailing on the date of the swap. In such cases, foreign currency gain/losses on currency swap contracts are recognised to the extent of loss/gain on the underlying loan liabilities.
- e. Interest rate swaps in the nature of hedge, taken to manage interest rate risk on foreign currency liabilities, whereby variable interest rate is swapped for fixed interest rate, are recognized on accrual basis at fixed interest rate and charged to the Statement of Profit and Loss.

7) Investments :

In terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are generally carried at cost comprising of acquisition and incidental expenses. Long-term investments in structured instruments are carried at cost less principal repayments till reporting date. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Any premium on acquisition is amortised over the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

8) Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatured finance charges.

9) Employee benefits :

(a) Contribution to provident fund -

Company's contribution paid/payable during the year to provident fund is recognised in the Statement of Profit and Loss.

(b) Gratuity -

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(c) Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to statement of profit and loss. The Company has no obligation to the scheme beyond its contributions.

(d) Leave encashment / compensated absences -

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

10) Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of profit and loss. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

11) Current and deferred tax :

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

12) Share issue expenses :

Expenses incurred in connection with fresh issue of Share Capital are adjusted against Securities Premium reserve in the year in which they are incurred.

13) Impairment of assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

14) Provisions and contingent liabilities :

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

15) Employee stock compensation costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation cost is amortized over the vesting period of the option on a straight line basis. The options which have lapsed are reversed by a credit to Employee compensation cost, equal to the amortised portion of value of lapsed portion and credit to Deferred employee compensation cost equal the unamortised portion.

16) Lease :

Payments under operating lease arrangements are recognized as per the terms of the lease.

17) 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares, etc. 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.

For FY 2013-14:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

- 1) The Consolidated Financial Statements relate to Mahindra & Mahindra Financial Services Limited (MMFSL, the Company) and its subsidiaries and its Joint Venture entity. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements" and Accounting Standard 27 (AS27) "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standard) Rules, 2006. The Consolidated Financial Statements have been prepared on the following basis:
- a. The Financial Statements of the Company, its subsidiary companies and joint venture have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses (on a proportionate basis in case of joint venture) after eliminating inter group balances, inter group transactions and unrealised profits or losses.
 - b. The difference between the cost of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill on consolidation or Capital Reserve on consolidation. Goodwill arising on consolidation is not amortised in the books of account.
 - c. The difference between the foreign exchange rates prevailing at the time making the investment and on the date, on which the accounts of the joint venture are made, is recognised in the financial statements as Foreign Exchange Fluctuation Reserve.
 - d. The Financial Statements of the subsidiary companies and the joint venture are drawn for the same period as the Company.
 - e. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the Statement of profit and loss as profit or loss on disposal of investment in subsidiaries.
 - f. Minority Interest in the net assets of consolidated subsidiaries consists of:
 - i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - ii) the minorities' share of movements in equity since the date on which investment in a subsidiary relationship comes into existence.
- The subsidiaries and the joint venture (which along with Mahindra & Mahindra Financial Services Limited, the parent, constitute the "Group") considered in the presentation of these consolidated financial statements are :

Name of the Subsidiary Company / Joint Venture	Country of Origin	Proportion of Ownership Interest (*)
Mahindra Insurance Brokers Limited (MIBL)	India	85.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	87.50%
Mahindra Business & Consulting Services Pvt. Ltd. (MBCSPL)	India	100.00%
Mahindra Asset Management Company Pvt Ltd (MAMCL)	India	99.996%
Mahindra Finance USA, LLC (MFUSA)	USA	49.00%

* There is no change in the proportion of ownership interest as compared to the previous year.

2) Basis for preparation of financial statements:

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards notified under Section 132 of the Companies Act, 2013.

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India for Non-Banking Financial Companies and by The National Housing Bank for Housing Finance Companies. The Company has a policy of making additional provision on a prudential basis (refer note no. 29 of notes to the financial statements).

The joint venture records an allowance for credit losses to provide for estimated losses in the receivable portfolio. Management evaluates the allowance for credit losses on a periodic basis based upon the known and inherent risks in the joint venture's receivable portfolio. Accounts are written off (net of fair value of collateral less costs to sell) when delinquency reaches 360 days or when the joint venture's evaluation indicates the account is uncollectible, if earlier.

3) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

4) Revenue recognition :

i. General :

The Company follows the accrual method of accounting for its income and expenditure except delayed payment charges, fee based income and Interest on trade advances, which on account of uncertainty of ultimate collection are accounted on receipt basis.

Further, in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies, income on business assets classified as Non-performing assets, is recognised on receipt basis. Accordingly, unrealised interest recognised as income in the previous period is reversed in the accounting period in which the loan is classified as Non-Performing Asset and accounted as income when it is actually realised.

In accordance with the guidelines issued by The National Housing Bank for Housing Finance Companies, income on business assets classified as Non-Performing assets, is recognized on receipt basis.

- ii. Income from loans :**
 - a) Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.
 - b) Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.
 - c) Direct costs incurred and fees received related to the origination of finance receivables, relating to joint venture, are deferred and amortized over the estimated term of the related receivables.
- iii. Subvention income :**

Subvention received from dealers/manufacturers on retail cases is booked over the period of the contract.
- iv. Brokerage and handling charges Income:**

Brokerage, handling charges and broker retainer's fees are recognised on accrual basis when services are rendered and are net of service tax.
- v. Income from manpower supply services :**

Manpower supply services income is recognised on accrual basis when services are rendered and is net of service tax.
- vi. Income from assignment / securitisation transactions :**

A. Income accounted prior to the issuance of RBI Circular dated August 21, 2012:

- i. Receivables assigned/securitised by the Company, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser.
- ii. On de-recognition, the difference between book value of the receivables assigned/securitised and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment
- iii. On the maturity of an underlying assignment/securitisation deal, estimated provision for loss/expenses and incidental expenses in respect of the said deal has been reversed since the actual losses/expenses have already been debited to the Statement of profit and loss over the period.

B. Income accounted post the issuance of RBI Circular dated August 21, 2012:

- i. Securitisation transactions:**
 - a. Securitised receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.
 - b. Gains arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
 - c. Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront

ii. Assignment transactions:

- a. Receivables under the assignment transactions are de-recognized in the balance sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances (refer note no. 13 and 18).
- b. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the formula prescribed as per the Circular. The unamortized portion is reflected as "Other long-term liabilities" / "Other current liabilities" (refer note no. 4, 8 and 34 (b)).

vii. Income from investments:

- a) Dividend from investments is accounted for as income when the right to receive dividend is established.
- b) Interest income is accounted on accrual basis.

5) Fixed assets, depreciation and amortization:

a) Tangible assets :

- i) Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.
- ii) Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b) Depreciation / Amortisation:

- i. Depreciation on tangible assets, other than repossessed assets capitalised for own use, is charged on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956 on a pro-rata basis except for following assets:
 - a) Office Equipment on which depreciation is charged at the rate of 16.21% instead of 4.75% as prescribed in Schedule XIV.
 - b) Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
 - c) Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
 - d) Repossessed assets that have been capitalised for own use are depreciated at the rate of 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of Company's Tangible assets in note no.10.
- ii. Computer software is amortized over the useful life. The maximum period for such amortization is 36 months.

c) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

d) Amortization of Intangible assets:

Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is 36 months.

6) Foreign exchange transactions and translations :

i. Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

ii. Conversion

- a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.
- b. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.
- c. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Exchange Fluctuation Reserve until the disposal of the net investment, at which time they are recognized as income or as expenses.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.
- b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

iv. Forward exchange contracts entered into to hedge foreign currency risk of an existing assets/liabilities

- a. In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract.
- b. Exchange differences on such contracts are recognised in the Statement of profit and loss in the period in which the exchange rate changes.
- c. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.
- d. Interest rate swaps in the nature of hedge, taken to manage interest rate risk on foreign currency liabilities, whereby variable interest rate is swapped for fixed interest rate, are recognized on accrual basis at fixed interest rate and charged to the Statement of Profit and Loss.

7) Investments :

In terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are carried at cost comprising of acquisition and incidental expenses. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Any premium on acquisition is amortised over

the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

8) Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatured finance charges.

9) Employee benefits :

(a) Contribution to provident fund -

Company's contribution paid/payable during the year to provident fund and labour welfare fund are recognised in the Statement of profit and loss.

(b) Gratuity -

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(c) Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to statement of profit and loss. The Company has no obligation to the scheme beyond its monthly contributions.

(d) Leave encashment / compensated absences -

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

10) Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of profit and loss. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

11) Current and deferred tax :

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

12) Share issue expenses :

Expenses incurred in connection with fresh issue of Share Capital are adjusted against Securities Premium reserve in the year in which they are incurred.

13) Impairment of assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

14) Provisions and contingent liabilities :

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

15) Employee stock compensation costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation cost is amortized over the vesting period of the option on a straight line basis.

16) Lease :

Payments under operating lease arrangements are recognized as per the terms of the lease.

17) 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares, etc. 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.

For FY 2012-13:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

1)

The Consolidated Financial Statements relate to Mahindra & Mahindra Financial Services Limited, the Holding Company, its subsidiary companies namely Mahindra Insurance Brokers Limited, Mahindra Rural Housing Finance Limited and Mahindra Business & Consulting Services Private Limited and its Joint Venture entity, Mahindra Finance USA, LLC referred to as the "Company" or "Group". The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements" and Accounting Standard 27 (AS27) "Financial Reporting of Interests in Joint Ventures" issued by The Institute of Chartered Accountants of India. The Consolidated Financial Statements have been prepared on the following basis.

- a. The Financial Statements of the Company, its subsidiary companies and the joint venture have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealised profits or losses.
- b. The difference between the cost of investment in the subsidiary companies over the Company's portion of equity of the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve. Goodwill arising on consolidation is not amortised in the books of account.
- c. The difference between the foreign exchange rates prevailing at the time making the investment and on the date, on which the accounts of the joint venture are made, is recognised in the financial statements as Foreign Exchange Fluctuation Reserve.
- d. The Financial Statements of the subsidiary companies and the joint venture are drawn for the same period as the company.
- e. The subsidiary companies and the joint venture (which along with Mahindra & Mahindra Financial Services Limited, the parent, constitute the group) considered in the presentation of these consolidated financial statements are :

Name of the Subsidiary Company / Joint Venture	Country of Origin	Proportion of Ownership Interest
Mahindra Insurance Brokers Limited (MIBL)	India	85.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	87.50%
Mahindra Business & Consulting Services Pvt. Ltd. (MBCSPL)	India	100.00%
Mahindra Finance USA, LLC	USA	49.00%

2) **Basis for preparation of financial statements:**

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards notified under the said Act.

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of services and their realisation in cash and cash equivalents, the Company has

ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India for Non-Banking Financial Companies and by The National Housing Bank for Housing Finance Companies. The Company has a policy of making additional provision on a prudential basis. (refer note no. 29 of notes to the financial statements).

3) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

4) Revenue recognition :

i. General :

The Company follows the accrual method of accounting for its income and expenditure except delayed payment charges, fee based income and Interest on trade advances, which on account of uncertainty of ultimate collection are accounted on receipt basis. Further, in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies, income on business assets classified as Non-performing assets, is recognised on receipt basis.

ii. Income from loans :

Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.

iii. Income from subvention/service/document charges :

Subvention received from dealers/manufacturers on retail cases is booked over the period of the contract. However, service charges and documentation charges are booked at the commencement of the contract.

iv. Brokerage and handling charges Income:

Brokerage, handling charges and broker retainer's fees are recognised on accrual basis when services are rendered and are net of service tax.

v. Interest and other income from housing loans:

The Company follows the accrual method of accounting for its income and expenditure except delayed payment charges, service charges and fee based income which on account of uncertainty of ultimate collection are accounted on receipt basis. In accordance with the guidelines issued by The National Housing Bank for Housing Finance Companies, income on business assets classified as Non-Performing assets, is recognized on receipt basis.

vi. Income from manpower supply services :

Manpower supply services income is recognised on accrual basis when services are rendered and is net of service tax.

vii. Income from assignment / securitisation transactions :

In assignment of receivables, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser. On de-recognition, the difference between book value of the receivables assigned and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment. Such assignment transactions were executed prior to issuance of RBI guidelines dated August 21, 2012 for accounting and disclosure of securitisation / assignment transactions

The recently issued guidelines as mentioned above are applicable to transactions effected on or after that date. Accordingly, securitisation transactions effected post issuance of the said guidelines are accounted as under :

- a) Securitized receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.
- b) Gains arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
- c) Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront.

viii. Income from investments:

- a) Dividend from investments is accounted for as income when the right to receive dividend is established.
- b) Interest income is accounted on accrual basis.

5) Tangible and intangible assets :

a) Tangible assets :

Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b) Intangible assets :

Intangible assets comprising of computer software is initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

6) Depreciation / Amortisation:

- i. Depreciation on fixed assets, other than repossessed assets capitalised for own use, is charged on Straight Line Method (SLM) at rates specified in Schedule XIV to The Companies Act, 1956 on a pro-rata basis except that :
 - a) Office Equipment on which depreciation is charged at the rate of 16.21% instead of 4.75% as prescribed in Schedule XIV.
 - b) Assets costing less than Rs.5000/- are fully depreciated in the period of purchase and

- c) Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
- ii. Repossessed assets that have been capitalised for own use are depreciated @ 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of 'Owned Assets'.
- iii. Computer software is amortized over the useful life. The maximum period for such amortization is 36 months.

7) Foreign exchange transactions :

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.

Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract. Such forward contracts outstanding at the year end are marked to market and gain or loss thereon is charged to Statement of profit or loss. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.

8) Investments :

In terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Any premium on acquisition is amortised over the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at cost or fair value whichever ever is less.

9) Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatured finance charges.

10) Employee benefits :

(a) Defined contribution plans -

Company's contribution paid/payable during the year to provident fund and labour welfare fund are recognised in the Statement of profit and loss.

(b) Gratuity -

Liabilities with regard to the gratuity benefit payable in future are determined by actuarial valuation at each balance sheet date using the projected unit credit method and contributed to employee gratuity fund managed by Life Insurance Corporation of India. Actuarial gains and losses arising

from changes in actuarial assumptions are recognized in the Statement of profit and loss in the period in which they arise.

(c) Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India. The Company has no obligation to the scheme beyond its monthly contributions.

(d) Leave encashment / compensated absences -

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liabilities provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

Hitherto, the Company has determined liability on account of leave encashment on actual basis. With effect from the current year, the liability has been determined on actuarial basis. This change has no material impact on the financial statements of the Company.

11) Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

12) Taxes on income :

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

13) Share issue expenses :

Expenses incurred in connection with fresh issue of Share Capital are adjusted against Securities Premium reserve in the year in which they are incurred.

14) Impairment of assets :

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

15) Provisions and contingent liabilities :

Provisions are recognised in accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

16) Employee stock compensation costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme (ESOS)) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation expense is amortized over the vesting period of the option on a straight line basis.

17) Lease :

Payments under operating lease arrangements are recognized as per the terms of the lease.

18) 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares, etc. 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.

ANNEXURE V

NOTES TO THE FINANCIAL STATEMENTS

Notes

Note : 1

Share capital

Particulars	INR Lakhs				
	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Authorised capital :					
70,00,00,000 equity shares of Rs.2/- each (March 2016, March 2015, March 2014 and March 2013: 70,00,00,000 equity shares of Rs.2/- each)	14000.00	14000.00	14000.00	14000.00	14000.00
50,00,000 Redeemable preference shares of Rs.100/- each (March 2016, March 2015, March 2014 and March 2013: 50,00,000 Redeemable preference shares of Rs.100/- each)	5000.00	5000.00	5000.00	5000.00	5000.00
Issued Capital :					
56,87,64,960 Equity shares of Rs.2/- each (March 2016, March 2015, March 2014 and March 2013 : 56,87,64,960 Equity shares of Rs.2/- each)	11375.30	11375.30	11375.30	11375.30	11375.30
Subscribed and Paid-up Capital :					
56,87,64,960 Equity shares of Rs.2/- each fully paid up (March 2016, March 2015, March 2014 and March 2013 : 56,87,64,960 Equity shares of Rs.2/- each)	11375.30	11375.30	11375.30	11375.30	11375.30
Less : Shares issued to ESOS trust but not allotted by it to employees ((37,23,298 equity shares of Rs.2/- each (March 31, 2016 : 41,63,582 equity shares of Rs.2/- each, March 2015 : 46,24,289 equity shares of Rs.2/- each, March 2014 : 52,39,841 equity shares of Rs.2/- each, March 2013 : 57,44,785 equity shares of Rs.2/- each))	74.47	83.27	92.49	104.80	114.90
Total	11300.83	11292.03	11282.81	11270.50	11260.40

For FY 2016-17:

As at March 31

	2017		2016	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares :				
Balance at the beginning of the year	568764960	11375.30	568764960	11375.30
Fresh allotment of shares	-	-	-	-
Balance at the end of the year	568764960	11375.30	568764960	11375.30
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shares issued to ESOS Trust

The Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment requires that shares allotted to a Trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly, the Company has reduced the Share capital by Rs. 15.71 Lakhs (March 31, 2016 : Rs. 15.71 Lakhs) in respect of 785275 equity shares of face value of Rs.2/- each (March 31, 2016 : 785275 equity shares of face value of Rs.2/- each) and Securities premium reserve by Rs. 64.39 Lakhs (March 31, 2016 : Rs. 64.39 Lakhs) in respect of 7,85,275 equity shares (March 31, 2016 : 7,85,275 equity shares) pertaining to Employee Stock Option Scheme 2005 and reduced the Share capital by Rs. 58.76 Lakhs (March 31, 2016 : Rs. 67.56 Lakhs) in respect of 2938023 equity shares of face value of Rs.2/- each (March 31, 2016 : 3378307 equity shares of face value of Rs.2/- each) pertaining to Employee Stock Option Scheme 2010 held by the Trust, as at the year-end pending allotment of shares to eligible employees.

For FY 2015-16:

As at March 31

	2016		2015	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares :				
Balance at the beginning of the year	568764960	11375.30	568764960	11375.30
Fresh allotment of shares	-	-	-	-
Balance at the end of the year	568764960	11375.30	568764960	11375.30
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shares issued to ESOS Trust

The Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment requires that shares allotted to a Trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly, the Company has reduced the Share capital by Rs. 83.27 Lakhs (March 31, 2015 : Rs. 92.49 Lakhs) in respect of 41,63,582 equity shares of face value of Rs.2/- each (March 31, 2015 : 46,24,289 equity shares of face value of Rs.2/- each) pertaining to Employee Stock Option Scheme 2005 and Employee Stock Option Scheme 2010 and Securities premium reserve by Rs. 64.39 Lakhs (March 31, 2015 : Rs. 64.39 Lakhs) in respect of 7,85,275 equity shares (March 31, 2015 : 7,85,275 equity shares) pertaining to Employee Stock Option Scheme 2005 held by the Trust, as at the year-end pending allotment of shares to eligible employees.

For FY 2014-15:

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares -				
Balance at the beginning of the year	568764960	11,375.30	568764960	11,375.30
Add : Fresh allotment of shares / adjustment for sub-division of equity shares during the year :	-	-	-	-
Balance at the end of the year	568764960	11,375.30	568764960	11,375.30
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited	291207660	5,824.15	291207660	5,824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited	291207660	5,824.15	291207660	5,824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shares issued to ESOS trust

The Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment requires that shares allotted to a Trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly, the Company has reduced the Share capital by Rs. 92.49 Lakhs (March 2014 : Rs. 104.80 Lakhs), Securities premium reserve by Rs.64.39 Lakhs (March 2014 : Rs. 86.83 Lakhs) in respect of 46,24,289 equity shares of face value of Rs.2/- each (March 2014 : 52,39,841 equity shares of face value of Rs.2/- each) held by the Trust, as at the year end pending allotment of shares to eligible employees.

For FY 2013-14:

	As at March 2014		As at March 2013	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares -				
Balance at the beginning of the year	568764960	11375.30	104002735	10400.27
Add : Fresh allotment of shares / adjustment for sub-division of equity shares during the year :				
1) Private placement to Qualified Institutional Buyers (QIBs) through Qualified Institutional Placement (QIP) (Equity shares of face value Rs.10/-each)			9750257	975.03
2) Addition on account of sub-division of equity shares of Rs.10/- face value into equity shares of Rs.2/- face value			455011968	-
Balance at the end of the year	568764960	11375.30	568764960	11375.30
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shares issued to ESOS trust

The Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment requires that shares allotted to a Trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly, the Company has reduced the Share capital by Rs.104.80 Lakhs (March 2013 : Rs. 114.90 Lakhs), Securities premium reserve by Rs. 86.83 Lakhs (March 2013 : Rs. 112.70 Lakhs) in respect of 52,39,841 equity shares of face value of Rs.2/- each (March 2013 : 57,44,785 equity shares of face value of Rs.2/- each) held by the Trust, as at the year end pending for allotment of shares to eligible employees.

For FY 2012-13:

Other quantitative information :	As at March 2013		As at March 2012	
	Numbers	Rs. in lakhs	Numbers	Rs. in lakhs
a) Reconciliation of number of equity shares -				
Balance at the beginning of the year (Equity shares of face value Rs.10/- each)	104002735	10400.27	104002735	10400.27
Add : Fresh allotment of shares / adjustment for sub-division of equity shares during the year :				
1) Private placement to Qualified Institutional Buyers (QIBs) through Qualified Institutional Placement (QIP) (Equity shares of face value Rs.10/-each) (refer note no. 41)	9750257	975.03	0	0.00
2) Addition on account of sub-division of equity shares of Rs.10/- face value into equity shares of Rs.2/- face value (on 18th February, 2013)	455011968	0.00	0	0.00
Balance at the end of the year (Equity shares of face value Rs.2- each ;	568764960	11375.30	104002735	10400.27

2012: Rs.10/- each)				
	As at March 2013		As at March 2012	
	Numbers	Rs. in lakhs	Numbers	Rs. in lakhs
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited	291207660	5824.15	58241532	5824.15
(Equity shares of face value of Rs.2- each ; 2012 : Equity shares of face value of Rs.10/- each)				
Percentage of holding (%)	51.20%	51.20%	56.00%	56.00%
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited	291207660	5824.15	58241532	5824.15
(Equity shares of face value of Rs.2- each ; 2012 : Equity shares of face value of Rs.10/- each)				
Percentage of holding (%)	51.20%	51.20%	56.00%	56.00%

d) Sub-division of equity shares

Pursuant to recommendation of the Board of Directors of the Company at its meeting held on 21st December, 2012 and followed by approval of the members by way of postal ballot, each equity share of the face value of Rs. 10/- each fully paid up was sub-divided into five Equity shares of Rs. 2/- each fully paid up in February, 2013. In accordance with the Accounting Standard 20 pertaining to Earnings Per Share, the Company has given effect to the above mentioned sub-division of shares in computing the Earnings Per Shares for the applicable previous year.

e) Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) Shares issued to ESOS trust

As per Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment which requires that shares allotted to a trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly Company has reduced the Share capital by Rs.114.90 lakhs (2012 : Rs. 131.52 lakhs), Securities premium reserve by Rs.112.70 lakhs (2012 : Rs. 155.23 lakhs) in respect of 57,44,785 equity shares of face value of Rs.2/- each (2012 : 13,15,164 equity shares of face value of Rs.10/- each) held by the trust pending for transfer into the beneficiary accounts of the eligible employees.

Note : 2
Reserves and surplus

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Capital redemption reserve :					
Balance as at the beginning of the year	5000.00	5000.00	5000.00	5000.00	5000.00
Add : Transfer during the year	0.00	0.00	0.00	0.00	0.00
	5000.00	5000.00	5000.00	5000.00	5000.00
Less : Deductions during the year	0.00	0.00	0.00	0.00	0.00
Balance as at the end of the year	5000.00	5000.00	5000.00	5000.00	5000.00
Securities premium reserve:					
Balance as at the beginning of the year	203252.40	202324.25	201824.74	201558.08	116689.20
Add : Additions during the year on account of -					
i) Exercise of employee stock options	1029.01	928.15	499.51	266.66	444.17
ii) Fresh issue of shares	0.00	0.00	0.00	0.00	85704.77
	204281.41	203252.40	202324.25	201824.74	202838.14
Less :Deductions during the year in respect of -					
i) Shares issued to ESOP trust but not allotted to employees	64.39	64.39	64.39	86.83	112.70
ii) Deductions during the year in respect of expenses related to public issue of Non-convertible Debentures (refer note no. 41 for FY2016-17 and FY2012-13)	1653.42	0.00	0.00	0.00	1280.06
Balance as at the end of the year	202563.60	203188.01	202259.86	201737.91	201445.38
Debenture redemption reserve :					
Balance as at the beginning of the year	0.00	0.00	0.00	0.00	0.00
Add : Transfers during the year representing creation of DRR at the rate of 25% on a proportionate basis over the tenor of debentures issued to public (refer note no. 41 for FY2016-17)	2649.86	0.00	0.00	0.00	0.00
	2649.86	0.00	0.00	0.00	0.00
Less : Deductions during the year	0.00	0.00	0.00	0.00	0.00
Balance as at the end of the year	2649.86	0.00	0.00	0.00	0.00
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934 and Section 29C of the National Housing Bank Act, 1987 :					
Balance as at the beginning of the year	116765.56	101279.18	83352.56	64885.68	46828.55
Add : Transfers from Surplus in the Statement of profit and loss	10914.37	15486.38	17926.62	18466.88	18057.13
	127679.93	116765.56	101279.18	83352.56	64885.68
Less : Deductions during the year	0.00	0.00	0.00	0.00	0.00
Balance as at the end of the year	127679.93	116765.56	101279.18	83352.56	64885.68
General reserve :					
Balance as at the beginning of the year	53084.20	46358.20	37480.45	28328.60	19151.60
Add : Transfers from Surplus in the Statement of profit and loss	4003.00	6726.00	8877.75	9168.24	9177.00
	57087.20	53084.20	46358.20	37496.84	28328.60
Less : Deductions during the year	0.00	0.00	0.00	16.39	0.00
Balance as at the end of the year	57087.20	53084.20	46358.20	37480.45	28328.60
Foreign exchange fluctuation reserve :					
Balance as at the beginning of the year	2922.18	1885.69	1312.48	513.62	294.82
Add : Additions during the year	(695.37)	1036.49	573.21	798.86	218.80
	2226.81	2922.18	1885.69	1312.48	513.62
Less : Deductions during the year	0.00	0.00	0.00	0.00	0.00
Balance as at the end of the year	2226.81	2922.18	1885.69	1312.48	513.62
Employees stock options outstanding :					
A) Employee stock options outstanding -					
Balance as at the beginning of the year	4435.68	5241.45	1333.81	1347.77	1804.70
Add : Fresh grant of options	771.99	139.10	4465.00	289.16	0.00
	5207.67	5380.55	5798.81	1636.93	1804.70
Less : Transfers / reversals during the year					
i) Transfers to securities premium reserve	1029.01	928.15	499.51	266.66	444.18
ii) Reversals for options lapsed	64.08	16.72	57.85	36.46	12.75
Balance as at the end of the year (A)	4114.58	4435.68	5241.45	1333.81	1347.77
Less :					
B) Deferred employee compensation :					
Balance as at the beginning of the year	1994.35	3599.85	462.18	572.30	1101.19
Add : Fresh grant of options	771.99	139.10	4465.00	289.16	0.00
	2766.34	3738.95	4927.18	861.46	1101.19
Less : Amortisation during the year					
i) Transfer to employee compensation expenses (refer note no 22)	1049.50	1727.88	1269.48	362.82	516.14
ii) Reversals for options lapsed	64.08	16.72	57.85	36.46	12.75
Balance as at the end of the year (B)	1652.76	1994.35	3599.85	462.18	572.30
Balance as at the end of the year (A-B)	2461.82	2441.33	1641.60	871.63	775.47

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Surplus in Statement of profit and loss :					
Balance as at the beginning of the year	252246.47	224564.35	187814.12	145746.40	104326.11
Less : Transitional depreciation charge (net of deferred tax) on re-computation based on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 in respect of carrying amount of assets where remaining useful life of an asset is nil (refer note no. 24 for FY 2014-15)	0.00	0.00	317.77	0.00	0.00
	252246.47	224564.35	187496.35	145746.40	104326.11
Add : Adjustments as per the Scheme of Amalgamation (refer note no. 39 of FY 2014-15)	0.00	0.00	529.87	0.00	0.00
Less: Transitional charge in respect of Mark to market loss on derivative transactions outstanding as at April 01, 2016 as per Guidance note on Accounting for Derivative Transactions issued by the Institute of Chartered Accountants of India (refer note no. 46 for FY 2016-17)	(514.68)	0.00	0.00	0.00	0.00
Add : Profit for the year transferred from the Statement of profit and loss	51163.67	77229.36	91290.54	95442.14	92703.54
	302895.46	301793.71	279316.76	241188.54	197029.65
Less : Appropriations :					
General reserve	4003.00	6726.00	8877.75	9151.85	9177.00
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934 and Section 29C of the National Housing Bank Act, 1987	10914.37	15486.38	17926.62	18466.88	18057.13
Debenture Redemption Reserve	2649.86	0.00	0.00	0.00	0.00
Corporate tax on interim dividend on equity shares	0.00	0.00	0.00	0.00	162.31
Proposed dividend on equity shares	0.00	22750.60	22750.60	21613.07	20475.54
Corporate dividend tax on equity shares	282.73	4584.26	4552.41	3612.75	3411.84
Depreciation and Special Reserve adjustment	0.00	0.00	645.03	0.00	(0.57)
	17849.96	49547.24	54752.41	52844.55	51283.25
Balance as at the end of the year	285045.50	252246.47	224564.35	188343.99	145746.40
Total	684714.72	635647.75	582988.88	518099.02	446695.15

Note : 3

Long-term borrowings :

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
a) Secured #					
Non-convertible debentures (refer note no. 35(i)(a)) \$	1223680.00	730390.00	357040.00	321520.00	313960.00
Term loans :					
- from banks (refer note no. 35(ii)(a))	656336.84	714494.28	787597.03	1026884.70	745443.75
- from financial institutions					
- from others (refer note no. 35(iii)(a))	8394.19	15186.00	21682.49	23544.13	18774.49
Foreign currency loans					
- from banks (refer note no. 35(iv)(a))	47460.87	53227.83	12500.00	40305.51	27142.50
- from others (refer note no. 35(v)(a))	118296.56	108561.47	75101.31	48549.09	24756.47
Total	2054168.46	1621859.58	1253920.83	1460803.43	1130077.21

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
b) Unsecured -					
Non-Convertible Debentures					
Unsecured bonds (Subordinate debts) (refer note no. 36(i)(a)) \$	225030.00	124410.00	100910.00	79410.00	59410.00
Term loans :					
- from banks (refer note no. 36(ii)(a) for FY 2013-14 and FY 2014-15)	0.00	0.00	10000.00	10000.00	0.00
- from financial institutions					
- from others					
Fixed deposits (refer note no. 36(iii)(b) for FY 2013-14 to FY 2016-17 and note no. 36(ii)(b) for FY 2012-13)	219293.85	287851.01	321693.83	275163.14	192053.19
Total	<u>444323.85</u>	<u>412261.01</u>	<u>432603.83</u>	<u>364573.14</u>	<u>251463.19</u>
Total (a+b)	<u>2498492.31</u>	<u>2034120.59</u>	<u>1686524.66</u>	<u>1825376.57</u>	<u>1381540.40</u>

All secured loans / debentures are secured by pari passu charge on office premises and exclusive charge on receivables under loan contracts, owned assets and book debts to the extent of 100% of outstanding secured loans / debentures.

\$ The funds raised by the Company during the year by Issue of Secured / Unsecured Non Convertible Debentures / bonds were utilised for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital, in compliance with Applicable Laws.

Note : 4

Other long-term liabilities :

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Other long term liabilities	1.00	1.00	0.00	59.74	0.00
Deposits/advances received against loan agreements (refer note no. 32)	3932.57	2338.12	1804.35	1333.08	1260.70
Interest accrued but not due on borrowings	33437.36	31390.82	19283.53	15552.99	15983.12
Deferred subvention income	2535.73	2296.12	2508.93	3031.55	3424.05
Unrealised gains on loans transfer under securitisation transactions (refer note no. 34(d))	2471.88	4730.46	5175.94	6629.14	3629.32
Cash profit on loan transfers under assignment transactions pending recognition (refer note no. 34(b))	1.34	5.64	35.22	140.57	0.00
Derivative contract payables	361.22	0.00	0.00	954.49	0.00
Deferred premium payable to bank under forward exchange contracts on FCNR loans	0.00	2501.83	1440.00	0.00	0.00
Total	<u>42741.10</u>	<u>43263.99</u>	<u>30247.97</u>	<u>27701.56</u>	<u>24297.19</u>

Note : 5**Long-term provisions :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Provision for employee benefits (refer note no. 33)	2836.21	1232.42	1317.67	1013.88	744.35
Provision for Non-performing assets (refer note no. 29, 30 and 31)	48927.17	39513.68	26419.74	18767.00	10046.85
Contingent provisions for standard assets (refer note no. 29 and 31)	10394.98	8413.39	7504.79	6772.21	5484.96
Higher provision on restructured standard advances (refer note no. 29)	7.30	8.52	17.77	0.00	0.00
Provision for diminution in the fair value of restructured advances (refer note no. 29)	3.03	3.90	7.62	0.00	0.00
Provision for estimated loss/expenses on assignments	0.00	0.00	0.00	6756.55	15564.46
Total	62168.69	49171.91	35267.59	33309.64	31840.62

Note : 6**Short-term borrowings**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
a) Secured #					
Term loans from banks (refer note no. 37(i))	81050.00	41400.00	75600.00	57000.00	42000.00
Cash credit facilities with banks (refer note no. 37(ii))	78069.35	82929.05	59754.56	57232.21	75027.03
Foreign currency loans (refer note no. 37(ii))	80431.74	55269.55	36064.29	28664.24	30782.02
Total	239551.09	179598.60	171418.85	142896.45	147809.05

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
b) Unsecured -					
Loans from banks :					
- Term Loans (refer note no. 36(ii))	7400.00	0.00	0.00	2200.00	0.00
- Overdraft facilities	0.00	0.00	0.00	0.00	2019.79
Loans and advances from related parties (ICDs)	65000.00	30000.00	0.00	0.00	0.00
Fixed deposits (refer note no. 36(iv)(a))	24311.71	16154.68	6943.06	5931.15	3362.41
Commercial papers (CPs) (refer note no. 37(iii) for FY 2015-16 and FY2016-17 and note no. 37(iv) for FY 2012-13 and FY 2014-15)	385500.00	296000.00	347500.00	0.00	5000.00
Total	482211.71	342154.68	354443.06	8131.15	10382.20
Total (a+b)	721762.80	521753.28	525861.91	151027.60	158191.25

All secured loans / debentures are secured by pari passu charge on office premises and exclusive charge on receivables under loan contracts, owned assets and book debts to the extent of 100% of outstanding secured loans / debentures.

Note : 7

Trade payables :

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
a) Micro and Small Enterprises					
Finance	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00
b) Other than Micro and Small Enterprises :					
Finance	47958.15	33708.78	35102.69	31007.53	35714.53
Expenses	21483.90	15930.15	14442.54	14066.51	13219.51
Total	69442.05	49638.93	49545.23	45074.04	48934.04

Note : 8

Other current liabilities :

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Current maturities of long-term debt					
a) Secured #					
Non-convertible debentures (refer note no. 35(i)(b)) \$	243380.00	234470.00	152270.00	183520.00	167840.00
Foreign currency loans from banks (refer note no. 35(iv)(b))	52099.08	26932.51	42044.47	11983.00	10809.57
Term loans					
- from banks (refer note no. 35(ii)(b))	308157.78	357386.09	343954.34	312200.76	241744.28
- from others (refer note no. 35(iii)(b))	5311.81	6109.49	7039.44	6219.68	4487.68
Foreign currency loans - others (refer note no. 35(v)(b))	62270.65	52566.87	35853.50	22539.68	10158.60
Other loans & advances (specify)	671219.32	677464.96	581161.75	536463.12	435040.13
b) Unsecured -					
Unsecured bonds (subordinate debts) \$	6880.00	0.00	0.00	0.00	3100.00
Fixed deposits (refer note no. 36(iv)(c))	182750.58	161030.66	129621.50	76425.51	37377.62
Term loan from banks	0.00	10000.00	0.00	0.00	0.00
Total	189630.58	171030.66	129621.50	76425.51	40477.62

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Interest accrued but not due on borrowings	96457.81	57784.61	40486.58	30615.63	14929.38
Interest accrued and due on borrowings					
Income received in advance					
Unpaid dividends ^	52.66	52.14	57.69	57.93	62.52
Application money received for allotment of securities and due for refund and interest accrued thereon.					
Unpaid matured deposits and interest accrued thereon ^	376.37	382.63	0.00	0.00	0.00
Unpaid matured debentures and interest accrued thereon ^	0.05	0.00	0.00	0.00	0.00
Deposits / advances received against loan agreements (refer note no. 32)	5209.69	1581.54	1460.65	1647.04	1728.60
Amount Received in advance from ESOS Trust	138.86	147.66	156.88	191.63	227.60
Credit balances in current accounts with banks as per books	61833.73	43682.72	28370.30	17263.80	16906.56
Deferred subvention income	2076.62	2108.73	2284.76	2623.37	1855.43
Unrealised gains on loan transfers under securitisation transactions (refer note no. 34(d))	17300.26	20665.25	19175.40	15910.53	7447.22
Cash profit on loan transfers under assignment transactions pending recognition (refer note no. 34(b))	3.32	17.93	85.42	168.42	0.00
Insurance premium payable	4222.56	4033.90	3840.65	3694.88	3155.66
Payables under assignment / securitisation transactions	3305.85	1871.91	2932.13	6157.50	7590.56
Taxes deducted at Source	3506.52	3352.08	3142.33	2465.16	1621.95
Derivative contract payables	259.45	0.00	0.00	0.00	0.00
Deferred premium payable to bank under forward exchange contracts on FCNR loans	2286.21	2181.64	0.00	0.00	0.00
Others	10326.97	5754.43	5449.98	4442.08	4293.23
Total	1068206.83	992112.79	818226.02	698126.60	535336.46

All secured loans / debentures are secured by pari passu charges on office premises and exclusive charge on receivables under loan contracts, owned assets and book debts to the extent of 100% of outstanding secured loans / debentures.

^ Investor Education and Protection Fund shall be credited with the unclaimed amount as and when due for transfer.

\$ The funds raised by MMFSL during the year by Issue of Secured / Unsecured Non Convertible Debentures / bonds were utilised for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital, in compliance with Applicable Laws.

Note : 9**Short-term provisions :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Provision for employee benefits (refer note no. 33)	7238.06	6405.99	4997.48	6356.52	4502.33
Provision for estimated loss/expenses on assignments	0.00	0.00	6756.56	8807.92	4189.65
Provision for Non-performing assets (refer note no. 29, 30 and 31)	157008.62	116541.39	73535.35	46423.23	29663.34
Contingent provisions for standard assets (refer note no. 29 and 31)	7579.78	6836.01	5968.86	5370.61	4373.73
Higher provision on restructured standard advances (refer note no. 29)	15.01	13.79	4.54	0.00	0.00
Provision for diminution in the fair value of restructured advances (refer note no. 29)	6.24	6.30	1.94	0.00	0.00
Proposed dividend on equity shares #	0.00	22750.60	22750.60	21613.07	20475.54
Corporate dividend tax #	0.00	4376.27	4424.02	3544.75	3411.84
Total	171847.71	156930.35	118439.35	92116.10	66616.43

For FY 2016-17

Board of Directors have proposed a dividend of 120% at Rs.2.40 per share on equity share of Rs.2/- each (March 2016 : 200% at Rs.4.00 per equity share of face value of Rs.2.00 each) for the current financial year subject to approval of the members of the Company at the forthcoming Annual General Meeting. If approved by the members of the Company, the dividend will absorb a sum of Rs.16097.30 Lakhs (March 2016 : Rs.27126.87 Lakhs) including dividend distribution tax.

In terms of the revised Accounting Standard (AS) - 4 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, the Company has not accounted for proposed dividend for the current financial year as liability as at March 31, 2017. However, the proposed dividend was accounted for as liability as at March 31, 2016 in accordance with the then existing Accounting Standard. The Company has however adjusted the amount of proposed dividend for determining capital funds for computation of Capital Adequacy ratio as at March 31, 2017

For March 2015, the Board of Directors have recommended a dividend of Rs. 4.00 per share on equity share of face value of Rs.2/- each (March 2014 : Rs. 3.80 per share on equity share of face value Rs. 2/- each, March 2013 : Rs. 3.60 per share on equity share of face value Rs. 2/- each) for the current financial year. The dividend will absorb a sum of Rs.27,174.62 lakhs (March 2014 : Rs. 25,157.82 lakhs, March 2013 : Rs. 23,887.38 lakhs) including dividend distribution tax.

Note: 10) Fixed assets:

For FY 2016-17

Rs.in Lakhs

Asset Description	GROSS BLOCK AT COST				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Balance as at April 01, 2016	Additions	Deductions / Adjustments	As at March 31, 2017	Balance as at April 01, 2016	Additions	Deductions / Adjustments	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
i) Tangible Assets :										
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Premises	132.04	0.00	0.00	132.04	21.37	2.21	0.00	23.58	108.46	110.67
Computers	6478.90	1810.16	263.99	8025.07	4574.66	1234.44	262.78	5546.32	2478.75	1904.24
Furniture and Fixtures	7644.46	598.75	79.25	8163.96	3740.72	881.20	57.73	4564.19	3599.77	3903.74
Vehicles	6510.15	1403.18	781.44	7131.89	3643.14	1139.84	703.50	4079.48	3052.41	2867.01
Office Equipment	8104.88	1483.01	228.93	9358.96	4544.60	1343.14	220.76	5666.98	3691.98	3560.28
Total (i)	28870.43	5295.10	1353.61	32811.92	16524.49	4600.83	1244.77	19880.55	12931.37	12345.94
ii) Intangible Assets:										
Computer software	2395.82	619.96	0.00	3015.78	1840.52	771.50	0.00	2612.02	403.76	555.30
Goodwill*	4.05		0.00	4.05				0.00	4.05	4.05
Total (ii)	2399.87	619.96	0.00	3019.83	1840.52	771.50	0.00	2612.02	407.81	559.35
Total (i+ii)	31270.30	5915.06	1353.61	35831.75	18365.01	5372.33	1244.77	22492.57	13339.18	12905.29
* Goodwill arising on consolidation										

For FY 2015-16

Rs.in
Lakhs

Asset Description	GROSS BLOCK AT COST				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Balance as at 1st April 2015	Additions	Deductions / Adjustments	As at 31st March 2016	Balance as at 1st April 2015	Additions	Deductions / Adjustments	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
i) Tangible Assets :										
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Premises	108.92	23.12	0.00	132.04	19.41	1.96	0.00	21.37	110.67	89.51
Computers	5534.78	1225.36	281.24	6478.90	3902.62	952.69	280.60	4574.71	1904.19	1632.16
Furniture and Fixtures	6976.96	735.98	68.47	7644.47	2932.55	867.19	59.01	3740.73	3903.74	4044.41
Vehicles	5701.87	1275.39	467.11	6510.15	3012.51	982.32	351.69	3643.14	2867.01	2689.36
Office Equipment	6505.03	1938.19	338.33	8104.89	3544.53	1327.35	327.32	4544.56	3560.33	2960.50
Total (i)	24827.56	5198.04	1155.17	28870.43	13411.62	4131.51	1018.64	16524.49	12345.94	11415.94
ii) Intangible Assets:										
Computer software	1868.29	527.53	0.00	2395.82	1402.25	438.27	0.00	1840.52	555.30	466.04
Goodwill*	4.05		0.00	4.05				0.00	4.05	4.05
Total (ii)	1872.34	527.53	0.00	2399.87	1402.25	438.27	0.00	1840.52	559.35	470.09
Total (i+ii)	26699.90	5725.57	1155.17	31270.30	14813.87	4569.78	1018.64	18365.01	12905.29	11886.03
* Goodwill arising on consolidation										

For FY2014-15

Rs.in Lakhs

Asset description	GROSS BLOCK AT COST			DEPRECIATION & AMORTISATION					NET BLOCK		
	As at April 01, 2014	Additions	Deductions / adjustments	As at March 31, 2015	As at April 01, 2014	Transitional depreciation#	Additions	Deductions / adjustments	As at March 31, 2015	As at March 31, 2015	As at April 01, 2014
i) Tangible assets :											
Premises	108.92	0.00	0.00	108.92	17.59	0.00	1.82	0.00	19.41	89.51	91.33
Computers	4,490.89	1,093.96	50.06	5,534.79	2,238.21	435.62	1,277.45	48.64	3,902.64	1,632.15	2,252.68
Furniture and fixtures	6,373.10	622.26	18.42	6,976.94	2,089.71	36.38	818.48	12.02	2,932.55	4,044.39	4,283.39
Vehicles	5,281.39	667.40	246.90	5,701.89	2,214.71	3.48	943.17	148.87	3,012.49	2,689.40	3,066.68
Office equipment	4,972.18	1,581.05	48.21	6,505.02	2,316.05	42.26	1,228.09	41.87	3,544.53	2,960.49	2,656.13
Total (i)	21,226.48	3,964.67	363.59	24,827.56	8,876.27	517.74	4,269.01	251.40	13,411.62	11,415.94	12,350.21
ii) Intangible assets:											
Computer software	1,614.60	253.69	-	1,868.29	1,120.50	-	281.75	-	1,402.25	466.04	494.10
Goodwill *	4.05	-	-	4.05	-	-	-	-	-	4.05	4.05
Total (ii)	1,618.65	253.69	-	1,872.34	1,120.50	-	281.75	-	1,402.25	470.09	498.15
Total (i+ii)	22,845.13	4,218.36	363.59	26,699.90	9,996.77	517.74	4,550.76	251.40	14,813.87	11,886.03	12,848.36

* Goodwill arising on consolidation

represents transitional depreciation charge adjusted in opening balance of surplus in statement of profit and loss on re-computation based on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 in respect of carrying amount of assets where remaining useful life of an asset is nil (refer note no. 24).

For FY2013-14

Asset description	GROSS BLOCK AT COST				DEPRECIATION AND AMORTISATION				NET BLOCK	
	Balance as at 1 st April 2013	Additions	Deductions / adjustments	As at 31 st March 2014	Balance as at 1 st April 2013	Additions	Deductions / adjustments	As at 31 st March 2014	As at 31 st March 2014	As at 31 st March 2013
i) Tangible assets										
Premises	108.92	-	-	108.92	15.82	1.77	-	17.59	91.33	93.10
Computers	4839.75	807.82	1156.68	4490.89	2793.51	598.92	1154.22	2238.21	2252.68	2046.24
Furniture and Fixtures	5828.77	802.89	258.56	6373.10	1856.21	466.77	233.27	2089.71	4283.39	3972.57
Vehicles	4340.08	1260.10	318.79	5281.39	1795.79	668.37	249.45	2214.71	3066.68	2544.25
Office Equipment	4462.63	991.19	481.64	4972.18	2040.92	751.70	476.57	2316.05	2656.13	2421.74
Total (i)	19580.15	3862.00	2215.67	21226.48	8502.25	2487.53	2113.51	8876.27	12350.21	11077.90
ii) Intangible assets:										
Computer software	1150.30	464.30	-	1614.60	999.98	120.52	-	1120.50	494.10	150.32
Goodwill*	4.05	-	-	4.05	-	-	-	-	4.05	4.05
Total (ii)	1154.35	464.30	-	1618.65	999.98	120.52	-	1120.50	498.15	154.37
Total (i+ii)	20734.50	4326.30	2215.67	22845.13	9502.23	2608.05	2113.51	9996.77	12848.36	11232.27

* Goodwill arising on consolidation

For FY2012-13

Asset description	GROSS BLOCK AT COST				DEPRECIATION & AMORTISATION				NET BLOCK	
	Balance as at 1 st April 2012	Additions for purchase / transfer	Deductions for Sale / transfer	Balance as at 31 st March 2013	Balance as at 1 st April 2012	Additions for purchase / transfer	Deductions for Sale / transfer	Balance as at 31 st March 2013	As at 31 st March 2013	As at 31 st March 2012
i) Tangible assets :										
Premises	108.92	0.00	0.00	108.92	14.05	1.77	0.00	15.82	93.10	94.87
Computers	4280.66	571.57	12.48	4839.75	2250.90	552.40	9.79	2793.51	2046.24	2029.76
Furniture and Fixtures	4699.00	1147.71	17.94	5828.77	1367.81	496.88	8.48	1856.21	3972.56	3331.19
Vehicles	3810.28	701.74	171.94	4340.08	1301.85	608.87	114.93	1795.79	2544.29	2508.43
Office Equipment	3472.82	1002.91	13.10	4462.63	1440.06	611.06	10.20	2040.92	2421.71	2032.76
Total (i)	16371.68	3423.93	215.46	19580.15	6374.67	2270.98	143.40	8502.25	11077.90	9997.01
ii) Intangible assets:										
Computer software	1000.17	150.13	0.00	1150.30	905.06	94.92	0.00	999.98	150.32	95.11
Goodwill*	4.76	0.00	0.71	4.05	0.00	0.00	0.00	0.00	4.05	4.76
Total (ii)	1004.93	150.13	0.71	1154.35	905.06	94.92	0.00	999.98	154.37	99.87
Total (i+ii)	17376.61	3574.06	216.17	20734.50	7279.73	2365.90	143.40	9502.23	11232.27	10096.88

* - Goodwill arising on consolidation

Note : 11**Non-current investments :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
i) Quoted (at cost)-					
Government securities (refer note no. 11 (i))	70418.03	63220.81	50612.79	37895.56	24168.13
(ii) Secured redeemable non-convertible debentures (refer note no. 11(ii)) (Non-current portion of long term investments in secured redeemable non-convertible debentures)	8975.00	2000.01	5354.17	0.00	0.00
Units of mutual funds (refer note no. 11 (iii))	400.00	0.00	0.00	0.00	0.00
	79793.03	65220.82	55966.96	37895.56	24168.13
ii) Unquoted (at cost) - (c) Equity investment in other entities :					
New Democratic Electoral Trust (10000 equity shares of Rs.10/- each fully paid up; March 2015 : 500 equity shares of Rs.10/- each fully paid up ; March 2014, and March 2013: Nil)	1.00	0.05	0.05	0.00	0.00
	1.00	0.05	0.05	0.00	0.00
Total	79794.03	65220.87	55967.01	37895.56	24168.13

Additional Information :

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
a) Aggregate amount of quoted investments and market value -					
i) Aggregate amount	79793.03	65220.82	55966.96	37895.56	24168.13
ii) Market value *	85018.06	67928.16	58916.61	36504.87	24709.68
b) Aggregate amount of unquoted investments	1.00	0.05	0.05	0.00	0.00

For FY 2016-17:

1. Details of quoted Long-term investments in Government stock :

As at March 31, 2017:

Rs. in Lakhs

Particulars	Face Value (Rs.)	Units	Amount	Market Value
Govt Stock 6.90%-13/07/2019	100	1000000	947.79	1009.88
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50	1514.81
Govt Stock 6.90%-13/07/2019	100	1000000	932.55	1009.88
Govt Stock 6.35%-02/01/2020	100	1000000	885.25	996.12
Govt Stock 7.80%-03/05/2020	100	500000	488.65	515.25
Govt Stock 10.25%-30/05/2021	100	1000000	1057.01	1123.26
Govt Stock 8.20%-15/02/2022	100	1000000	1004.37	1055.24
Govt Stock 8.20%-15/02/2022	100	1000000	1001.28	1055.24
Govt Stock 8.13%-21/09/2022	100	1500000	1505.17	1586.44
Govt Stock 8.13%-21/09/2022	100	500000	490.95	528.81
Govt Stock 8.13%-21/09/2022	100	500000	490.71	528.81
Govt Stock 8.13%-21/09/2022	100	1000000	955.80	1057.63
Govt Stock 7.16%-20/5/2023	100	1000000	900.55	1004.32
Govt Stock 7.16%-20/5/2023	100	1000000	904.70	1004.32
Govt Stock 8.83%-25/11/2023	100	2000000	2026.85	2175.50
Govt Stock 9.15%-14/11/2024	100	2500000	2631.47	2766.26
Govt Stock 9.15%-14/11/2024	100	1000000	1088.37	1106.50
MP SDL 8.15%-13/11/2025	100	2500000	2500.91	2601.97
MP SDL 8.15%-13/11/2025	100	1100000	1171.29	1144.87
MP SDL 8.15%-13/11/2025	100	1200000	1277.77	1248.95

Particulars	Face Value (Rs.)	Units	Amount	Market Value
TN SDL 8.27%-23/12/2025	100	1000000	1001.79	1031.17
Maharashtra SDL 8.26% 23/12/2025	100	2000000	2137.26	2128.34
Rajasthan SDL 8.30% 13/01/2026	100	2500000	2719.85	2748.14
UP SDL 8.39% 27/01/2026	100	500000	500.59	500.67
AP SDL 8.39% 27/01/2026	100	1000000	1001.18	1001.34
Govt Stock 8.33%-09/07/2026	100	2000000	2056.05	2141.26
Govt Stock 8.24%-15/02/2027	100	2000000	1898.50	2125.20
Govt Stock 8.24%-15/02/2027	100	1000000	959.15	1062.60
Govt Stock 8.24%-15/02/2027	100	1000000	956.33	1062.60
Govt Stock 8.24%-15/02/2027	100	1000000	1015.21	1062.60
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75	1606.50
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10	2142.00
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90	2142.00
Govt Stock 8.28%-21/09/2027	100	1000000	932.65	1071.00
Govt Stock 8.28%-21/09/2027	100	2000000	2002.12	2142.00
Govt Stock 8.97%-05/12/2030	100	1000000	1024.59	1123.86
Govt Stock 8.97%-05/12/2030	100	1000000	1025.76	1123.86
Govt Stock 8.97%-05/12/2030	100	500000	514.42	561.93
Govt Stock 8.97%-05/12/2030	100	1000000	1029.20	1123.86
Govt Stock 8.97%-05/12/2030	100	500000	523.19	561.93
Govt Stock 8.97%-05/12/2030	100	1000000	1037.36	1123.86
Govt Stock 8.97%-05/12/2030	100	1500000	1587.80	1685.79
Govt Stock 8.97%-05/12/2030	100	1000000	1097.36	1123.86

Particulars	Face Value (Rs.)	Units	Amount	Market Value
Govt Stock 8.97%-05/12/2030	100	1000000	1082.08	1123.86
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20	1685.79
Govt Stock 8.97%-05/12/2030	100	2000000	2178.73	2247.73
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50	2677.91
Govt Stock 8.32%-02/08/2032	100	1000000	1009.91	1073.92
Govt Stock 8.32%-02/08/2032	100	1000000	1029.93	1073.92
Govt Stock 8.24%-10/11/2033	100	1000000	1025.02	1079.42
Govt Stock 8.33%-07/06/2036	100	1500000	1547.36	1635.00
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30	1628.22
Govt Stock 8.83%-12/12/2041	100	1000000	1016.77	1136.02
Govt Stock 8.83%-12/12/2041	100	1000000	1021.87	1136.02
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33	1704.02
Total		70300000	70418.03	75632.25

As at March 31, 2016:

Rs. in Lakhs

Particulars	Face Value (Rs.)	Units	Amount	Market Value
Govt Stock 6.90%-13/07/2019	100	1000000	947.79	982.50
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50	1473.75
Govt Stock 6.90%-13/07/2019	100	1000000	932.55	982.50
Govt Stock 6.35%-02/01/2020	100	1000000	885.25	962.40
Govt Stock 7.80%-03/05/2020	100	500000	488.65	503.00
Govt Stock 10.25%-30/05/2021	100	1000000	1070.70	1101.48
Govt Stock 8.20%-15/02/2022	100	1000000	1005.27	1014.70

Particulars	Face Value (Rs.)	Units	Amount	Market Value
Govt Stock 8.20%-15/02/2022	100	1000000	1001.54	1014.70
Govt Stock 8.13%-21/09/2022	100	1500000	1506.11	1520.23
Govt Stock 8.13%-21/09/2022	100	500000	490.95	506.74
Govt Stock 8.13%-21/09/2022	100	500000	490.71	506.74
Govt Stock 8.13%-21/09/2022	100	1000000	955.80	1013.49
Govt Stock 7.16%-20/5/2023	100	1000000	900.55	966.80
Govt Stock 7.16%-20/5/2023	100	1000000	904.70	966.80
Govt Stock 8.83%-25/11/2023	100	2000000	2030.88	2117.00
Govt Stock 9.15%-14/11/2024	100	2500000	2648.71	2710.06
Govt Stock 9.15%-14/11/2024	100	1000000	1099.95	1084.02
MP SDL 8.15%-13/11/2025	100	2500000	2501.01	2498.96
TN SDL 8.27%-23/12/2025	100	1000000	1002.00	1011.09
UP SDL 8.39% 27/01/2026	100	500000	500.66	500.67
UP SDL 8.39% 27/01/2026	100	1000000	1001.31	1001.34
Govt Stock 8.33%-09/07/2026	100	2000000	2062.09	2028.40
Govt Stock 8.24%-15/02/2027	100	2000000	1898.50	2056.81
Govt Stock 8.24%-15/02/2027	100	1000000	959.15	1028.40
Govt Stock 8.24%-15/02/2027	100	1000000	956.33	1028.40
Govt Stock 8.24%-15/02/2027	100	1000000	1016.75	1028.40
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75	1542.75
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10	2057.00
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90	2057.00

Particulars	Face Value (Rs.)	Units	Amount	Market Value
Govt Stock 8.28%-21/09/2027	100	1000000	932.65	1028.50
Govt Stock 8.28%-21/09/2027	100	2000000	2002.33	2057.00
Govt Stock 8.97%-05/12/2030	100	1000000	1026.39	1082.69
Govt Stock 8.97%-05/12/2030	100	1000000	1027.65	1082.69
Govt Stock 8.97%-05/12/2030	100	500000	515.47	541.34
Govt Stock 8.97%-05/12/2030	100	1000000	1031.33	1082.69
Govt Stock 8.97%-05/12/2030	100	500000	524.88	541.34
Govt Stock 8.97%-05/12/2030	100	1000000	1040.09	1082.69
Govt Stock 8.97%-05/12/2030	100	1500000	1594.21	1624.03
Govt Stock 8.97%-05/12/2030	100	1000000	1104.47	1082.69
Govt Stock 8.97%-05/12/2030	100	1000000	1088.07	1082.69
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20	1624.03
Govt Stock 8.97%-05/12/2030	100	2000000	2191.79	2165.37
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50	2567.88
Govt Stock 8.32%-02/08/2032	100	1000000	1010.56	1032.15
Govt Stock 8.32%-02/08/2032	100	1000000	1031.88	1032.15
Govt Stock 8.24%-10/11/2033	100	1000000	1026.53	1028.50
Govt Stock 8.33%-07/06/2036	100	1500000	1549.82	1552.50
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30	1548.90
Govt Stock 8.83%-12/12/2041	100	1000000	1017.45	1092.05
Govt Stock 8.83%-12/12/2041	100	1000000	1022.75	1092.05
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33	1638.08
Total		63500000	63220.81	65928.15

In respect of MMFSL, quoted investments of Rs. 70418.03 Lakhs (March 31, 2016: Rs. 63,220.81 Lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.

2. Details of investments in Secured redeemable non-convertible debentures :

As at March 31, 2017:

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In Lakhs)	Rs. in Lakhs		
				(a) Non Current	(b) Current	Total
1	INTREPID FINANCE AND LEASING PRIVATE LIMITED SR-F 13 XIRR NCD 28AG17 FV RS 416667	80	800	0.00	166.67	166.67
2	LIGHT MICROFINANCE PRIVATE LIMITED SR-F 13.6 XIRR NCD 28AG17 FVRS10LAC	75	750	0.00	156.25	156.25
3	M POWER MICROFINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAC	75	750	0.00	156.25	156.25
4	SAIJA FINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAC	80	800	0.00	166.67	166.67
5	SATIN CREDITCARE NETWORK LIMITED SR-F 12.3 XIRR NCD 28AG17 FVRS10LAC	300	3000	0.00	625.00	625.00
6	SV CREDITLINE PVT. LTD. SR-F 12.75 XIRR NCD 28AG17 FVRS10LAC	200	2000	0.00	416.67	416.67
7	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 12.75 XIRR NCD 28AG17 FVRS250000	150	1500	0.00	312.50	312.50

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In Lakhs)	(a) Non Current	(b) Current	Total
8	UTKARSH MICROFINANCE LIMITED SR-F 10.50 XIRR NCD 28JUNE19 FVRS10LAC	800	8000	5600.00	2400.00	8000.00
9	PUDHUAARU FINANCIAL SERVICED PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAC	150	1500	750.00	750.00	1500.00
10	SMILE MICROFINANCE PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAC	150	1500	750.00	750.00	1500.00
11	SAMASTA MICROFINANCE PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAC	150	1500	750.00	750.00	1500.00
12	SVASTI MICROFINANCE PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAC	75	750	375.00	375.00	750.00
13	ZEN LEFIN PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAC	150	1500	750.00	750.00	1500.00
	Total			8975.00	7775.01	16750.01

Note : Secured redeemable non-convertible debentures are redeemable in tranches as per the terms and conditions of the issue.

As at March 31, 2016

Rs. in Lakhs

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	(a) Non Current	(b) Current	Total
1	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 VRS10LAKH	100	1000	-	416.67	416.67

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	(a) Non Current	(b) Current	Total
2	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
3	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAKH	100	1000	-	416.67	416.67
4	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
5	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAKH	150	1500	-	625.00	625.00
6	DISHA MICROFIN PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
7	FUSION MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
8	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	100	1000	-	250.00	250.00

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	(a) Non Current	(b) Current	Total
9	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAKH	200	2000	-	833.33	833.33
10	SATIN CREDITCARE NETWORK LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	150	1500	-	375.00	375.00
11	SONATA FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAKH	150	1500	-	625.00	625.00
12	SV CREDITLINE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
13	INTREPID FINANCE AND LEASING PRIVATE LIMITED SR-F 13 XIRR NCD 28AG17 FVRS750000	80	800	166.67	400.00	566.67
14	LIGHT MICROFINANCE PRIVATE LIMITED SR-F 13.6 XIRR NCD 28AG17 FVRS10LAKH	75	750	156.25	375.00	531.25
15	M POWER MICROFINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAKH	75	750	156.25	375.00	531.25
16	SAIJA FINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAKH	80	800	166.67	400.00	566.67

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	(a) Non Current	(b) Current	Total
17	SATIN CREDITCARE NETWORK LIMITED SR-F 12.3 XIRR NCD 28AG17 FVRS10LAKH	300	3000	625.00	1500.00	2125.00
18	SV CREDITLINE PVT. LTD. SR-F 12.75 XIRR NCD 28AG17 FVRS10LAKH	200	2000	416.67	1000.00	1416.67
19	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 12.75 XIRR NCD 28AG17 FVRS750000	150	1500	312.50	750.00	1062.50
	Total			2000.01	9279.17	11279.18

Note : Secured redeemable non-convertible debentures are redeemable in tranches as per the terms and conditions of the issue.

iii) **Details of mutual fund units :**

As at March 31, 2017:

Rs. in Lakhs

Particulars	Net Asset Value (Rs.)	Units	Amount	Market Value
MAHINDRA KAR BACHAT YOJNA	11.1376	500000	50.00	55.69
MAHINDRA LIQUID FUND	1052.6354	5000	50.00	52.63
MAHINDRA DHAN SANCHAY YOJANA	10.2917	500000	50.00	51.46
MAHINDRA ALP SAMAY BACHAT YOJANA	1009.9978	5000	50.00	50.50
HDFC Charity Fund for Cancer Cure	10.0265	2000000	200.00	200.53
Total			400.00	410.81

As at March 31, 2016: Nil

For FY 2015-16:

2. Details of quoted Long-term investments in Government stock :

As at March 31, 2016:

Rs. in Lakhs

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1,427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1,070.70
Govt Stock 8.20%-15/02/2022	100	1000000	1,005.27
Govt Stock 8.20%-15/02/2022	100	1000000	1,001.54
Govt Stock 8.13%-21/09/2022	100	1500000	1,506.11
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 7.16%-20/5/2023	100	1000000	900.55
Govt Stock 7.16%-20/5/2023	100	1000000	904.70
Govt Stock 8.83%-25/11/2023	100	2000000	2,030.88
Govt Stock 9.15%-14/11/2024	100	2500000	2,648.71
Govt Stock 9.15%-14/11/2024	100	1000000	1,099.95
MP SDL 8.15%-13/11/2025	100	2500000	2,501.01

Particulars	Face Value (Rs.)	Units	Amount
TN SDL 8.27%-23/12/2025	100	1000000	1,002.00
UP SDL 8.39% 27/01/2026	100	500000	500.66
UP SDL 8.39% 27/01/2026	100	1000000	1,001.31
Govt Stock 8.33%-09/07/2026	100	2000000	2,062.09
Govt Stock 8.24%-15/02/2027	100	2000000	1,898.50
Govt Stock 8.24%-15/02/2027	100	1000000	959.15
Govt Stock 8.24%-15/02/2027	100	1000000	956.33
Govt Stock 8.24%-15/02/2027	100	1000000	1,016.75
Govt Stock 8.28%-21/09/2027	100	1500000	1,380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1,868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1,867.90
Govt Stock 8.28%-21/09/2027	100	1000000	932.65
Govt Stock 8.28%-21/09/2027	100	2000000	2,002.33
Govt Stock 8.97%-05/12/2030	100	1000000	1,026.39
Govt Stock 8.97%-05/12/2030	100	1000000	1,027.65
Govt Stock 8.97%-05/12/2030	100	500000	515.47
Govt Stock 8.97%-05/12/2030	100	1000000	1,031.33
Govt Stock 8.97%-05/12/2030	100	500000	524.88
Govt Stock 8.97%-05/12/2030	100	1000000	1,040.09
Govt Stock 8.97%-05/12/2030	100	1500000	1,594.21
Govt Stock 8.97%-05/12/2030	100	1000000	1,104.47
Govt Stock 8.97%-05/12/2030	100	1000000	1,088.07
Govt Stock 8.97%-05/12/2030	100	1500000	1,450.20

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 8.97%-05/12/2030	100	2000000	2,191.79
Govt Stock 8.28%-15/02/2032	100	2500000	2,401.50
Govt Stock 8.32%-02/08/2032	100	1000000	1,010.56
Govt Stock 8.32%-02/08/2032	100	1000000	1,031.88
Govt Stock 8.24%-10/11/2033	100	1000000	1,026.53
Govt Stock 8.33%-07/06/2036	100	1500000	1,549.82
Govt Stock 8.30%-02/07/2040	100	1500000	1,359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1,017.45
Govt Stock 8.83%-12/12/2041	100	1000000	1,022.75
Govt Stock 8.83%-12/12/2041	100	1500000	1,469.33
Total		63500000	63,220.81

As on 31st March, 2015:

Rs. In Lakhs

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1,427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1,084.47
Govt Stock 8.13%-21/09/2022	100	1500000	1,507.06
Govt Stock 8.20%-15/02/2022	100	1000000	1,006.17
Govt Stock 8.20%-15/02/2022	100	1000000	1,001.80

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 7.16%-20/5/2023	100	1000000	900.55
Govt Stock 7.16%-20/5/2023	100	1000000	904.70
Govt Stock 8.83%-25/11/2023	100	2000000	2,034.93
Govt Stock 9.15%-14/11/2024	100	2500000	2,666.00
Govt Stock 9.15%-14/11/2024	100	1000000	1,111.57
Govt Stock 8.28%-21/09/2027	100	1500000	1,380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1,868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1,867.90
Govt Stock 8.28%-21/09/2027	100	1000000	932.65
Govt Stock 8.24%-15/02/2027	100	2000000	1,898.50
Govt Stock 8.24%-15/02/2027	100	1000000	959.15
Govt Stock 8.24%-15/02/2027	100	1000000	956.33
Govt Stock 8.28%-21/09/2027	100	2000000	2,002.53
Govt Stock 8.97%-05/12/2030	100	1000000	1,028.19
Govt Stock 8.97%-05/12/2030	100	1000000	1,029.53
Govt Stock 8.97%-05/12/2030	100	500000	516.53
Govt Stock 8.97%-05/12/2030	100	1000000	1,033.47
Govt Stock 8.97%-05/12/2030	100	500000	526.58
Govt Stock 8.97%-05/12/2030	100	1000000	1,042.83
Govt Stock 8.97%-05/12/2030	100	1500000	1,600.64
Govt Stock 8.97%-05/12/2030	100	1000000	1,111.60

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 8.97%-05/12/2030	100	1000000	1,094.09
Govt Stock 8.97%-05/12/2030	100	1500000	1,450.20
Govt Stock 8.97%-05/12/2030	100	2000000	2,204.88
Govt Stock 8.28%-15/02/2032	100	2500000	2,401.50
Govt Stock 8.30%-02/07/2040	100	1500000	1,359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1,018.13
Govt Stock 8.83%-12/12/2041	100	1000000	1,023.64
Govt Stock 8.83%-12/12/2041	100	1500000	1,469.33
Total		51000000	50,612.79

In respect of MMFSL, Quoted investments of Rs. 63220.81 Lakhs (March 31, 2015: Rs. 50612.79 Lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.

3. Details of investments in Secured redeemable non-convertible debentures :

As at March 31, 2016:

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	Rs. in Lakhs		
				(a) Non Current	(b) Current	Total
1	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000	-	416.67	416.67
2	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750	-	187.50	187.50

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	(a) Non Current	(b) Current	Total
3	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000	-	416.67	416.67
4	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750	-	187.50	187.50
5	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500	-	625.00	625.00
6	DISHA MICROFIN PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750	-	187.50	187.50
7	FUSION MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750	-	187.50	187.50
8	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000	-	250.00	250.00
9	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	200	2000	-	833.33	833.33

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	(a) Non Current	(b) Current	Total
10	SATIN CREDITCARE NETWORK LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	150	1500	-	375.00	375.00
11	SONATA FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500	-	625.00	625.00
12	SV CREDITLINE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750	-	187.50	187.50
13	INTREPID FINANCE AND LEASING PRIVATE LIMITED SR-F 13 XIRR NCD 28AG17 FVRS750000	80	800	166.67	400.00	566.67
14	LIGHT MICROFINANCE PRIVATE LIMITED SR-F 13.6 XIRR NCD 28AG17 FVRS10LAC	75	750	156.25	375.00	531.25
15	M POWER MICROFINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAC	75	750	156.25	375.00	531.25
16	SAIJA FINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAC	80	800	166.67	400.00	566.67
17	SATIN CREDITCARE NETWORK LIMITED SR-F 12.3 XIRR NCD 28AG17 FVRS10LAC	300	3000	625.00	1500.00	2125.00

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	(a) Non Current	(b) Current	Total
18	SV CREDITLINE PVT. LTD. SR-F 12.75 XIRR NCD 28AG17 FVRS10LAC	200	2000	416.67	1000.00	1416.67
19	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 12.75 XIRR NCD 28AG17 FVRS750000	150	1500	312.50	750.00	1062.50
	Total			2000.01	9279.17	11279.18

Note: Secured redeemable non-convertible debentures are redeemable in tranches as per the terms and conditions of issue.

As at March 31, 2015:

Rs. in Lakhs

Sr. No	ISIN Description	Total Quantity	Face Value	(a) Non Current	(b) Current	Total
1	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000.00	416.67	500.00	916.67
2	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
3	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000.00	416.67	500.00	916.67

Sr. No	ISIN Description	Total Quantity	Face Value	(a) Non Current	(b) Current	Total
4	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.5	375	562.50
5	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1,375.00
6	DISHA MICROFIN PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
7	FUSION MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
8	FUTURE FINANCIAL SERVICES LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000.00	250.00	500.00	750.00
9	FUTURE FINANCIAL SERVICES LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1,375.00
10	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000.00	250.00	500.00	750.00
11	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	200	2000.00	833.33	1,000.00	1,833.33

Sr. No	ISIN Description	Total Quantity	Face Value	(a) Non Current	(b) Current	Total
12	SATIN CREDITCARE NETWORK LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	150	1500.00	375.00	750.00	1,125.00
13	SONATA FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1,375.00
14	SV CREDITLINE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
	Total			5,354.17	7,875.00	13,229.17

Note: Secured redeemable non-convertible debentures are redeemable in tranches as per the terms and conditions of issue.

For FY 2014-15:

3. Details of quoted Long-term investments in Government stock :

As on 31st March, 2015:

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1,427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1,084.47
Govt Stock 8.13%-21/09/2022	100	1500000	1,507.06
Govt Stock 8.20%-15/02/2022	100	1000000	1,006.17
Govt Stock 8.20%-15/02/2022	100	1000000	1,001.80

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 7.16%-20/5/2023	100	1000000	900.55
Govt Stock 7.16%-20/5/2023	100	1000000	904.70
Govt Stock 8.83%-25/11/2023	100	2000000	2,034.93
Govt Stock 9.15%-14/11/2024	100	2500000	2,666.00
Govt Stock 9.15%-14/11/2024	100	1000000	1,111.57
Govt Stock 8.28%-21/09/2027	100	1500000	1,380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1,868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1,867.90
Govt Stock 8.28%-21/09/2027	100	1000000	932.65
Govt Stock 8.24%-15/02/2027	100	2000000	1,898.50
Govt Stock 8.24%-15/02/2027	100	1000000	959.15
Govt Stock 8.24%-15/02/2027	100	1000000	956.33
Govt Stock 8.28%-21/09/2027	100	2000000	2,002.53
Govt Stock 8.97%-05/12/2030	100	1000000	1,028.19
Govt Stock 8.97%-05/12/2030	100	1000000	1,029.53
Govt Stock 8.97%-05/12/2030	100	500000	516.53
Govt Stock 8.97%-05/12/2030	100	1000000	1,033.47
Govt Stock 8.97%-05/12/2030	100	500000	526.58
Govt Stock 8.97%-05/12/2030	100	1000000	1,042.83
Govt Stock 8.97%-05/12/2030	100	1500000	1,600.64
Govt Stock 8.97%-05/12/2030	100	1000000	1,111.60
Govt Stock 8.97%-05/12/2030	100	1000000	1,094.09
Govt Stock 8.97%-05/12/2030	100	1500000	1,450.20
Govt Stock 8.97%-05/12/2030	100	2000000	2,204.88
Govt Stock 8.28%-15/02/2032	100	2500000	2,401.50
Govt Stock 8.30%-02/07/2040	100	1500000	1,359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1,018.13
Govt Stock 8.83%-12/12/2041	100	1000000	1,023.64
Govt Stock 8.83%-12/12/2041	100	1500000	1,469.33
Total		51000000	50,612.79

As on 31st March, 2014:

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1,427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1,098.16

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 8.13%-21/09/2022	100	1500000	1,508.00
Govt Stock 8.20%-15/02/2022	100	1000000	1,007.06
Govt Stock 8.20%-15/02/2022	100	1000000	1,002.06
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 9.15%-14/11/2024	100	2500000	2,683.23
Govt Stock 9.15%-14/11/2024	100	1000000	1,123.16
Govt Stock 8.28%-21/09/2027	100	1500000	1,380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1,868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1,867.90
Govt Stock 8.97%-05/12/2030	100	1000000	1,029.99
Govt Stock 8.97%-05/12/2030	100	1000000	1,031.42
Govt Stock 8.97%-05/12/2030	100	500000	517.58
Govt Stock 8.97%-05/12/2030	100	1000000	1,035.60
Govt Stock 8.97%-05/12/2030	100	500000	528.28
Govt Stock 8.97%-05/12/2030	100	1000000	1,045.56
Govt Stock 8.97%-05/12/2030	100	1500000	1,607.06
Govt Stock 8.97%-05/12/2030	100	1000000	1,118.72
Govt Stock 8.97%-05/12/2030	100	1000000	1,100.08
Govt Stock 8.97%-05/12/2030	100	1500000	1,450.20
Govt Stock 8.28%-15/02/2032	100	2500000	2,401.50
Govt Stock 8.30%-02/07/2040	100	1500000	1,359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1,018.81
Govt Stock 8.83%-12/12/2041	100	1000000	1,024.52
Govt Stock 8.83%-12/12/2041	100	1500000	1,469.33
Total		38000000	37,895.56

Quoted investments of Rs. 50,612.79 Lakhs (March 2014 : Rs. 37,895.56 Lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January, 2007 issued by The Reserve Bank of India.

4. Details of investments in Secured redeemable non-convertible debentures :

As at March 31, 2015:

Sr. No	ISIN Description	Total Quantity	Face Value	(a) Non Current	(b) Current	Total
1	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000.00	416.67	500.00	916.67

Sr. No	ISIN Description	Total Quantity	Face Value	(a) Non Current	(b) Current	Total
2	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
3	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000.00	416.67	500.00	916.67
4	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.5	375	562.50
5	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1,375.00
6	DISHA MICROFIN PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
7	FUSION MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
8	FUTURE FINANCIAL SERVICES LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000.00	250.00	500.00	750.00
9	FUTURE FINANCIAL SERVICES LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1,375.00
10	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000.00	250.00	500.00	750.00
11	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	200	2000.00	833.33	1,000.00	1,833.33
12	SATIN CREDITCARE NETWORK LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	150	1500.00	375.00	750.00	1,125.00
13	SONATA FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1,375.00

Sr. No	ISIN Description	Total Quantity	Face Value	(a) Non Current	(b) Current	Total
14	SV CREDITLINE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
	Total			5,354.17	7,875.00	13,229.17

5. During the year, the Company has made investment of Rs 0.05 Lakhs in 500 equity shares of face value Rs. 10/- each in New Democratic Electoral Trust, as section 8 company formed by Mahindra & Mahindra Limited.

For FY 2013-14:

(i) **Details of quoted Long-term investments in Government stock
As on 31st March,2014**

Particulars	Face value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1098.16
Govt Stock 8.13%-21/09/2022	100	1500000	1508.00
Govt Stock 8.20%-15/02/2022	100	1000000	1007.06
Govt Stock 8.20%-15/02/2022	100	1000000	1002.06
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 9.15%-14/11/2024	100	2500000	2683.23
Govt Stock 9.15%-14/11/2024	100	1000000	1123.16
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90
Govt Stock 8.97%-05/12/2030	100	1000000	1029.99
Govt Stock 8.97%-05/12/2030	100	1000000	1031.42
Govt Stock 8.97%-05/12/2030	100	500000	517.58
Govt Stock 8.97%-05/12/2030	100	1000000	1035.60
Govt Stock 8.97%-05/12/2030	100	500000	528.28
Govt Stock 8.97%-05/12/2030	100	1000000	1045.56
Govt Stock 8.97%-05/12/2030	100	1500000	1607.06
Govt Stock 8.97%-05/12/2030	100	1000000	1118.72
Govt Stock 8.97%-05/12/2030	100	1000000	1100.08

Particulars	Face value (Rs.)	Units	Amount
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1018.81
Govt Stock 8.83%-12/12/2041	100	1000000	1024.52
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33
Total		38000000	37895.56

As on 31st March, 2013

Particulars	Face value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1111.85
Govt Stock 8.13%-21/09/2022	100	1500000	1508.95
Govt Stock 8.20%-15/02/2022	100	1000000	1007.96
Govt Stock 8.20%-15/02/2022	100	1000000	1002.32
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 9.15%-14/11/2024	100	2500000	2700.47
Govt Stock 8.97%-05/12/2030	100	1000000	1031.78
Govt Stock 8.97%-05/12/2030	100	1000000	1033.30
Govt Stock 8.97%-05/12/2030	100	500000	518.64
Govt Stock 8.97%-05/12/2030	100	1000000	1037.74
Govt Stock 8.97%-05/12/2030	100	500000	529.97
Govt Stock 8.97%-05/12/2030	100	1000000	1048.29
Govt Stock 8.97%-05/12/2030	100	1500000	1613.47
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1019.49
Govt Stock 8.83%-12/12/2041	100	1000000	1025.41
Total		24000000	24168.13

Quoted investments of Rs. 37895.56 Lakhs (March 2013 : Rs. 24168.13 Lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January, 2007 issued by The Reserve Bank of India.

For FY 2012-13:

(i) Details of quoted long-term investments in Government stock as on 31st March 2013

Particulars	Face Value (Rs.)	Units	Amount
Govt stock 6.90%-13/07/2019	100	100000000	947.79
Govt stock 6.90%-13/07/2019	100	150000000	1427.50
Govt stock 6.90%-13/07/2019	100	100000000	932.55
Govt stock 10.25%-30/05/2021	100	100000000	1111.85
Govt stock 6.35%-02/01/2020	100	100000000	885.25
Govt stock 8.13%-21/09/2022	100	150000000	1508.95
Govt stock 8.20%-15/02/2022	100	100000000	1007.96
Govt stock 8.20%-15/02/2022	100	100000000	1002.32
Govt stock 7.80%-03/05/2020	100	50000000	488.65
Govt stock 8.13%-21/09/2022	100	50000000	490.95
Govt stock 8.13%-21/09/2022	100	50000000	490.71
Govt stock 8.13%-21/09/2022	100	100000000	955.80
Govt stock 8.30%-02/07/2040	100	150000000	1359.30
Govt stock 8.97%-05/12/2030	100	100000000	1031.78
Govt stock 8.97%-05/12/2030	100	100000000	1033.30
Govt stock 8.83%-12/12/2041	100	100000000	1019.49
Govt stock 8.83%-12/12/2041	100	100000000	1025.41
Govt stock 8.97%-05/12/2030	100	50000000	518.64
Govt stock 8.97%-05/12/2030	100	100000000	1037.74
Govt stock 8.97%-05/12/2030	100	50000000	529.97
Govt stock 8.97%-05/12/2030	100	100000000	1048.29
Govt stock 9.15%-14/11/2024	100	250000000	2700.47
Govt stock 8.97%-05/12/2030	100	150000000	1613.47
Total		2400000000	24168.13

Details of quoted long-term investments in Government stock as on 31st March 2012

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 10.25%-30/05/2021	100	1000000	1153.00
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 8.13%-21/09/2022	100	1500000	1511.55
Govt Stock 8.20%-15/02/2022	100	1000000	1010.35
Govt Stock 8.20%-15/02/2022	100	1000000	1003.00

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.97%-05/12/2030	100	1000000	1033.90
Govt Stock 8.97%-05/12/2030	100	1000000	1035.35
Total		15000000	14725.65

- (i) Quoted investments of Rs.24168.13 lakhs (2012 : Rs.14725.65 lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act,1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January,2007 issued by The Reserve Bank of India.
- (ii) During the year, the Company has made an additional investment of Rs. 3062.69 lakhs (US \$ 5.68 million) in Mahindra Finance USA LLC, a 49% joint venture company formed jointly with De Lage Landen Financial Services Inc. in United States.
- (iii) During the year, the company has sold 3,09,278 equity shares of face value of Rs.10/- each representing 12.37% of holding in subsidiary company, Mahindra Insurance Brokers Ltd., at Rs. 2080/- per share for a consideration aggregating Rs. 6432.98 lakhs to Inclusion Resources Private Limited, Singapore. The capital profit on this sale transaction amounting to Rs. 6426.21 lakhs has been shown as an exceptional item in the statement of profit and loss.

Note : 12**Deferred Tax Assets (Net) :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Deferred tax assets					
Provision for non performing assets / loss and expenses on assignments	69406.99	54163.79	36985.97	27470.24	20124.68
Provision for standard assets	6220.71	5280.12	4662.96	4127.35	3350.97
Other disallowances	1812.80	1479.98	983.15	987.39	775.52
Difference between written down value of books of account and Income Tax Act, 1961	1407.46	1006.12	700.50	0.00	0.00
	<u>78847.96</u>	<u>61930.01</u>	<u>43332.58</u>	<u>32584.98</u>	<u>24251.17</u>
Deferred tax liabilities					
Difference between written down value of books of account and Income Tax Act, 1961	0.00	0.00	0.00	49.14	43.09
Special Reserve	3130.19	2006.08	1206.81	0.00	0.00
	<u>3130.19</u>	<u>2006.08</u>	<u>1206.81</u>	<u>49.14</u>	<u>43.09</u>
Total	<u>75717.77</u>	<u>59923.93</u>	<u>42125.77</u>	<u>32535.84</u>	<u>24208.08</u>

Note: Deferred tax on provision for non performing assets is net of deduction allowed under section 36(1)(viiia) of the Income tax Act, 1961

Note : 13**Long-term loans and advances :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Capital advances	394.94	152.97	282.24	39.20	137.09
Deposits for office premises / others	2486.78	2226.95	1954.20	1718.46	1463.18
Loans and advances to related parties (Portfolio purchased from Mahindra Holidays & Resorts India Ltd. and Loan to Mahindra Retail Pvt. Ltd.)	0.00	0.00	0.00	0.00	1091.74
Other loans and advances	2335.95	61.90	42.71	33.84	68.80
Loans against assets (secured, including overdue loans) # (considered good, unless stated otherwise)	2789054.88	2272274.36	1977507.70	1759954.85	1403412.17
Retained interest in Pass Through Certificates under securitization transactions (refer note no. 34(f))	40.85	162.02	403.46	828.43	2041.02
Retained interest under assignment transactions (refer accounting policy no 4(IV)(vii)(B)(ii)(a) and note no. 34(b))	145.90	150.75	257.64	703.85	0.00
Interest Only Strip (I/O Strip) under securitization transactions (refer note no. 34(d))	2471.88	4730.45	5175.94	6629.14	3629.32
Loans and advances (unsecured, including overdue loans) @ (considered good, unless stated otherwise)	3208.41	4460.90	3202.55	3086.31	4793.76
Advance payment of taxes (net of provisions)	17386.48	10423.33	6343.48	6204.81	8288.16
# Includes non-performing assets of Rs. 1,02,637.13 Lakhs (March 2016 : 77,912.50 Lakhs, March 2015 : Rs.51958.78 lacs, March 2014 : 37570.89 lacs and March 2013: 17507.79 lacs) (refer note no. 5, 9, 29 and 30)					
@ Includes non-performing assets of Rs. 415.48 Lakhs (March 2016 : Rs.387.57 Lakhs, March 2015 : Rs. 214.80 lacs, March 2014 : Rs.57.80 lacs and March 2013: 56.91 lacs) (refer note no. 5, 9 and 29)					
Total	<u>2817526.07</u>	<u>2294643.63</u>	<u>1995169.92</u>	<u>1779198.89</u>	<u>1424925.24</u>

Note : 14**Other non-current assets :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
- Free	294.00	0.00	4086.77	2500.00	5000.00
- Under lien (refer note no. 17(a))	10989.88	3370.23	18414.12	11143.00	11827.00
Derivative contract receivables	0.00	459.52	0.00	0.00	279.50
Exchange gain receivable on forward contracts on FCNR loans	0.00	391.45	168.00	0.00	0.00
Deferred premium on FCNR loan forward contracts	0.00	1015.24	594.57	0.00	0.00
Total	11283.88	5236.44	23263.46	13643.00	17106.50

Note : 15**Current investments :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
i) Quoted -					
Units of mutual funds @ (March 2015 : 717185.28 units, March 2014 and March 2013: Nil) of Rs 10 each in JM High Liquidity Fund)	28964.84	5569.66	74.80	0.00	0.00
Secured redeemable non-convertible debentures (refer note no. 11(ii)) (Current portion of long term investments in secured redeemable non-convertible debentures)	7775.01	9279.17	7875.00	0.00	0.00
	36739.85	14848.83	7949.80	0.00	0.00
ii) Unquoted (at cost) -					
Certificate of deposits #	0.00	24821.50	0.00	24289.13	19585.34
Commercial Papers (March 2015: 1 CP instrument, face value of Rs.15.00 Lacs per CP issued by IKF Finance Limited ; March 2014 : 2000 CPs, face value of Rs. 5.00 Lacs each issued by Citicorp Finance (India) Limited, March 2013: 400 CPs, face value of Rs 5.00 lacs each issued	22500.00	15000.00	1500.00	10000.00	2000.00
	22500.00	39821.50	1500.00	34289.13	21585.34
Total	59239.85	54670.33	9449.80	34289.13	21585.34

Additional Information :

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
a) Aggregate amount of quoted investments					
- Aggregate amount	36739.85	14848.83	7949.80	0.00	0.00
- Market Value *	36756.28	14913.02	7949.80	0.00	0.00
b) Aggregate amount of unquoted investments	22500.00	39821.50	1500.00	34289.13	21585.34

For FY 2016-17:

(i) Details of quoted current investments in Units of Mutual Fund

As at March 31, 2017:

Rs. in Lakhs

Particulars	Net Asset Value (Rs.)	Units	Amount	Market Value
MAHINDRA LIQUID FUND	1052.6354	48517.439	940.00	944.84
MAHINDRA ALP SAMAY BACHAT YOJANA	1009.9978	93549.168	507.78	510.71
MAHINDRA LIQUID FUND	1052.6354	2375664.604	25,000.00	25,007.10
MAHINDRA ALP SAMAY BACHAT YOJANA	1009.9978	247640.163	2,500.00	2,501.16
MAHINDRA LIQUID FUND	1052.6354	1659.002	17.06	17.46
Total			28,964.84	28,981.27

As at March 31, 2016 :

Rs. in Lakhs

Particulars	Net Asset Value (Rs.)	Units	Amount	Market Value
KOTAK MUTUAL FUND	2482.3769	137613.67	3379.67	3416.09
ICICI PRUDENTIAL MUTUAL FUND	223..8532	410474.45	907.36	918.86
RELIANCE MUTUAL FUND	3685.5096	35243.43	1282.63	1298.90
Total			5569.66	5633.85

(ii) Details of unquoted current investments in certificate of deposits

As at March 31, 2017 : Nil

As at March 31, 2016 :

Particulars	Face Value (Rs.)	Rs. in Lakhs	
		Units	Amount
IDBI BANK	100000	5000	4992.89
IDBI BANK	100000	10000	9982.22
ORIENTAL BANK OF COMMERCE	100000	10000	9846.39
Total		25000	24821.50

(iii) Details of unquoted current investment in Commercial Paper

As at March 31, 2017

Particulars	Face Value (Rs.)	Rs. in Lakhs	
		Total (qty)	Amount
ESAF MICROFINANCE & INVESTMENT PRIVATE LIMITED	500000	1500	7,500.00
IFMR CAPITAL FINANCE PRIVATE LIMITED	500000	1500	7,500.00
FIVE STAR BUSINESS FINANCE LIMITED	500000	500	2,500.00
SATIN CREDITCARE NETWORK LIMITED	500000	1000	5,000.00
Total		4,500.00	22,500.00

As at March 31, 2016

Particulars	Face Value (Rs.)	Rs. in Lakhs	
		Total (qty)	Amount
IFMR CAPITAL FINANCE PRIVATE LIMITED	500000	500	2,500.00
IFMR CAPITAL FINANCE PRIVATE LIMITED	500000	1000	5,000.00
JANALAKSHMI FINANCIAL SERVICES LIMITED	500000	1500	7,500.00
Total		3000	15,000.00

For FY 2015-16:

@ Details of quoted current investments in Units of Mutual Fund

As at March 31, 2016 :

Particulars	Units	Rs. in Lakhs
		Amount
KOTAK MUTUAL FUND	137613.67	3379.67
ICICI PRUDENTIAL MUTUAL FUND	410474.45	907.36
RELIANCE MUTUAL FUND	35243.43	1282.63
Total		5569.66

As at March 31, 2015 :

Particulars	Units	Rs. in Lakhs
		Amount
JM MUTUAL FUND	717185.28	74.80
Total		74.80

Details of unquoted current investments in certificate of deposits

As at March 31, 2016 :

Particulars	Face Value (Rs.)	Rs. in Lakhs	
		Units	Amount
IDBI BANK	100000	5000	4992.89
IDBI BANK	100000	10000	9982.22
ORIENTAL BANK OF COMMERCE	100000	10000	9846.39
Total		25000	24821.50

As on 31st March 2015 : Nil

For FY 2014-15:

Details of unquoted current investments in certificate of deposits

As on 31st March 2015 : Nil

As on 31st March 2014

Particulars	Face Value (Rs.)	Rs. in Lakhs	
		Units	Amount
Indian Bank	100000	5000	4,924.83
Punjab National Bank	100000	2500	2,297.66
Punjab National Bank	100000	2500	2,297.66
Canara Bank	100000	5000	4,944.74
Union Bank of India	100000	5000	4,917.75
Indian Bank	100000	5000	4,906.50
Total		25000	24,289.13

For FY 2013-14:

Details of unquoted current investments in certificate of deposits

As on 31st March 2014

Particulars	Face Value (Rs.)	Rs. in Lakhs	
		Units	Amount
Indian Bank	100000	5000	4924.83
Punjab National Bank	100000	2500	2297.66
Punjab National Bank	100000	2500	2297.66
Canara Bank	100000	5000	4944.74
Union Bank of India	100000	5000	4917.75
Indian Bank	100000	5000	4906.50
Total		25000	24289.13

As on 31st March 2013

Particulars	Face Value (Rs.)	Rs. in Lakhs	
		Units	Amount
Indian Overseas Bank	100000	20000	19585.34
Total		20000	19585.34

For FY 2012-13:

Details of unquoted current investments in certificate of deposits as on 31st March 2013

Rs. in Lakhs

Particulars	Face Value (Rs.)	Units	Amount
Indian Overseas Bank	100000	20000	19585.34
Total		20000	19585.34

Details of unquoted current investments in certificate of deposits as on 31st March 2012

Rs. in Lakhs

Particulars	Face Value (Rs.)	Units	Amount
Corporation Bank	100000	5000	4532.72
Central Bank Of India	100000	10000	9774.42
Oriental Bank Of Commerce	200000	10000	9759.36
UCO Bank	100000	5000	4871.05
Total		30000	28937.55

Note : 16**Trade receivables**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Secured, considered doubtful :					
Trade receivable on hire purchase transactions # (outstanding for a period exceeding six months from the date they are due for payment)	374.19	374.19	375.53	377.66	379.57
Unsecured, considered good unless otherwise stated :					
Debts outstanding for a period exceeding six months from the date they are due for payment #	62.54	65.02	77.69	33.52	53.62
Debts outstanding for a period not exceeding six months from the date they are due for payment #	1859.20	1561.24	1000.93	1878.72	1140.59
# Includes non-performing assets of Rs. 417.78 Lakhs (March 2016 : Rs.413.21 Lakhs, March 2015 : Rs.396.16 lakhs, March 2014 : Rs.392.31 lakhs and March 2013: 391.92 lakhs) (Refer Note no 5, 9 and 29(a))					
Total	2295.93	2000.45	1454.15	2289.90	1573.78

Note : 17**Cash and bank balances :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Cash and cash equivalents :					
Cash on hand	2426.02	2390.69	1583.76	2523.16	1949.73
Cheques, drafts on hand	1258.49	544.49	296.98	608.62	487.85
Balances with banks :					
Bank balance in current accounts	40041.93	20632.25	18322.73	19967.25	22696.31
Balance with Scheduled Bank in Cash Credit Accounts	0.00	0.00	0.00	1.78	0.00
Other bank balances :					
Earmarked balances with banks - - Unclaimed dividend accounts with banks	53.98	53.45	59.01	59.25	63.83
Term deposits with original maturity up to 12 months (refer note no. 17)	1862.00	92.00	0.00	5000.00	1190.00
Term deposits under lien (refer note no. 17)	14745.12	36880.77	28755.88	28097.00	10142.00
Term deposits - Free of lien	0.00	0.00	0.00	450.00	0.00
Total	60387.54	60593.65	49018.36	56707.06	36529.72

For FY 2016-17:

Details of term deposits under lien:

Rs. in Lakhs

	As at March 31, 2017			As at March 31, 2016		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
Term deposits for SLR (i)	5563.00	766.00	6329.00	15,307.00	2,470.00	17,777.00
Collateral deposits for securitization transactions (ii)	8766.12	10047.88	18814.00	21,380.77	513.23	21,894.00
Legal deposits (iii)	3.00	17.00	20.00	3.00	17.00	20.00
Margin deposits towards Constituent Subsidiary General Ledger (CSGL) account (iv)	413.00	99.00	512.00	190.00	310.00	500.00
Lien free deposits	1862.00	294.00	2156.00			
Under lien with IRDA for broking license (v)	0.00	60.00	60.00	0.00	60.00	60.00
Total	16,607.12	11,283.88	27,891.00	36,880.77	3,370.23	40,251.00

Term deposits with scheduled banks under lien include:

- i) Rs. 6,329.00 Lakhs (March 31, 2016 : Rs. 17777.00 Lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.
- ii) Rs. 18,814.00 Lakhs (March 31, 2016 : 21,894.00 Lakhs) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions.

- iii) Rs. 20.00 Lakhs (March 2016 : Rs.20.00 Lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company.
- iv) Rs. 512.00 Lakhs (March 2016 : Rs. 500 Lakhs) as collateral deposits kept with banks towards Constituent Subsidiary General Ledger (CSGL) account for holding securities for SLR purpose.
- v) In respect of MIBL, term deposit with IRDA for broking licence Rs. 60 Lakhs (March 2016: 60.00 Lakhs).

For FY 2015-16:

Details of term deposits under lien:

Rs. in Lakhs

	As at March 31, 2016			As at March 31, 2015		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
Term deposits for SLR (i)	15307.00	2470.00	17,777.00	10,783.00	13,722.00	24,505.00
Collateral deposits for securitization transactions (ii)	21380.77	513.23	21,894.00	17,469.88	4,615.12	22,085.00
Legal deposits (iii)	3.00	17.00	20.00	3.00	17.00	20.00
Margin deposits towards Constituent Subsidiary General Ledger (CSGL) account (iv)	190.00	310.00	500.00	500.00	-	500.00
Under lien with IRDA for broking license (iv)	0.00	60.00	60.00	0.00	60.00	60.00
Total	36,880.77	3,370.23	40,251.00	28,755.88	18,414.12	47,170.00

Term deposits with scheduled banks under lien include:

- i) Rs. 17777.00 Lakhs (March 31, 2015 : Rs. 24505.00 Lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.
- ii) Rs. 21894.00 Lakhs (March 31, 2015 : 22085.00 Lakhs) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions.
- iii) Rs. 20.00 Lakhs (March 2015 : Rs.20.00 Lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company.
- iv) Rs. 500.00 Lakhs (March 2015 : Rs. 500 Lakhs) as collateral deposits kept with banks towards Constituent Subsidiary General Ledger (CSGL) account for holding securities for SLR purpose.
- v) In respect of MIBL, Term deposit with Insurance Regulatory & Development Authority of India for broking licence Rs. 60 Lakhs (March 2015: 60.00 Lakhs).

For FY 2014-15:

Details of term deposits under lien:

	As at March 31, 2015			Rs. in Lakhs As at March 31, 2014		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
Term deposits for SLR (i)	10,783.00	13,722.00	24,505.00	17,963.00	501.00	18,464.00
Collateral deposits for securitization transactions (ii)	17,469.88	4,615.12	22,085.00	9,621.00	10,575.00	20,196.00
Legal deposits (iii)	3.00	17.00	20.00	3.00	17.00	20.00
Margin deposits towards Constituent Subsidiary General Ledger (CSGL) account (iv)	500.00	-	500.00	500.00	-	500.00
Under lien with IRDA for broking license (iv)	0.00	60.00	60.00	10.00	50.00	60.00
Total	28,755.88	18,414.12	47,170.00	28,097.00	11,143.00	39,240.00

Term deposits with scheduled banks under lien include:

- i) Rs. 24,505.00 Lakhs (March 2014 : Rs. 18,464.00 Lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act,1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January, 2007 issued by The Reserve Bank of India.
- ii) Rs. 22,085.00 Lakhs (March 2014 : 20,196.00 Lakhs) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions.
- iii) Rs. 20.00 Lakhs (March 2014 : Rs.20.00 Lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company.
- iv) Rs. 500.00 Lakhs (March 2014 : Rs. 500 Lakhs) as collateral deposits kept with banks towards Constituent Subsidiary General Ledger (CSGL) account for holding securities for SLR purpose.
- v) Term deposit with IRDA for broking licence Rs. 60.00 Lakhs (March 2014: 60.00 Lakhs).

For FY 2013-14:

Details of term deposits under lien:

	As at March 2014			As at March 2013		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
Term deposits for SLR (i)	17963.00	501.00	18464.00	6780.00	5960.00	12740.00
Collateral deposits for securitization transactions (ii)	9621.00	10575.00	20196.00	3349.00	5800.00	9149.00
Legal deposits (iii)	3.00	17.00	20.00	3.00	17.00	20.00
Margin deposits towards Constituent Subsidiary General Ledger (CSGL) account (iv)	500.00	-	500.00	-	-	-
Under lien with IRDA for broking license (iv)	10.00	50.00	60.00	10.00	50.00	60.00
Total	28097.00	11143.00	39240.00	10142.00	11827.00	21969.00

Term deposits with scheduled banks under lien include:

- i) Rs. 18464.00 Lakhs (March 2013 : Rs. 12740.00 Lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act,1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January,2007 issued by The Reserve Bank of India.
- ii) Rs. 20196.00 Lakhs (March 2013 : 9149.00 Lakhs) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions.
- iii) Rs. 20.00 Lakhs (March 2013 : Rs.20.00 Lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company.
- iv) Rs.500.00 Lakhs (March 2013 : Nil) as collateral deposits kept with banks towards Constituent Subsidiary General Ledger (CSGL) account for holding securities for SLR purpose.
- v) Term deposit with IRDA for broking licence Rs. 50.00 Lakhs (March 2013: 50.00 Lakhs).

For FY 2012-13:

Details of term deposits under lien:

	As at March 2013			As at March 2012		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
Term deposits for SLR (i)	6780.00	5960.00	12740.00	6000.00	1500.00	7500.00
Collateral deposits for securitization transactions (ii)	3349.00	5800.00	9149.00	0.00	0.00	0.00
Legal deposits (iii)	3.00	17.00	20.00	4.00	17.00	21.00
Under lien with IRDA for broking license	10.00	50.00	60.00	0.00	60.00	60.00
Total	10142.00	11827.00	21969.00	6004.00	1577.00	7581.00

Term deposits with scheduled banks under lien include:

- i) Rs.12740 lakhs (2012 : Rs7500.00 lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act,1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January, 2007 issued by The Reserve Bank of India.
- ii) Rs.9149.00 lakhs (2012 : Nil) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions.
- iii) Rs.20.00 lakhs (2012: Rs.21.00 lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company.
- iv) Term deposit with IRDA for broking license Rs. 50 lakhs (March 2012: Rs. 60 lakhs).

Note : 18**Short-term loans and advances :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Loans against assets (secured, including overdue loans) (considered good, unless stated otherwise) #	2010392.11	1753294.32	1512200.86	1272764.30	1007329.46
Retained interest in Pass Through Certificates under securitization transactions (refer note no. 34)	110.98	310.32	839.89	1387.00	1813.53
Retained interest under assignment transactions (refer accounting policy no 4(vi)(B)(ii)(a) and note no. 34)	15.31	143.30	524.46	914.35	0.00
Interest Only Strip (I/O Strip) under securitization transactions (refer note no. 34)	17300.26	20665.26	19175.40	15910.53	7447.22
Loans and advances (unsecured, including overdue loans) (considered good, unless stated otherwise) @	24098.56	12684.31	13560.56	7932.85	13625.08
Bills of Exchange	38851.72	29447.55	14955.03	12333.78	7442.71
Trade Advances @ (advances recoverable in cash or in kind or for value to be received)	121579.34	116616.51	105574.35	118411.37	91907.73
Inter corporate deposits given to related parties @	100.00	100.00	100.00	100.00	100.00
Inter corporate deposits given to other parties @	0.00	0.00	0.00	0.00	10445.00
Other loans and advances : Loans and advances to related parties (Portfolio purchased from Mahindra Holidays & Resorts India Ltd. and Loan to Mahindra Retail Pvt. Ltd.)	0.00	0.00	0.00	1091.74	1817.37
Deposits for office premises / others	445.88	387.06	375.83	274.72	256.95
Advance payment of taxes (net of provisions)	0.00	0.00	0.00	0.00	0.00
Other Short term advances	4768.72	2988.10	2894.17	1072.98	1160.84
# Includes non-performing assets of Rs. 2,92,410.35 Lakhs (March 2016 : Rs. 2,15,293.79 Lakhs, March 2015 : Rs.136103.12 lakhs, March 2014: Rs. 87726.30 lakhs and March 2013: 47738.90 lakhs) (refer note no. 5, 9, 29 and 30)					
@ Includes non-performing assets of Rs. 4,210.63 Lakhs (March 2016 : Rs. 2,442.47 Lakhs, March 2015 : Rs.2050.78 lakhs, March 2014 : Rs.1485.66 lakhs and March 2013: 1232.23 lakhs) (refer note no. 5, 9 and 29)					
Total	2217662.88	1936636.73	1670200.55	1432193.62	1143345.89

Note : 19**Other Current Assets :**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Interest accrued on -					
a) Investments	1394.60	1232.70	958.56	741.98	505.57
b) Others deposits	1206.76	3389.16	2281.44	2300.13	753.51
Derivative contract receivables	0.00	0.00	784.47	1083.00	1009.57
Exchange gain receivable on forward contracts on FCNR loans	190.40	888.13	0.00	0.00	0.00
Deferred premium on FCNR loan forward contracts	504.38	3341.21	722.96	0.00	0.00
Total	3296.14	8851.20	4747.43	4125.11	2268.65

Note : 20**Revenue from operations**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
a) Interest					
Income from loans	643312.10	582766.20	530058.94	465926.82	355401.38
Income from hire purchase	15.07	26.09	31.64	61.35	53.30
Interest on term deposits / Inter-corporate deposits / Bonds etc	6343.93	6356.72	5542.22	3377.31	1624.45
Interest on retained interest in PTCs under securitization transactions	12.59	43.55	97.12	211.79	26.92
Interest on government securities : - Long term	5345.19	4710.02	3710.69	2477.24	1432.49
(a)	655028.88	593902.58	539440.61	472054.51	358538.54
b) Other financial services					
Income from insurance business / services	12733.27	11043.64	9663.44	9750.51	7886.96
Income from mutual fund business	354.14	0.00	0.00	0.00	0.00
Service charges and other fees on loan transactions	30388.05	26758.29	25369.11	22961.42	20072.80
Income from hire purchase	0.14	0.13	0.20	0.21	0.58
Income from bill discounting	4179.23	3047.41	2018.08	1383.25	1544.64
Income from lease	0.00	1.24	0.51	0.36	0.34
Income from assignment / securitisation transactions (refer note no. 34)	11936.72	20633.45	25622.33	21372.47	21454.93
(b)	59591.55	61484.16	62673.67	55468.22	50960.25
Total	714620.43	655386.74	602114.28	527522.73	409498.79

Note

Above incomes includes following income earned in foreign currency	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Brokerage	77.16	114.36	0.00	0.00	0.00
Consultancy Fees	0.00	107.57	0.00	0.00	0.00
	77.16	221.93	0.00	0.00	0.00

Note : 21**Other Income**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Dividend received from :					
- Current investments in mutual fund units	85.48	163.78	84.89	56.61	10.62
- Long-term investments in subsidiary companies	0.00	0.00	0.00	0.00	0.00
Profit/premium on sale/redemption of :					
- Current investments	308.35	1.16	468.64	9.15	231.18
Profit on sale / retirement of owned assets (net)	9.76	100.34	9.65	2.80	0.00
Income from shared services	3891.40	3027.53	2418.96	1793.00	1123.88
Other Non Operating Income	1149.66	1065.44	988.66	670.99	431.67
Total	5444.65	4358.25	3970.80	2532.55	1797.35

Note : 22**Employee benefits expense**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Salary, bonus and incentives	78281.98	61897.06	49931.47	44455.92	33566.51
Company's contribution to provident funds and other funds	6149.66	4563.15	3704.05	2937.03	2504.38
Employee compensation expense on account of ESOPs (refer note no. 28)	1087.28	1748.82	1288.63	368.14	524.09
Staff welfare expenses	3145.04	2200.19	1786.04	1689.42	1333.84
Total	88663.96	70409.22	56710.19	49450.51	37928.82

Inclusive of ESOP costs reimbursements (net) to the holding company Rs.33.76 Lakhs (March 31, 2016 : Rs. 17.24 Lakhs, March 2015 : Rs. 19.15 lakhs, March 2014: Rs. 5.32 lakhs and March 2013: Rs 7.97 lakhs)

Note : 23**Finance Cost**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Interest expense	316075.05	284204.58	261899.78	225990.70	165207.20
Other borrowing costs	2542.39	2630.15	2400.03	2105.74	1851.85
Total	318617.44	286834.73	264299.81	228096.44	167059.05

Note : 24**Depreciation and amortization expense**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Depreciation on tangible assets #	4602.93	4131.51	4269.01	2487.53	2270.98
Amortization of intangible assets	769.39	438.27	281.75	120.52	94.92
Total	5372.32	4569.78	4550.76	2608.05	2365.90

In FY 2014-15:

Consequent to the enactment of the Act, the Company has recomputed the depreciation based on the useful life of the assets as prescribed in Schedule II to the Act or as assessed by the management (refer Accounting Policies, Note no.4 (b)). This has resulted in additional charge of depreciation of Rs.1,536.05 lakhs for the year ended March 31, 2015. Further, as per the transitional provision, carrying value of assets of Rs. 341.76 lakhs (net of Deferred tax of Rs. 175.98 lakhs) is adjusted in the opening balance of retained earnings in respect of assets where the remaining useful life is NIL as at April 01, 2014.

Note : 25**Provisions and Write Offs**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Bad debts and write offs	86325.81	51978.52	48804.81	24164.78	20942.19
Provision for Non-performing assets (net) (refer note no. 29 and 31)	49904.87	56064.16	34744.75	25449.51	6142.43
General provision on standard assets	2725.36	1775.75	1330.83	2284.13	1730.40
Higher provision on restructured standard advances (refer note no. 29)	0.00	0.00	22.31	0.00	0.00
Provision for diminution in the fair value of restructured advances (refer note no. 29)	(0.94)	0.64	9.56	0.00	0.00
Total	138955.10	109819.07	84912.26	51898.42	28815.02

Note : 26**Other Expenses**

Particulars	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Electricity charges	2171.52	1953.43	1676.72	1446.48	1132.51
Rent	7488.54	6902.19	5799.81	4868.71	4219.89
Repairs and maintenance -					
- Buildings	602.09	567.39	382.45	458.75	757.48
- Others	362.35	337.23	217.77	149.50	79.80
Insurance	2234.46	1842.01	1442.69	1218.73	1066.54
Rates and taxes, excluding taxes on income	829.79	560.22	367.08	841.43	260.47
Directors sitting fees and commission	348.11	337.59	216.83	147.32	110.34
Commission and brokerage	22553.26	17251.03	16271.72	14747.89	12024.69
Legal and professional charges	11861.11	8734.92	6670.64	7437.38	5983.79
Manpower Outsourcing Cost	706.49	184.73	0.00	0.00	0.00
Loss on sale / retirement of owned assets (net)	0.00	0.00	0.00	0.00	2.89
Payments to the auditor -					
(a) as auditor	62.79	76.28	66.46	68.87	59.53
(b) for taxation matters	22.54	16.07	7.00	4.49	6.39
(c) for other services	44.65	43.21	25.97	17.50	45.80
(d) for reimbursement of expenses	1.85	1.30	0.79	1.67	0.67
CSR expenses (including donations) (refer note no. 38 of FY 2016-17, FY 2015-16 and FY 2014-15)	3362.57	3135.74	2645.80	0.00	0.00
General and administrative expenses	32028.69	23756.87	19833.47	20440.39	17163.02
Total	84680.81	65700.21	55625.20	51849.11	42913.81

Above expenses includes following expenditure incurred in foreign currency

	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Travelling expenses	37.53	33.02	19.86	57.81	30.94
Legal and professional fees	295.85	145.46	126.68	115.24	62.75
Other expenses	33.71	94.46	55.97	53.38	38.35

Note : 27**Exceptional items**

	As at Mar 2017	As at Mar 2016	As at Mar 2015	As at Mar 2014	As at Mar 2013
Profit on sale of investments in shares of subsidiary company #	0.00	0.00	0.00	0.00	6620.27
Additional general provision for standard assets * (refer note no. 29 for FY2012-13)	0.00	0.00	0.00	0.00	(3568.00)
Total	0.00	0.00	0.00	0.00	3052.27

In FY 2012-13:

Profit of Rs.6426.21 lakhs on sale of 3,09,278 equity shares of face value of Rs.10/- each representing 12.37% of holding in subsidiary company, Mahindra Insurance Brokers Ltd., at Rs. 2080/- per share for a consideration aggregating Rs.6432.98 lakhs to Inclusion Resources Private Limited (IRPL), Singapore.

* Additional general provision on standard assets amounting to Rs.3568.00 lakhs, which the Company has decided to create on a prudent basis from FY 2012-13.

For FY 2016-17

28) Employee Stock Option Plan

a) The Company had allotted 134,32,750 equity shares (face value of Rs.2/- each) under Employee Stock Option Scheme 2005 at a premium of Rs.8.20 per share on December 06, 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) under Employee Stock Option Scheme 2010 at par on February 03, 2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The Trust had issued 1,45,54,477 equity shares to employees up to March 31, 2017 (March 31, 2016 : 1,41,14,193 equity shares), of which 4,40,284 equity shares (March 31, 2016 : 4,60,707 equity shares) were issued during the current year. All the equity shares issued to employees during the current year are out of Employee Stock Option Scheme 2010.

The details of Employees stock option schemes are as under :

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	3 years from the date of each vesting
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

b) During the year, the Company has granted 2,17,400 stock options to the eligible employees under the Employees' Stock option scheme 2010. The details are as under:

	Grant dated January 5, 2017
No. of options granted	217400
Intrinsic value of shares based on latest available closing market price (Rs.)	355.10

Total amount to be amortized over the vesting period (Rs. in Lakhs)	771.99
Charge to Statement of profit and loss for the year (Rs. in Lakhs)	86.92
Compensation in respect of lapsed cases (Rs. in Lakhs)	10.70
Unamortized amount carried forward (Rs. in Lakhs)	674.37

The fair value of options, based on the valuation of the independent valuer as on the date of grant are

:

Vesting date	Grant dated January 5, 2017	
	Expected Vesting	Fair Value (Rs.) per share
January 5, 2018	43482	337.36
January 5, 2019	43482	
January 5, 2020	43482	
January 5, 2021	43482	
January 5, 2022	43472	
	217400	

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables #	Grant dated January 5, 2017
1) Risk free interest rate	6.67%
2) Expected life	4.70 years
3) Expected volatility	38.28%
4) Dividend yield	1.12%
5) Price of the underlying share in the market at the time of option grant (Rs.)	357.10

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

c) Summary of stock options

As at / Year ended March 31

Summary of Stock Options	2017		2016	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	17,14,173	2.00	21,22,955	2.00
Options granted during the year	2,17,400	2.00	57,920	2.00
Options forfeited/lapsed during the year #	23,580	2.00	5,995	2.00
Options exercised during the year	4,40,284	2.00	4,60,707	2.00
Options outstanding at the end of the year	14,67,709	2.00	17,14,173	2.00
Options vested but not exercised at the end of the year	2,35,038	2.00	2,87,526	2.00

including 3014 (March 31, 2016: Nil) options forfeited/lapsed out of the options granted during the year.

d) Information in respect of options outstanding :

As at March 31

Grant date / Exercise price	2017		2016	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Scheme 2010 :				
February 07, 2011 at Rs.2.00	35,090	21 months	1,44,188	34 months
January 25, 2012 at Rs.2.00	38,580	30 months	62,830	41 months
July 22, 2013 at Rs.2.00	19,020	44 months	28,878	52 months
October 21, 2013 at Rs.2.00	39,116	39 months	41,365	51 months
October 21, 2014 at Rs.2.00 #	10,75,448	52 months	13,78,992	59 months
October 21, 2015 at Rs.2.00	46,069	59 months	57,920	68 months
October 21, 2015 at Rs.2.00	2,14,386	70 months	-	-
Total	14,67,709		17,14,173	

net of 3014 (March 2016: Nil) options forfeited/lapsed out of the options granted during the year

- e) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of Exercise	Average share price (Rs.)
25-Apr-16	293.29
20-May-16	297.89
21-Jun-16	323.35
26-Jul-16	318.59
29-Aug-16	344.10
19-Sep-16	343.71
27-Oct-16	365.77
25-Nov-16	285.28
23-Dec-16	254.65
11-Jan-17	282.99
27-Jan-17	282.76
28-Feb-17	291.43
27-Mar-17	321.24

- f) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Employee stock compensation cost is amortized over the vesting period.

- g) Fair value of options

The fair value of options have been calculated using Black Scholes Options Pricing Model and the significant assumptions made in this regards are as follows:

Grants covered under Scheme 2005 :

Variables #	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008
1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years
3) Expected volatility	0.50%	43.69%	43.61%	43.66%
4) Dividend yield	5%	1.59%	1.59%	1.64%
5) Price of the underlying share in the market at the time of option grant (Rs.)	13.11*	46.00	63.62	50.35

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

Grants covered under Scheme 2010 :

Variables #	7-Feb-2011	25-Jan-2012	22-Jul-2013	21-Oct-2013	21-Oct-2014	21-Oct-2015	05-Jan-2017
1) Risk free interest rate	7.73%	8.11%	7.61%	8.60%	8.50%	7.53%	6.67%
2) Expected life	4.5 years	5.5 years	3.5 years	3.25 years	3.25 years	4.50 years	4.70 Years
3) Expected volatility	42.38%	46.08%	35.53%	39.27%	38.83%	37.37%	38.28%
4) Dividend yield	2.28%	2.11%	1.70%	1.32%	1.35%	1.65%	1.12%
5) Price of the underlying share in the market at the time of option grant (Rs.)	138.60	133.14	212.35	272.40	280.80	242.15	357.10

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

29) Loan provisions and write offs

- a) The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. As per the practice consistently followed, the Company has also made accelerated provision on a prudential basis.

The RBI vide its notification no DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015 has revised the asset classification norms for NPAs and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending 31st March, 2016, upto the financial year ending 31st March, 2018 which would result in an additional provision.

The cumulative accelerated provision made by the Company as on March 31, 2017 is Rs.68623.98 Lakhs (March 31, 2016 : Rs. 73567.48 Lakhs)

- b)
- (i) In accordance with the Master direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to increase the general provision on the Standard assets in a phased manner commencing from the financial year ended March 31, 2016 to 0.30%, to 0.35% by the financial year ended March 31,2017 and to 0.40% by the financial year ending March 31,2018, the Company has made a provision of Rs.2180.00 Lakhs (March 31, 2016: Rs. 1353.00 Lakhs).
- (ii) The total amount of provision on Standard assets of Rs.16215.00 Lakhs (March 31, 2016:Rs.14035.00 Lakhs) includes additional provision of 0.05% for Rs.2034.00 Lakhs as at March 31, 2017 (0.10% for Rs. 5262.00 as at March 31, 2016).
- (iii) During the year, the Company has reviewed the basis of estimating provision for non-performing assets and has considered estimated realisable value of underlying security (which conforms to the RBI norms) for loan assets to determine 100% provisioning for assets which are 24 months overdue resulting in a lower provision of Rs.8336.91 Lakhs.
- c) Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such loan assets on account of poor financial position of such customers.
- d) In accordance with the Prudential norms for restructured advances, the Company has made provisions of Rs. 254.65 Lakhs (March 31, 2016 : Rs. 32.51 Lakhs) as Higher / additional provisions and Provisions for diminution in fair value on account of restructured advance.

30) MRHFL has complied with norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Non-performing assets in preparation of accounts.

Rs. In Lakhs

Breakup of Loan & Advances and Provisions thereon	Housing		Non Housing	
	March 2017	March 2016	March 2017	March 2016
Standard Assets				
a) Total Outstanding Amount	433,984.02	302,346.98	5,909.62	1,239.66
b) Provisions made	1,736.05	1,209.42	23.71	4.98
Sub-Standard Assets				
a) Total Outstanding Amount	28,442.88	14,346.37	22.35	1.82
b) Provisions made	4,891.47	2,554.84	3.70	0.27
Doubtful Assets - Category -I				
a) Total Outstanding Amount	10,887.42	5,382.39	0.23	
b) Provisions made	3,161.04	1,556.53	0.06	
Doubtful Assets - Category -II				
a) Total Outstanding Amount	6,863.88	3,706.45		
b) Provisions made	2,964.21	1,538.43		
Doubtful Assets - Category -III				
a) Total Outstanding Amount	296.11	117.18	3.15	
b) Provisions made	296.11	117.18	3.15	
Loss Assets				
a) Total Outstanding Amount	117.22	131.76		
b) Provisions made	117.22	131.76		

TOTAL				
a) Total Outstanding Amount	480,591.53	326,031.13	5,935.35	1,241.48
b) Provisions made	13,166.10	7,108.17	30.62	5.25

Loan receivable includes Rs. 11097.45 Lakhs outstanding towards financing of insurance as of March 31st 2017 and Rs. 7720.20 Lakhs as of March 31st 2016.

MRHFL has made adequate provision for Non Performing Assets identified, in accordance with the Housing Finance Companies (NHB) Directions, 2010. As per the practice consistently followed, the Company has also made additional provision on prudential basis. The cumulative additional provision made by the company as on 31st March 2017 is Rs. 1216.22 Lakhs (March 2016: Rs. 612.67 Lakhs).

In line with Notification No. NHB.HFC.DIR.3/CMD/2011 issued by National Housing Bank, the company has made a provision @ 0.40 % on outstanding Standard Assets.

31) In case of MRHFL:

Concentration of Public Deposits, Advances, Exposures and NPAs

The company is non deposit accepting Housing Finance Company, hence there are no public deposits and hence the provisions of point no. 5.3.1, Annexure 4 of NHB Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9th, 2017 is not applicable to the Company.

Concentration of Loans & Advances

Rs. In Lakhs

Particulars	March 2017	March 2016
Total Loans & Advances to twenty largest borrowers	591.44	564.28
Percentage of Loans & Advances to Twenty largest borrowers to Total Advances of the HFC	0.12%	0.17%

Concentration of all Exposure (Including off-balance sheet exposure)

Rs. In Lakhs

Particulars	March 2017	March 2016
Total Exposure to twenty largest borrowers / customers	633.50	591.50
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	0.12%	0.12%

Concentration of NPAs

Rs. In Lakhs

Particulars	March 2017	March 2016
Total Exposure to top ten NPA accounts	222.96	145.73

Sector – wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	9.70%
2	Builders/Project Loans	Nil
3	Corporates	Nil
4	Others (specify)	Nil
B.	Non-Housing Loans:	
1	Individuals	1.46%
2	Builders/Project Loans	Nil
3	Corporates	Nil
4	Others (specify)	Nil

Movement of NPAs

Rs. in Lakhs

Particulars	March 2017	March 2016
(I) Net NPAs to Net Advances (%)	7.47%	5.55%
(II) Movement of NPAs (Gross)		
a) Opening Balance	23,685.97	12,265.28
b) Additions during the year	26,534.34	13,422.70
c) Reductions during the year	3,587.06	2,002.01
d) Closing Balance	46,633.25	23,685.97
(III) Movement of Net NPAs		

a) Opening Balance	17,786.95	9,478.90
b) Additions during the year	20,567.46	10,176.75
c) Reductions during the year	3,158.11	1,868.70
d) Closing Balance	35,196.30	17,786.95
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	5,899.02	2,786.38
b) Provisions made during the year	5,966.88	3,245.95
c) Write-off of short provision/write-back of excess provisions	(428.95)	(133.31)
d) Closing Balance	11,436.95	5,899.02

Overseas Assets

The company does not own any overseas asset and hence the provisions of point no. 5.5, Annexure 4 of NHB Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9th, 2017 is not applicable to the Company.

The Company does not have any of balance sheet SPVs sponsored and hence the provisions of point no. 5.6, Annexure 4 of NHB Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9th, 2017 is not applicable to the Company

- 32)** Deposits/Advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

33) Employee Benefits :

Defined benefit plans – as per actuarial valuation:

Leave Benefits (Non-funded)

Rs. in Lakhs

Defined Benefit Plans -As per actuarial valuation on 31st March, 2017			
		As at March 31, 2017	As at March 31, 2016
I.	Expense recognised in the Statement of Profit and Loss for the year ended 31st March		
	Current service cost	760.13	1588.52
	Interest cost	138.57	129.98
	Expected return on plan assets	0.00	0.00
	Actuarial (Gains)/Losses	322.09	(1208.52)
	Total expense	1220.79	509.98
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	2673.34	1732.12
	Fair value of plan assets as at 31st March	0.00	0.00
	Funded status (Surplus/(Deficit))	(2673.34)	(1732.12)
	Net asset/(liability) as at 31st March	(2673.34)	(1732.12)
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	1732.12	1468.11
	Current service cost	760.13	1585.60
	Interest cost	138.57	129.98
	Actuarial (Gains)/Losses	322.08	(1208.52)

	Benefits paid	(279.56)	(243.05)
	Present Value of Defined Benefit obligation at the end of the period	2673.34	1732.12
IV.	Major category of plan assets as a percentage of total plan		
	Funded with LIC	-	-
	Others		
V.	Actuarial Assumptions		
	Discount Rate (p.a.)	7.36%	8%
	Rate of Salary increase (p.a.)	5%	5%
	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Gratuity (funded): Defined Benefit Plans -As per actuarial valuation on 31st March, 2017

Rs. in Lakhs

		As at March 31, 2017	As at March 31, 2016
I.	Expense recognised in the Statement of Profit and Loss Account for the year ended 31st March		
	Current service cost	480.91	1238.45
	Interest cost	181.43	158.72
	Expected return on plan assets	(190.62)	(170.63)
	Actuarial (Gains)/Losses	795.27	(651.82)
	Funded amount to be transferred to Gratuity Fund	0.00	0.00
	Adjustment due to change in opening balance of plan assets	(139.57)	0.00
	Total expense	1127.42	574.72

		As at March 31, 2017	As at March 31, 2016
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	3288.85	2269.42
	Fair value of plan assets as at 31st March	2628.97	2249.59
	Funded status (Surplus/(Deficit))	(659.88)	(19.83)
	Net asset/(liability) as at 31st March	(659.88)	(19.83)
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	2267.44	1771.78
	Transfer of Projected benefit obligation from MBCSPL	0.00	0.00
	Current service cost	480.91	1238.45
	Interest cost	181.43	158.72
	Actuarial (Gains)/Losses	617.76	(799.14)
	Benefits paid	(258.68)	(100.39)
	Present Value of Defined Benefit obligation at the end of the period	3288.86	2269.42
IV.	Change in the fair value of plan assets during the year ended 31st March		
	Fair value of plan assets at the beginning of the year	2243.09	1811.28
	Expected return on plan assets	190.75	170.76
	Contributions by employer	492.11	515.62
	Actuarial (Gains)/Losses	(177.86)	(147.68)
	Funded amount to be transferred to Gratuity Fund	0.00	0.00
	Adjustment due to change in opening balance of Plan assets	139.57	0.00
	Actual Benefits paid	(258.68)	(100.39)
	Fair value of plan assets at the end of the year	2628.98	2249.59

		As at March 31, 2017	As at March 31, 2016
V.	Major category of plan assets as a percentage of total plan		
	Funded with LIC	100%	100%
VI.	Actuarial Assumptions		
	Discount Rate (p.a.)	7.36%	8%
	Expected rate of return on plan assets (p.a.)	8%	8%
	Rate of Salary increase (p.a.)	5%	5%
	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

Experience Adjustments (Gratuity)

	Year ending				
	Rs. in Lakhs				
	31/03/2013	31/03/2014	31/03/2015	31/03/2016	31/03/2017
Defined Benefit obligation at the end of the year	1,046.46	1,371.09	1,771.78	2,269.42	3,300.68
Plan assets at the end of the year	967.88	1,320.08	1,811.28	2,249.59	2,628.97
Funded status Surplus / (Deficit)	(78.58)	(51.01)	39.50	(19.83)	(671.71)
Experience adjustments on plan liabilities (gain) / loss	(111.33)	(65.61)	(190.55)	(268.25)	392.49
Experience adjustments on plan assets gain / (loss)	(18.89)	(25.00)	(34.22)	(41.95)	(182.48)

The subsidiary company, MIBL, earns brokerage from several insurance companies. The accounts of these insurance companies remain under reconciliation and are subject to confirmation. MIBL does not expect any significant variation in the book balances.

34) Securitisation / assignment transactions :

- a) During the year, the Company has without recourse securitised on "at par" basis vide PTC route loan receivables of 11489 contracts (March 31, 2016 : 30940 contracts) amounting to Rs. 33772.18 Lakhs (March 31, 2016: Rs. 85586.85 Lakhs) for a consideration of Rs 33772.18 Lakhs (March 31, 2016: Rs. 85586.85 Lakhs) and de-recognised the assets from the books.

- b) Income from assignment / securitization transactions include write back of provision for loss / expenses in respect of matured assignment transactions amounting to Rs Nil (March 31, 2016 : Rs. 6756.56 Lakhs) considered no longer necessary (refer Accounting policy 4 (IV) A (iii)).
- c) In terms of the accounting policy stated in 4 (IV) (B) (i) (c), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances.
- d) Excess interest spread received during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment / securitisation transactions amounting to Rs.11500.70 Lakhs (March 31,2016: Rs. 12062.65 Lakhs.)
- e) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2012-13 dated August 21, 2012.

Applicable for transactions effected after the date of circular:

Rs. in Lakhs
As at March 31

S No.	Particulars	2017	2016
1	No of SPVs sponsored by the NBFC for securitisation transactions	17	16
2	Total amount of securitised assets as per books of the SPVs sponsored	81804.49	136825.69
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss- Credit enhancement in form of corporate undertaking	21037.84	17196.42
	Others	-	-
	b) On-balance sheet exposures		
	First loss- Cash collateral term deposits with banks	16958.00	20038.00
	Others- Retained interest in pass through certificates (excluding accrued interest)	151.77	472.12
4	Amount of exposures to securitisation transactions other than MRR	-	-

a) Off-balance sheet exposures		
(i) Exposure to own securitizations		
First loss	-	-
Loss		
(ii) Exposure to third party securitisations		
First loss	-	-
Others		
Excess Interest Spread	21053.50	27856.85
b) On-balance sheet exposures		
(i) Exposure to own securitisations		
First loss	-	-
Others-		
Cash collateral term deposits with banks	1856.00	1856.00
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

35) Secured long-term borrowings :

i) Secured non-convertible debentures

As at March 31, 2017

From the Balance Sheet date	Rate range	Rs. in Lakhs		
		(a) Non-current	(b) Current Maturities	Total
1) Repayable on maturity :				
Maturing beyond 5 years	8.30% - 9.00%	1,90,200.00	-	1,90,200.00
Maturing between 3 years to 5 years	7.50% - 8.82%	1,54,130.00	-	1,54,130.00
Maturing between 1 year to 3 years	7.43% - 10.25%	8,79,350.00	-	8,79,350.00
Maturing within 1 year	7.38% - 9.45%	-	2,43,380.00	2,43,380.00
TOTAL		12,23,680.00	2,43,380.00	14,67,060.00

As on 31st March, 2016

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a)Non-current	(b)Current maturities	Total
1) Repayable on maturity :				
Maturity beyond 5 years	8.70% - 9.00%	1,89,200.00	-	1,89,200.00
Maturity between 3 years to 5 years	8.48% - 9.45%	2,01,950.00	0.00	2,01,950.00
Maturity between 1 year to 3 years	8.48% - 10.25%	3,39,240.00	0.00	3,39,240.00
Maturity within 1 year	8.57% - 10.20%	-	2,34,470.00	2,34,470.00
Total		7,30,390.00	2,34,470.00	9,64,860.00

ii) Secured term loans from banks :

As at March 31, 2017 :

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
1) Repayable on maturity :				
Maturing between 3 years to 5 years	8.40% - 8.75%	25,000.00	-	25,000.00
Maturing between 1 year to 3 years	8.05% - 9.70%	1,04,000.00	-	1,04,000.00
Maturing within 1 year	8.55% - 9.70%	-	80,000.00	80,000.00
Total for repayable on maturity		1,29,000.00	80,000.00	2,09,000.00
2) Repayable in installments :				
i) Quarterly -				
Maturing between 3 years to 5 years	8.15% - 8.90%	18,055.56	-	18,055.56
Maturing between 1 year to 3 years	8.15% - 9.35%	84,464.28	-	84,464.28
Maturing within 1 year	8.15% - 9.65%	-	89,774.44	89,774.44
Total		1,02,519.84	89,774.44	1,92,294.28
ii) Half yearly -				
Maturing beyond 3 years to 5 years	8.30% - 9.05%	31,666.67	-	31,666.67
Maturing between 1 year to 3 years	8.30% - 9.70%	1,27,666.66	-	1,27,666.67

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Maturing within 1 year	8.50% - 9.70%	-	81,000.00	81,000.00
Total		1,59,333.33	81,000.00	2,40,333.33
iii) Yearly -				
Maturing between 3 years to 5 years	9.30%-9.70%	67,966.67	-	67,966.67
Maturing between 1 year to 3 years	8.45%-9.70%	1,97,517.00	-	1,97,517.00
Maturing within 1 year	8.45%-9.70%	-	57,383.34	57,383.34
Total		2,65,483.67	57,383.34	3,22,867.01
Total for repayable in installments		5,27,336.84	2,28,157.78	7,55,494.62
TOTAL (1+2)		6,56,336.84	3,08,157.78	9,64,494.62

As at March 31, 2016 :

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
a) Maturing beyond 5 years	-	-	-	-
b) Maturing between 3 years to 5 years	9.65% - 9.75%	25,000.00	-	25,000.00
c) Maturing between 1 year to 3 years	9.65% - 9.75%	90,000.00	-	90,000.00
d) Maturing within 1 year	9.50% - 9.95%	-	1,27,500.00	1,27,500.00
Total for repayable on maturity		1,15,000.00	1,27,500.00	2,42,500.00
2) Repayable in installments :				
i) Quarterly -				
a) Maturing beyond 5 years	-	-	-	-
b) Maturing between 3 years to 5 years	9.00% - 9.30%	19,781.75	-	19,781.75
c) Maturing between 1 year to 3 years	9.30% - 9.65%	1,07,512.54	-	1,07,512.54
d) Maturing within 1 year	9.30% - 9.71%	-	67,819.42	67,819.42
Total		1,27,294.29	67,819.42	1,95,113.71

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current maturities	Total
ii) Half yearly -				
a) Maturing beyond 3 years to 5 years	9.45% - 9.70%	53,333.33	-	53,333.33
b) Maturing between 1 year to 3 years	9.65% - 9.75%	1,16,000.00	-	1,16,000.00
c) Maturing within 1 year	9.65% - 9.75%	-	1,11,733.33	1,11,733.33
Total		1,69,333.33	1,11,733.33	2,81,066.66
iii) Yearly -				
a) Maturing beyond 5 years	-	-	-	-
b) Maturing between 3 years to 5 years	9.34%-9.70%	1,20,933.33	-	1,20,933.33
c) Maturing between 1 year to 3 years	9.34%-9.70%	1,81,933.33	-	1,81,933.33
d) Maturing within 1 year	9.50%-9.70%	-	50,333.34	50,333.34
Total		3,02,866.66	50,333.34	3,53,200.00
Total for repayable in installments		5,99,494.28	2,29,886.09	8,29,380.37
TOTAL (1+2)		7,14,494.28	3,57,386.09	10,71,880.37

iii) Secured term loans from others :

As on 31st March, 2017

(Rs. In Lakhs)

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current maturities	Total
1) Repayable on installments :				
Maturity between 3 years to 5 years	7.65%-9.30%	2,054.80	-	2,054.80
Maturity between 1 year to 3 years	7.65%-9.30%	6,339.39	-	6,339.39
Maturity within 1 year	7.65%-9.70%	-	5,311.81	5,311.81
Total for repayable on installments		8,394.19	5,311.81	13,706.00

As on 31st March, 2016

(Rs. In Lakhs)

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current maturities	Total
1) Repayable on installments :				
Maturity beyond 5 years	9.30%-9.55%	475.40	-	475.40
Maturity between 3 years to 5 years	8.85%-9.55%	4,847.48	-	4,847.48
Maturity between 1 year to 3 years	8.85%-9.70%	9,863.12	-	9,863.12
Maturity within 1 year	6.00%-10.15%	-	6,109.49	6,109.49
Total for repayable on installments		15,186.00	6,109.49	21,295.49

iv) Foreign currency loans from banks

As at March 31, 2017

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	LIBOR plus spread 1.07% - 2.20%	47,460.87		47,460.87
Maturing within 1 year	LIBOR plus spread 1.07% - 2.20%	-	52,099.08	52,099.08
TOTAL		47,460.87	52,099.08	99,559.95

As on 31st March, 2016

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a)Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
Maturity between 1 year to 3 years	LIBOR plus spread 1.07% - 2.20%	53,227.83		53,227.83
Maturity within 1 year	LIBOR plus spread 1.07% - 2.20%	-	26,932.51	26,932.51
Total		53,227.83	26,932.51	80,160.34

v) Foreign currency loans from others

As on 31st March, 2017

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a)Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
Maturity beyond 5 years	1.99% - 4.01%	7,658.73	-	7,658.73
Maturity between 3 years to 5 years	1.99% - 4.01%	30,360.60	-	30,360.60
Maturity between 1 year to 3 years	1.99% - 4.01%	80,277.23	-	80,277.23
Maturity within 1 year	1.41% - 4.01%	-	62,270.65	62,270.65
Total		1,18,296.56	62,270.65	1,80,567.21

As on 31st March, 2016

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a)Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
Maturity beyond 5 years	1.99% - 3.69%	5,657.04	-	5,657.04
Maturity between 3 years to 5 years	1.99% - 3.69%	32,704.62	-	32,704.62
Maturity between 1 year to 3 years	1.99% - 3.69%	70,199.81	-	70,199.81
Maturity within 1 year	1.99% - 3.69%	-	52,566.87	52,566.87
Total		108,561.47	52,566.87	1,61,128.34

36) Unsecured borrowings :

i) Subordinated debts (long-term)

As at March 31, 2017

Issued on private placement basis -

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.90% - 10.15%	72,280.00	-	72,280.00
Maturing between 3 years to 5 years	9.50% - 10.50%	37,270.00	-	37,270.00
Maturing between 1 year to 3 years	9.85% - 11.75%	15,480.00	-	15,480.00
Maturing within 1 year	10.50% - 12.00%	-	6,880.00	6,880.00
TOTAL A		125,030.00	6,880.00	131,910.00

Issued to retail investors through public issue -

Rs. in lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.44% - 9.00%	94,534.22	-	94,534.22
Maturing between 3 years to 5 years	8.34% - 8.70%	5,465.78	-	5,465.78
TOTAL B		100,000.00	-	100,000.00
TOTAL (A+B)		225,030.00	6,880.00	231,910.00

As at March 31, 2016

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
a) Maturing beyond 5 years	8.90% - 10.50%	74,830.00	-	74,830.00
b) Maturing between 3 years to 5 years	9.50% - 10.02%	41,720.00	-	41,720.00

c) Maturing between 1 year to 3 years	10.50% - 12.00%	7,860.00	-	7,860.00
TOTAL		124,410.00	-	124,410.00

ii) Term loan from banks – (short-term)

As at March 31, 2017 :

Rs. in Lakhs

From the Balance Sheet date	Rate range	Short term	Total
Repayable on maturity :			
Maturing within 1 year	7.50% - 8.00%	7,400.00	7,400.00
TOTAL		7,400.00	7,400.00

As at March 31, 2016 :

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing within 1 year	9.50% - 10.00%	-	10,000.00	10,000.00
TOTAL		-	10,000.00	10,000.00

iii) Fixed deposits

As at March 31, 2017

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current maturities	
Maturing beyond 3 years	7.35% - 10.10%	-	31,748.40	-	31,748.40
Maturing between 1 year to 3 years	7.35% - 10.10%	-	1,87,545.45	-	191,170.45
Maturing within 1 year	7.30% - 10.60%	24,311.71	-	1,82,750.58	2,07,062.29
TOTAL		24,311.71	2,19,293.85	1,82,750.58	438,296.14

As at March 31, 2016

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Short-Term	(b) Non-current	(c) Current maturities	Total
a) Maturing beyond 3 years	8.20% - 10.10%	-	15,832.63	-	15,832.63
b) Maturing between 1 year to 3 years	8.20% - 10.60%	-	272,018.38	-	272,018.38
c) Maturing within 1 year	7.90% - 10.60%	16,154.68	-	161,030.66	177,185.34
TOTAL		16,154.68	287,851.01	161,030.66	465,036.35

iv) Inter corporate deposits – (short-term)

As at March 31, 2017

Rs.in Lakhs

From the Balance Sheet date	Rate range	Short Term	Total
Repayable on maturity :			
Maturing within 1 year	7.60% - 9.80%	65,000.00	65,000.00
TOTAL		65,000.00	65,000.00

As at March 31, 2016

Rs.in Lakhs

From the Balance Sheet date	Rate range	Short Term	Total
Repayable on maturity :			
Maturing within 1 year	8.85% - 9.05%	30,000.00	30,000.00
TOTAL		30,000.00	30,000.00

37) Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As at March 31, 2017

Rs. in Lakhs

From the Balance Sheet date	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	7.90% -12.35%	1,59,119.35
TOTAL		1,59,119.35

As on 31st March, 2016

Rs.in Lakhs

From the Balance Sheet date	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	9.10%-12.15%	1,24,329.05
TOTAL		1,24,329.05

ii) Foreign currency loans from others (secured)

As on 31st March, 2017

Rs.in Lakhs

From the Balance Sheet date	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	1.41%	80,431.74
TOTAL		80,431.74

As on 31st March, 2016

Rs.in Lakhs

From the Balance Sheet date	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	0.86%	55,269.55
TOTAL		55,269.55

iii) Commercial papers

As at March 31, 2017 :

Rs. in Lakhs

From the Balance Sheet date	Rate range	Current
Repayable on maturity :		
Maturing within 1 year	6.65% - 7.60%	3,85,500.00
TOTAL		3,85,500.00

As at March 31, 2016 :

From the Balance Sheet date	Rate range	Rs. in Lakhs
		Total
Repayable on maturity :		
Maturing within 1 year	8.09% - 9.40%	2,96,000.00
TOTAL		2,96,000.00

38) During the year, the Company has incurred expenditure of Rs. 3,362.57 Lakhs (March 31, 2016: Rs. 3,135.74 Lakhs) towards Corporate Social Responsibility activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. 141.87 Lakhs (March 2016: Rs.114.26 Lakhs) towards the CSR activities undertaken by the Company (refer note no. 26).

39) The Company has the following investments in Joint Venture for which the required treatment as per Accounting Standard AS 27 - 'Financial Reporting of Interests in Joint Ventures', has been given in the Consolidated Financial Statements.

Name of Joint Ventures	Country of Incorporation	Percentage of ownership interest
Mahindra Finance USA, LLC	United States of America	49.00%

40) Disclosure under the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS-27).

The Company has interest in the following jointly controlled entity.

	Name of the entity	Country of Incorporation	% Holding
i)	Mahindra Finance USA, LLC	United States of America	49.00%
ii)	Interest in the assets, liabilities, income and expenses with respect to jointly controlled entities		
			(Rs. In lakhs)
	Particulars	March2017	March2016
I.	ASSETS		
	1 Long-term loans and advances	226440.34	194461.94

		Particulars	March2017	March2016
	2	Deferred tax assets	1028.95	735.90
	3	Cash and cash equivalents	577.88	624.49
	4	Short-term loans and advances	69080.41	47929.25
II.		LIABILITIES		
	1	Long-term borrowings	118296.56	108561.47
	2	Other Long-term liabilities	-	-
	3	Long term provisions	775.45	727.01
	4	Short term borrowings	80431.74	55269.45
	5	Other current liabilities	69333.16	56052.27
	6	Short term provisions	233.16	176.84
III.		INCOME		
	1	Revenue from operations	14013.55	10048.49
	2	Other income	809.26	635.97
IV.		EXPENSES		
	1	Finance costs	5656.00	3918.39
	2	Provisions and write-offs	912.31	973.53
	3	Other expenses	4013.33	2913.69
	4	Provision for current tax	1884.27	1294.04
	5	Provision for deferred tax	(319.60)	(254.18)

41) During the year, the Company has raised an amount of Rs.1,00,000.00 Lakhs by way of Public Issuance Unsecured Subordinated Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs.1,000 each. The NCDs were allotted on 6th June, 2016 and listed on BSE Limited on 8th June, 2016. The proceeds of the issue - have been used for the purposes as stated in its 'Placement Document'. The NCDs issue expenses of Rs. 1653.42 Lakhs has been adjusted against securities premium reserve.

In terms of the requirements as per Section 71 (4) of the Companies Act, 2013 read with The Companies (Share capital and Debentures) Rules 2014, Rule no.18 (7) and applicable SEBI Issue and Listing of Debt Securities) Regulations, 2008, the Company has transferred Rs.

2649.86 Lakhs out of the profits available for payment of dividend to Debenture Redemption Reserve (DRR) on a prorata basis to create adequate DRR over the tenor of the debentures.

- 42)** The Composite Broking License of MIBL, has been renewed by IRDA w.e.f. 17/05/2016 for next 3 years.

43) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on "Accounting for Employee Share-based Payments" is as follows:

Particulars	<u>Intrinsic Value Method</u>		<u>Fair Value Method *</u>	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Net profit after tax (Rs. in Lakhs)	51,163.67	77,229.36	51,209.76	77,306.49
Weighted average number of equity shares of Rs.2/- each – Basic	564723582	564278639	564723582	564278639
Weighted Average number of equity shares of Rs.2/- each – Diluted	568446880	568442221	568446880	568442221
Basic Earnings Per Share (Rs.)	9.06	13.69	9.07	13.70
Diluted Earnings Per Share # (Rs.)	9.00	13.58	9.01	13.60

Dilution in Earnings per share is on account of 37,23,298 equity shares (March 2016 : 41,63,582 equity shares) held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.

* Earnings Per Share under Fair value method is computed on net profit after tax after adjusting for employee compensation costs under fair value method. Employee compensation cost under fair value method as compared to intrinsic value method is lower by Rs. 46.09 Lakhs (March 2016 : Rs. 77.13 Lakhs).

- 44)** During the year, the Department of Sales Tax in the State of Maharashtra has initiated an investigation proceeding against the Company under Section 64 of the Maharashtra Value Added Tax Act, 2002, in relation to the taxability of sale of vehicles on behalf of the Company's customers from fiscal year 2011 to the period ended October 30, 2016. The Company has made payment of Rs. 2935.92 Lakhs under protest. The company has received a demand notice for fiscal year 2011 for Rs 492.95 Lakhs which has been shown under contingent liability, however the demand notice from fiscal 2012 is yet to be received from the department.

- 45)** Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.

46) Disclosure on Derivatives :

Outstanding derivative instrument and un-hedged foreign currency exposures as on 31st March, 2017

The Company has outstanding Foreign Currency Non-Repatriable (FCNR (b)) loans of US \$ 1535.23 Lakhs (March 31, 2016 : US \$ 1209.88 Lakhs). The said loan has been hedged to INR liability using a cross currency and interest swap. There is no un-hedged foreign currency exposure as on March 31, 2017.

During the year, the Company has changed its accounting policy for derivative transactions to align to the Guidance Note on Accounting for Derivative Transactions issued by the Institute of Chartered Accountants of India applicable with effect from April 01, 2016. Consequently, mark to market loss of Rs.514.68 Lakhs (net of deferred tax of Rs.272.38 Lakhs) is charged to opening retained earnings as transitional charge in respect of derivative transactions outstanding as at April 01, 2016 and a loss of Rs. 2365.54 Lakhs is charged to Statement of profit and loss for the year ended March 31, 2017.

47) There were 204 cases (March 31, 2016: 180 cases) of frauds amounting to Rs. 433.10 Lakhs (March 31, 2016 : Rs 627.20 Lakhs) reported during the year. The Company has recovered an amount of Rs.125.98 Lakhs (March 31, 2016 : Rs 117.89 Lakhs) and has initiated appropriate legal actions against the individuals involved. The claims for the unrecovered losses have been lodged with the insurance companies.

48) There are no gold loans outstanding as at March 31, 2017 (March 31, 2016 : 0.02% of total assets).

49) During the year, the Company had made a contribution of Rs.160.00 Lakhs (March 31, 2016 : Nil) to New Democratic Electoral Trust, a Trust approved by the Central Board of Direct Taxes under Electoral Trust Scheme, 2013 to enable Electoral Trust to make contributions to political party/parties duly registered with the Election Commission, in such manner and at such times as it may decide from time to time. This contribution is as per the provisions of section 182 of the Companies Act, 2013.

50) Pursuant to Notification No. G.S.R. 308 (E) dated March 30, 2017 issued by the Ministry of Corporate Affairs requiring the Companies to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the Company provides here below the required details.

	Rs. in Lakhs		
	SBNs	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	3727.31	313.70	4041.01
Add : Permitted Receipts #	11.36	89080.59	89091.95
Less : Permitted Payments	-	17.38	17.38
Less : Amount deposited in Banks	3738.67	86659.31	90397.98
Closing cash in hand as on December 30, 2016	-	2717.60	2717.60

includes non-permitted receipts of SBNs aggregating to Rs.10.78 Lakhs received from customers and directly deposited by customers into Company's bank accounts from November 9, 2016 to November 11, 2016.

51) Related Party Disclosure as per Accounting Standard 18:

A) List of the related parties which has transaction with our Company during the year:

Holding Company :	Mahindra and Mahindra Limited
Fellow subsidiary Companies:	2 x 2 Logistics Private Limited Mahindra USA, Inc. Mahindra Two Wheelers Limited NBS International Ltd. Mahindra First Choice Wheels Ltd. Mahindra Defence Systems Ltd. Mahindra Retail Pvt Ltd. Mahindra Integrated Business Solutions Ltd. Mahindra Vehicle Manufacturers Ltd. Mahindra Construction Company Ltd.
Fellow Associates:	Tech Mahindra Ltd.
Key Management Personnel :	Mr. Ramesh Iyer (Managing Director)
Relatives of Key Management Personnel :	Ms Janaki Iyer
	Ms Ramlaxmi Iyer
	Mr Risheek Iyer

B) Related Parties transactions are as under:

Sr. No.	Nature of transactions	Holding Company	Rupees in Lakhs	
			Fellow subsidiary Companies / Associates	Key Management Personnel
1	Income			
	Loan income	-	222.49	-
		-	(64.15)	-
	Subvention / Disposal loss income	3,786.03	-	
		(4,049.60)	-	
	Other income	-	3.91	-
		-	(3.47)	-
2	Expenses			
	Interest	1,638.56	399.76	19.24
		(126.12)	-	(20.12)
	Other Expenses			-

		2,666.92	1,520.01	
		(1,832.96)	(620.81)	-
	Remuneration to MD	-	-	674.59
		-	-	(436.13)
3	Investment in share capital	-	-	-
		-	-	-
4	Purchase of Fixed Assets	281.52	14.25	-
		(327.50)	(30.97)	-
5	Sale of Fixed Assets	-	-	-
		-	-	-
6	Finance			
	Fixed deposits taken	-	-	18.07
		-	-	(18.94)
	Fixed deposits repaid	-	-	-
		-	-	(21.67)
	Dividend paid – for previous year	11,648.31	-	25.46
		(11,648.31)	-	(23.85)
	Inter corporate deposits taken	50,000.00	40,000.00	-
		(30,000.00)	-	-
	Inter corporate deposits repaid	55,000.00	-	-
		-	-	-
	Inter corporate deposits given	-	-	-
		-	-	-
	Inter corporate deposits refunded	-	-	-
		-	-	-
7	Other transactions			
	Reimbursement from parties	-	-	-
		-	-	-
	Reimbursement to parties	-	184.15	-
		-	(153.08)	-
8	Balances as at the end of the period			
	Receivables	-	78.07	-
		(310.21)	(127.42)	-
	Loan given (including interest accrued but not due)	-	2,448.79	-

	-	(1,870.04)	-
Inter corporate deposits given (including interest accrued but not due)	-	113.38	-
	-	-	-
Payables	1,081.85	406.30	-
	-	(220.33)	-
Subordinate debt held (including interest accrued but not due)	-	-	-
	-	-	-
Inter corporate deposits taken (including interest accrued but not due)	25,260.01	40,359.78	-
	(30,113.51)	-	-
Fixed deposits (including interest accrued but not due)	-	-	245.59
	-	-	(226.54)

Notes:

i) Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18.

C) The significant related party transactions are as under:

The significant related party transactions are as under:				Rupees in Lakhs
Nature of transactions		Holding Company	Fellow subsidiary Companies / Associates	Key Management Personnel
Income				
<u>Revenue from operations</u>				
Subvention / Disposal loss income	Mahindra & Mahindra Limited	3,786.03		
Loan income	2 x 2 Logistics Pvt Ltd	(4,049.60)	222.03	
-			(62.08)	
Expenses				
<u>Interest</u>				
Interest expense on inter corporate deposits and non-convertible debentures	Mahindra & Mahindra Limited	1,638.56		
		(126.12)		
<u>Other expenses</u>				
Rent	Mahindra & Mahindra Limited	1,388.30		

Commission & Valuation charges	Mahindra First Choice Wheels Limited	(1,267.00)	1,056.10 (526.94)	
Purchase of fixed assets	Mahindra & Mahindra Limited	142.16 (254.81)		
Finance				
Fixed Deposits	Ramesh Iyer and relatives			18.07 (18.94)
Fixed deposits matured	Ramesh Iyer and relatives			- (21.67)
Dividend paid - for previous year	Mahindra & Mahindra Limited	11,648.31 (11,648.31)		
Inter corporate deposits taken	Mahindra & Mahindra Limited	50,000.00 (30,000.00)		
Inter corporate deposits taken	Tech Mahindra Limited		30,000.00 -	
Inter corporate deposits repaid	Mahindra & Mahindra Limited	55,000.00 -		
Balances at the year end				
Receivables	Mahindra & Mahindra Limited	- (310.21)		
Receivables	NBS International		78.07 (127.42)	
Payables	Mahindra First Choice Wheels Limited		283.38 (155.44)	

Payables	Mahindra & Mahindra Limited	1,081.85		
		-		
Inter corporate deposits taken (including interest accrued but not due)	Mahindra & Mahindra Limited	25,260.01		
		(30,113.51)		
Inter corporate deposits taken (including interest accrued but not due)	Tech Mahindra Limited		30,171.61	
			-	
Loan outstanding	2 x 2 Logistics Pvt Ltd		2,114.46	
			(1,865.14)	
Fixed deposits (including interest accrued but not due)	Ramesh Iyer and relatives			245.59
				(226.54)

Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18.

d) Disclosure required under Section 186(4) of the Companies Act, 2013

As at March 31, 2017

Rs. in

Lakhs

Particulars	Relation	Balance as on April 1, 2016	Advances	Repayments	Balance as on March 31, 2017
Loans and advances					
Mahindra Retail Pvt Ltd	Fellow subsidiary	4.90	-	4.90	-
2 x 2 Logistics Pvt Ltd	Fellow subsidiary	1,865.14	674.00	424.68	2,114.46
		1,870.04	674.00	429.58	2114.46

Notes :

Above loans & advances have been given for general business purposes.

There were no guarantees given / securities provided during the year

As at March 31, 2016

Rs. in Lakhs

Particulars	Relation	Balance as on April 1, 2015	Advances	Repayments	Balance as on March 31, 2016
Loans and advances					
Mahindra Retail Pvt Ltd	Fellow subsidiary	30.08	-	25.18	4.90
2 x 2 Logistics Pvt Ltd	Fellow subsidiary	13.21	1,952.93	101.00	1,865.14
		43.29	1,952.93	126.18	1870.04

Notes :

Above loans & advances have been given for general business purposes.

There were no guarantees given / securities provided during the year

52) Contingent liabilities and commitments (to the extent not provided for)

Rs. in Lakhs

	March 2017	March 2016
Contingent liabilities		
a) Demand against the Company not acknowledged as debts -		
i) Income tax	5,308.69	3,873.42
ii) Value Added Tax (VAT)	684.93	191.98
iii) Service tax	5,541.95	5,283.34
b) Corporate guarantees towards assignment transactions	0	15,331.13
c) Credit enhancement in terms of corporate guarantee for securitization transactions	21,037.84	17,196.42
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	4,333.26	3,383.96
	36,906.67	45,260.75
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account	716.72	333.31
	716.72	333.31
Total	37,623.39	45,594.06

53) Changes in provisions :

Rs. in Lakhs

	As at 01.04.2016	Additional Provision	Utilisation/ Reversal	As at 31.03.2017
Provision for Standard assets	15,249.40	2180.00	0.00	17429.40
Provision for Non-performing assets	1,56,055.07	106315.84	56435.00	205935.91

54) MICRO AND SMALL ENTERPRISES (MSE)

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSE as at March 31, 2017.

The relevant particulars as at the year-end as required under the MSMED Act are furnished here below:

Rs. in Lakhs
For the year ended March 31

	2017	2016
a) Principal amount due and remaining unpaid to suppliers as at the year end	-	-
b) Interest accrued and due to suppliers on the above amount as at the year end	-	-
c) Interest paid to suppliers in terms of Section 16 of the MSMED Act	-	-
d) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
e) Interest paid to suppliers (other than Section 16 of the MSMED Act)	-	-
f) Interest due and payable to suppliers for payments already made (for the period of delay, if any)	-	-
g) Interest accrued and remaining unpaid at the year end	-	-
h) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

55) Segment information as per Accounting Standard 17:

The Company has only one significant reportable segment viz., financing segment. Income from insurance broking and manpower supply activities constitutes less than 10% of the total revenue / assets / capital employed. The amounts included in "Others" represents amounts in respect of these activities and are given for reconciling with the total consolidated revenue, profits, assets and liabilities.

Segment Report for the year ended March 31, 2017:

(Rs. in Lakhs)

	Period ended 31st March 2017			Period ended 31st March 2016		
	Financing activities	Other reconciling items	Total	Financing activities	Other reconciling items	Total
External revenue	706,753.70	13,931.90	720,685.60	648,578.22	11,166.77	659,744.99
Inter segment revenue	2,158.57	4,371.65	6,530.22	2,156.89	3,870.07	6,026.96
Total revenue	708,912.27	18,303.55	727,215.82	650,735.11	15,036.84	665,771.95

	Financing activities	Other reconciling items	Total	Financing activities	Other reconciling items	Total
Segment results (Profit before tax and after interest on financing segment)	77,670.60	6,104.85	83,775.45	115,341.52	7,070.46	122,411.98
Less: Interest on unallocated reconciling items	-	-	-	-	-	-
Net Profit before tax	77,670.60	6,104.85	83,775.45	115,341.52	7,070.46	122,411.98
Less: Income taxes	-	-	30,805.47	-	-	43,671.83
Net profit	-	-	52,969.98	-	-	78,740.15
Other information:						
Segment assets	5,242,386.18	5,166.72	5,247,552.90	4,421,783.71	8,378.57	4,430,162.28
Unallocated corporate assets			93,104.25			70,347.26
Total assets	5,242,386.18	5,166.72	5,340,657.15	4,421,783.71	8,378.57	4,500,509.54
Segment liabilities	4,631,965.16	2,696.33	4,634,661.49	3,845,188.24	1,803.60	3,846,991.84
Unallocated corporate liabilities			-			-
Total liabilities	4,631,965.16	2,696.33	4,634,661.49	3,845,188.24	1,803.60	3,846,991.84
Capital expenditure	5,538.06	377.00	5,915.06	5,293.85	431.72	5,725.57
Depreciation / amortisation	5,130.18	242.14	5,372.32	4,432.15	137.63	4,569.78
Non cash expenditure other than depreciation	53,593.42	123.15	53,716.57	59,367.20	222.17	59,589.37

56) Disclosure required under Schedule III of Companies Act, 2013

Name of Entity	Net Assets		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated profit & loss	Amount (Rs. In Lakhs)
Parent				
Mahindra & Mahindra Financial Services Limited	93.16%	657686.45	73.17%	38755.83
Subsidiaries				
Indian				

1. Mahindra Insurance Brokers Limited	2.33%	16469.38	8.51%	4509.1
2. Mahindra Rural Housing Finance Limited	2.42%	17088.71	13.76%	7289.95
Name of Entity	Net Assets	Share in profit or loss	Name of Entity	Net Assets
	As % of	Amount		As % of
	consolidated	(Rs. In Lakhs)		consolidated
	net assets			net assets
3. Mahindra Asset Management Company Private Limited	-0.39%	-2783.63	-3.87%	-2047.35
4. Mahindra Trustee Company Private Limited	0.00%	-27.81	-0.04%	-20.36
Foreign				
Minority Interests in all Subsidiaries	1.41%	9980.11	3.41%	1806.31
Associates				
Indian				
Foreign				
Joint Ventures (as per proportionate consolidation / investment as per the equity Method				
Indian				
Foreign				
1. Mahindra Finance USA, LLC	1.07%	7582.45	5.05%	2676.50
TOTAL	100.00%	705995.66	100.00%	52969.98

57) Previous year figures have been regrouped / reclassified wherever found necessary.

For FY 2015-16

28) Employee Stock Option Plan

- a) The Company had allotted 134,32,750 equity shares (face value of Rs.2/- each) under Employee Stock Option Scheme 2005 at a premium of Rs.8.20 per share on December 06, 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) under Employee Stock Option Scheme 2010 at par on February 03, 2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The Trust had issued 1,41,14,193 equity shares to employees up to March 31, 2016 (March 31, 2015 : 1,36,53,486 equity shares), of which 4,60,707 equity shares (March 31, 2015 : 6,15,552 equity shares) were issued during the current year. All the equity shares issued to employees during the current year are out of Employee Stock Option Scheme 2010.

The details of Employees stock option schemes are as under :

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	3 years from the date of vesting
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

- b) The details of modification to Employee stock option scheme (extension of exercise period) :

The Nomination and Remuneration Committee of the Board of Directors of Mahindra & Mahindra Financial Services Limited at its Meeting held on 23rd April, 2015, has approved the extension of the exercise period to 36 months from the date of vesting as against the current period of 6 months in respect of the stock options granted under the Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme 2010.

The details of increase / (decrease) in fair value as a result of extension of the exercise period are as follows :

Sr.No.	Scheme Name	Grant date	Fair value per option on the date of grant (Rs.)	Pre modification fair value per option (Rs.)	Post modification fair value per option (Rs.)	Increase / (decrease) in fair value per option (Rs.)
1	ESOS 2010	25-Jan-2012	117.31	276.65	273.82	(2.83)
2	ESOS 2010	22-Jul-2013	198.64	272.99	268.41	(4.58)
3	ESOS 2010	21-Oct-2013	259.46	272.25	267.57	(4.68)
4	ESOS 2010	21-Oct-2014	267.23	268.69	264.07	(4.62)

As per the requirements of paragraph 24 of the Guidance Note on Accounting for Employee Share-based payments issued by the Institute of Chartered Accountants of India (ICAI), the Company has not taken in to account above decrease in fair value measured immediately before and after modification of the terms and conditions and hence continued to measure the amount recognised for services received as consideration for the stock options based on the grant date fair value of the stock options granted.

- c) During the year, the Company has granted 57,920 stock options to the eligible employees under the Employees' Stock option scheme 2010. The details are as under:

	Grant dated October 21, 2015
No. of options granted	57920
Intrinsic value of shares based on latest available closing market price (Rs.)	240.15
Total amount to be amortized over the vesting period (Rs. in Lakhs)	139.10
Charge to Statement of profit and loss for the year (Rs. in Lakhs)	31.76
Compensation in respect of lapsed cases (Rs. in Lakhs)	-
Unamortized amount carried forward (Rs. in Lakhs)	107.34

The fair value of options, based on the valuation of the independent valuer as on the date of grant are:

Vesting date	Grant dated October 21, 2015	
	Expected Vesting	Fair Value (Rs.) per share
October 21, 2016	11584	223.42
October 21, 2017	11584	
October 21, 2018	11584	
October 21, 2019	11584	
October 21, 2020	11584	
	57920	

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables #	Grant dated October 21, 2015
1) Risk free interest rate	7.53%
2) Expected life	4.50 years
3) Expected volatility	37.37%
4) Dividend yield	1.65%
5) Price of the underlying share in the market at the time of option grant (Rs.)	242.15

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

d) Summary of stock options

As at / Year ended March 31

Summary of Stock Options	2016		2015	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	21,22,955	2.00	11,63,249	12.70
Options granted during the year	57,920	2.00	16,01,507	2.00

Options forfeited/lapsed during the year #	5,995	2.00	26,249	11.07
Options exercised during the year	4,60,707	2.00	6,15,552	21.84
Options outstanding at the end of the year	17,14,173	2.00	21,22,955	2.00
Options vested but not exercised at the end of the year	2,87,526	2.00	1,24,345	2.00

including nil (March 31, 2015: 13,225) options forfeited/lapsed out of the options granted during the year.

e) Information in respect of options outstanding :

As at March 31

Grant date / Exercise price	2016		2015	
	No. of stock options	Weighted average remaining life \$	No. of stock options	Weighted average remaining life
Scheme 2010 :				
February 07, 2011 at Rs.2.00	1,44,188	34 months	3,55,735	13 months
January 25, 2012 at Rs.2.00	62,830	41 months	95,790	19 months
July 22, 2013 at Rs.2.00	28,878	52 months	38,504	28 months
October 21, 2013 at Rs.2.00	41,365	51 months	44,644	31 months
October 21, 2014 at Rs.2.00 #	13,78,992	59 months	15,88,282	37 months
October 21, 2015 at Rs.2.00	57,920	68 months	-	-
Total	17,14,173		21,22,955	

\$ the increase in weighted average remaining life as at March 31, 2016 as compared to March 31, 2015 is on account of modification to Employee stock option scheme 2010 representing extension of exercise period to 36 months from the date of vesting as against the erstwhile exercise period of 6 months from the date of vesting (refer note no. 31 (b)).

net of nil (March 2015: 13,225) options forfeited/lapsed out of the options granted during the year

f) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of Exercise	Average share price (Rs.)
April 23, 2015	280.33

May 22, 2015	268.97
June 29, 2015	270.34
July 27, 2015	264.08
August 21, 2015	264.41
September 24, 2015	229.04
October 28, 2015	227.17
November 24, 2015	238.94
December 21, 2015	243.26
January 22, 2016	201.98
February 22, 2016	217.58
March 22, 2016	240.11

g) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Employee stock compensation cost is amortized over the vesting period.

h) Fair value of options

The fair value of options used to compute proforma net profit and earnings per share in note 43 have been estimated on the date of grant using the black-scholes model. The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Grants covered under Scheme 2005 :

Variables #	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008
1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years
3) Expected volatility	0.50%	43.69%	43.61%	43.66%
4) Dividend yield	5%	1.59%	1.59%	1.64%
5) Price of the underlying share in the market at the time of option grant (Rs.)	13.11*	46.00	63.62	50.35

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

Grants covered under Scheme 2010 :

Variables #	7-Feb-2011	25-Jan-2012	22-Jul-2013	21-Oct-2013	21-Oct-2014	21-Oct-2015
1) Risk free interest rate	7.73%	8.11%	7.61%	8.60%	8.50%	7.53%
2) Expected life	4.5 years	5.5 years	3.5 years	3.25 years	3.25 years	4.50 years
3) Expected volatility	42.38%	46.08%	35.53%	39.27%	38.83%	37.37%
4) Dividend yield	2.28%	2.11%	1.70%	1.32%	1.35%	1.65%
5) Price of the underlying share in the market at the time of option grant (Rs.)	138.60	133.14	212.35	272.40	280.80	242.15

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

29) Loan provisions and write offs

- a. The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. As per the practice consistently followed, the Company has also made additional provision on a prudential basis.

The RBI vide its notification no DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015 has revised the asset classification norms for NPAs and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending 31st March, 2016, upto the financial year ending 31st March, 2018 which would result in an additional provision. The Company follows prudential norms for income recognition, asset classification and provisioning for NPAs as prescribed by RBI for NBFCs and has also been making additional provision on a prudential basis.

As on 31st March, 2016, the Company has recognised NPAs based on 4 months' norms as against the revised regulatory norms of recognising NPAs at 5 months applicable for the current financial year resulting in an additional provision of Rs. 3454.79 lakhs and income de-recognition of Rs. 2095.16 lakhs with a consequent impact of Rs. 5549.96 Lakhs on Profit before tax for the year ended 31st March, 2016.

The cumulative additional provision made by the Company as on March 31, 2016 is Rs. 73567.48 Lakhs (March 31, 2015 : Rs. 53319.01 Lakhs).

- b. In accordance with the Notification No. DNBS.222/ CGM (US)-2011 dated 17.01.2011 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general provision of 0.25% on the Standard assets, the Company has made a provision of Rs. 1,353.00 Lakhs (March 2015 : Rs. 1,057.00 Lakhs).

The total amount of provision on Standard assets of Rs.14,035.00 Lakhs (March 2015 : Rs.12,682.00 Lakhs) is shown separately as "Contingent provision for Standard assets" under Long-term and Short-term provisions in the balance sheet (refer note no. 5 and 9).

The said amount includes additional / accelerated provision of 0.15% for Rs. 5,262.00 Lakhs as at 31st March, 2016 (March 2015 : Rs.4,757.00 Lakhs).

- c. Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such hire purchase/leased/loan assets on account of poor financial position of such customers.
- d. In accordance with the Prudential norms for restructured advances, the Company has made provisions of Rs. 32.51 Lakhs (March 31, 2015 : Rs. 31.87 Lakhs) as Higher provisions and Provisions for diminution in fair value on account of restructured advance which are shown separately under Long-term and Short-term provisions in the Balance sheet. (refer note no.5 and 9).

30) MRHFL has complied with norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Non-performing assets in preparation of accounts.

Classification of loans are given below:

Rs in Lakhs				
	Standard assets	Sub standard assets	Bad and doubtful assets	Total
As at March 31, 2016				
Housing loans	3,02,346.98	14,346.37	9,337.78	3,26,031.13
Other loans & advances – secured	419.04	1.82	-	420.86
Other loans & advances	820.62			820.62
Percentage to total loans	92.77%	4.38%	2.85%	100.00%
As at March 31, 2015				
Housing loans	1,97,566.35	8,274.60	3,990.68	2,09,831.63
Other loans	313.50	-	-	313.50
Percentage to total loans	94.16%	3.94%	1.90%	100.00%

31) MRHFL has made adequate provision on Non Performing Assets as prescribed under Housing Finance Companies (NHB) Directions, 2010. The company also makes additional provision on prudential basis. The cumulative additional provision made by the company as on 31st March 2016 is Rs. 612.67 Lakhs (March 2015: Rs. 224.03 Lakhs).

In line with notification no.NHB.HFC.DIR.3/CMD/2011 issue by National housing Bank, MRHFL has made a provision @ 0.40 % on outstanding Standard Assets.

Rs. in Lakhs				
	Standard	Sub Standard	Doubtful	Loss
Provisions made :				
As at March 31, 2016				

Housing loans – secured	1,209.42	2,554.84	3,212.15	131.76
Other loans & advances – secured	1.68	0.27	-	-
Other loans & advances	3.30	-	-	-
As at March 31, 2015				
Housing loans	790.30	1,297.07	1,408.97	80.34
Other loans	1.35	-	-	-

32) Deposits/Advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

33) Employee Benefits :

**Defined benefit plans – as per actuarial valuation:
Leave Benefits (Non-funded)**

		Rs. in Lakhs	
Defined Benefit Plans -As per actuarial valuation on 31st March, 2016			
		As at March 31, 2016	As at March 31, 2015
I.	Expense recognised in the Statement of Profit and Loss for the year ended 31st March		
	Current service cost	1575.12	1400.91
	Interest cost	129.81	104.14
	Expected return on plan assets	0.00	0.00
	Actuarial (Gains)/Losses	(1200.10)	(969.32)
	Total expense	504.83	535.73
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	1726.97	1468.11
	Fair value of plan assets as at 31st March	-	-
	Funded status (Surplus/(Deficit))	(1726.97)	(1468.11)
	Net asset/(liability) as at 31st March	(1726.97)	(1468.11)
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	1468.11	1137.71
	Current service cost	1572.20	1400.90
	Interest cost	129.81	104.14
	Actuarial (Gains)/Losses	(1200.10)	(969.33)
	Benefits paid	(243.05)	(205.31)
	Present Value of Defined Benefit obligation at the end of the period	1726.97	1,468.11

		As at March 31, 2016	As at March 31, 2015
IV.	Actuarial Assumptions		
	Discount Rate (p.a.)	8%	8%
	Rate of Salary increase (p.a.)	5%	5%
	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Gratuity (funded): Defined Benefit Plans -As per actuarial valuation on 31st March, 2016
Rs. in Lakhs

		As at March 31, 2016	As at March 31, 2015
I.	Expense recognised in the Statement of Profit and Loss Account for the year ended 31st March		
	Current service cost	1238.45	1,002.05
	Interest cost	158.72	120.89
	Expected return on plan assets	(170.63)	(136.90)
	Actuarial (Gains)/Losses	(651.82)	(421.23)
	Funded amount to be transferred to Gratuity Fund	0.00	(70.18)
	Adjustment due to change in opening balance of plan assets	0.00	(97.67)
	Total expense	574.72	396.96
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	2269.42	1,771.78
	Fair value of plan assets as at 31st March	2249.59	1,811.28
	Funded status (Surplus/(Deficit))	(19.83)	39.50
	Net asset/(liability) as at 31st March	(19.83)	39.50
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	1771.78	1,336.79
	Transfer of Projected benefit obligation from MBCSPL	-	0.30
	Current service cost	1238.45	1,002.05
	Interest cost	158.72	120.89
	Actuarial (Gains)/Losses	(799.14)	(553.74)
	Benefits paid	(100.39)	(134.51)
	Present Value of Defined Benefit obligation at the end of the period	2269.42	1,771.78
IV.	Change in the fair value of plan assets during the year ended 31st March		
	Fair value of plan assets at the beginning of the year	1811.28	1,256.92
	Expected return on plan assets	170.76	136.73
	Contributions by employer	515.62	517.04

	Actuarial (Gains)/Losses	(147.68)	(133.91)
	Funded amount to be transferred to Gratuity Fund	-	70.18
	Adjustment due to change in opening balance of Plan assets	-	98.83
	Actual Benefits paid	(100.39)	(134.51)
	Fair value of plan assets at the end of the year	2249.59	1,811.28
V.	Major category of plan assets as a percentage of total plan		
	Funded with LIC	100%	100%
VI.	Actuarial Assumptions		
	Discount Rate (p.a.)	8%	8%
	Expected rate of return on plan assets (p.a.)	8%	8%
	Rate of Salary increase (p.a.)	5%	5%
	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

Experience Adjustments (Gratuity)

	Year ending				
	Rs. in Lakhs				
	31/03/2012	31/03/2013	31/03/2014	31/03/2015	31/03/2016
Defined Benefit obligation at the end of the year	764.35	1,046.46	1,371.09	1,771.78	2,267.66
Plan assets at the end of the year	564.89	967.88	1,320.08	1,811.28	2,243.09
Funded status Surplus / (Deficit)	(199.46)	(78.58)	(51.01)	39.50	(24.57)
Experience adjustments on plan liabilities (gain) / loss	(112.32)	(111.33)	(65.61)	(190.55)	(266.97)
Experience adjustments on plan assets gain / (loss)	(10.77)	(18.89)	(25.00)	(34.22)	(41.95)

34) Securitisation / assignment transactions :

- a) During the year, the Company has without recourse securitised on “at par” basis vide PTC route loan receivables of 30940 contracts (March 31, 2015 : 27907 contracts) amounting to Rs. 85586.85 Lakhs (March 31, 2015: Rs. 72229.92 Lakhs) for a consideration of Rs 85586.85 Lakhs (March 31, 2015: Rs. 72229.92 Lakhs) and de-recognised the assets from the books.
- b) Income from assignment / securitization transactions include write back of provision for loss / expenses in respect of matured assignment transactions amounting to Rs 6756.56 Lakhs (March 31, 2015 : Rs. 8807.91 Lakhs) considered no longer necessary (refer Accounting policy 4 (vii) A (iii)).
- c) In terms of the accounting policy stated in 4 (vi) (B) (i) (c), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances (refer note no. 13 and 18) and equivalent amount of unrealised gains has been recognised as liabilities (refer note no. 4 and 8).
- d) Excess interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment /

securitisation transactions amounting to Rs. 12062.65 Lakhs (March 31, 2015: Rs. 11024.71 Lakhs).

- e) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2013-13 dated August 21, 2012.

Applicable for transactions effected after the date of circular:

Rs. in Lakhs
As at March 31

S No.	Particulars	2016	2015
1	No of SPVs sponsored by the NBFC for securitisation transactions	16	12
2	Total amount of securitised assets as per books of the SPVs sponsored	136825.69	154321.26
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss- Credit enhancement in form of corporate undertaking	17196.42	8307.81
	Others	-	-
	b) On-balance sheet exposures		
	First loss- Cash collateral term deposits with banks	20038.00	20085.00
	Others- Retained interest in pass through certificates	472.12	1242.81
4	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures		
	(i) Exposure to own securitizations		
	First loss	-	-
	Loss		
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others Excess Interest Spread	27856.85	27176.87
	b) On-balance sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Others- Cash collateral term deposits with banks	1856.00	2000.00
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

35) Secured long-term borrowings :

i) Secured non-convertible debentures

As on 31st March, 2016

Rs. in Lakhs

	Rate range	(a)Non-current	(b)Current maturities	Total
1) Repayable on maturity :				
Maturity beyond 5 years	8.70% - 9.00%	189200.00	-	189200.00
Maturity between 3 years to 5 years	8.48% - 9.45%	201950.00	0.00	201950.00
Maturity between 1 year to 3 years	8.48% - 10.25%	339240.00	0.00	339240.00
Maturity within 1 year	8.57% - 10.20%	-	234470.00	234470.00
Total		730390.00	234470.00	964860.00

As on 31st March, 2015

Rs. in Lakhs

	Rate range	(a)Non-current	(b)Current maturities	Total
1) Repayable on maturity :				
Maturity beyond 5 years	8.70%-8.95%	53,000.00	-	53,000.00
Maturity between 3 years to 5 years	8.65%-10.25%	1,22,760.00	-	1,22,760.00
Maturity between 1 year to 3 years	8.65%-10.20%	1,81,280.00	-	1,81,280.00
Maturity within 1 year	8.60%-9.95%	-	1,52,270.00	1,52,270.00
Total		3,57,040.00	1,52,270.00	5,09,310.00

ii) Secured term loans from banks :

As at March 31, 2016 :

Rs. in

Lakhs

Particulars	Rate range	(a) Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
a) Maturing beyond 5 years	-	-	-	-
b) Maturing between 3 years to 5 years	9.65% - 9.75%	25000.00	-	25000.00
c) Maturing between 1 year to 3 years	9.65% - 9.75%	90000.00	-	90000.00
d) Maturing within 1 year	9.50% - 9.95%	-	127500.00	127500.00
Total for repayable on maturity		115000.00	127500.00	242500.00
2) Repayable in installments :				
i) Quarterly -				
a) Maturing beyond 5 years	-	-	-	-
b) Maturing between 3 years to 5 years	9.30%	19781.75	-	19781.75
c) Maturing between 1 year to 3 years	9.30% - 9.65%	107512.54	-	107512.54

d) Maturing within 1 year	9.30% - 9.71%	-	67819.42	67819.42
Total		127294.29	67819.42	195113.71
Particulars	Rate range	(a) Non-current	(b) Current maturities	Total
ii) Half yearly -				
a) Maturing beyond 3 years to 5 years	9.45% - 9.70%	53333.33	-	53333.33
b) Maturing between 1 year to 3 years	9.65% - 9.75%	116000.00	-	116000.00
c) Maturing within 1 year	9.65% - 9.75%	-	111733.33	111733.33
Total		169333.33	111733.33	281066.66
iii) Yearly -				
a) Maturing beyond 5 years	-	-	-	-
b) Maturing between 3 years to 5 years	9.34%-9.70%	120933.33	-	120933.33
c) Maturing between 1 year to 3 years	9.34%-9.70%	181933.33	-	181933.33
d) Maturing within 1 year	9.50%-9.70%	-	50333.34	50333.34
Total		302866.66	50333.34	353200.00
Total for repayable in installments		599494.28	229886.09	829380.37
TOTAL (1+2)		714494.28	357386.09	1071880.37

As on 31st March, 2015

Rs. in Lakhs				
	Rate range	(a) Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
Maturity beyond 3 years	10.25%	30,000.00	-	30,000.00
Maturity between 1 year to 3 years	9.70%-10.30%	2,37,500.00	-	2,37,500.00
Maturity within 1 year	9.45%-10.40%	-	1,27,000.00	1,27,000.00
Total		2,67,500.00	1,27,000.00	3,94,500.00
2) Repayable in installments :				
i) Bimonthly-				
Maturity within 1 year	10.25%	-	6,200.00	6,200.00
Total		-	6,200.00	6,200.00
ii) Quarterly-				
Maturity beyond 3 years	10.00%	3,095.24	-	3,095.24
Maturity between 1 year to 3 years	9.95%-10.80%	1,00,768.46	-	1,00,768.46
Maturity within 1 year	9.95%-10.80%	-	36,054.34	36,054.34
Total		1,03,863.70	36,054.34	1,39,918.04
iii) Half-yearly-				
Maturity beyond 3 years	10.25%	21,666.67	-	21,666.67
Maturity between 1 year to 3 years	10.0%-10.25%	2,26,066.67	-	2,26,066.67

Maturity within 1 year	10.0%- 10.25%	-	1,67,200.00	1,67,200.00
Total		2,47,733.33	1,67,200.00	4,14,933.33
Particulars	Rate range	(a) Non-current	(b) Current maturities	Total
iv) Yearly-				
Maturity beyond 3 years	10.20%- 10.25%	55,333.33	-	55,333.33
Maturity between 1 year to 3 years	10.20%- 10.25%	1,13,166.67	-	1,13,166.67
Maturity within 1 year	10.25%	-	7,500.00	7,500.00
Total		1,68,500.00	7,500.00	1,76,000.00
Total for repayable in installments		5,20,097.03	2,16,954.34	7,37,051.37
Total (1+2)		7,87,597.03	3,43,954.34	11,31,551.37

iii) Secured term loans from others :

As on 31st March, 2016

(Rs. In Lakhs)

	Rate range	(a) Non-current	(b) Current maturities	Total
1) Repayable on installments :				
Maturity beyond 5 years	9.30%-9.55%	475.40	-	475.40
Maturity between 3 years to 5 years	8.85%-9.55%	4,847.48	-	4,847.48
Maturity between 1 year to 3 years	8.85%-9.70%	9,863.12	-	9,863.12
Maturity within 1 year	6.00%-10.15%	-	6,109.49	6,109.49
Total for repayable on installments		15,186.00	6,109.49	21,295.49

As on 31st March, 2015

(Rs. In Lakhs)

	Rate range	(a) Non-current	(b) Current maturities	Total
1) Repayable on installments :				
Maturity beyond 5 years	9.15%- 10.05%	2,305.80	-	2,305.80
Maturity between 3 years to 5 years	9.15%- 10.05%	7,786.39	-	7,786.39
Maturity between 1 year to 3 years	6.00%- 10.15%	11,590.30	-	11,590.30
Maturity within 1 year	6.00%- 10.30%	-	7,039.44	7,039.44
Total for repayable on installments		21,682.49	7,039.44	28,721.93

iv) Foreign currency loans from banks

As on 31st March, 2016

Rs. in Lakhs				
	Rate range	(a)Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
Maturity between 1 year to 3 years	8.69% - 9.97%	53227.83		53227.83
Maturity within 1 year	9.16% - 9.33%	-	26932.51	26932.51
Total		53227.83	26932.51	80160.34

As on 31st March, 2015

Rs. in Lakhs				
	Rate range	(a)Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
Maturity between 1 year to 3 years	8.95%	12,500.00		12,500.00
Maturity within 1 year	9.05%-9.98%	-	42,044.47	42,044.47
Total		12,500.00	42,044.47	54,544.47

v) Foreign currency loans from others

As on 31st March, 2016

Rs. in Lakhs				
	Rate range	(a)Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
Maturity beyond 5 years	1.99% - 3.69%	5,657.04	-	5,657.04
Maturity between 3 years to 5 years	1.99% - 3.69%	32,704.62	-	32,704.62
Maturity between 1 year to 3 years	1.99% - 3.69%	70,199.81	-	70,199.81
Maturity within 1 year	1.99% - 3.69%	-	52,566.87	52,566.87
Total		108,561.47	52,566.87	1,61,128.34

As on 31st March, 2015

Rs. in Lakhs				
	Rate range	(a)Non-current	(b) Current maturities	Total
1) Repayable on maturity :				
Maturity beyond 5 years	1.99% - 3.69%	4,045.72	-	4,045.72
Maturity between 3 years to 5 years	1.99% - 3.69%	22,282.02	-	22,282.02
Maturity between 1 year to 3 years	1.99% - 3.69%	48,773.57	-	48,773.67
Maturity within 1 year	1.99% - 3.69%	-	35,853.50	35,853.50
Total		75,101.31	35,853.50	1,10,954.81

36) Unsecured borrowings :

i) Subordinated debts (long-term)

As at March 31, 2016

Rs. in Lakhs

	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
a) Maturing beyond 5 years	8.90% - 10.50%	74,830.00	-	74,830.00
b) Maturing between 3 years to 5 years	9.50% - 10.02%	41,720.00	-	41,720.00
c) Maturing between 1 year to 3 years	10.50% - 12.00%	7,860.00	-	7,860.00
TOTAL		124,410.00	-	124,410.00

As on 31st March, 2015

Rs. in Lakhs

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing beyond 5 years	9.18%-10.50%	78,550.00	-	78,550.00
Maturing between 3 years to 5 years	9.85%-11.75%	15,480.00	-	15,480.00
Maturing between 1 year to 3 years	10.50%-12.00%	6,880.00	-	6,880.00
TOTAL		1,00,910.00	-	1,00,910.00

ii) Term loan from banks

As at March 31, 2016 :

Rs. in Lakhs

	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing within 1 year	10.00%	-	10,000.00	10,000.00
TOTAL		-	10,000.00	10,000.00

As on 31st March, 2015

Rs. in Lakhs				
	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	10%	10,000.00	-	10,000.00
		10,000.00	-	10,000.00

iii) Fixed deposits

As at March 31, 2016

Rs. in Lakhs					
	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current maturities	
a) Maturing beyond 3 years	8.20% - 10.10%	-	15,832.63	-	15,832.63
b) Maturing between 1 year to 3 years	8.20% - 10.60%	-	272,018.38	-	272,018.38
c) Maturing within 1 year	7.90% - 10.60%	16,154.68	-	161,030.66	177,185.34
TOTAL		16,154.68	287,851.01	161,030.66	465,036.35

As on 31st March, 2015

Rs.in Lakhs					
	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current maturities	
a) Maturing beyond 3 years	8.90%-10.10%	0.00	6,561.15	0	6,561.15
b) Maturing between 1 year to 3 years	9.15%-10.60%	0.00	3,15,132.68	0	3,15,132.68
c) Maturing within 1 year	8.40%-10.75%	6,943.06	0	1,29,621.50	1,36,564.56
TOTAL		6,943.06	3,21,693.83	1,29,621.50	4,58,258.39

iv) Inter corporate deposits

As at March 31, 2016

Rs.in Lakhs					
	Rate range	Short-term	(a) Non-current	(b) Current maturities	Total
Repayable on maturity :					
Maturing within 1 year	8.85% - 9.05%	30,000.00	-	-	30,000.00
TOTAL		30,000.00	-	-	30,000.00

As on 31st March, 2015 - NIL

37) Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As on 31st March, 2016

	Rate range	Rs.in Lakhs Total
Repayable on maturity :		
Maturing within 1 year	9.10%-12.15%	1,24,329.05
TOTAL		1,24,329.05

As on 31st March, 2015

	Rate range	Rs.in Lakhs Total
Repayable on maturity :		
Maturing within 1 year	9.60%-10.50%	1,35,354.56
TOTAL		1,35,354.56

ii) Foreign currency loans from others (secured)

As on 31st March, 2016

	Rate range	Rs.in Lakhs Total
Repayable on maturity :		
Maturing within 1 year	0.86%	55,269.45
TOTAL		55,269.45

As on 31st March, 2015

	Rate range	Rs.in Lakhs Total
Repayable on maturity :		
Maturing within 1 year	0.60%	36,064.29
TOTAL		36,064.29

iii) Commercial papers

As at March 31, 2016 :

Particulars	Rate range	Rs. in Lakhs Total
Repayable on maturity :		
Maturing within 1 year	8.09% - 9.40%	2,96,000.00
TOTAL		2,96,000.00

As on 31st March, 2015

Particulars	Rate range	Rs. in Lakhs Total
Repayable on maturity :		
Maturing within 1 year	8.88%-9.15%	347500.00
TOTAL		347500.00

38) During the year, the Group has incurred expenditure of Rs. 3,021.48 Lakhs (March 31, 2015 : Rs. 2,532.24 Lakhs) towards Corporate Social Responsibility activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. 114.26 lakhs (March 2015: Rs.113.56 Lakhs) towards the CSR activities undertaken by the Company (refer note no. 26).

39) The Company has the following investments in Joint Venture for which the required treatment as per Accounting Standard AS 27 - 'Financial Reporting of Interests in Joint Ventures', has been given in the Consolidated Financial Statements.

Name of Joint Ventures	Country of Incorporation	Percentage of ownership interest
Mahindra Finance USA, LLC	United States of America	49.00%

40) The subsidiary company, MIBL, earns brokerage from several insurance companies. The accounts of these insurance companies remain under reconciliation and are subject to confirmation. MIBL does not expect any significant variation in the book balances.

41) MIBL has submitted the application on April 04, 2016 for renewal of its Composite Broking License, which is due for renewal on May 17, 2016.

42) As per section 29C (i) of the National Housing Bank Act, 1987, MRHFL is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose a Special Reserve created by the company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The company has transferred an amount to Special Reserve in terms of 36(1)(viii) of the Income Tax Act, 1961 and section 29C of the National Housing Bank Act, 1987, as amended, at year end. The company does not anticipate any withdrawal from Special Reserve in foreseeable future.

43) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on "Accounting for Employee Share-based Payments" is as follows:

Particulars	Intrinsic Value Method		Fair Value Method *	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Net profit after tax (Rs. in Lakhs)	77,229.36	91,290.54	77,306.49	91,358.91
Weighted average number of equity shares of Rs.2/- each – Basic	564278639	563837362	564278639	563837362
Weighted Average number of equity shares of Rs.2/- each – Diluted	568764960	568764960	568764960	568764960
Basic Earnings Per Share (Rs.)	13.69	16.19	13.70	16.20
Diluted Earnings Per Share # (Rs.)	13.58	16.05	13.59	16.06

Dilution in Earnings per share is on account of 41,63,582 equity shares (March 2015 : 46,24,289 equity shares) held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.

* Earnings Per Share under Fair value method is computed on proforma net profit after tax after adjusting for employee compensation costs under fair value method. Employee compensation cost under fair value method as compared to intrinsic value method is lower by Rs. 77.13 Lakhs (March 2015 : Rs. 68.37 Lakhs).

44) Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.

45) In the opinion of the Board, Current assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business.

46) Disclosure on Derivatives :

Outstanding derivative instrument and un-hedged foreign currency exposures as on 31st March, 2016

The Company has outstanding Foreign Currency Non-Repatriable (FCNR (b)) loans of US \$ 1209.88 Lakhs (March 31, 2015 : US \$ 872.71 Lakhs). The said loan has been fixed to INR liability using a cross currency swap and floating interest thereon in LIBOR plus rate has been swapped for fixed rate in Indian rupee. There is no un-hedged foreign currency exposure as on March 31, 2016.

47) There were 180 cases (March 2015: 119 cases) of frauds amounting to Rs. 627.20 Lakhs (March 31, 2015 : Rs 353.81 Lakhs) reported during the year. The Company has recovered an amount of Rs. 117.89 Lakhs (March 31, 2015 : Rs 107.39 Lakhs) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.

48) The gold loans outstanding as a percentage of total assets is at 0.02% (March 2015: 0.03%)

49) Related Party Disclosure as per Accounting Standard 18:

A) List of the related parties which has transaction with our Company during the year:

Holding Company :	Mahindra and Mahindra Limited
Fellow subsidiary Companies:	2 x 2 Logistics Private Limited Mahindra USA, Inc. Mahindra Two Wheelers Limited NBS International Ltd. Mahindra First Choice Wheels Ltd. Mahindra First Choice Services Ltd. Mahindra Defence Systems Ltd. Mahindra Retail Pvt Ltd. Mahindra Integrated Business Solutions Ltd. Mahindra Vehicle Manufacturers Ltd.
Key Management Personnel :	Mr. Ramesh Iyer (Managing Director)
Relatives of Key Management Personnel :	Ms Janaki Iyer
	Ms Ramlaxmi Iyer
	Mr Risheek Iyer

B) Related Parties transactions are as under:

			Rs in lakhs	
Sr. No.	Nature of transactions	Holding Company	Fellow subsidiary Companies	* Key Management Personnel
1	Income			
	Loan income	-	64.15	-
		-	(3.52)	-
	Subvention / Disposal loss income	4,049.60 (3,663.07)	-	-
2	Expenses			
	Interest	126.12	-	20.12
		-	-	(20.11)
	Other Expenses	1,832.96 (1,503.21)	620.81 (432.33)	-
	Remuneration to MD	-	-	436.13 (645.48)
3	Investment in share capital	-	-	-
		-	-	-
4	Purchase of Fixed Assets	327.50 (413.60)	37.73 -	-
5	Finance			
	Fixed deposits taken	-	-	18.94
		-	-	(202.90)
	Fixed deposits repaid	-	-	21.67
		-	-	(188.25)
	Dividend paid – for previous year	11,648.31 (11,065.89)	-	23.85 (23.71)
	Inter corporate deposits taken	30,000.00	-	-
		-	-	-
6	Other transactions			
	Reimbursement to parties	-	153.08	-
		-	(119.72)	-
7	Balances as at the end of the period			
	Receivables	315.06 (1,234.25)	127.42 -	-

	Loan given and outstanding (including interest accrued but not due)	-	1,870.04	-
		-	(43.29)	-
	Payables	-	220.33	-
		-	(157.98)	-
	Inter corporate deposits taken (including interest accrued but not due)	30,113.51	-	-
		-	-	-
	Fixed deposits (including interest accrued but not due)	-	-	226.54
		-	-	(231.80)

Notes:

i) Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18 as well as the Companies Act, 2013.

C) The significant related party transactions are as under:

The significant related party transactions are as under:				Rs. in lakhs
Nature of transactions		Holding Company	Fellow subsidiary Companies	* Key Management Personnel
Income				
<u>Revenue from operations</u>				
Subvention / Disposal loss income	Mahindra & Mahindra Limited	4,049.60		
		(3,663.07)		
Loan income	2 x 2 Logistics Pvt Ltd		62.08	
			-	
Loan income	Mahindra Retail Pvt Ltd		-	
			(3.28)	
Expenses				
<u>Interest</u>				
Interest expense on inter corporate deposits and non-convertible debentures	Mahindra & Mahindra Limited	126.12		
		-		
<u>Other expenses</u>				
Rent	Mahindra & Mahindra Limited	1,267.00		
		(951.24)		
Commission & Valuation charges	Mahindra First Choice Wheels Limited		526.94	
			(417.19)	

Nature of transactions		Holding Company	Fellow subsidiary Companies	* Key Management Personnel
Purchase of fixed assets	Mahindra & Mahindra Limited	254.81 (413.60)		
Purchase of fixed assets	NBS International		30.97 -	
Finance				
Fixed Deposits	Ramesh Iyer and relatives			18.94 (202.90)
Fixed deposits matured	Ramesh Iyer and relatives			21.67 (188.25)
Dividend paid - for previous year	Mahindra & Mahindra Limited	11,648.31 (11,065.89)		
Inter corporate deposits taken	Mahindra & Mahindra Limited	30,000.00 -		
Balances at the year end				
Receivables	Mahindra & Mahindra Limited	315.06 (1,234.25)		
Receivables	NBS International		127.42 -	
Payables	Mahindra First Choice Wheels Limited		155.44 (114.87)	
Inter corporate deposits taken (including interest accrued but not due)	Mahindra & Mahindra Limited	30,113.51 -		
Loan outstanding	2 x 2 Logistics Pvt Ltd		1,865.14 -	
Loan outstanding	Mahindra Retail Pvt Ltd		- (30.08)	

Fixed deposits (including interest accrued but not due)	Ramesh Iyer and relatives			226.54 (231.80)
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Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18 as well as the Companies Act, 2013.

d) Disclosure required under Section 186(4) of the Companies Act, 2013

As at March 31, 2016

Rs. in lakhs

Particulars	Relation	Balance as on April 1, 2015	Advances	Repayments	Balance as on March 31, 2016
Loans and advances					
Mahindra Retail Pvt Ltd	Fellow subsidiary	30.08	-	25.18	4.90
2 x 2 Logistics Pvt Ltd	Fellow subsidiary	13.21	1,952.93	101.00	1,865.14
		43.29	1,952.93	126.18	1870.04

Notes :

- i) Above loans & advances have been given for general business purposes.
- ii) There were no guarantees given / securities provided during the year.

As at March 31, 2015

Rs. in lakhs

Particulars	Relation	Balance as on April 1, 2014	Advances	Repayments	Balance as on March 31, 2015
Loans and advances					
Mahindra Retail Pvt Ltd	Fellow subsidiary	36.11	-	6.03	30.08
2 x 2 Logistics Pvt Ltd	Fellow subsidiary	-	13.58	0.37	13.21
		36.11	13.58	6.40	43.29

Notes :

- i) Above loans & advances have been given for general business purposes.
- ii) There were no guarantees given / securities provided during the year.

50) Contingent liabilities and commitments (to the extent not provided for)

	Rs. in Lakhs	
	March 2016	March 2015
Contingent liabilities		
a) Demand against the Group not acknowledged as debts		
-		
i) Income tax	3,873.42	4,416.81
ii) Value Added Tax (VAT)	191.98	191.98
iii) Service tax	5,283.34	-
b) Corporate guarantees towards assignment transactions	15,331.13	31,338.63
c) Credit enhancement in terms of corporate guarantee for securitization transactions (refer note no. 42 (e))	17,196.42	8,307.81
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	3,384.32	3,126.01
	45,260.61	47,381.24
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account	303.83	606.62
	303.83	606.62
Total	45,564.44	47,987.86

51) Changes in provisions :

	Rs. in Lakhs			
	As at 01.04.2015	Additional Provision	Utilisation/ Reversal	As at 31.03.2016
Provision for Standard assets	13,473.65	1,775.75	-	15,249.40
Provision for Non-performing assets	99,955.09	95,385.82	39,285.84	1,56,055.07

52) Disclosure of trade payables to Micro, Small and Medium Enterprises under Current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Amount outstanding as on March 31, 2016 to Micro, Small and Medium Enterprises on account of principle amount aggregate to Rs. Nil (March 31, 2015: Rs. Nil) [including overdue amount of Rs. Nil (March 31, 2015: Rs. Nil)] and interest due thereon is Rs. Nil (March 31, 2015: Rs. Nil) and interest paid during the year Rs. Nil (March 31, 2015: Rs. Nil).

53) The Company has sent letters to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 seeking information for which replies are awaited. In view of this, information required under Schedule III of The Companies Act, 2013 is not given.

54) Segment information as per Accounting Standard 17:

The Company has only one significant reportable segment viz., financing segment. Income from insurance broking and manpower supply activities constitutes less than 10% of the total revenue / assets / capital employed. The amounts included in "Others" represents amounts in respect of these activities and are given for reconciling with the total consolidated revenue, profits, assets and liabilities.

Segment Report for the year ended March 31, 2016:

(Rs. in Lakhs)

	Year ended 31st March 2016			Year ended 31st March 2015		
	Financing activities	Other reconciling items	Total	Financing activities	Other reconciling items	Total
External revenue	648,582.35	11,169.40	659,751.75	596,345.22	9,745.34	606,090.56
Inter segment revenue	2,156.89	3,870.07	6,026.96	1,938.24	2,875.03	4,813.27
Total revenue	650,739.24	15,039.47	665,778.71	598,283.46	12,620.37	610,903.83
Segment results (Profit before tax and after interest on financing segment)	115,341.52	7,070.46	122,411.98	133,467.22	6,519.64	139,986.86
Less: Interest on unallocated reconciling items	-	-	-	-	-	-
Net Profit before tax	115,341.52	7,070.46	122,411.98	133,467.22	6,519.64	139,986.86
Less: Income taxes	-	-	43,671.83	-	-	47,500.11
Net profit	-	-	78,740.15	-	-	92,486.75
Other information:						
Segment assets	4,421,958.53	8,379.83	4,430,338.36	3,813,108.90	1,735.87	3,814,844.77
Unallocated corporate assets	-	-	70,346.00	-	-	48,469.25
Total assets	4,421,958.53	8,379.83	4,500,684.36	3,813,108.90	1,735.87	3,863,314.02
Segment liabilities	3,818,061.36	1,803.60	3,819,864.96	3,263,050.51	1,062.22	3,264,112.73
Unallocated corporate liabilities			-			-
Total liabilities	3,818,061.36	1,803.60	3,819,864.96	3,263,050.51	1,062.22	3,264,112.73
Capital expenditure	5,293.85	399.18	5,693.03	4,053.74	164.62	4,218.36

Depreciation / amortisation	4,432.15	137.63	4,569.78	4,426.64	124.12	4,550.76
Non cash expenditure other than depreciation	59,367.20	222.17	59,589.37	37,243.79	152.29	37,396.08

55) Disclosure required under Schedule III of Companies Act, 2013

Name of Entity	Net Assets		Share in profit or loss	
	As % of	Amount	As % of	Amount
	consolidated	(Rs. In lakhs)	consolidated	(Rs. In lakhs)
	net assets		profit & loss	
Parent				
Mahindra & Mahindra Financial Services Limited	94.48%	6,17,587.68	84.12%	66,234.5
	95.63%	5,73,002.49	89.12%	82,422.16
Subsidiaries				
Indian				
1. Mahindra Insurance Brokers Limited	2.03%	13,247.87	5.23%	4,121.29
	1.75%	10,486.17	3.95%	3,649.54
2. Mahindra Rural Housing Finance Limited	1.75%	11460.87	6.97%	5484.53
	1.29%	10,466.17	4.18%	3,865.17
3. Mahindra Asset Management Company Private Limited	-0.07%	-454.09	-0.57%	-445.03
	-	(6.27)	(0.01%)	(5.78)
4. Mahindra Trustee Company Private Limited	0.00%	-7.45	-0.01%	-4.92
	-	(2.53)	-	(2.53)
Foreign				
Minority Interests in all Subsidiaries	1.03%	6752.75	1.92%	1510.79
	0.82%	4929.60	1.29%	1,196.21
Foreign				
1. Mahindra Finance USA, LLC	0.78%	5104.90	2.34%	1838.99
	0.51%	3060.75	1.47%	1361.98
TOTAL	100.00%	680819.40	100.00%	78740.15
	100.00%	599201.30	100.00%	92486.75

56) MAMCL was incorporated under the Companies Act, 1956 on June 20, 2013. The company is a subsidiary of Mahindra & Mahindra Financial Services Ltd. The company is incorporated to function as an investment manager to the "Mahindra Mutual Fund". The company has been granted a license from SEBI on 4 February 2016 and is awaiting product approvals from SEBI.

57) MTCPL was incorporated under the Companies Act, 1956 on July 10, 2013. The company is a subsidiary of Mahindra & Mahindra Financial Services Ltd. The company is incorporated to function as a Trustee to the proposed "Mahindra Mutual Fund".

58) Previous year figures have been regrouped / reclassified wherever found necessary.

For FY 2014-15:

28) Employee Stock Option Plan

- a) The Company had allotted 1,34,32,750 equity shares (face value of Rs.2/- each) on 6th December 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) on 3rd February,2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The Trust had issued 1,36,53,486 equity shares to employees (March 2014 : 1,30,37,934 equity shares) up to 31st March, 2015, of which 6,15,552 equity shares (March 2014 : 5,04,944 equity shares) were issued during the current year.

The details of Employees stock option schemes are as under :

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	6 years from the date of grant
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

- b) During the year, the Company has granted 16,01,507 stock options to the eligible employees under the Employees' Stock option scheme 2010. The details are as under:

	Grant dated 21st October, 2014
No. of options granted	16,01,507
Intrinsic value of shares based on latest available closing market price (Rs.)	278.80
Total amount to be amortized over the vesting period (Rs. in Lakhs)	4,465.00
Charge to Statement of profit and loss for the year (Rs. in Lakhs)	1,011.09
Compensation in respect of lapsed cases (Rs. in Lakhs)	36.87
Unamortized amount carried forward (Rs. in Lakhs)	3,417.04

The fair value of options, based on the valuation of the independent valuer as on the date of grant are :

Vesting date	Grant dated October 21, 2014	
	Expected Vesting	Fair Value (Rs.) per share
October 21, 2015	320299	267.23
October 21, 2016	320299	
October 21, 2017	320299	
October 21, 2018	320299	
October 21, 2019	320311	
	1601507	

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables #	Grant dated 21 st October, 2014
1) Risk free interest rate	8.50%
2) Expected life	3.25 years
3) Expected volatility	38.83%
4) Dividend yield	1.35%
5) Price of the underlying share in the market at the time of option grant (Rs.)	280.80

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

c) Summary of stock options

Summary of Stock Options	As at March 31, 2015		As at March 31, 2014	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	11,63,249	12.70	16,44,675	21.61
Options granted during the year	16,01,507	2.00	1,17,625	2.00
Options forfeited/lapsed during the year #	26,249	11.07	94,107	37.64
Options exercised during the year	6,15,552	21.84	5,04,944	34.57
Options outstanding at the end of the year	21,22,955	2.00	11,63,249	12.70
Options vested but not exercised at the end of the year	1,24,345	2.00	4,36,039	30.55

including 13,225 (March 2014: 4,085) options forfeited/lapsed out of the options granted during the year.

d) Information in respect of options outstanding :

Grant date / Exercise price	As at March 31, 2015		As at March 31, 2014	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Scheme 2005 :				
18 th September, 2008 at Rs.46.60	-	-	2,79,150	5 months
(a)			2,79,150	
Scheme 2010 :				
7 th February, 2011 at Rs.2.00	3,55,735	13 months	6,34,749	18 months
25 th January, 2012 at Rs.2.00	95,790	19 months	1,35,810	26 months
22 nd July, 2013 at Rs.2.00	38,504	28 months	48,130	34 months
21 st October, 2013 at Rs.2.00	44,644	31 months	65,410	37 months
21 st October, 2014 at Rs.2.00 #	15,88,282	37 months	-	-
(b)			8,84,099	
Total (a + b)			11,63,249	

net of 13,225 options forfeited/lapsed out of the options granted during the year

e) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of Exercise	Average share price (Rs.)
23-Apr-2014	247.08
19-May-2014	273.10
23-May-2014	314.43
18-Jun-2014	282.44
25-Jul-2014	238.78
21-Aug-2014	274.40
3-Sep-2014	286.16
23-Sep-2014	278.33
28-Oct-2014	287.62
17-Nov-2014	314.66
22-Dec-2014	294.69
19-Jan-2015	288.62
24-Feb-2015	252.75
23-Mar-2015	265.00

f) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Employee stock compensation cost is amortized over the vesting period.

g) Fair value of options

The fair value of options used to compute proforma net profit and earnings per share in note no. 43 have been estimated on the date of grant using the black-scholes model. The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Grants covered under Scheme 2005 :

Variables #	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008
1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years
3) Expected volatility	0.50%	43.69%	43.61%	43.66%
4) Dividend yield	5%	1.59%	1.59%	1.64%
5) Price of the underlying share in the market at the time of option grant (Rs.)	13.11*	46.00	63.62	50.35

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

Grants covered under Scheme 2010 :

Variables #	7-Feb-2011	25-Jan-2012	22-Jul-2013	21-Oct-2013	21-Oct-2014
1) Risk free interest rate	7.73%	8.11%	7.61%	8.60%	8.50%
2) Expected life	4.5 years	5.5 years	3.5 years	3.25 years	3.25 years
3) Expected volatility	42.38%	46.08%	35.53%	39.27%	38.83%
4) Dividend yield	2.28%	2.11%	1.70%	1.32%	1.35%
5) Price of the underlying share in the market at the time of option grant (Rs.)	138.60	133.14	212.35	272.40	280.80

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

29) Loan provisions and write offs

a. The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. As per the practice consistently followed, the Company has also made additional provision on a prudential basis. The cumulative additional provision made by the Company as on 31st March, 2014 is Rs. Rs.53,319.01 Lakhs (March 2014 : Rs. 35,253.77 Lakhs).

b. In accordance with the Notification No. DNBS.222/ CGM (US)-2011 dated 17.01.2011 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general

provision of 0.25% on the Standard assets, the Company has made a provision of Rs. 1,057.00 Lakhs (March 2014 : Rs. 2,110.00 Lakhs).

The total amount of provision on Standard assets of Rs.12,682.00 Lakhs (March 2014 : Rs.11,625.00 Lakhs) is shown separately as "Contingent provision for Standard assets" under Long-term and Short-term provisions in the balance sheet (refer note no. 5 and 9). The said amount includes additional / accelerated provision of 0.15% for Rs. 4,758.00 Lakhs as at 31st March, 2015 (March 2014 : Rs.4,370.00 Lakhs).

- c. Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such hire purchase/leased/loan assets on account of poor financial position of such customers.
- d. In accordance with the Prudential norms for restructured advances, the Company has made provisions of Rs. 31.87 Lakhs on account of restructured advance which are included under this head.

30) MRHFL has complied with norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Non-performing assets in preparation of accounts.

Classification of loans are given below:				
	Standard assets	Sub standard assets	Bad and doubtful assets	Total
As at March 31, 2015				
Housing loans	1,97,566.35	8,274.60	3,990.68	2,09,831.63
Other loans	313.50	-	-	313.50
Percentage to total loans	94.16%	3.94%	1.90%	100.00%
As at March 31, 2014				
Housing loans	1,29,200.71	4,923.87	1,372.19	1,35,496.77
Other loans	227.88	-	-	227.88
Percentage to total loans	95.36%	3.63%	1.01%	100.00%

31) MRHFL has made adequate provision on Non Performing Assets as prescribed under Housing Finance Companies (NHB) Directions, 2010. The company also makes additional provision on prudential basis. The cumulative additional provision made by the company as on 31st March 2015 is Rs. 283.57 Lakhs (previous year Rs. 140.91 Lakhs).

In line with notification no.NHB.HFC.DIR.3/CMD/2011 issue by National housing Bank, MRHFL has made a provision @ 0.40 % on outstanding Standard Assets.

	Standard	Sub Standard	Doubtful	Loss
Provisions made :				
As at March 31, 2015				
Housing loans	790.30	1,438.36	1,267.68	80.34
Other loans	1.35	-	-	-

As at March 31, 2014				
Housing loans	516.90	857.61	397.04	152.33
Other loans	0.92	-	-	-

32) Deposits/Advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

33) Employee Benefits :

Defined benefit plans – as per actuarial valuation: Leave Benefits (Non-funded)

Rs in lakhs

Defined Benefit Plans -As per actuarial valuation on 31st March, 2015			
		As at March 31, 2015	As at March 31, 2014
I.	Expense recognised in the Statement of Profit and Loss for the year ended 31st March		
	Current service cost	1,291.84	1,060.34
	Interest cost	213.20	171.65
	Expected return on plan assets	0.00	0.00
	Actuarial (Gains)/Losses	(969.32)	(812.68)
	Total expense	535.72	419.30
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	1,468.12	1,194.65
	Fair value of plan assets as at 31st March	0.00	-
	Funded status (Surplus/(Deficit))	(1,468.12)	(1,194.65)
	Net asset/(liability) as at 31st March	(1,468.12)	(1,194.65)
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	1,137.71	950.53
	Current service cost	1,291.84	1,060.34
	Interest cost	213.20	171.65
	Actuarial (Gains)/Losses	(969.32)	(812.68)
	Benefits paid	(205.31)	(175.19)
	Present Value of Defined Benefit obligation at the end of the period	1,468.12	1,194.65
IV.	Major category of plan assets as a percentage of total plan		
	Funded with LIC	-	-
	Others		
V.	Actuarial Assumptions		
	Discount Rate (p.a.)	8%	8%

	Rate of Salary increase (p.a.)	5%	5%
	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Gratuity (funded): Defined Benefit Plans -As per actuarial valuation on 31st March, 2015

		As at March 31, 2015	As at March 31, 2014
I.	Expense recognised in the Statement of Profit and Loss Account for the year ended 31st March		
	Current service cost	1,002.05	838.04
	Interest cost	120.89	94.61
	Expected return on plan assets	(136.90)	(90.83)
	Actuarial (Gains)/Losses	(421.23)	(408.01)
	Funded amount to be transferred to Gratuity Fund	(70.18)	-
	Adjustment due to change in opening balance of plan assets	(97.67)	(193.03)
	Total expense	396.96	240.77
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	1,771.78	1,371.09
	Fair value of plan assets as at 31st March	1,811.28	1,320.08
	Funded status (Surplus/(Deficit))	39.50	(51.01)
	Net asset/(liability) as at 31st March	39.50	(51.01)
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	1,336.79	1,046.46
	Transfer of Projected benefit obligation from MBCSPL	0.30	-
	Current service cost	1,002.05	838.04
	Interest cost	120.89	94.61
	Actuarial (Gains)/Losses	(553.74)	(488.66)
	Benefits paid	(134.51)	(119.36)
	Present Value of Defined Benefit obligation at the end of the period	1,771.78	1,371.09
IV.	Change in the fair value of plan assets during the year ended 31st March		
	Fair value of plan assets at the beginning of the year	1,256.92	967.88
	Expected return on plan assets	136.73	90.83
	Contributions by employer	517.04	271.57
	Actuarial (Gains)/Losses	(133.91)	(85.00)
	Funded amount to be transferred to Gratuity Fund	70.18	-
	Adjustment due to change in opening balance of Plan assets	98.83	193.03
	Actual Benefits paid	(134.51)	(118.24)
	Fair value of plan assets at the end of the year	1,811.28	1,320.08
V.	Major category of plan assets as a percentage of total plan		

	Funded with LIC	100%	100%
VI.	Actuarial Assumptions		
	Discount Rate (p.a.)	8%	8%
	Expected rate of return on plan assets (p.a.)	8%	8%
	Rate of Salary increase (p.a.)	5%	5%
	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

Experience Adjustments (Gratuity)

	Year ending				
	31/03/2011	31/03/2012	31/03/2013	31/03/2014	31/03/2015
Defined Benefit obligation at the end of the year	489.26	764.35	1,046.46	1,371.09	1,771.78
Plan assets at the end of the year	428.44	564.89	967.88	1,320.08	1,811.28
Funded status Surplus / (Deficit)	(60.82)	(199.46)	(78.58)	(51.01)	39.50
Experience adjustments on plan liabilities (gain) / loss	(56.66)	(112.32)	(111.33)	(65.61)	(190.55)
Experience adjustments on plan assets gain / (loss)	(8.53)	(10.77)	(18.89)	(25.00)	(34.22)

34) Securitisation / assignment transactions :

- a) During the year, the Company has without recourse securitised on “at par” basis vide PTC route loan receivables of 27907 contracts (March 2014: 47122 contracts) amounting to Rs. 72,229.92 Lakhs (March 2014: Rs. 1,26,292.70 Lakhs) for a consideration of Rs. 72,229.92 Lakhs (March 2014: Rs. 1,26,292.70 Lakhs) and de-recognised the assets from the books.
- b) Income from assignment / securitization transactions include write back of provision for loss / expenses in respect of matured assignment transactions amounting to Rs. 8,807.91 Lakhs (March 2014 : Rs. 4,189.65 Lakhs) considered no longer necessary (refer Accounting policy 4 (vii) A (iii)).
- c) In terms of the accounting policy stated in 4 (vi) (B) (i) (c), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances (refer note no. 13 and 18) and equivalent amount of unrealised gains has been recognised as liabilities (refer note no. 4 and 8).
- d) Excess interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment / securitisation transactions amounting to Rs. 11,024.71 Lakhs (March 2014 : Rs. 5,146.47 Lakhs).
- e) During the year, the Company has without recourse assigned loan receivables of NIL contracts (March 2014: 6490 contracts) amounting to Rs. NIL (March 2014 : Rs. 19,850.83 Lakhs) for a consideration of Rs. NIL (March 2014 : Rs. 15,554.19 Lakhs) towards 90% of receivables assigned and de-recognised the assets from the books. Out the total receivables, an amount of Rs. Nil (March 2014: Rs.1,985.08 Lakhs) (equivalent to 10% of the receivables) have been recognized as “Retained interest in assignment transactions” representing Minimum Retention Requirement (MRR) as required under revised guidelines on securitization transactions vide RBI Circular dated August 21, 2012 (refer note no. 13 and 18).

The amount of profit in cash of Rs. Nil (March 2014: Rs.314.94 Lakhs) on this assignment transaction has been held under an accounting head "Cash profit on loan transfers under assignment transactions pending recognition" and the same is amortized in line with above referred guidelines (refer note no. 4 and 8).

- f) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2013-13 dated August 21, 2012.

Applicable for transactions effected after the date of circular:

S. No.	Particulars		As at March 31, 2015	As at March 31, 2014
	1	No of SPVs sponsored by the NBFC for securitization transactions		12
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC		1,54,321.26	1,92,645.41
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet			
	a)	Off-balance sheet exposures		
	*	First loss - Credit enhancement in the form of corporate undertaking	8,307.81	4,782.00
	*	Others		-
	b)	On-balance sheet exposures		
	*	First loss – Cash collateral term deposits with banks (refer note no.17 (a) (ii))	20,085.00	18,040.00
	*	Others – Retained interest in Pass Through Certificates (refer note no.13 and 18)	1,242.81	2,213.95
4	Amount of exposures to securitization transactions other than MRR			
	a)	Off-balance sheet exposures	-	-
	i)	Exposure to own securitizations		
	*	First loss	-	-
	*	Loss	-	-
	ii)	Exposure to third party securitizations		
	*	First loss	-	-
	*	Others – Excess Interest Spread	27,176.87	25,938.12
	b)	On-balance sheet exposures		
	i)	Exposure to own securitizations		
	*	First loss		-
	*	Others – Cash collateral term deposits with banks	2,000.00	2,156.00
	ii)	Exposure to third party securitizations		
	*	First loss		-
	*	Others		-

g) Details of Assignment transactions undertaken by NBFCs (during the year)

Particulars		As at March 31, 2015	As at March 31, 2014
(i)	No. of accounts	-	6490
(ii)	Aggregate value (net of provisions) of accounts sold	-	19,850.83
(iii)	Aggregate consideration	-	15,554.19
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	0.00

35) Secured long-term borrowings :

i) **Secured non-convertible debentures**

As on 31st March, 2015

	Rate range	(a)Non-current	(b)Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 5 years	8.70%-8.95%	53,000.00	-	53,000.00
Maturity between 3 years to 5 years	8.65%-10.25%	1,22,760.00	-	1,22,760.00
Maturity between 1 year to 3 years	8.65%-10.20%	1,81,280.00	-	1,81,280.00
Maturity within 1 year	8.60%-9.95%	-	1,52,270.00	1,52,270.00
Total		3,57,040.00	1,52,270.00	5,09,310.00

As on 31st March, 2014

	Rate range	(a)Non-current	(b)Current maturity	Total
1) Repayable on maturity :				
Maturity between 3 years to 5 years	9.25%-10.25%	44,550.00	-	44,550.00
Maturity between 1 year to 3 years	9.00%-10.20%	2,52,470.00	-	2,52,470.00
Maturity within 1 year	9.04%-10.25%	-	1,69,020.00	1,69,020.00
		2,97,020.00	1,69,020.00	4,66,040.00
Total				
2) Repayable in yearly installments :				
Maturity between 1 year to 3 years	9.95%	24,500.00	-	24,500.00
Maturity within 1 year	9.95%-13.00%	-	14,500.00	14,500.00
Total		24,500.00	14,500.00	39,000.00
Total (1+2)		3,21,520.00	1,83,520.00	5,05,040.00

ii) Secured term loans from banks :

As on 31st March, 2015

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 3 years	10.25%	30,000.00	-	30,000.00
Maturity between 1 year to 3 years	9.70%- 10.30%	2,37,500.00	-	2,37,500.00
Maturity within 1 year	9.45%- 10.40%	-	1,27,000.00	1,27,000.00
Total		2,67,500.00	1,27,000.00	3,94,500.00
2) Repayable in installments :				
i) Bimonthly-				
Maturity within 1 year	10.25%	-	6,200.00	6,200.00
Total		-	6,200.00	6,200.00
ii) Quarterly-				
Maturity beyond 3 years	10.00%	3,095.24	-	3,095.24
Maturity between 1 year to 3 years	9.95%- 10.80%	1,00,768.46	-	1,00,768.46
Maturity within 1 year	9.95%- 10.80%	-	36,054.34	36,054.34
Total		1,03,863.70	36,054.34	1,39,918.04
iii) Half-yearly-				
Maturity beyond 3 years	10.25%	21,666.67	-	21,666.67
Maturity between 1 year to 3 years	10.0%- 10.25%	2,26,066.67	-	2,26,066.67
Maturity within 1 year	10.0%- 10.25%	-	1,67,200.00	1,67,200.00
Total		2,47,733.33	1,67,200.00	4,14,933.33
iv) Yearly-				
Maturity beyond 3 years	10.20%- 10.25%	55,333.33	-	55,333.33
Maturity between 1 year to 3 years	10.20%- 10.25%	1,13,166.67	-	1,13,166.67
Maturity within 1 year	10.25%	-	7,500.00	7,500.00
Total		1,68,500.00	7,500.00	1,76,000.00
Total for repayable in installments		5,20,097.03	2,16,954.34	7,37,051.37
Total (1+2)		7,87,597.03	3,43,954.34	11,31,551.37

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 3 years	10.20% - 10.25%	73,500.00	-	73,500.00
Maturity between 1 year to 3 years	9.70% - 10.40%	2,94,000.00	-	2,94,000.00
Maturity within 1 year	7.75% - 10.35%	-	62,500.00	62,500.00
Total		3,67,500.00	62,500.00	4,30,000.00
2) Repayable in installments :				
i) Bimonthly-				
Maturity between 1 year to 3 years	10.25%	6,200.00	-	6,200.00
Maturity within 1 year	-	-	-	-
Total		6,200.00	-	6,200.00
ii) Quarterly-				
Maturity beyond 3 years	10.00%	27,445.87	-	27,445.86
Maturity between 1 year to 3 years	10.00% - 10.80%	54,972.18	-	54,972.18
Maturity within 1 year	10.00% - 10.80%	-	49,167.42	49,167.42
Total		82,418.04	49,167.42	1,31,585.47
iii) Half-yearly-				
Maturity beyond 3 years	10.25%	85,233.33	-	85,233.33
Maturity between 1 year to 3 years	10.20% - 10.25%	3,30,533.34	-	3,30,533.33
Maturity within 1 year	10.20% - 10.25%	-	1,45,533.33	1,45,533.33
Total		4,15,766.67	1,45,533.33	5,61,300.00
iv) Yearly-				
Maturity beyond 3 years	10.20% - 10.25%	81,666.66	-	81,666.66
Maturity between 1 year to 3 years	10.20% - 10.25%	73,333.33	-	73,333.33
Maturity within 1 year	9.25% - 10.25%	-	55,000.00	55,000.00
Total		1,54,999.99	55,000.00	2,09,999.99
Total for repayable in installments		6,59,384.70	2,49,700.76	9,09,085.46
Total (1+2)		10,26,884.70	3,12,200.76	13,39,085.46

iii) Secured term loans from others :

As on 31st March, 2015

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on installments :				
Maturity beyond 5 years	9.15%-10.05%	2,305.80	-	2,305.80
Maturity between 3 years to 5 years	9.15%-10.05%	7,786.39	-	7,786.39
Maturity between 1 year to 3 years	6.00%-10.15%	11,590.30	-	11,590.30
Maturity within 1 year	6.00%-10.30%	-	7,039.44	7,039.44
Total for repayable on installments		21,682.49	7,039.44	28,721.93

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on installments :				
Maturity beyond 5 years	9.45%-10.25%	3,579.68	-	3,579.68
Maturity between 3 years to 5 years	6.5%-10.25%	8,554.79	-	8,554.79
Maturity between 1 year to 3 years	6%-10.30%	11,409.66	-	11,409.66
Maturity within 1 year	6%-10.30%	-	6,219.68	6,219.68
Total for repayable on installments		23,544.13	6,219.68	29,763.81

iv) Foreign currency loans from banks

As on 31st March, 2015

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity between 1 year to 3 years	8.95%	12,500.00		12,500.00
Maturity within 1 year	9.05%-9.98%	-	42,044.47	42,044.47
Total		12,500.00	42,044.47	54,544.47

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity between 1 year to 3 years	9.05%-9.98%	40,305.51		40,305.51
Maturity within 1 year	9.60%	-	11,983.00	11,983.00
Total		40,305.51	11,983.00	52,288.51

v) Foreign currency loans from others

As on 31st March, 2015

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 5 years	1.99% - 3.69%	4,045.72	-	4,045.72
Maturity between 3 years to 5 years	1.99% - 3.69%	22,282.02	-	22,282.02
Maturity between 1 year to 3 years	1.99% - 3.69%	48,773.57	-	48,773.67
Maturity within 1 year	1.99% - 3.69%	-	35,853.50	35,853.50
Total		75,101.31	35,853.50	1,10,954.81

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 5 years	1.99% - 3.17%	2,980.32	-	2,980.32
Maturity between 3 years to 5 years	1.99% - 3.17%	13,942.47	-	13,942.47
Maturity between 1 year to 3 years	1.99% - 3.17%	31,626.30	-	31,626.30
Maturity within 1 year	1.99% - 3.17%	-	22,539.68	22,539.68
Total		48,549.09	22,539.68	71,088.77

36) Unsecured borrowings :

i) Subordinated debts (long-term)

As on 31st March, 2015

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing beyond 5 years	9.18%-10.50%	78,550.00	-	78,550.00
Maturing between 3 years to 5 years	9.85%-11.75%	15,480.00	-	15,480.00
Maturing between 1 year to 3 years	10.50%-12.00%	6,880.00	-	6,880.00
TOTAL		1,00,910.00	-	1,00,910.00

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing beyond 5 years	9.50%-10.50%	71,550.00	-	71,550.00
Maturing between 3 years to 5 years	10.50%-12.00%	7,860.00	-	7,860.00
TOTAL		79,410.00	-	79,410.00

ii) Term loan from banks

As on 31st March, 2015

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	10%	10,000.00	-	10,000.00
		10,000.00	-	10,000.00

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	10%	10,000.00	-	10,000.00
		10,000.00	-	10,000.00

iii) Fixed deposits

As on 31st March, 2015

	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current Maturity	
a) Maturing beyond 3 years	8.90%-10.10%	0.00	6,561.15	0	6,561.15
b) Maturing between 1 year to 3 years	9.15%-10.60%	0.00	3,15,132.68	0	3,15,132.68
c) Maturing within 1 year	8.40%-10.75%	6,943.06	0	1,29,621.50	1,36,564.56
TOTAL		6,943.06	3,21,693.83	1,29,621.50	4,58,258.39

As on 31st March, 2014

	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current maturity	
Maturing beyond 3 years	9.4%-10.25%	-	4,608.37	-	4,608.37
Maturing between 1 year to 3 years	8.65%-10.75%	-	2,70,554.77	-	2,70,554.77
Maturing within 1 year	8.65%-10.75%	5,931.15	-	76,425.51	82,356.66
TOTAL		5,931.15	2,75,163.14	76,425.51	3,57,519.80

37) Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As on 31st March, 2015

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	14.00%-10.15%	1,35,354.56
TOTAL		1,35,354.56

As on 31st March, 2014

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	10.5%-13.25%	1,14,232.21
TOTAL		1,14,232.21

ii) Foreign currency loans from others (secured)

As on 31st March, 2015

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	0.60%	36,064.98
TOTAL		36,064.98

As on 31st March, 2014

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	0.63%	28,664.24
TOTAL		28,664.24

iii) Unsecured term loans from banks

As on 31st March, 2015

	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	10%	10,000.00	-	10,000.00
		10,000.00	-	10,000.00

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing within 1 year	9.75%	-	2,200.00	2,200.00
Maturing between 1 year to 3 years	10%	10,000.00	-	10,000.00
		10,000.00	2,200.00	12,200.00

iv) Commercial papers

As on 31st March, 2015

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	8.88%-9.15%	347500.00
TOTAL		347500.00

As on 31st March, 2014: Nil

38) During the year, the Company has incurred expenditure of Rs. 2,532.24 Lakhs towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs.113.56 Lakhs towards the CSR activities undertaken by the Company (refer note no. 26).

39) SCHEME OF AMALGAMATION

a. Scheme details and balance sheet position:

In terms of Scheme of Arrangement under section 391 and 394 of the Companies Act, 1956 (the "Scheme") between the Company and Mahindra Business & Consulting Services Private Ltd. ("MBCSPL"), an erstwhile wholly owned subsidiary of the Company and their respective shareholders, all the assets and liabilities, including reserves, of MBCSPL were transferred and vested in the Company effective from April 01, 2014 ("the Appointed date"). The Scheme was approved by the Honourable High Court of judicature at Bombay ("the Court") vide its order dated March 20, 2015. The said Scheme became effective from April 18, 2015 (the "Effective date") on filing of the certified Court order with Registrar of Companies, Maharashtra.

With effect from the appointed date, the whole of assets, properties, liabilities of the MBCSPL including all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description relating to the said business is transferred to and vested in and / or be deemed to be transferred to and vested in the Company.

Break up of assets and liabilities transferred to the Company as per the Court scheme as under:

Particulars	As at April 01, 2014
Assets	1,837.54
Liabilities	1,837.54
Net amount adjusted in opening balance of surplus in the statement of profit and loss	529.87

b. Consideration:

The Scheme entails the amalgamation of MBCSPL, a wholly owned subsidiary of the Company with its parent MMFSL, with the consequent dissolution without winding up of MBCSPL. Accordingly, the scheme does not envisage any issue of shares or payment of the consideration.

c. Accounting:

- a. The assets and liabilities, including reserves as at April 1, 2014 were incorporated in the financial statement of the Company at their existing carrying amount.
- b. 1,00,000 Equity Shares of Rs.10/- each fully paid up in MBCSPL, held as investment by the Company stand cancelled and the difference, if any, is debited to opening balance of surplus in the statement of profit and loss.
- c. All inter-corporate deposits, loans and advances, outstanding balances or other obligations between MBCSPL and the Company, stands cancelled and there shall be no obligation/ outstanding in that behalf.
- d. In accordance with the Scheme, MBCSPL continued to carry on the business and activities in relation on account of and in trust for the Company from April 1, 2014 (the "Appointed date") till April 18, 2015 (the "Effective date"). Accounts for the year also comprise of operations of business transacted out of MBCSPL and therefore the certain figures may not be exactly comparable with the previous year's figures.

40) The Company has the following investments in Joint Venture for which the required treatment as per Accounting Standard AS 27 - 'Financial Reporting of Interests in Joint Ventures', has been given in the Consolidated Financial Statements.

Name of Joint Ventures	Country of Incorporation	Percentage of ownership interest
Mahindra Finance USA, LLC	United States of America	49.00%

41) The subsidiary company, MIBL, earns brokerage from several insurance companies. The accounts of these insurance companies remain under reconciliation and are subject to confirmation. MIBL does not expect any significant variation in the book balances.

42) The Composite Broking License of MIBL, has been renewed by IRDA w.e.f. May 17, 2013 for next 3 years.

43) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on "Accounting for Employee Share-based Payments" is as follows:

Particulars	Intrinsic Value Method		Fair Value Method *	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Net profit after tax (Rs. in Lakhs)	91,290.54	95,442.14	91,358.91	95,473.03
Weighted average number of equity shares of Rs.2/- each – Basic	563837362	563184678	563837362	563184678
Weighted Average number of equity shares of Rs.2/- each – Diluted	568764960	568764960	568764960	568764960
Basic Earnings Per Share (Rs.)	16.19	16.95	16.20	16.95
Diluted Earnings Per Share # (Rs.)	16.05	16.78	16.06	16.79

- # Dilution in Earnings per share is on account of 46,24,289 equity shares (March 2014 : 52,39,841 equity shares) held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.
- * Earnings Per Share under Fair value method is computed on proforma net profit after tax after adjusting for employee compensation costs under fair value method. Employee compensation cost under fair value method as compared to intrinsic value method is lower by Rs. 68.37 Lakhs (March 2014 : Rs. 30.89 Lakhs).

44) As per section 29C (i) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose a Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The company has transferred an amount to Special Reserve in terms of 36(1)(viii) of the Income Tax Act, 1961 and section 29C of the National Housing Bank Act, 1987, as amended, at year end. The company does not anticipate any withdrawal from Special Reserve in foreseeable future.

45) Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.

46) In the opinion of the Board, Current assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business.

47) Disclosure on Derivatives :

Outstanding derivative instrument and un-hedged foreign currency exposures as on 31st March, 2015

The Company has outstanding Foreign Currency Non-Repatriable (FCNR (b)) loans of US \$ 872.71 Lakhs (March 2014 : US \$ 872.71 Lakhs). The said loan has been fixed to INR liability using a cross currency swap and floating interest thereon in LIBOR plus rate has been swapped for fixed rate in Indian rupee. There is no un-hedged foreign currency exposure as on 31st March, 2015.

48) There were 119 cases (March 2014: 77 cases) of frauds amounting to Rs.353.81 Lakhs (March 2014 : Rs 560.32 Lakhs) reported during the year. The Company has recovered an amount of Rs. 107.39 Lakhs (March 2014: Rs 46.38 Lakhs) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.

49) The gold loans outstanding as a percentage of total assets is at 0.02% (March 2014: 0.03%)

50) The Company has received show cause-cum-demand notice from Service Tax Department to show cause as to why service tax of Rs. 4,631.54 Lakhs should not be levied on subvention income and on collection charges on receivables in respect of securitisation transactions for the period from 2007-08 to 2013-14. The Company has given a detailed reply to the department justifying why the transactions would fall outside the purview of service tax. The company has appointed an expert to consult on the matter, who have

opined that the company has a strong case on merits to defend and the chances of getting an unfavourable outcome is remote.

51) Related Party Disclosure as per Accounting Standard 18:

A) List of the related parties which has transaction with our Company during the year:

Holding Company	:	Mahindra & Mahindra Limited
Fellow subsidiary Companies	:	2 x 2 Logistics Private Limited Mahindra USA, Inc. Mahindra Holidays and Resorts India Ltd. NBS International Ltd. Mahindra First Choice Wheels Ltd. Mahindra First Choice Services Ltd. Mahindra Defence Systems Ltd. Mahindra Retail Pvt Ltd.
Key Management Personnel	:	Mr. Ramesh Iyer (Managing Director)
Relatives of Key Management Personnel	:	Ms Janaki Iyer
		Ms Ramlaxmi Iyer
		Mr Risheek Iyer

B) Related Parties transactions are as under:

Sr. No	Nature of transactions	Holding Company	Fellow subsidiary Companies	Key Management Personnel*
1	Income			
	Loan income	-	3.52	-
		-	(1.79)	-
	Subvention income	3,663.07	-	
		(2,322.68)	-	
	Other income	64.21	-	-
2		(1.02)	(54.11)	-
	Expenses			
	Interest	-	-	20.11
		(339.45)	-	(18.09)
	Other Expenses	1,503.21	432.33	-
		(1,414.56)	(168.99)	-
	Remuneration to MD	-	-	657.05
		-	-	(394.88)
3	Purchase of Fixed Assets	413.60	-	-
		(524.84)	(9.51)	-

Sr. No	Nature of transactions	Holding Company	Fellow subsidiary Companies	Key Management Personnel*
4	Finance			
	Fixed deposits taken	-	-	202.90
		-	-	(207.50)
	Fixed deposits repaid	-	-	188.25
		-	-	(187.50)
	Dividend paid – for previous year	11,065.89 (10,483.48)	-	23.71 (18.99)
	Inter corporate deposits taken	- (50,000.00)	- -	- -
	Inter corporate deposits repaid	- (50,000.00)	- -	- -
5	Other transactions			
	Reimbursement from parties	- (112.54)	- -	- -
	Reimbursement to parties	- -	119.72 (113.75)	- -
6	Balances as at the end of the period			
	Receivables	1,234.25 (363.69)	- (1,091.74)	- -
	Loan given (including interest accrued but not due)	- -	43.29 -	- -
	Payables	- -	157.98 (107.79)	- -
	Fixed deposits (including interest accrued but not due)	- -	- -	231.80 (214.83)

Notes:

Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18 as well as the Companies Act, 2013.

C) The significant related party transactions are as under:

The significant related party transactions are as under:				
Nature of transactions		Holding Company	Fellow subsidiary Companies	Key Management Personnel*
Income				
<u>Revenue from operations</u>				
Subvention income	Mahindra & Mahindra Limited	3,663.07 (2,322.68)		
Loan income	Mahindra Retail Pvt Ltd		3.28 -	
Expenses				
<u>Other expenses</u>				
Commission & Valuation charges	Mahindra First Choice Wheels Limited		417.19 (157.88)	
Purchase of fixed assets	Mahindra & Mahindra Limited	413.60 (421.36)		
Finance				
Fixed Deposits	Ramesh Iyer and relatives			202.90 (207.50)
Fixed deposits matured	Ramesh Iyer and relatives			188.25 (187.50)
Dividend paid - for previous year	Mahindra & Mahindra Limited	11,065.89 (10,483.48)		
Balances at the year end				
Receivables	Mahindra & Mahindra Limited	1,234.25 (363.69)		
Loan outstanding	Mahindra Retail Pvt Ltd		30.08 -	

Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18 as well as the Companies Act, 2013.

52) Contingent liabilities and commitments (to the extent not provided for)

	As at March 2015	As at March 2014
Contingent liabilities		
a) Demand against the Company not acknowledged as debts -		
i) Income tax	4,416.81	7,476.77
ii) Value Added Tax (VAT)	191.98	60.92
b) Corporate guarantees towards assignment transactions	31,338.63	55,631.29
c) Credit enhancement in terms of corporate guarantee for securitization transactions (refer note no. 34 (f))	8,307.81	4,782.00
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	3,126.01	2,755.55
	47,381.24	70,706.46
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account	606.62	445.74
(b) Uncalled liability on shares and other investments partly paid (On 1,75,20,003 partly paid equity shares of Mahindra Rural Housing Finance Ltd. @ Rs.12.50/- per share)	0.00	2,190.00
	606.62	2,635.74
Total	47,987.86	73,342.20

53) Changes in provisions :

	As at 01.04.2014	Additional Provision	Utilisation/ Reversal	As at 31.03.2015
Provision for Standard assets	12,142.82	1,330.83	-	13,473.65
Provision for Non-performing assets	65,207.86	63,492.57	28,745.34	99,955.09

54) The Company has sent letters to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 seeking information for which replies are awaited. In view of this, information required under Schedule III of The Companies Act, 2013 is not given.

55) Segment information as per Accounting Standard 17:

The Company has only one significant reportable segment viz., financing segment. Income from insurance broking and manpower supply activities constitutes less than 10% of the total revenue / assets / capital employed. The amounts included in "Others" represents amounts in respect of these activities and are given for reconciling with the total consolidated revenue, profits, assets and liabilities.

Segment Report for the year ended March 31, 2015:

	Year ended 31st March 2015			Year ended 31st March 2014		
	Financing activities	Other reconciling items	Total	Financing activities	Other reconciling items	Total
External revenue	5,96,345.22	9,745.34	6,06,090.56	5,20,167.77	9,887.51	5,30,055.28
Inter segment revenue	1,938.24	2,875.03	4,813.27	1,377.80	18,067.13	19,444.93
Total revenue	5,98,283.46	12,620.37	6,10,903.83	5,21,545.57	27,954.64	5,49,500.21
Segment results (Profit before tax and after interest on financing segment)	1,33,467.22	6,519.64	1,39,986.86	1,39,338.73	6,928.56	1,46,267.29
Less: Interest on unallocated reconciling items	-	-	-	-	114.54	114.54
Net Profit before tax	1,33,467.22	6,519.64	1,39,986.86	1,39,338.73	6,814.02	1,46,152.75
Less: Income taxes	-	-	47,500.11	-	-	49,675.33
Net profit	-	-	92,486.75	-	-	96,477.42
Other information:						
Segment assets	38,25,440.90	1,735.87	38,27,176.77	33,64,910.73	2,098.08	33,67,008.81
Unallocated corporate assets			48,469.25			38,740.65
Total assets	38,25,440.90	1,735.87	38,75,646.02	33,64,910.73	2,098.08	34,05,749.46
Segment liabilities	32,48,207.89	1,062.22	32,49,270.11	28,71,477.47	1,254.64	28,72,732.11
Unallocated corporate liabilities			-			-
Total liabilities	32,48,207.89	1,062.22	32,49,270.11	28,71,477.47	1,254.64	28,72,732.11
Capital expenditure	4,053.74	164.62	4,218.36	4,279.71	46.59	4,326.30
Depreciation / amortisation	4,426.64	124.12	4,550.76	2,572.84	35.21	2,608.05
Non cash expenditure other than depreciation	37,243.79	152.29	37,396.08	28,060.24	41.54	28,101.78

56) Disclosure required under Schedule III of Companies Act, 2013

Name of Entity	Net Assets		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated profit & loss	Amount (Rs. In lakhs)
Parent				
Mahindra & Mahindra Financial Services Limited	95.63%	5,73,002.49	89.12%	82,422.16
Subsidiaries				
Indian				
1. Mahindra Insurance Brokers Limited	1.75%	10,466.17	3.95%	3,649.54
2. Mahindra Rural Housing Finance Limited	1.29%	7,751.09	4.18%	3,865.17
3. Mahindra Asset Management Company Limited	0.00%	-6.27	-0.01%	-5.78
4. Mahindra Trustee Company Private Limited	0.00%	-2.53	0.00%	-2.53
Foreign				
Minority Interests in all Subsidiaries	0.82%	4,929.6	1.29%	1,196.21
Associates				
Indian				
Foreign				
Joint Ventures (as per proportionate consolidation / investment as per the equity method)				
Indian				
Foreign				
1. Mahindra Finance USA, LLC	0.51%	3,060.75	1.47%	1,361.98
TOTAL	100.00%	5,99,201.30	100.00%	92,486.75

57) MAMCL was incorporated under the Companies Act, 1956 on June 20, 2013. The company is a subsidiary of Mahindra & Mahindra Financial Services Ltd. The company is incorporated to function as an investment manager to the proposed "Mahindra Mutual Fund". The company is in the process of applying for a license from SEBI. Consequently, during the period under audit the company has not started its operations.

58) MTCPL was incorporated under the Companies Act, 1956 on July 10, 2013. The company is a subsidiary of Mahindra & Mahindra Financial Services Ltd. The company is incorporated to function as a Trustee to the proposed "Mahindra Mutual Fund". The company is in the process of applying for a license from SEBI. Consequently, during the period under audit the company has not started its operations.

59) Previous year figures have been regrouped / reclassified wherever found necessary.

For FY 2013-14:

28) Employee Stock Option Plan

- a) The Company had allotted 134,32,750 equity shares (face value of Rs.2/- each) on 6th December 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) on 3rd February,2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The Trust had issued 1,30,37,934 equity shares to employees (March 2013 : 1,25,32,990 equity shares) up to 31st March, 2014, of which 5,04,944 equity shares (March 2013 : 8,31,035 equity shares) were issued during the current year.

The details of Employees stock option schemes are as under:

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	6 years from the date of grant
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

- b) During the year, the Company has granted 1,17,625 stock options to the eligible employees under the Employees' Stock option scheme 2010. The details are as under:

	Grant dated 22nd July, 2013	Grant dated 21st October, 2013
No. of options granted	48130	69495
Intrinsic value of shares based on latest available closing market price (Rs.)	210.35	270.40
Total amount to be amortized over the vesting period (Rs. in Lakhs)	101.24	187.92
Charge to Statement of profit and loss for the year (Rs. in Lakhs)	34.67	40.38
Compensation in respect of lapsed cases (Rs. in Lakhs)	Nil	11.05
Unamortized amount carried forward (Rs. in Lakhs)	66.57	136.48

The fair value of options, based on the valuation of the independent valuer as on the date of grant are:

Vesting period in years	Grant dated 22 nd July, 2013		Grant dated 21 st October, 2013	
	Expected Vesting	Fair Value (Rs.)	Expected Vesting	Fair Value (Rs.)
1	9626	} 198.64	13899	} 259.46
2	9626		13899	
3	9626		13899	
4	9626		13899	
5	9626		13899	
	48130		69495	

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables	Grant dated 22 nd July, 2013	Grant dated 21 st October, 2013
1) Risk free interest rate	7.61%	8.60%
2) Expected life	3.5 years	3.25 years
3) Expected volatility	35.53%	39.27%
3) Dividend yield	1.70%	1.32%
4) Price of the underlying share in the market at the time of option grant (Rs.)	212.35	272.40

c) Summary of stock options

Summary of Stock Options	As at March 2014		As at March 2013	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	16,44,675	21.61	24,85,550	24.59
Options granted during the year	1,17,625	2.00	-	-
Options forfeited/lapsed during the year #	94,107	37.64	9,840	7.11
Options exercised during the year	5,04,944	34.57	8,31,035	30.69
Options outstanding at the end of the year	11,63,249	12.70	16,44,675	21.61
Options vested but not exercised at the end of the year	4,36,039	30.55	6,04,090	45.81

including 4085 (March 2013: Nil) options forfeited/lapsed out of the options granted during the year

d) Information in respect of options outstanding :

Grant date / Exercise price	As at March 2014		As at March 2013	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Scheme 2005 :				
24 th July, 2007 at Rs.42.20	-	-	82,985	12 months
25 th March, 2008 at Rs.60.80	-	-	1,99,915	11 months
18 th September, 2008 at Rs.46.60	2,79,150	5 months	3,84,680	17 months
(a)	2,79,150		6,67,580	
Scheme 2010 :				
7 th February, 2011 at Rs.2.00	6,34,749	18 months	7,90,985	27 months
25 th January, 2012 at Rs.2.00	1,35,810	26 months	1,86,110	31 months
22 nd July, 2013 at Rs.2.00	48,130	34 months	-	-
21 st October, 2013 at Rs.2.00 #	65,410	37 months	-	-
(b)	8,84,099		9,77,095	
Total (a + b)	11,63,249		16,44,675	

net of 4085 options forfeited/lapsed out of the options granted during the year

e) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of exercise	Average share price (Rs.)
25-Apr-2013	228.46
16-May-2013	251.69
20-Jun-2013	266.69
19-Jul-2013	251.01
20-Aug-2013	240.09
21-Aug-2013	234.40
23-Sep-2013	258.45
17-Oct-2013	270.36
22-Nov-2013	293.20
16-Dec-2013	303.71
17-Jan-2014	277.86
19-Feb-2014	254.59
21-Mar-2014	257.16
25-Mar-2014	253.40

f) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Employee stock compensation cost is amortized over the vesting period.

g) Fair value of options

The fair value of options used to compute proforma net profit and earnings per share in note 43 have been estimated on the date of grant using the black-scholes model. The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Grants covered under Scheme 2005 :

Variables	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008
1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years
3) Expected volatility	0.50%	43.69%	43.61%	43.66%
3) Dividend yield	5%	1.59%	1.59%	1.64%
4) Price of the underlying share in the market at the time of option grant (Rs.)	13.11*	46.00	63.62	50.35

* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

Grants covered under Scheme 2010 :

Variables	7-Feb-2011	25-Jan-2012	22-Jul-2013	21-Oct-2013
1) Risk free interest rate	7.73%	8.11%	7.61%	8.60%
2) Expected life	4.5 years	5.5 years	3.5 years	3.25 years
3) Expected volatility	42.38%	46.08%	35.53%	39.27%
3) Dividend yield	2.28%	2.11%	1.70%	1.32%
4) Price of the underlying share in the market at the time of option grant (Rs.)	138.60	133.14	212.35	272.40

29) Loan provisions and write offs

- a. The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. As per the practice consistently followed, the Company has also made additional provision on a prudential basis. The cumulative additional provision made by the Company as on 31st March, 2014 is Rs. 35253.77 Lakhs (March 2013 : Rs. 19692.65 Lakhs).
- b. In accordance with the Notification No. DNBS.222/ CGM (US)-2011 dated 17.01.2011 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general provision of 0.25% on the Standard assets, the Company has made a provision of Rs. 2110.00 Lakhs (March 2013 : Rs. 5165.00 Lakhs, including additional / accelerated provision of Rs. 3568.00 Lakhs, refer note no. 27).

The total amount of provision on Standard assets of Rs.11625.00 Lakhs (March 2013 : Rs. 9515.00 Lakhs) is shown separately as “Contingent provision for Standard assets” under Long-term and Short-term provisions in the balance sheet (refer note no. 5 and 9). The said amount includes additional / accelerated provision of 0.15% for Rs.4370.00 Lakhs as at 31st March, 2014 (March 2013 : Rs.3568.00 Lakhs).

- c. Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such hire purchase/leased/loan assets on account of poor financial position of such customers.

30) MRHFL has complied with norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Non-performing assets in preparation of accounts.

Classification of loans are given below:

	Standard assets	Sub standard assets	Bad and doubtful assets	Total
As at March 31, 2014				
Housing loans	129200.71	4923.87	1372.19	135,496.77
Other loans	227.74	-	-	227.74
Percentage to total loans	95.36%	3.63%	1.01%	100.00%
As at March 31, 2013				
Housing loans	85895.40	1,368.94	682.24	87946.58
Other loans	21.85			21.85
Percentage to total loans	97.67%	1.56%	0.78%	100.00%

31) MRHFL has made adequate provision on Non Performing Assets as prescribed under Housing Finance Companies (NHB) Directions, 2010. The company also makes additional provision on prudential basis. The cumulative additional provision made by the company as on 31st March 2014 is Rs. 140.91 Lakhs (previous year Rs. 33.94 Lakhs).

In line with notification no.NHB.HFC.DIR.3/CMD/2011 issue by National housing Bank, MRHFL has made a provision @ 0.40 % on outstanding Standard Assets.

	Standard	Sub Standard	Doubtful	Loss
Provisions made :				
As at March 31, 2014				
Housing loans	516.90	857.61	397.04	152.33
Other loans	0.92			
As at March 31, 2013				
Housing loans	343.60	230.89	135.40	203.54
Other loans	0.09	-	-	-

32) Deposits/Advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

33) Employee Benefits :

**Defined benefit plans – as per actuarial valuation:
Leave Benefits (Non-funded)**

Defined Benefit Plans -As per actuarial valuation on 31st March, 2014			
		As at March 2014	As at March 2013
I.	Expense recognised in the Statement of Profit and Loss for the year ended 31st March		
	Current service cost	1060.34	526.67
	Interest cost	171.65	36.11
	Expected return on plan assets	0.00	0.00
	Actuarial (Gains)/Losses	(812.68)	205.42
	Total expense	419.30	768.20
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	1194.65	950.53
	Fair value of plan assets as at 31st March	-	-
	Funded status (Surplus/(Deficit))	(1194.65)	(950.53)
	Net asset/(liability) as at 31st March	(1194.65)	(950.53)
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	950.53	282.84
Defined Benefit Plans -As per actuarial valuation on 31st March, 2014			
		As at March 2014	As at March 2013
	Current service cost	1060.34	526.67
	Interest cost	171.65	36.11
	Actuarial (Gains)/Losses	(812.68)	214.02
	Benefits paid	(175.19)	(109.11)
	Present Value of Defined Benefit obligation at the end of the period	1194.65	950.53
IV.	Major category of plan assets as a percentage of total plan		
	Funded with LIC	-	-
	Others		
V.	Actuarial Assumptions		
	Discount Rate (p.a.)	8%	8%

	Rate of Salary increase (p.a.)	5%	5%
	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Gratuity (funded):

Defined Benefit Plans -As per actuarial valuation on 31st March, 2014

		As at March 2014	As at March 2013
I.	Expense recognised in the Statement of Profit and Loss Account for the year ended 31st March		
	Current service cost	838.04	666.65
	Interest cost	94.61	70.44
	Expected return on plan assets	(90.83)	(64.23)
	Actuarial (Gains)/Losses	(408.01)	(337.09)
	Adjustment due to change in opening balance of plan assets	(193.03)	-
	Total expense	240.77	335.77
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	1371.09	1046.46
	Fair value of plan assets as at 31st March	1320.08	967.88
	Funded status (Surplus/(Deficit))	(51.01)	(78.58)
		As at March 2014	As at March 2013
	Net asset/(liability) as at 31st March	(51.01)	(78.58)
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	1046.46	764.35
	Current service cost	838.04	666.65
	Interest cost	94.61	70.44
	Actuarial (Gains)/Losses	(488.66)	(382.33)
	Benefits paid	(119.36)	(72.65)
	Present Value of Defined Benefit obligation at the end of the period	1371.09	1046.46
IV.	Change in the fair value of plan assets during the year ended 31st March		
	Fair value of plan assets at the beginning of the year	967.88	564.89
	Expected return on plan assets	90.83	64.23
	Contributions by employer	271.57	444.41
	Actuarial (Gains)/Losses	(85.00)	(33.00)
	Adjustment due to change in opening balance of Plan assets	193.03	-
	Actual Benefits paid	(118.24)	(72.65)
	Fair value of plan assets at the end of the year	1320.08	967.88

V.	Major category of plan assets as a percentage of total plan		
	Funded with LIC	100%	100%
VI.	Actuarial Assumptions		
	Discount Rate (p.a.)	8%	8%
	Expected rate of return on plan assets (p.a.)	8%	8%
	Rate of Salary increase (p.a.)	5%	5%
	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Experience Adjustments (Gratuity)

	Year ending				
	31/03/2010	31/03/2011	31/03/2012	31/03/2013	31/03/2014
Defined Benefit obligation at the end of the year	374.27	489.26	764.35	1,046.46	1,371.09
Plan assets at the end of the year	342.02	428.44	564.89	967.88	1,320.08
Funded status Surplus / (Deficit)	(32.25)	(60.82)	(199.46)	(78.58)	(51.01)
Experience adjustments on plan liabilities (gain) / loss	(43.39)	(56.66)	(112.32)	(111.33)	(65.61)
Experience adjustments on plan assets gain / (loss)	(6.69)	(8.53)	(10.77)	(18.89)	(25.00)

34) Securitisation / assignment transactions :

- a) During the year, the Company has without recourse securitised on “at par” basis vide PTC route loan receivables of 47122 contracts (March 2013: 54374 contracts) amounting to Rs. 126292.70 Lakhs (March 2013: Rs. 143361.38 Lakhs) for a consideration of Rs.126292.70 Lakhs (March 2013: Rs. 143361.38 Lakhs) and de-recognised the assets from the books.
- b) Income from assignment / securitization transactions include write back of provision for loss / expenses in respect of matured assignment transactions amounting to Rs.4189.65 Lakhs (March 2013 : Rs. 3193.08 Lakhs) considered no longer necessary (refer Accounting policy 4 (vi) A (iii)).
- c) In terms of the accounting policy stated in 4 (vi) (B) (i) (c), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances (refer note no. 13 and 18) and equivalent amount of unrealised gains has been recognised as liabilities (refer note no. 4 and 8).
- d) Excess interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment / securitisation transactions amounting to Rs.5146.47 Lakhs (March 2013 : Rs. 106.98 Lakhs).

- e) During the year, the Company has without recourse assigned loan receivables of 6490 contracts (March 2013: NIL contracts) amounting to Rs.19850.83 Lakhs (March 2013 : Rs.NIL) for a consideration of Rs.15554.19 Lakhs (March 2013 : Rs.NIL) towards 90% of receivables assigned and de-recognised the assets from the books. Out the total receivables, an amount of Rs.1985.08 Lakhs equivalent to 10% of the receivables have been recognized as “Retained interest in assignment transactions” representing Minimum Retention Requirement (MRR) as required under revised guidelines on securitization transactions vide RBI Circular dated August 21, 2012 (refer note no. 13 and 18).
The amount of profit in cash of Rs.314.94 Lakhs on this assignment transaction has been held under an accounting head “Cash profit on loan transfers under assignment transactions pending recognition” and the same is amortized in line with above referred guidelines (refer note no. 4 and 8).
- f) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2013-13 dated August 21, 2012.

Applicable for transactions effected after the date of circular:

S. No.	Particulars	As at March 2014	As at March 2013
1	No of SPVs sponsored by the NBFC for securitization transactions	8	5
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	192645.41	141347.26
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	* First loss - Credit enhancement in the form of corporate undertaking	4782.00	2922.00
	* Others	-	-
	b) On-balance sheet exposures		
	* First loss – Cash collateral term deposits with banks (refer note no.17 (a) (ii))	18040.00	7293.00
	* Others – Retained interest in Pass Through Certificates (refer note no.13 and 18)	2213.95	3844.37
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitizations		
	* First loss	-	-
	* Loss	-	-
	ii) Exposure to third party securitizations		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	* First loss	-	-

S. No.	Particulars			As at March 2014	As at March 2013
		*	Others – Cash collateral term deposits with banks (refer note no.17 (a) (ii))	2156.00	1856.00
	ii)		Exposure to third party securitizations		
		*	First loss	-	-
		*	Others	-	-

35) Secured long-term borrowings :

i) Secured non-convertible debentures

As on 31st March, 2014

	Rate range	(a)Non-current	(b)Current maturity	Total
1) Repayable on maturity :				
Maturity between 3 years to 5 years	9.25% - 10.25%	44550.00	-	44550.00
Maturity between 1 year to 3 years	9.00% - 10.20%	252470.00	-	252470.00
Maturity within 1 year	9.04% - 10.25%	-	169020.00	169020.00
Total		297020.00	169020.00	466040.00
2) Repayable in installments :				
Yearly installments -				
Maturity between 1 year to 3 years	9.95%	24500.00	-	24500.00
Maturity within 1 year	9.95% - 13.00%	-	14500.00	14500.00
Total		24500.00	14500.00	39000.00
Total (1+2)		321520.00	183520.00	505040.00

As on 31st March, 2013

	Rate range	(a)Non-current	(b)Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 5 years	9.34%-9.43%	7350.00	-	7350.00
Maturity between 3 years to 5 years	9.25%-9.45%	5100.00	-	5100.00
Maturity between 1 year to 3 years	9.23%-10.25%	262510.00	-	262510.00
Maturity within 1 year	8.30%-10.47%	-	151770.00	151770.00
Total		274960.00	151770.00	426730.00
2) Repayable in installments :				
Yearly installments -				
Maturity beyond 3 years	9.95%-13.00%	25000.00	-	25000.00
Maturity between 1 year to 3 years	9.95%	14000.00	-	14000.00

	Rate range	(a)Non-current	(b)Current maturity	Total
Maturity within 1 year	10.50%-13.00%	-	16070.00	16070.00
Total		39000.00	16070.00	55070.00
Total (1+2)		313960.00	167840.00	481800.00

ii) Secured term loans from banks :

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 3 years	10.20% - 10.25%	73500.00	-	73500.00
Maturity between 1 year to 3 years	9.70% - 10.40%	294000.00	-	294000.00
Maturity within 1 year	7.75% - 10.35%	-	62500.00	62500.00
Total		367500.00	62500.00	430000.00
2) Repayable in installments :				
i) Bimonthly-				
Maturity between 1 year to 3 years	10.25%	6200.00	-	6200.00
Maturity within 1 year	-	-	-	-
Total		6200.00	-	6200.00
ii) Quarterly-				
Maturity beyond 3 years	10.00%	27445.87	-	27445.86
Maturity between 1 year to 3 years	10.00% - 10.80%	54972.18	-	54972.18
Maturity within 1 year	10.00% - 10.80%	-	49167.42	49167.42
Total		82418.04	49167.42	131585.47
iii) Half-yearly-				
Maturity beyond 3 years	10.25%	85233.33	-	85233.33
Maturity between 1 year to 3 years	10.20% - 10.25%	330533.34	-	330533.33
Maturity within 1 year	10.20% - 10.25%	-	145533.33	145533.33
Total		415766.67	145533.33	561300.00
iv) Yearly-				
Maturity beyond 3 years	10.20% - 10.25%	81666.66	-	81666.66

	Rate range	(a) Non-current	(b) Current maturity	Total
Maturity between 1 year to 3 years	10.20% - 10.25%	73333.33	-	73333.33
Maturity within 1 year	9.25% - 10.25%	-	55000.00	55000.00
Total		154999.99	55000.00	209999.99
Total for repayable in installments		659384.70	249700.76	909085.46
Total (1+2)		1026884.70	312200.76	1339085.46

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 3 years	10.15%-10.35%	49000.00	-	49000.00
Maturity between 1 year to 3 years	7.75%-10.35%	175000.00	-	175000.00
Maturity within 1 year	5.50%-10.35%	-	128500.00	128500.00
Total		224000.00	128500.00	352500.00
2) Repayable in installments :				
i) Quarterly-				
Maturity beyond 3 years	7% - 10.30%	2710.53	--	2710.53
Maturity between 1 year to 3 years	6% - 10.30%	62933.22	--	62933.22
Maturity within 1 year	6% - 10.30%	--	27877.61	27877.61
Total		65643.75	27877.61	93521.36
ii) Half-yearly-				
Maturity beyond 3 years	10.25%	94400.00	--	94400.00
Maturity between 1 year to 3 years	10.20%-10.25%	271400.00	--	271400.00
Maturity within 1 year	7.90%-10.45%	--	45366.67	45366.67
Total		365800.00	45366.67	411166.67
iii) Yearly-				
Maturity between 1 year to 3 years	9.25%-10.25%	90000.00	--	90000.00
Maturity within 1 year	9.25%	--	40000.00	40000.00
Total		90000.00	40000.00	130000.00
Total for repayable in installments		521443.75	113244.28	634688.03
Total (1+2)		745443.75	241744.28	987188.03

iii) Secured term loans from others :
As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on installments :				
Maturity beyond 5 years	9.45% - 10.25%	3579.68	-	3579.68
Maturity between 3 years to 5 years	6.5% - 10.25%	8554.79	-	8554.79
Maturity between 1 year to 3 years	6% - 10.30%	11409.66	-	11409.66
Maturity within 1 year	6% - 10.30%	-	6219.68	6219.68
Total for repayable on installments		23544.13	6219.68	29763.81

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on installments :				
Maturity beyond 5 years	7% - 10.30%	3130.11	-	3130.11
Maturity between 3 years to 5 years	6% - 10.25%	6751.15	-	6751.15
Maturity between 1 year to 3 years	6% - 10.30%	8893.23	-	8893.23
Maturity within 1 year	6% - 10.30%	-	4487.68	4487.68
Total for repayable on installments		18774.49	4487.68	23262.17

iv) Foreign currency loans from banks

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity between 1 year to 3 years	9.05%-9.98%	40305.51		40305.51
Maturity within 1 year	9.60%	-	11983.00	11983.00
Total		40305.51	11983.00	52288.51

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity between 1 year to 3 years	9.60%-11.65%	27142.50	10809.57	37952.07
Total		27142.50	10809.57	37952.07

v) Foreign currency loans from others

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 5 years	1.99% - 3.17%	2980.32	-	2980.32
Maturity between 3 years to 5 years	1.99% - 3.17%	13942.47	-	13942.47
Maturity between 1 year to 3 years	1.99% - 3.17%	31626.30	-	31626.30
Maturity within 1 year	1.99% - 3.17%	-	22539.68	22539.68
Total		48549.09	22539.68	71088.77

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity beyond 5 years	2.07% - 3.17%	1200.37	-	1200.37
Maturity between 3 years to 5 years	2.07% - 3.17%	7579.31	-	7579.31
Maturity between 1 year to 3 years	2.07% - 3.17%	15976.80	-	15976.80
Maturity within 1 year	2.07% - 3.17%	-	10158.60	10158.60
Total		24756.47	10158.60	34915.07

36) Unsecured borrowings :

i) Subordinated debts (long-term)

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing beyond 5 years	9.50%-10.50%	71550.00	-	71550.00
	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing between 3 years to 5 years	10.50%-12.00%	7860.00	-	7860.00
TOTAL		79410.00	-	79410.00

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing beyond 5 years	9.80%-11.75%	52530.00	-	52530.00

Maturing between 3 years to 5 years	10.50%-12.00%	6880.00	-	6880.00
Maturing within 1 year	10.20%-10.40%	-	3100.00	3100.00
TOTAL		59410.00	3100.00	62510.00

ii) Term loan from banks

As on 31st March, 2014

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	10%	10000.00	-	10000.00
		10000.00	-	10000.00

As on 31st March, 2013 - NIL

iii) Fixed deposits

As on 31st March, 2014

	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current maturity	
Maturing beyond 3 years	9.4%-10.25%	-	4608.37	-	4608.37
Maturing between 1 year to 3 years	8.65%-10.75%	-	270554.77	-	270554.77
Maturing within 1 year	8.65%-10.75%	5931.15	-	76425.51	82356.66
TOTAL		5931.15	275163.14	76425.51	357519.80

As on 31st March, 2013

	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current maturity	
Maturing beyond 3 years	8.65%-10.75%	-	116827.59	-	116827.59
Maturing between 1 year to 3 years	8.65%-10.75%	-	75225.60	-	75225.60
Maturing within 1 year	8.65%-10.50%	3362.41	-	37377.62	40740.03
TOTAL		3362.41	192053.19	37377.62	232793.22

37) Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As on 31st March, 2014

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	10.5%-14%	114232.21
TOTAL		114232.21

As on 31st March, 2013

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	9.20%-13.65%	117027.03
TOTAL		117027.03

ii) Foreign currency loans from others (secured)

As on 31st March, 2014

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	0.63%	28664.24
TOTAL		28664.24

As on 31st March, 2013

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	0.71%	30782.02
TOTAL		30782.02

iii) Unsecured term loans from banks

As on 31st March, 2014

	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	9.75%	2200.00
TOTAL		2200.00

As on 31st March, 2013: Nil

iv) Commercial papers

As on 31st March, 2014: NIL

As on 31st March, 2013

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	9.20%-9.35%	5000.00
TOTAL		5000.00

- 38) The Company has the following investments in Joint Venture for which the required treatment as per Accounting Standard AS 27 - 'Financial Reporting of Interests in Joint Ventures', has been given in the Consolidated Financial Statements.

Name of Joint Ventures	Country of Incorporation	Percentage of ownership interest
Mahindra Finance USA, LLC	United States of America	49.00%

- 39) The subsidiary company, MIBL, earns brokerage from several insurance companies. The accounts of these insurance companies remain under reconciliation and are subject to confirmation. MIBL does not expect any significant variation in the book balances.

- 40) The Composite Broking License of MIBL, has been renewed by IRDA w.e.f. May 17, 2013 for next 3 years.

- 41) As per section 29C (i) of the National Housing Bank Act, 1987, MRHFL is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by MRHFL under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. MRHFL has transferred amount to Special Reserve in terms of 36(1)(viii) of the Income Tax Act, 1961 and section 29C of the National Housing Bank Act, 1987, as amended, at the year end. MRHFL does not anticipate any withdrawal from Special Reserve in foreseeable future.

- 42) Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.

43) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on "Accounting for Employee Share-based Payments" is as follows:

Particulars	Intrinsic Value Method		Fair Value Method *	
	As at Mar.2014	As at Mar.2013	As at Mar.2014	As at March 2013
Net profit after tax (Rs. in Lakhs)	95442.14	92703.54	95473.03	92742.93
Weighted average number of equity shares of Rs.2/- each – Basic	563184678	531949491	563184678	531949491
Weighted Average number of equity shares of Rs.2/- each – Diluted	568764960	538178537	568764960	538178537
Basic Earnings Per Share (Rs.)	16.95	17.43	16.95	17.43
Diluted Earnings Per Share # (Rs.)	16.78	17.23	16.79	17.23

Dilution in Earnings per share is on account of 52,39,841 equity shares (March 2013 : 57,44,785 equity shares held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.

* Earnings Per Share under Fair value method is computed on proforma net profit after tax after adjusting for employee compensation costs under fair value method. Employee

compensation cost under fair value method as compared to intrinsic value method is lower by Rs.30.89 Lakhs (March 2013 : Rs. 39.39 Lakhs).

44) In the opinion of the Board, Current assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business.

45) Disclosure on Derivatives :

Outstanding derivative instrument and un-hedged foreign currency exposures as on 31st March, 2014

The Company has outstanding Foreign Currency Non-Repatriable (FCNR (b)) loans of US \$ 872.71 Lakhs (March 2013 : US \$ 699.13 Lakhs). The said loan has been fixed to INR liability using a cross currency swap and floating interest thereon in LIBOR plus rate has been swapped for fixed rate in Indian rupee. There is no un-hedged foreign currency exposure as on 31st March, 2014.

46) There were 77 cases (March 2013 : 28 cases) of frauds amounting to Rs. 560.32 Lakhs (March 2013 : Rs 450.31 Lakhs) reported during the year. The Company has recovered an amount of Rs. 46.38 Lakhs (March 2013 : Rs 31.53 Lakhs) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.

47) The gold loans outstanding as a percentage of total assets is at 0.03% (March 2013 : 0.05%)

48) Related Party Disclosure as per Accounting Standard 18:

A) List of the related parties which has transaction with our Company during the year:

Holding Company	:	Mahindra & Mahindra Limited
Fellow subsidiary Companies	:	Mahindra Trucks & Buses Ltd. (merged with Mahindra & Mahindra Ltd. w.e.f. April 01, 2013) Mahindra USA, Inc. Mahindra Holidays and Resorts India Ltd. Bristlecone India Limited Mahindra Yueda (Yancheng) Tractor Co.Ltd. NBS International Ltd. Mahindra First Choice Wheels Ltd. Mahindra Construction Company Ltd. Mahindra Two Wheelers Ltd. Mahindra First Choice Services Ltd.
Key Management Personnel	:	Mr. Ramesh Iyer (Managing Director)
Relatives of Key Management Personnel	:	Ms Janaki Iyer
		Ms Ramlaxmi Iyer
		Mr Risheek Iyer

B) Related Parties transactions are as under:

Sr. No.	Nature of transactions	Holding Company	Fellow subsidiary Companies	Key Management Personnel
1	<u>Income</u>			
	Loan income	-	1.79	-
		-	(10.51)	-
	Subvention income [Note (iii)]	2,322.68 (1,048.52)	- (431.58)	
	Other income	812.85 (691.66)	54.11 (10.18)	- -
2	<u>Expenses</u>			
	Interest	339.45 (334.41)	- -	18.09 (16.75)
	Other Expenses	1,414.56 (1,422.08)	168.99 (58.66)	- -
	Remuneration to Key Management Personnel	- -	- -	274.80 (235.02)
3	Purchase of Fixed Assets	524.84 (213.36)	9.51 -	- -
4	<u>Finance</u>			
	Fixed deposits	-	-	207.50
		-	-	(168.00)
	Fixed deposits matured	-	-	187.50
		-	-	-
	Dividend paid – for previous year	10,483.48 (8,153.81)	- -	18.99 (15.11)
	Inter corporate deposits taken	50,000.00 (50,000.00)	- -	- -
	Inter corporate deposits repaid	50,000.00 (50,000.00)	- -	- -
	Inter corporate deposits given	- -	- (2,000.00)	- -
	Inter corporate deposits refunded	- -	2,000.00 -	- -
5	<u>Other transactions</u>			
	Reimbursement from parties	112.54	-	-
		-	-	-
	Reimbursement to parties	-	113.75	-

		-	-	-
6	<u>Balances at the year end</u>			
	Receivables [Note (iii)]	437.39	1,091.74	-
		(101.84)	(3,289.26)	-
	Loans given (including interest accrued but not due) [Note (ii)]	-	334.33	-
		-	(334.33)	-
	Inter Corporate Deposits given (including interest accrued but not due) [Note (ii)]	-	113.38	-
		-	(2,122.01)	-
	Payables	-	107.79	-
		-	(66.33)	-
	Fixed deposits held (including interest accrued but not due)	-	-	214.79
		-	-	(195.24)

Notes:

- i) Figures in bracket represent corresponding figures of previous year.
- ii) An amount of Rs 113.38 lakhs of inter corporate deposits and Rs 334.33 lakhs of loan given to Mahindra Construction Company Ltd is provided as Non Performing Asset in the books of account.
- iii) Mahindra Trucks and Buses Ltd is merged with Mahindra & Mahindra Ltd (holding company) w.e.f. April 01, 2013. However, transactions in the form of subvention income of the previous year amounting to Rs 431.52 lakhs and balance receivable as at March 31, 2013 amounting to Rs 380.15 lakhs is disclosed in the column pertaining to fellow subsidiary companies.

C) The significant related party transactions are as under:

Nature of transactions		Holding Company	Fellow subsidiary Companies	Key Management Personnel
Income <u>Revenue from operations</u> Subvention income	Mahindra and Mahindra Limited	2,322.68 (1,048.52)	- -	- -
Other Income Manpower supply income	Mahindra and Mahindra Limited	811.83 (691.66)	- -	- -
Expenses <u>Interest</u> Interest expense on inter corporate deposits and nonconvertible debentures	Mahindra and Mahindra Limited	339.45 (334.41)	- -	- -

Nature of transactions		Holding Company	Fellow subsidiary Companies	Key Management Personnel
Purchase of fixed assets	Mahindra and Mahindra Limited	524.84 (213.36)	- -	- -
Finance				
Fixed deposits	Ramesh Iyer	-	-	44.50
	Janaki Iyer	-	-	(25.00)
		-	-	153.00
		-	-	(133.00)
Fixed deposits matured	Ramesh Iyer	-	-	44.50
	Janaki Iyer	-	-	-
		-	-	133.00
		-	-	-
Dividend paid - for previous year	Mahindra and Mahindra Limited	10,483.48 (8,153.81)	- -	- -
Inter corporate deposits taken	Mahindra and Mahindra Limited	-	113.38 (113.38)	- -
		-	-	-
Inter corporate deposits repaid	Mahindra and Mahindra Limited	-	334.33 (334.33)	- -
		-	-	-
Inter corporate deposits given	Mahindra Two Wheelers Limited	-	- (2000.00)	- -
		-	-	-
Inter corporate deposits refunded	Mahindra Two Wheelers Limited	-	2000.00	-
		-	-	-
Balances at the year end				
Receivables	Mahindra Holidays & Resorts India Limited	-	1,091.74	-
		-	(2,909.11)	-
	Mahindra & Mahindra Limited	437.39 (101.84)	- -	- -
		-	-	-
Inter Corporate Deposits given (including interest accrued but not due)	Mahindra Construction Company Limited	-	113.38 (113.38)	- -
		-	-	-

Nature of transactions		Holding Company	Fellow subsidiary Companies	Key Management Personnel
Loans given (including interest accrued but not due)	Mahindra Construction Company Limited	-	334.33	-
		-	(334.33)	-

Figures in bracket represent corresponding figures of previous year.

49) Contingent liabilities and commitments (to the extent not provided for)

	As at March 2014	As at March 2013
Contingent liabilities		
a) Demand against the Company not acknowledged as debts -		
i) Income tax	7476.77	5472.52
ii) Value Added Tax (VAT)	60.92	-
b) Corporate guarantees towards assignment transactions	55631.29	71572.12
c) Credit enhancement in terms of corporate guarantee for securitization transactions (refer note no. 34 (f))	4782.00	2922.00
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	2755.55	2036.07
	70706.46	82002.71
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account	445.74	624.91
(b) Uncalled liability on shares and other investments partly paid (On 1,75,20,003 partly paid equity shares of Mahindra Rural Housing Finance Ltd. @ Rs.12.50/- per share)	2190.00	-
	2635.74	624.91
Total	73342.20	82627.62

50) Changes in provisions :

	As at 31.03.2013	Additional Provision	Utilisation/ Reversal	As at 31.03.2014
Provision for Standard assets	9858.69	2284.13	-	12142.82
Provision for Non-performing assets	39736.94	41956.51	16503.21	65190.23

51) The Company has sent letters to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 seeking information for which replies are awaited. In view of this, information required under Schedule VI of The Companies Act, 1956 is not given.

52) Segment information as per Accounting Standard 17:

The Company has only one significant reportable segment viz., financing segment. Income from insurance broking and manpower supply activities constitutes less than 10% of the total revenue / assets / capital employed. The amounts included in "Others" represents amounts in respect of these activities and are given for reconciling with the total consolidated revenue, profits, assets and liabilities.

Segment Report for the year ended March 31, 2014:

	Year ended 31st March 2014			Year ended 31st March 2013		
	Financing activities	Other reconciling items	Total	Financing activities	Other reconciling items	Total
External revenue	520,167.77	9,887.51	530,055.28	403,237.91	8,058.23	411,296.14
Inter segment revenue	1,377.80	18,067.13	19,444.93	3,124.40	14,770.11	17,894.51
Total revenue	521,545.57	27,954.64	549,500.21	406,362.31	22,828.34	429,190.65
Segment results (Profit before tax and after interest on financing segment)	139,338.73	6,928.56	146,267.29	129,891.57	5,548.50	135,440.07
Less: Interest on unallocated reconciling items	-	114.54	114.54	-	174.26	174.26
Net Profit before tax	139,338.73	6,814.02	146,152.75	129,891.57	5,374.24	135,265.81
Less: Income taxes	-	-	49,675.33	-	-	42,375.08
Net profit	-	-	96,477.42	-	-	92,890.73
Other information:						
Segment assets	3,364,910.73	2,098.08	3,367,008.81	2,671,894.61	2,688.26	2,674,582.87
Unallocated corporate assets			38,740.65			32,496.24
Total assets	3,364,910.73	2,098.08	3,405,749.46	2,671,894.61	2,688.26	2,707,079.11
Segment liabilities	2,846,319.65	1,254.64	2,847,574.29	2,245,088.86	1,667.53	2,246,756.39
Unallocated corporate liabilities			-			-
Total liabilities	2,846,319.65	1,254.64	2,847,574.29	2,245,088.86	1,667.53	2,246,756.39
Capital expenditure	4,279.71	46.59	4,326.30	3,501.15	72.91	3,574.06
Depreciation / amortisation	2,572.84	35.21	2,608.05	2,332.59	33.31	2,365.90
Non cash expenditure other than depreciation	28,060.24	2.30	28,062.54	11,911.24	2.05	11,913.29

53) During the current financial year, the Company has incorporated Mahindra Trustee Company Private Limited (MTCPL) and has proposed to subscribe 49,998 equity shares of Rs. 10/- each amounting to Rs. 4.99 lakhs being 99.99% of the shareholding as a promoter shareholder. However, the Company has not made any investment during the year in MTCPL.

54) Previous year figures have been regrouped / reclassified wherever found necessary.

For FY 2012-13

28) Employee Stock Option Plan

- a) The Company had allotted 134,32,750 equity shares (face value of Rs.2/- each) on 6th December 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) on 3rd February, 2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The trust had issued 1,25,32,990 equity shares (March 2012 : 1,17,01,955 equity shares) up to 31st March, 2013 and 8,31,035 equity shares (March 2012 : 11,73,035 equity shares) for the current year to the employees.

The details of Employees stock option schemes are as under :

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	6 months from the date of grant
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

- b) Summary of stock options

Summary of Stock Options	As at March 2013		As at March 2012	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	24,85,550	24.59	38,13,940	24.02
Options granted during the year	-	-	2,12,130	2.00
Options forfeited/lapsed during the year	9,840	7.11	367,485	10.38
Options exercised during the year	8,31,035	30.69	11,73,035	23.10
Options outstanding at the end of the year	16,44,675	21.61	24,85,550	24.59
Options vested but not exercised at the end of the year	6,04,090	45.81	8,05,605	43.93

c) Information in respect of options outstanding :

Grant date / Exercise price	As at March 2013		As at March 2012	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Scheme 2005 :				
24 th July, 2007 at Rs.42.20	82,985	12 months	60,792	15 months
25 th March, 2008 at Rs.60.80	1,99,915	11 months	63,947	23 months
18 th September, 2008 at Rs.46.60	3,84,680	17 months	1,12,636	29 months
(a)	6,67,580		2,37,375	
Scheme 2010 :				
7 th February, 2011 at Rs.2.00	7,90,985	27 months	2,17,988	34 months
25 th January, 2012 at Rs.2.00	1,86,110	31 months	41,747	40 months
(b)	9,77,095		2,59,735	
Total (a + b)	16,44,675		4,97,110	

d) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of exercise	Average share price (Rs.)	Face value (Rs.)
9-May-2012	663.86	10.00
1-Jun-2012	636.96	10.00
2-Jul-2012	649.22	10.00
6-Aug-2012	734.55	10.00
4-Sep-2012	742.65	10.00
4-Oct-2012	898.99	10.00
29-Oct-2012	888.48	10.00
19-Nov-2012	987.93	10.00
19-Dec-2012	1097.88	10.00
22-Jan-2013	1052.77	10.00
1-Feb-2013	1067.11	10.00
19-Feb-2013	216.48	2.00
20-Feb-2013	215.03	2.00

e) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option.

f) Fair value of options

The fair value of options used to compute proforma net profit and earnings per share in note 43 have been estimated on the date of grant using the black-scholes model. The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008	7-Feb-2011	25-Jan-2012
1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%	7.73%	8.11%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years	4.5 years	5.5 years
3) Expected volatility	0.50%	43.69%	43.61%	43.66%	42.38%	46.08%
3) Dividend yield	5%	1.59%	1.59%	1.64%	2.28%	2.11%
4) Price of the underlying share in the market at the time of option grant (Rs.)	65.53*	230.00	318.10	252.45	693.00	665.70

* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

29) Loan provisions and write offs

- a. The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. The Company also makes additional provision on a prudential basis. The cumulative additional provision made by the Company as on 31st March, 2012 is Rs. 19692.65 Lakhs (March 2012 : Rs. 13178.47 Lakhs).
- b. In accordance with the Notification No. DNBS.222/ CGM (US)-2011 dated 17.01.2011 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general provision of 0.25% on the standard assets, the Company has made a provision of Rs.5165.00 Lakhs on the standard assets as on 31st March 2013 (March 2012 : Rs. 4350.00 Lakhs). With effect from the current year, the Company has on a prudent basis, decided to make additional / accelerated general provision for its standard assets and has provided Rs. Rs.3568.00 Lakhs on this account, which is reflected "Exceptional Item" in the Statement of profit and loss. The total amount of provision for standard assets of Rs.9515.00 Lakhs is shown separately as "Contingent provision for standard assets" under "Provisions" in the balance sheet.

30) MRHFL has complied with norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Non-performing assets in preparation of accounts and has made adequate provision for Non-performing assets as prescribed under Housing Finance Companies (NHB) Directions, 2010.

In line with notification no. NHB.HFC.DIR.3/CMD/2011 issued by National Housing Bank, MRHFL has made a provision of Rs. 343.69 Lakhs (March 2012: Rs. 210.29 Lakhs) @ 0.40% on outstanding Standard assets.

Classification of loans are given below:

	Standard assets	Sub standard assets	Bad and doubtful assets	Total
As at March 31, 2013				
Housing loans	85895.40	1131.02	920.16	87946.58
Other loans	21.85	-	-	21.85
Percentage to total loans	97.67%	1.29%	1.05%	100.00%
As at March 31, 2012				
Housing loans	52550.46	630.89	341.96	53523.31
Other loans	19.21	-	-	19.21
Percentage to total loans	98.18%	1.18%	0.64%	100.00%

Loan receivable includes Rs. 2343.51 Lakhs outstanding towards financing of insurance as of March 31st, 2013 and Rs. 1485.57 Lakhs as of March 31st, 2012.

31) The total provision carried by MRHFL in terms of the Housing Finance Companies (NHB) Directions, 2010 in respect of loans is as follows:

	Standard	Sub Standard	Doubtful	Loss
Provisions made :				
As at March 31, 2013				
Housing loans	343.60	171.41	194.88	203.54
Other loans	0.09	-	-	-
As at March 31, 2012				
Housing loans	210.21	94.63	76.83	72.46
Other loans	0.08	-	-	-

32) Deposits/Advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

33) Employee Benefits :

Defined benefit plans – as per actuarial valuation:

Defined Benefit Plans -As per actuarial valuation on 31st March, 2013			
	Leave Benefits *	TOTAL	
		As at March 2013	As at March 2012
I.	Expense recognised in the Statement of Profit and Loss for the year ended 31st March		
	Current service cost	538.77	298.45
	Interest cost	20.76	11.89
	Expected return on plan assets	-	-
	Actuarial (Gains)/Losses	258.93	(189.32)
	Total expense	818.46	121.02
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	950.53	241.18
	Fair value of plan assets as at 31st March	-	-
	Funded status (Surplus/(Deficit))	(950.53)	(241.18)
	Net asset/(liability) as at 31st March	(950.53)	(241.18)
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	241.18	120.17
	Current service cost	538.77	298.45
	Interest cost	20.76	11.89
	Actuarial (Gains)/Losses	258.93	(189.32)
	Benefits paid	(109.11)	-
	Present Value of Defined Benefit obligation at the end of the period	950.53	241.19
IV.	Change in the fair value of plan assets during the year ended 31st March		
	Fair value of plan assets at the beginning of the year	-	-
	Expected return on plan assets	-	-
	Contributions by employer	-	-
	Actuarial (Gains)/Losses	-	-
	Actual Benefits paid	-	-
	Fair value of plan assets at the end of the year	-	-
V.	Major category of plan assets as a percentage of total plan		
	Funded with LIC	100%	100%
	Others		
Defined Benefit Plans -As per actuarial valuation on 31st March, 2013			
VI.	Actuarial Assumptions		
	Discount Rate	8% p.a.	8% p.a.

	Rate of Salary increase	5% p.a	5% p.a
	In-service Mortality	LIC (1994-96) ULTIMATE	LIC (1994-96) ULTIMATE

* - There are no previous year figures in respect of privilege leave, as the actuarial valuation is done with effect from current year.

Gratuity:

Defined Benefit Plans -As per actuarial valuation on 31st March, 2013			
Gratuity		TOTAL	
		As at March 2013	As at March 2012
I.	Expense recognised in the Statement of Profit and Loss Account for the year ended 31st March		
	Current service cost	666.65	466.99
	Interest cost	70.44	47.47
	Expected return on plan assets	(64.23)	(41.96)
	Actuarial (Gains)/Losses	(337.09)	(171.47)
	Total expense	335.77	301.03
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st March		
	Present Value of Defined Benefit obligation as at 31st March	1046.46	764.36
	Fair value of plan assets as at 31st March	967.88	563.54
	Funded status (Surplus/(Deficit))	(78.58)	(200.82)
	Net asset/(liability) as at 31st March	(78.58)	(200.82)
III.	Change in the obligations during the year ended 31st March		
	Present Value of Defined Benefit obligation at the beginning of the year	764.35	489.26
	Current service cost	666.65	466.99
	Interest cost	70.44	47.47
	Actuarial (Gains)/Losses	(382.33)	(209.92)
	Benefits paid	(72.65)	(29.44)
	Present Value of Defined Benefit obligation at the end of the period	1046.46	764.36
Defined Benefit Plans -As per actuarial valuation on 31st March, 2013			
IV.	Change in the fair value of plan assets during the year ended 31st March		
	Fair value of plan assets at the beginning of the year	564.89	428.44
	Expected return on plan assets	64.23	43.31
	Contributions by employer	444.41	162.39
	Actuarial (Gains)/Losses	(33.00)	(39.81)
	Actual Benefits paid	(72.65)	(29.44)
	Fair value of plan assets at the end of the year	967.88	564.89

V.	Major category of plan assets as a percentage of total plan		
	Funded with LIC	100%	100%
	Others		
VI.	Actuarial Assumptions		
	Discount Rate	8% p.a.	8% p.a.
	Rate of Salary increase	5% p.a	5% p.a
	In-service Mortality	LIC (1994-96) ULTIMATE	LIC (1994-96) ULTIMATE

Experience Adjustments

	Year ending				
	31/03/2009	31/03/2010	31/03/2011	31/03/2012	31/03/2013
Defined Benefit obligation at the end of the year	272.36	374.27	489.26	764.35	1,046.46
Plan assets at the end of the year	231.63	342.02	428.44	564.89	967.89
Funded status Surplus / (Deficit)	(40.73)	(32.25)	(60.82)	(199.46)	(78.57)
Experience adjustments on plan liabilities (gain) / loss	(66.01)	(43.39)	(56.66)	(112.32)	(111.33)
Experience adjustments on plan assets gain / (loss)	0.44	(6.69)	(8.53)	(10.77)	(18.89)

34) Securitisation / assignment transactions :

- a) During the year, the company has without recourse securitised on “at par” basis vide PTC route loan receivables of 54374 contracts (March 2012: 56559 contracts) amounting to Rs. 143361.38 Lakhs (March 2012: Rs. 148741.39 Lakhs, including future interest receivable) for a consideration of Rs. 143361.38 Lakhs (March 2012: Rs. 148741.39 Lakhs) and de-recognised the assets from the books.
- b) Income from assignment / securitization includes write back of provision in respect of assignment transactions amounting to Rs. 3193.08 Lakhs (March 2012: Rs. 2479.18 Lakhs) considered no longer necessary.
- c) In terms of the accounting policy stated in 3 (iv), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances (refer note no. 13 and 18) and equivalent amount of unrealised gains has been recognised as liabilities (refer note no. 4 and 8).
- d) Excess interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment / securitisation amounting to Rs.106.98 Lakhs (March 2012 : Rs. Nil)

- e) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2012-13 dated August 21, 2012
- f) During the year, the Company has without recourse assigned loan receivables of Nil contracts (March 2012 : 56559 contracts) amounting to Rs. Nil (March 2012 : Rs.148741.39 Lakhs) for a consideration of Rs. Nil (March 2012 : Rs.148741.39 Lakhs) and de-recognised the assets from the books. The income booked in respect of assignment of receivables includes certain amount towards cost of future servicing of the assigned pool and an appropriate amount has been provided towards expenditure for future services.
- g)

(applicable for transactions effected after the date of circular)

S. No.	Particulars		No. / Amount	
1	No of SPVs sponsored by the NBFC for securitization transactions		19	
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC		141347.26	
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet			
	a)	Off-balance sheet exposures		
	*	First loss- Credit enhancement in the form of corporate undertaking	2922.00	
	*	Others		
	b)	On-balance sheet exposures		
	*	First loss- Cash collateral term deposits with banks (refer note no 17)	7293.00	
	*	Others- Retained interest in Pass Through Certificates (refer note no 13 and 18)	3844.37	
4	Amount of exposures to securitization transactions other than MRR			
	a)	Off-balance sheet exposures		
	i)	Exposure to own securitizations		
		*	First loss	
		*	Loss	
	ii)	Exposure to third party securitisations		
		*	First loss	
		*	Others	
	b)	On-balance sheet exposures		
	i)	Exposure to own securitizations		
		*	First loss	
		*	Others- Cash collateral term deposit with banks (refer note no 17)	1856.00
	ii)	Exposure to third party securitizations		
*		First loss		
*		Others		

35) Secured long-term borrowings :

i) Secured non-convertible debentures

As on 31st March, 2013

	Rate range	(a)Non-current	(b)Current maturity	Total
1) Repayable on maturity :				
a) Maturity beyond 5 years	9.34%-9.43%	7350.00	-	7350.00
b) Maturity between 3 years to 5 years	9.25%-9.45%	5100.00	-	5100.00
c) Maturity between 1 year to 3 years	9.23%-10.25%	262510.00	-	262510.00
d) Maturity within 1 year	8.30%-10.47%	-	151770.00	151770.00
Total		274960.00	151770.00	426730.00
2) Repayable in installments :				
Yearly installments -				
a) Maturity beyond 3 years	9.95%-13.00%	25000.00	-	25000.00
b) Maturity between 1 year to 3 years	9.95%	14000.00	-	14000.00
c) Maturity within 1 year	10.50%-13.00%	-	16070.00	16070.00
	Rate range	(a)Non-current	(b)Current maturity	Total
Total		39000.00	16070.00	55070.00
Total (1+2)		313960.00	167840.00	481800.00

As on 31st March, 2012

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
a) Maturing within 1 year	8.35% - 9.90%	-	36100.00	36100.00
b) Maturing between 1 year to 3 years	8.30% - 10.47%	192400.00	-	192400.00
c) Maturing beyond 3 years	-	-	-	-
d) Maturing beyond 5 years	-	-	-	-
Total		192400.00	36100.00	228500.00
2) Repayable in installments :				
Yearly Installments -				
a) Maturing within 1 year	10.50% - 13.00%	-	15715.00	15715.00
b) Maturing between 1 year to 3 years	9.95% - 13.00%	30570.00	-	30570.00
c) Maturing between 3 years to 5 years	9.95%	24500.00	-	24500.00
d) Maturing beyond 5 years	-	-	-	-
Total		55070.00	15715.00	70785.00
TOTAL (1+2)		247470.00	51815.00	299285.00

ii) Secured term loans from banks :

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
a) Maturity beyond 3 years	10.15%- 10.35%	49000.00	-	49000.00
b) Maturity between 1 year to 3 years	7.75%- 10.35%	175000.00	-	175000.00
c) Maturity within 1 year	5.50%- 10.35%	-	128500.00	128500.00
Total		224000.00	128500.00	352500.00

	Rate range	(a) Non-current	(b) Current maturity	Total
2) Repayable in installments :				
i) Quarterly-				
a) Maturity beyond 3 years	7% - 10.30%	2710.53	--	2710.53
b) Maturity between 1 year to 3 years	6% - 10.30%	62933.22	--	62933.22
c) Maturity within 1 year	6% - 10.30%	--	27877.61	27877.61
Total		65643.75	27877.61	93521.36
ii) Half-yearly-				
a) Maturity beyond 3 years	10.25%	94400.00	--	94400.00
b) Maturity between 1 year to 3 years	10.20%- 10.25%	271400.00	--	271400.00
c) Maturity within 1 year	7.90%- 10.45%	--	45366.67	45366.67
Total		365800.00	45366.67	411166.67
iii) Yearly-				
a) Maturity beyond 3 years	-	--	--	--
b) Maturity between 1 year to 3 years	9.25%- 10.25%	90000.00	--	90000.00
c) Maturity within 1 year	9.25%	--	40000.00	40000.00
Total		90000.00	40000.00	130000.00
Total for repayable in installments		521443.75	113244.28	634688.03
Total (1+2)		745443.75	241744.28	987188.03

As on 31st March, 2012

	Rate range	(a) Non-current	(b) Current Maturity	Total
1) Repayable on maturity :				
a) Maturity beyond 3 years	10.70-10.75%	105000.00	-	105000.00
b) Maturity between 1 year to 3 years	5.50%-10.80%	141000.00	-	141000.00
c) Maturity within 1 year	7.25%-10.75%	-	119000.00	119000.00
Total for repayable on maturity		246000.00	119000.00	365000.00
	Rate range	(a) Non-current	(b) Current Maturity	Total
2) Repayable in installments :				
i) Quarterly -				
a) Maturity beyond 3 years	10.41% - 10.70%	7105.26	-	7105.26
b) Maturity between 1 year to 3 years	7.90%-10.75%	82718.91	-	82718.91
c) Maturity within 1 year	6.15%-10.75%	-	65363.33	65363.33
Total		89824.17	65363.33	155187.50
ii) Half yearly -				
a) Maturity beyond 3 years		800.00	-	800.00
b) Maturity between 1 year to 3 years	6.25%-10.20%	105266.66	-	105266.66
c) Maturity within 1 year	10.20%-10.75%	-	7266.67	7266.67
Total		106066.66	7266.67	113333.33
iii) Yearly -				
a) Maturity beyond 3 years		-	-	-
b) Maturity between 1 year to 3 years	9.25%-10.75%	90000.00	-	90000.00
c) Maturity within 1 year	9.25%-10.25%	-	40366.67	40366.67
Total		90000.00	40366.67	130366.67
Total for repayable in installments		285890.83	112996.67	398887.50
TOTAL (1+2)		531890.83	231996.67	763887.50

iii) Secured term loans from others :

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on installments :				
a) Maturity beyond 3 years	7% - 10.30%	9881.26	-	9881.26
b) Maturity between 1 year to 3 years	6% - 10.30%	8893.23	-	8893.23
c) Maturity within 1 year	6% - 10.30%	-	4487.68	4487.68
Total for repayable on installments		18774.49	4487.68	23262.17

As on 31st March, 2012

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on installments :				
a) Maturity beyond 3 years	6% - 10.30%	4942.89	-	4942.89
b) Maturity between 1 year to 3 years	6% - 10.30%	8936.35	-	8936.35
c) Maturity within 1 year	6% - 10.30%	-	3006.16	3006.16
Total for repayable on installments		13879.24	3006.16	16885.40

iv) Foreign currency loans from banks

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
a) Maturity beyond 3 years	-	-	-	-
b) Maturity between 1 year to 3 years	9.60%-11.65%	27142.5	10809.57	37952.07
c) Maturity within 1 year	-	-	-	-
Total		27142.5	10809.57	37952.07

As on 31st March, 2012

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
a) Maturing within 1 year	7.85%	-	10000.00	10000.00
b) Maturing between 1 year to 3 years	9.75%	9800.00	-	9800.00
c) Maturing beyond 3 years	-	-	-	-
TOTAL		9800.00	10000.00	19800.00

v) Foreign currency loans from others

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
a) Maturity beyond 5 years	2.07% - 3.17%	1200.37	-	1200.37
b) Maturity between 3 years to 5 years	2.07% - 3.17%	7579.31	-	7579.31
c) Maturity between 1 year to 3 years	2.07% - 3.17%	15976.80	-	15976.80
d) Maturity within 1 year	2.07% - 3.17%	-	10158.60	10158.60
Total		24756.47	10158.60	34915.07

As on 31st March, 2012

	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
a) Maturity beyond 5 years	2.14% - 3.17%	300.59	-	300.59
b) Maturity between 3 years to 5 years	2.14% - 3.17%	3530.88	-	3530.88
c) Maturity between 1 year to 3 years	2.14% - 3.17%	26805.55	-	26805.55
Total		30637.02	-	30637.02

36) Unsecured borrowings :

i) Subordinated debts (long-term)

As on 31st March, 2013

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing beyond 5 years	9.80%-11.75%	52530.00	-	52530.00
Maturing between 3 years to 5 years	10.50%-12.00%	6880.00	-	6880.00
Maturing between 1 year to 3 years	-	-	-	-
Maturing within 1 year	10.20%-10.40%	-	3100.00	3100.00
TOTAL		59410.00	3100.00	62510.00

As on 31st March, 2012

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
a) Maturing within 1 year	9.40% - 9.40%	-	3140.00	3140.00
b) Maturing between 1 year to 3 years	10.20% - 10.40%	3100.00	-	3100.00
c) Maturing between 3 years to 5 years	-	-	-	-
d) Maturing beyond 5 years	9.80% - 12.00%	47910.00	-	47910.00
TOTAL		51010.00	3140.00	54150.00

ii) Fixed deposits

As on 31st March, 2013

	Rate range	(a) Short-Term	(b) Non-current	(c) Current maturity	Total
a) Maturing beyond 3 years	8.65%-10.75%	-	116827.59	-	116827.59
b) Maturing between 1 year to 3 years	8.65%-10.75%	-	75225.60	-	75225.60
c) Maturing within 1 year	8.65%-10.50%	3362.41	-	37377.62	40740.03
TOTAL		3362.41	192053.19	37377.62	232793.22

As on 31st March, 2012

	Rate range	(a) Short-Term	(b) Non-current	(c) Current maturity	Total
a) Maturing within 1 year	8.15% - 10.25%	1385.20	-	29688.54	31073.74
b) Maturing between 1 year to 3 years	8.15%-10.75%	-	99450.81	-	99450.81
c) Maturing between 3 years to 5 years	8.65%-10.25%	-	6962.84	-	6962.84
d) Maturing beyond 5 years	-	-	-	-	-
TOTAL		1385.20	106413.65	29688.54	137487.39

37) Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As on 31st March, 2013

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	9.20%-13.65%	117027.03
TOTAL		117027.03

As on 31st March, 2012

	Rate range	Amount
Repayable on maturity :		
a) Maturing within 1 year	10.75% - 13.50%	117001.33
b) Maturing beyond 1 year	-	-
TOTAL		117001.33

ii) Foreign currency loans from others

As on 31st March, 2013

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	0.71%	30782.02
TOTAL		30782.02

As on 31st March, 2012 : Nil

iii) Unsecured term loans from banks

As on 31st March, 2013 : Nil

As on 31st March, 2012 :

	Rate range	Amount
Repayable on maturity :		
a) Maturing within 1 year	11.50%	22500.00
b) Maturing beyond 1 year	-	-
TOTAL		22500.00

iv) Commercial papers

As on 31st March, 2013

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	9.20%-9.35%	5000.00
TOTAL		5000.00

As on 31st March, 2012

	Rate range	Amount
Repayable on maturity :		
a) Maturing within 1 year	9.93%	3000.00
b) Maturing beyond 1 year	-	-
TOTAL		3000.00

38) The Company has the following investments in Joint Venture for which the required treatment as per Accounting Standard AS 27 - 'Financial Reporting of Interests in Joint Ventures', has been given in the Consolidated Financial Statements.

Name of Joint Ventures	Country of Incorporation	Percentage of ownership interest
Mahindra Finance USA, LLC	United States of America	49.00%

considered on the basis of unaudited financial statements.

- 39) The subsidiary company, MIBL, earns brokerage from several insurance companies. The accounts of these insurance companies remain under reconciliation and are subject to confirmation. MIBL does not expect any significant variation in the book balances.
- 40) MIBL was operating under Direct Broker licence since 18th May 2004, which was changed to Composite broker licence (Direct and Reinsurance) on 23rd September 2011.
- 41) The Board of Directors of the Company at its meeting held on 9th October, 2012, and special resolution passed by the members by way of show of hands at the Extraordinary General Meeting held on 6th November, 2012, had approved the infusion of share capital. Pursuant to the passing of the above resolutions and in accordance with Chapter VIII of Securities & Exchange Board of India (Issue of Capital & Disclosure requirements) Regulations, 2009, as amended, the Company allotted 97,50,257 equity shares of face value of Rs.10/- each at price of Rs.889/- per equity share including a premium of Rs.879/- per equity share aggregating to Rs.86,679.78 Lakhs to Qualified Institutional Buyers (QIBs) through Qualified Institutional Placement (QIP). This has resulted in an increase of equity share capital by Rs. 975.02 Lakhs and securities premium reserve by Rs. 85,704.76 Lakhs. The share issue expenses amounting to Rs.1280.06 Lakhs is adjusted against the securities premium reserve in accordance with the provisions of The Companies Act, 1956.

The utilization of the funds received from the QIP are as under:

	Amount
Sources of Funds :	
QIP Proceeds	86679.78
Utilization of Funds :	
QIP Issue Expenses	1280.06
Disbursement of retail loans to customers	85399.72
Total	86679.78

- 42) As per section 29C (i) of the National Housing Bank Act, 1987, MRHFL is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by MRHFL under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. MRHFL has transferred an amount of Rs. 55,500,000/- (March 2012: Rs. 36,136,184/-) to Special Reserve in terms of 36(1)(viii) of the Income Tax Act, 1961 and section 29C of the National Housing Bank Act, 1987, as amended. MRHFL does not anticipate any withdrawal from Special Reserve in foreseeable future.

43) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on "Accounting for Employee Share-based Payments" is as follows:

Particulars	Intrinsic Value Method		Fair Value Method *	
	As at Mar.2013	As at Mar.2012	As at Mar.2013	As at March 2012
Net profit after tax (Rs. in Lakhs)	88269.18	62011.67	88308.57	62062.70
Weighted average number of equity shares of Rs.2/- each – Basic	531949491	512790825	531949491	512790825
Weighted Average number of equity shares of Rs.2/- each – Diluted	538178537	520013675	538178537	520013675
Basic Earnings Per Share (Rs.)	16.59	12.09	16.60	12.10
Diluted Earnings Per Share # (Rs.)	16.40	11.93	16.41	11.93

Dilution in Earnings per share is on account of 57,44,785 equity shares of face value of Rs.2/- each (March 2012 : 65,75,820 equity shares of face value of Rs.2/- each held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.

* Earnings Per Share under Fair value method is computed on proforma net profit after tax after adjusting for employee compensation costs under fair value method. Employee compensation cost under fair value method is Rs.476.72 Lakhs (March 2012 : Rs.698.62 Lakhs).

44) Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such hire purchase/leased/loan assets on account of poor financial position of such customers.

45) Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.

46) In the opinion of the Board, Current assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business.

47) Disclosure on Derivatives :

Outstanding derivative instrument and un-hedged foreign currency exposures as on 31st March, 2013

The Company has outstanding Foreign Currency Non-Repatriable [FCNR (b)] loans of US \$ 699.13 Lakhs (March 2012: USD199.13 Lakhs and JPY 18451.97 Lakhs). The loan of US \$ 699.13 Lakhs (March 2012: USD199.13 Lakhs and JPY 18451.97 Lakhs) and interest thereon has been fixed to INR liability using a cross currency swap. There is no un-hedged foreign currency exposure as on 31st March, 2013.

48) There were 28 cases (March 2012 : 22 cases) of frauds amounting to Rs. 450.31 Lakhs (March 2012: Rs 33.46 Lakhs) reported during the year. The company has recovered an amount of Rs.31.53 Lakhs (March 2012 : Rs 14.92 Lakhs) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.

49) The gold loans outstanding as a percentage of total assets is at 0.05% (March 2012 : 0.05%)

50) Related Party Disclosure as per Accounting Standard 18:

A) List of the related parties which has transaction with our Company during the year:

Holding Company	:	Mahindra & Mahindra Limited
Fellow subsidiary Companies	:	NBS International Ltd.
Mahindra Navistar Automotives Ltd.		Mahindra First Choice Wheels Ltd.
Mahindra USA, Inc.		Mahindra Retail Pvt. Ltd.
Mahindra Holidays and Resorts India Ltd.		Mahindra Two Wheelers Ltd.
Mahindra Auto Developers Pvt Ltd.		Mahindra Logistics Ltd.
Mahindra Yueda (Yancheng) Tractor Co.Ltd.		Mahindra First Choice Services Ltd.
Key Management Personnel	:	Mr. Ramesh Iyer (Managing Director)
		Dr. Jaideep Devare (Managing Director)
		Mr. Anuj Mehra (Managing Director)

B) Related Parties transactions are as under:

Sr. No.	Nature of transactions	Holding Company	Fellow subsidiary Companies	Key Management Personnel
1	Income			
	Loan income	-	10.51	-
		-	(39.67)	-
	Subvention income	1,048.52	431.58	-
	(823.00)	(288.04)	-	
	Other income	691.66	10.18	-
		-	(243.08)	-
2	Expenses			
	Interest	334.41	-	2.74
		(718.39)	(10.71)	(1.86)
	Other Expenses	1,422.08	58.66	385.44
		(1,668.88)	(21.06)	(331.98)
3	Purchase of Vehicles	213.36	-	-
		(231.14)	(34.67)	-
4	Finance			
	Fixed deposits held (including interest accrued but not due)	-	-	48.51
		-	-	(20.77)
	NCD held (including interest accrued but not due)	-	-	-
		(2,645.73)	-	-
	Dividend paid – for previous year	8,153.81	-	15.11
		(5,824.15)	-	(4.85)
	Inter Corporate Deposits given (including interest accrued but not due)	-	2,008.63	-
		-	-	-
	Loan given (including interest accrued but not due)	-	-	-
		-	(260.46)	-
5	Other transactions			
	Reimbursement to parties	-	-	-
		-	(17.87)	-
6	Outstanding			
	Receivables	234.60	3,289.26	-
		(295.01)	(5,895.04)	-
	Payables	132.76	66.33	-
		(242.49)	(8.75)	-

Figures in bracket represent corresponding figures of previous year.

C) The significant related party transactions are as under:				
Nature of transactions		Holding Company	Fellow subsidiary Companies	Key Management Personnel
Income <u>Revenue from operations</u> Subvention income	Mahindra and Mahindra Limited Mahindra Navistar Automotives Limited	1,048.52 (823.00)	431.52 (287.87)	
Expenses <u>Interest</u> Interest expense on inter corporate deposits and nonconvertible debentures	Mahindra and Mahindra Limited	334.41 (718.39)		
Purchase of fixed assets	Mahindra and Mahindra Limited	173.73 (166.55)		
Finance Fixed deposits (including interest accrued but not due) Dividend paid - for previous year Inter corporate deposits taken (including interest accrued but not due)	Mr. Ramesh Iyer Mahindra and Mahindra Limited Mahindra Two Wheelers Limited	 8,153.81 (5,824.15)	 2,008.63 -	48.51 (20.77)
Outstanding Receivables	Mahindra Holidays & Resorts India Limited Mahindra Navistar Automotives Limited		2,909.11 (5,834.89) 380.15 (60.07)	

Figures in bracket represent corresponding figures of previous year.

51) Contingent liabilities and commitments (to the extent not provided for)

	As at March 2013	As at March 2012
Contingent liabilities		
(a) Demand against the company not acknowledged as debts on taxation matters (income tax)	5472.52	4629.06

	As at March 2013	As at March 2012
(b) Corporate guarantees towards assignment transactions in favor of purchaser	71572.12	86274.38
(c) Credit enhancement in terms of corporate guarantee for securitization transactions (refer note no. 34 (f))	2922.00	-
(d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the company	2036.07	2081.51
	82002.71	92984.95
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account ;	624.91	447.13
	624.91	447.13
Total	82627.62	93432.08

52) Changes in provisions :

	As at 31.03.2012	Additional Provision	Utilisation/ Reversal	As at 31.03.2013
Provision for Standard assets	4560.29	5298.40	-	9858.69
Provision for Non-performing assets	33311.10	21524.34	15125.26	39710.18

53) Segment information as per Accounting Standard 17:

The Company has only one significant reportable segment viz., financing segment. Income from insurance broking and manpower supply activities constitutes less than 10% of the total revenue / assets / capital employed. The amounts included in "Others" represents amounts in respect of

these activities and are given for reconciling with the total consolidated revenue, profits, assets and liabilities.

Segment Report for the year ended March 31, 2013:

	Year ended 31st March 2013			Year ended 31st March 2012		
	Financing activities	Other reconciling items	Total	Financing activities	Other reconciling items	Total
External revenue	403,237.91	8,058.23	411,296.14	287,098.87	3,933.28	291,032.15
Inter segment revenue	3,124.40	14,770.11	17,894.51	1,942.07	10,780.22	12,722.29
Total revenue	406,362.31	22,828.34	429,190.65	289,040.94	14,713.50	303,754.44
Segment results (Profit before tax and after interest on financing segment)	129,891.57	5,548.50	135,440.07	94,108.36	2,112.32	96,220.68
Less: Interest on unallocated reconciling items	-	174.26	174.26	-	90.89	90.89
Net Profit before tax	129,891.57	5,374.24	135,265.81	94,108.36	2,021.43	96,129.79
Less: Income taxes	-	-	42,375.08	-	-	31,677.68
Net profit	-	-	92,890.73	-	-	64,452.11
Other information:						
Segment assets	2,671,894.34	2,688.26	2,674,582.60	1,913,080.25	1,451.82	1,914,532.07
Unallocated corporate assets			32,496.24			27,491.89
Total assets	2,671,894.34	2,688.26	2,707,078.84	1,913,080.25	1,451.82	1,942,023.96
Segment liabilities	2,221,201.47	1,667.53	2,222,869.00	1,636,766.14	1,379.77	1,638,145.91
Unallocated corporate liabilities			-			-
Total liabilities	2,221,201.47	1,667.53	2,222,869.00	1,636,766.14	1,379.77	1,638,145.91
Capital expenditure	3,501.15	72.91	3,574.06	4,691.64	93.71	4,785.35
Depreciation / amortization	2,332.59	33.31	2,365.90	2,003.62	24.90	2,028.52
Non cash expenditure other than depreciation	11,911.24	2.05	11,913.29	(1,376.63)	0.30	(1,376.33)

54) Previous year figures have been regrouped / reclassified wherever found necessary.

Signatures to Significant accounting policies and Notes to the financial statements – IV and V

For B. K. Khare and Co.
Chartered Accountants

FRN:105102W

Ramesh Iyer
Vice-Chairman &
Managing Director

V Ravi
Executive Director &
Chief Financial Officer

Padmini Khare Kaicker
Partner
Membership No. 044784

Place: Mumbai
Date: June 19, 2017

Annexure VI

Statement of Contingent Liabilities

					Rs. in Lakhs
	March 2017	March 2016	March 2015	March 2014	March 2013
Contingent liabilities					
a) Demand against the Company not acknowledged as debts -					
i) Income tax	5,308.69	3,873.42	4,416.81	7,476.77	5472.52
ii) Value Added Tax (VAT)	684.93	191.98	191.98	60.92	-
iii) Service tax	5,541.95	5,283.34	-	-	-
b) Corporate guarantees towards assignment transactions	-	15,331.13	31,338.63	55,631.29	71572.12
c) Credit enhancement in terms of corporate guarantee for securitization transactions	21,037.84	17,196.42	8,307.81	4,782.00	2922.00
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	4,333.26	3,383.96	3,126.01	2,755.55	2036.07
	36,906.67	45,260.75	47,381.24	70,706.46	82002.71

REFORMATTED STANDALONE FINANCIAL STATEMENTS

Auditor's Report as required by Section 26 of the Companies Act, 2013 read with Rule 3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014

Report of auditors on the Reformatted Standalone Financial Statements of Mahindra & Mahindra Financial Services Limited as at and for each of the years ended March 31,2017, March 31,2016, March 31, 2015, March 31, 2014 and March 31, 2013.

The Board of Directors
Mahindra & Mahindra Financial Services Limited
4th Floor, Mahindra Towers
P. K. Kurne Chowk, Worli
Mumbai 400018

Dear Sirs

We have examined the Reformatted Standalone Financial Statements (the "Reformatted Standalone Financial Statements") of Mahindra & Mahindra Financial Services Limited (the "Company") as at and for the each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31 2014 and March 31, 2013 annexed to this report for the purposes of inclusion in the offer document prepared by the Company in connection with its proposed Public Issue of Debt Securities. Such financial statements, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

- a) Section 26(1)(b) of the Companies Act, 2013 ("the Act") and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and
- b) the Securities & Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992

The preparation of such Reformatted Standalone Financial Statements is the responsibility of the Company's management. Our responsibility is to report on such statements based on our procedures.

1. The Reformatted Standalone Financial Statements have been extracted by the Management from the audited Financial Statements of the Company as at March 31,2017, March 31,2016, March 31, 2015, March 31 2014 and March 31, 2013 and from the books of account underlying such financial statements of the Company which were approved by the Board of Directors on April 25, 2017, April 23, 2016, April 23, 2015, April 23, 2014 and April 23, 2013 respectively, which have been audited by us and in respect of which we have issued our audit opinions dated April 25, 2017, April 23, 2016, April 23, 2015, April 23, 2014 and April 23, 2013, respectively to the members of the Company.
2. We have examined such reformatted financial information taking into consideration:
 - a. the terms of reference received from the Company requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Public Issue of Debt Securities; and
 - b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

3. In consideration of the requirements of Section 26(1)(b) of the Act and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, terms of our engagement agreed with you, we further report that:

The Reformatted Standalone Summary Statement of Assets and Liabilities and Schedules forming part thereof, the Reformatted Standalone Summary Statement of Profits and Losses and Schedules forming part thereof and the Reformatted Standalone Summary Statement of Cash Flows (together referred to as “Reformatted Standalone Financial Statements”) of the Company, including as at and for the each of the year ended March 31, 2017, March 31, 2016 ,March 31, 2015 , March 31, 2014 and March 31, 2013 examined by us are set out in Annexure I to III to this report. These Reformatted Standalone Financial Statements are after making adjustments and regrouping as in the management opinion, are appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure IV);

4. Based on our examination as above, we further report that:
 - a) The Reformatted Standalone Financial Statements have to be read in conjunction with the notes given in Annexure V;
 - b) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to confirm to the classification adopted for the Reformatted Standalone Financial Statements as at and for the year ended March 31, 2017;
 - c) there are no extraordinary items which need to be disclosed separately in the attached Reformatted Standalone Financial Statements;
 - d) there are no qualifications in the auditors’ reports, which require any adjustments to the Reformatted Standalone Financial Statements; and
 - e) in the preparation and presentation of Reformatted Standalone Financial Statements based on audited financial statements as referred to in paragraph 1 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 above.
5. As stated in our audit reports referred to in paragraph 1 above, we conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India to enable us to issue an opinion on the General Purpose Financial Statements. 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 misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. Our audits referred to in paragraph 1 above were carried out for the purpose of reporting the general purpose financial statements taken as a whole. For none of the periods referred to in paragraph 1 above, did we perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion on the reformatted standalone financial statements.

Other Standalone Financial Information

7. At the Company’s request, we have also examined the following Standalone financial information proposed to be included in the Offer document prepared by the Management and approved by the Board of Directors of the Company

and annexed to this report relating to the Company as at and for each of the year ended March 31, 2017 March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 :

- a) Statement of Dividend paid/proposed; Rates of Dividend, as appearing in Annexure VI;
- b) Statement of Contingent Liabilities, as appearing in Annexure VII
- c) Capitalization Statement as on March 31, 2017, as appearing in Annexure VIII

- 8. In our opinion, the reformatted Standalone financial information as disclosed in the Annexure to this report read with respective significant accounting policies and notes disclosed in Annexure IV and after making adjustments and regrouping as considered appropriate and disclosed in Annexure IV has been prepared in accordance with Section 26(1)(b) of the Companies Act 2013 (“the Act”) and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations.
- 9. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.
- 10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 11. This report is intended solely for your information and for inclusion in the offer document prepared in connection with the proposed Public Issue of Debt Securities of the Mahindra & Mahindra Financial Services Limited and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Place: Mumbai
Date: 19 June 2017

Padmini Khare Kaicker
Partner
Membership No. 044784

ANNEXURE I
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED
REFORMATTED BALANCE SHEET

Rs. in Lakhs

	Note no.	As at 31				
		March 2017	March 2016	March 2015	March 2014	March 2013
I. EQUITY & LIABILITIES						
1) Shareholders' funds						
a) Share capital	1	11300.83	11292.03	11282.81	11270.50	11260.40
b) Reserves and surplus	2	636423.59	597518.70	555658.09	498151.10	434197.48
		647724.42	608810.73	566940.90	509421.60	445457.88
2) Non-current liabilities						
a) Long-term borrowings	3	2145371.00	1733167.65	1478714.78	1690318.88	1301532.69
b) Other long-term liabilities	4	42740.10	43262.99	30247.97	27641.82	24297.19
c) Long term provisions	5	54890.35	44820.99	32796.05	31801.27	31038.95
		2243001.45	1821251.63	1541758.80	1749761.97	1356868.83
3) Current liabilities						
a) Short-term borrowings	6	586476.76	434689.28	487098.39	124428.36	130124.23
b) Trade payables -	7					
(i) Micro and Small Enterprises		0.00	0.00	0.00	0.00	0.00
(ii) Other than Micro and Small Enterprises		66296.01	47883.60	47790.43	43785.76	47884.32
c) Other current liabilities	8	893355.26	894622.42	748764.20	649114.91	503721.46
d) Short term provisions	9	161669.29	150690.26	115061.82	90059.68	65184.98
		1707797.32	1527885.56	1398714.84	907388.71	746914.99
TOTAL		4598523.19	3957947.92	3507414.54	3166572.28	2549241.70
II. ASSETS						
1) Non-current assets						
a) Fixed assets	10					
i) Tangible assets		10843.54	10791.91	10507.74	11436.25	10409.79
ii) Intangible assets		307.93	555.30	466.04	494.10	150.32
iii) Capital work-in-progress		49.09	1.85	31.54	22.99	117.57
b) Non-current investments	11	131173.39	99233.39	75992.00	52627.59	34511.43
c) Deferred tax assets (net)	12	73166.69	58527.64	41526.17	31506.64	23820.72
d) Long-term loans and advances	13	2225984.99	1852646.57	1706966.03	1582792.88	1298141.89
e) Other non-current assets	14	11223.88	5176.44	23203.46	13593.00	17056.50
		2452749.51	2026933.10	1858692.98	1692473.45	1384208.22
2) Current assets						
a) Current investments	15	57775.01	49100.67	9375.00	34289.13	21585.34
b) Trade receivables	16	582.70	511.24	567.25	1435.36	981.30
c) Cash and bank balances	17	57806.50	58521.46	47592.18	54992.66	34275.88
d) Short-term loans and advances	18	2026351.66	1813510.00	1586355.21	1379241.18	1105964.34
e) Other current assets	19	3257.81	9371.45	4831.92	4140.50	2226.62
		2145773.68	1931014.82	1648721.56	1474098.83	1165033.48
TOTAL		4598523.19	3957947.92	3507414.54	3166572.28	2549241.70
Summary of significant accounting policies and notes to the financial statements		I & II				

The notes referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred in our report of even date.

For B K Khare and Co.
Chartered Accountants
FRN:105102W

Ramesh Iyer
Vice - Chairman &
Managing Director

V Ravi
Executive Director &
Chief Financial Officer

Padmini Khare Kaicker
Partner
Membership No. 044784
Mumbai, June 19, 2017

ANNEXURE II
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED

Reformatted Statement of Profit and Loss for the year ended

		Rs. in Lakhs				
	Note No.	March 2017	March 2016	March 2015	March 2014	March 2013
I. Revenue from operations	20	617391.06	585316.11	553605.61	492163.21	385672.15
II. Other income	21	6362.76	5193.94	4864.99	3137.24	3797.75
III. Total Revenue (I + II)		623753.82	590510.05	558470.60	495300.45	389469.90
IV. Expenses:						
Employee benefits expense	22	68089.71	55880.74	45908.20	29733.41	22340.20
Finance costs	23	285742.70	263929.19	249673.13	218801.45	161876.50
Depreciation and amortization expenses	24	4602.14	4088.81	4151.63	2429.62	2224.33
Loan provisions and write offs	25	130912.67	104952.98	82748.89	50578.57	28334.34
Other expenses	26	72399.77	57840.20	50624.35	59180.56	49632.86
Total Expenses		561746.99	486691.92	433106.20	360723.61	264408.23
V. Profit before exceptional items and taxes (III-IV)		62006.83	103818.13	125364.40	134576.84	125061.67
VI. Exceptional items (net) - income / (expense)	27	0.00	0.00	0.00	0.00	2858.21
VII. Profit before tax (V ± VI)		62006.83	103818.13	125364.40	134576.84	127919.88
VIII Tax expense:						
Current tax		36350.00	53560.00	51995.00	53540.00	43350.39
Deferred tax		(14366.66)	(17001.47)	(9808.19)	(7685.91)	(3699.69)
		21983.34	36558.53	42186.81	45854.09	39650.70
IX Profit (Loss) for the year (VII - VIII)		40023.49	67259.60	83177.59	88722.75	88269.18
X Earnings per equity share (Rupees) : (Face value - Rs.2/- per share)	28 (i)					
(1) Basic		7.09	11.92	14.75	15.75	16.59
(2) Diluted		7.04	11.83	14.62	15.60	16.40
Summary of significant accounting policies and notes to the financial statements	I & II					

The notes referred to above form an integral part of the Statement of Profit and Loss
This is the Statement of Profit and Loss referred in our report of even date.

For B K Khare and Co.
Chartered Accountants
FRN:105102W

Ramesh Iyer
Vice - Chairman &
Managing Director

V Ravi
Executive Director &
Chief Financial Officer

Padmini Khare Kaicker
Partner
Membership No. 044784

Mumbai, June 19, 2017

ANNEXURE III
REFORMATTED CASH FLOW STATEMENT for the year ended March 31, 2017

					Rs. in Lakhs				
					March 2017	March 2016	March 2015	March 2014	March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES									
Profit before taxes and contingencies and exceptional items					62006.83	103818.13	125364.40	134576.84	125061.67
Add/(Less):									
<u>Non Cash Expenses :</u>									
Depreciation and amortisation expense					4602.14	4088.81	4151.63	2429.62	2224.33
Provision for Non-performing assets					44233.45	52596.10	33259.02	24486.70	5814.48
Bad debts and write offs					84500.16	51003.24	48401.00	23981.87	20922.86
General provision for Standard assets					2180.00	1353.00	1057.00	2110.00	1597.00
Higher provision & provision for diminution in the fair value of restructured advances					(0.94)	0.64	31.87	-	-
Employee compensation expense on account of ESOP Scheme					879.82	1431.06	1065.33	307.33	443.02
					136394.63	110472.85	87965.85	53315.52	31001.69
Add/(Less):									
<u>Income considered separately :</u>									
Income on investing activities					(6686.96)	(5779.77)	(4550.21)	(2933.95)	(3098.11)
(Profit)/Loss on sale of assets					(15.24)	(107.10)	(14.99)	(8.29)	(8.70)
(Profit)/Loss on sale of current investments					(88.48)	0.00	(468.64)	(9.15)	(231.18)
Income from Assignment / Securitisation transactions					(11936.72)	(20633.45)	(25622.33)	(21372.47)	(21454.93)
					(18727.40)	(26520.32)	(30656.17)	(24323.86)	(24792.92)
Operating profit before working capital changes	(I)				179674.06	187770.66	182674.08	163568.50	131270.44
Add/(Less) : Working capital changes									
(Increase)/Decrease in interest accrued others					2740.80	(1543.10)	(50.79)	(1603.28)	(198.59)
(Increase)/Decrease in Trade receivables					(71.46)	56.01	868.11	(454.06)	(212.90)
(Increase)/Decrease in Loans and advances					(693424.75)	(509152.36)	(451154.50)	(724960.70)	(818808.89)
					(690755.41)	(510639.45)	(450337.18)	(727018.04)	(819220.38)
Add: Increase / (Decrease) in current liabilities	(II)				60566.23	42617.63	2500.32	23857.91	36751.90
					(630189.18)	(468021.82)	(427836.86)	(703160.13)	(782468.48)
Cash generated from / (used in) operations	(I+II)				(450515.12)	(280251.16)	(245162.78)	(539591.63)	(651198.04)
Advance taxes paid					(42750.27)	(57890.09)	(53744.93)	(52224.45)	(44065.45)
					(493265.39)	(338141.25)	(298907.71)	(591816.08)	(695263.49)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)					(493265.39)	(338141.25)	(298907.71)	(591816.08)	(695263.49)
B. CASH FLOW FROM INVESTING ACTIVITIES									
Purchase of fixed Assets / software					(4546.05)	(4321.27)	(3978.71)	(3701.15)	(3092.66)
Sale of fixed assets					93.96	227.29	590.18	98.79	61.04
Purchase of investments Other than investments in Subsidiaries and Joint Ventures					(523396.69)	(228979.53)	(267446.45)	(214931.38)	(92935.60)
Investments in Subsidiary Companies					(14455.00)	(9457.22)	(2294.00)	(2195.00)	7.78
Investments in Joint Venture Company					(3111.84)	(4530.31)	(2998.96)	(2193.73)	(3062.69)
Investments in / maturity of term deposits with banks					12452.00	10913.77	(4516.77)	(19771.00)	(19388.00)
Sale of investments					500,437.67	180000.00	274757.77	188509.31	90368.73
Income received from investing activities					6525.24	5505.25	4334.01	2696.78	2834.14
(Increase) / Decrease in Earmarked balances with banks					(0.53)	5.56	0.24	4.58	(8.04)
Proceeds from sale of long-term investments in equity shares of Mahindra Insurance Brokers Limited					-	0.00	0.00	0.00	6432.99
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)					(26001.24)	(50636.46)	(1552.69)	(51482.80)	(18782.31)

C. CASH FLOW FROM FINANCING ACTIVITIES					
Issue of Equity shares (net of issue expenses)	(1474.94)	306.04	238.90	91.46	85531.99
Increase/(Decrease) in Bank borrowings (net)	(107685.09)	(122402.47)	(245042.73)	344064.87	200175.75
Increase/(Decrease) in Long term borrowings (net)	555850.00	472325.00	25720.00	39990.00	191450.00
Increase/(Decrease) in Short term borrowings (net)	113775.00	(41425.00)	344785.00	(5650.00)	4188.00
Increase/(Decrease) in Fixed deposits (net)	(40130.21)	10402.96	107803.59	127426.58	95305.83
Proceeds from Assignment / Securitisation transactions (in the form of EIS, Collection charges recovered etc.)	45708.90	99463.75	89044.34	159029.71	161623.22
Dividend paid (including tax on dividend)	(27126.87)	(27174.62)	(25157.82)	(23887.38)	(16816.18)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	538916.79	391495.66	297391.28	641065.24	721458.61
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	19650.16	2717.95	(3069.12)	(2233.64)	7412.81
Cash and Cash Equivalents at the beginning of the year	21495.24	18777.29	21846.41	24080.05	16667.24
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note no. 17)	41145.40	21495.24	18777.29	21846.41	24080.05

COMPONENTS OF CASH AND CASH EQUIVALENTS

	March 2017	March 2016	March 2015	March 2014	Rs. in Lakhs March 2013
Cash and cash equivalents at the end of the year					
- Cash on hand	1723.81	1872.37	1276.67	2206.40083	1839.48303
- Cheques and drafts on hand	1258.49	544.49	296.98	608.61685	484.56498
- Balances with banks in current accounts	38163.10	19078.38	17203.64	19031.39	21756
	41145.40	21495.24	18777.29	21846.40768	24080.04801

Note : The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'.

For B K Khare and Co.
Chartered Accountants
FRN:105102W

Ramesh Iyer
Vice - Chairman &
Managing Director

V Ravi
Executive Director &
Chief Financial Officer

Padmini Khare Kaicker
Partner
Membership No. 044784
Mumbai, June 19, 2017

ANNEXURE IV

For FY 2016-17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

1) Basis for preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for Standard assets as prescribed by The Reserve Bank of India (RBI) for Non-Banking Financial Companies. The Company has a policy of making additional provision on a prudential basis (refer note no. 30 of notes to the financial statements)

2) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3) Revenue recognition :

I. General :

Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measureable.

II. Income from loans :

- a) Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.
- b) Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.
- c) Delayed payment charges, fee based income and Interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

- d) Income on business assets classified as Non-performing Assets, is recognised strictly in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies. Unrealized interest recognized as income in the previous period is reversed in the month in which the asset is classified as Non-performing.

III. Subvention income :

Subvention received from manufacturers/dealers on vehicles financed is booked over the period of the contract.

IV. Income from assignment / securitization transactions :

A. Income accounted prior to the issuance of RBI Circular dated August 21, 2012 (the Circular):

- i. In case of receivables assigned/securitised by the Company, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser.
- ii. On de-recognition, the difference between book value of the receivables assigned/securitised and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment/securitisation.
- iii. On the maturity of an underlying assignment/securitisation deal, estimated provision for loss/expenses and incidental expenses in respect of the said deal are reversed as the actual losses/expenses have already been debited to the Statement of profit and loss over the period.

B. Income accounted post the issuance of RBI Circular dated August 21, 2012 (the Circular):

i. Securitisation transactions:

- a) Securitised receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.
- b) Gains arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
- c) Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront

ii. Assignment transactions:

- a. Receivables under the assignment transactions are de-recognized in the balance sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances (refer note no. 13 and 18).

- b. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the formula prescribed as per the Circular. The unamortized portion is reflected as "Other long-term liabilities" / "Other current liabilities" (refer note no. 4 and 8)

V. Income from investments:

- a) Dividend from investments is accounted for as income when the right to receive dividend is established.
- b) Interest income is accounted on accrual basis.
- c) Interest income from investments made in structured instruments are accounted based on implicit rate built in such instruments.

4) Fixed assets, depreciation and amortization:

a) Tangible assets :

- i. Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.
- ii. Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b) Depreciation on Tangible assets:

Depreciation on tangible assets is charged on Straight Line Method (SLM) in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets.

- i) Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
- ii) Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
- iii) Repossessed assets, which are primarily used vehicles, that have been capitalised for own use are depreciated at the rate of 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of Company's Tangible assets in note no.10.
- iv) Residual value of the assets is considered as nil reflecting the estimate of realisable values at the end of the useful life of an asset.

c) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

d) Amortization of Intangible assets:

Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is taken as 36 months based on management's estimates of useful life.

5) Foreign exchange transactions and translations :

i. Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

ii. Conversion

- a) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.
- b) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a) Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.
- b) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

iv. Forward exchange and other derivative contracts entered into to hedge foreign currency risk of an existing assets/liabilities

- a. In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate which is either a premium or discount arising at the inception of a forward contract is amortised over the life of the contract. Unamortised forward premium as at the yearend is reflected as Other long-term / short-term liabilities depending on the period over which the premium is amortised.
- b. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.

- c. As per the risk management policy, the Company has taken foreign currency swap to cover the risk exposure on account of foreign currency loans. These transactions are structured in such a way that the Company's foreign currency liability is crystallized at a rate of exchange prevailing on the date of taking the swap. The foreign currency loans are valued at the exchange rate prevailing on the reporting date. Foreign currency swaps are marked to market on reporting date and resultant gain or loss is charged to Statement of profit and loss.
- d. Cross currency Interest rate swaps in the nature of hedge, taken to manage currency risk as well as interest rate risk on foreign currency liabilities, whereby variable interest rate in foreign currency is swapped for fixed interest rate in Indian rupees or vice-versa. Such Interest rate swaps are marked to market at each reporting date and resultant gain or loss is recognised in Statement of profit and loss.

6) Investments :

In terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are generally carried at cost comprising of acquisition and incidental expenses. Long-term investments in structured instruments are carried at cost less principal repayments till reporting date. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Any premium on acquisition is amortised over the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

7) Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatured finance charges.

8) Employee benefits :

(a) Contribution to provident fund -

Company's contribution paid/payable during the year to provident fund is recognised in the Statement of profit and loss.

(b) Gratuity -

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

(c) Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of profit and loss. The Company has no obligation to the scheme beyond its contributions.

(d) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

9) Borrowing costs :

Borrowing costs are charged to the Statement of profit and loss. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

10) Current and deferred tax:

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

11) Securities issue expenses :

Expenses incurred in connection with fresh issue of Share capital and public issue of debt securities are adjusted against Securities premium reserve as per the provisions of section 52 of the Companies Act, 2013.

12) Impairment of assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

13) Provisions and contingent liabilities :

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

14) Employee Stock Compensation Costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation cost is amortized over the vesting period of the option on a straight line basis. The options which have lapsed are reversed by a credit to Employee compensation cost, equal to the amortised portion of value of lapsed portion and credit to Deferred employee compensation cost equal the unamortised portion.

15) Lease :

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals in respect of assets taken on operating lease arrangements are recognized as per the terms of the lease.

16) 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares etc. 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.

For FY 2015-16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

1) Basis for preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for Standard assets as prescribed by The Reserve Bank of India (RBI) for Non-Banking Financial Companies. The Company has a policy of making additional provision on a prudential basis (refer note no. 29 of notes to the financial statements)

2) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3) Revenue recognition :

I. General :

Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measureable.

II. Income from loans :

- a) Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.
- b) Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.
- c) Delayed payment charges, fee based income and Interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

- d) Income on business assets classified as Non-performing Assets, is recognised strictly in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies. Unrealized interest recognized as income in the previous period is reversed in the month in which the asset is classified as Non-performing.

III. Subvention income :

Subvention received from manufacturers/dealers on vehicles financed is booked over the period of the contract.

IV. Income from assignment / securitization transactions :

A. Income accounted prior to the issuance of RBI Circular dated August 21, 2012 (the Circular):

- i. In case of receivables assigned/securitised by the Company, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser.
- ii. On de-recognition, the difference between book value of the receivables assigned/securitised and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment/securitisation.
- iii. On the maturity of an underlying assignment/securitisation deal, estimated provision for loss/expenses and incidental expenses in respect of the said deal are reversed as the actual losses/expenses have already been debited to the Statement of profit and loss over the period.

B. Income accounted post the issuance of RBI Circular dated August 21, 2012 (the Circular):

i. Securitisation transactions:

- a. Securitised receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.
- b. Gains arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
- c. Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront

ii. Assignment transactions:

- a. Receivables under the assignment transactions are de-recognized in the balance sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances (refer note no. 13 and 18).

- b. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the formula prescribed as per the Circular. The unamortized portion is reflected as "Other long-term liabilities" / "Other current liabilities" (refer note no. 4 and 8)

V. Income from investments:

- a) Dividend from investments is accounted for as income when the right to receive dividend is established.
- b) Interest income is accounted on accrual basis.
- c) Interest income from investments made in structured instruments are accounted based on implicit rate built in such instruments.

4) Fixed assets, depreciation and amortization:

a) Tangible assets :

- i. Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.
- ii. Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b) Depreciation on Tangible assets:

Depreciation on tangible assets is charged on Straight Line Method (SLM) in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets.

- a. Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
- b. Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
- c. Repossessed assets, which are primarily used vehicles, that have been capitalised for own use are depreciated at the rate of 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of Company's Tangible assets in note no.10.
- d. Residual value of the assets is considered as nil reflecting the estimate of realisable values at the end of the useful life of an asset.

c) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

d) Amortization of Intangible assets:

Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is taken as 36 months based on management's estimates of useful life.

5) Foreign exchange transactions and translations :

i. Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

ii. Conversion

- a) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.
- b) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a) Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.
- b) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

iv. Forward exchange and other derivative contracts entered into to hedge foreign currency risk of an existing assets/liabilities

- a. In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate which is either a premium or discount arising at the inception of a forward contract is amortised over the life of the contract. Unamortised forward premium as at the year end is reflected as Other long-term / short-term liabilities depending on the period over which the premium is amortised.
- b. Exchange differences on such contracts are recognised in the Statement of profit and loss in the period in which the exchange rate changes.
- c. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.

- d. As per the risk management policy, the Company has taken foreign currency swap to cover the risk exposure on account of foreign currency loans. These transactions are structured in such a way that the Company's foreign currency liability is crystallized at a rate of exchange prevailing on the date of taking the swap. Accordingly, no loss or gain is expected on the settlement of swap as compared to the rate of exchange prevailing on the date of the swap. In such cases, foreign currency gain/losses on currency swap contracts are recognised to the extent of loss/gain on the underlying loan liabilities.

- e. Interest rate swaps in the nature of hedge, taken to manage interest rate risk on foreign currency liabilities, whereby variable interest rate is swapped for fixed interest rate, are recognized on accrual basis at fixed interest rate and charged to the Statement of Profit and Loss.

6) Investments :

In terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are generally carried at cost comprising of acquisition and incidental expenses. Long-term investments in structured instruments are carried at cost less principal repayments till reporting date. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Any premium on acquisition is amortised over the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

7) Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatured finance charges.

8) Employee benefits :

(a) Contribution to provident fund -

Company's contribution paid/payable during the year to provident fund is recognised in the Statement of profit and loss.

(b) Gratuity -

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

(c) Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of profit and loss. The Company has no obligation to the scheme beyond its contributions.

(d) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

9) Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of profit and loss. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

10) Current and deferred tax:

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

11) Share issue expenses :

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium reserve in the year in which they are incurred.

12) Impairment of assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

13) Provisions and contingent liabilities :

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

14) Employee Stock Compensation Costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation cost is amortized over the vesting period of the option on a straight line basis. The options which have lapsed are reversed by a credit to Employee compensation cost, equal to the amortised portion of value of lapsed portion and credit to Deferred employee compensation cost equal the unamortised portion.

15) Lease :

Lease rentals in respect of assets taken on operating lease arrangements are recognized as per the terms of the lease.

16) 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares etc. 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.

For FY 2014-15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

1) Basis for preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for Standard assets as prescribed by The Reserve Bank of India (RBI) for Non-Banking Financial Companies. The Company has a policy of making additional provision on a prudential basis (refer note no. 30 of notes to the financial statements)

2) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3) Revenue recognition :

I. General :

The Company follows the accrual method of accounting for recognition of income except for delayed payment charges, fee based income and Interest on trade advances, which on account of uncertainty of ultimate collection are accounted on receipt basis.

Further, in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies, income on business assets classified as Non-performing Assets, is recognised on receipt basis. Unrealized interest recognized as income in the previous period is reversed in the month in which the loan is classified as Non-performing.

II. Income from loans :

- a) Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.
- b) Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.

III. Subvention income :

Subvention received from manufacturers/dealers on retail cases is booked over the period of the contract.

IV. Income from assignment / securitization transactions :

A. Income accounted prior to the issuance of RBI Circular dated August 21, 2012 (the Circular):

- i. In case of receivables assigned/secured by the Company, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser.
- ii. On de-recognition, the difference between book value of the receivables assigned/secured and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment/secured.
- iii. On the maturity of an underlying assignment/secured deal, estimated provision for loss/expenses and incidental expenses in respect of the said deal are reversed as the actual losses/expenses have already been debited to the Statement of profit and loss over the period.

B. Income accounted post the issuance of RBI Circular dated August 21, 2012 (the Circular):

i. Securitisation transactions:

- a. Secured receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.
- b. Gains arising on secured of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
- c. Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the secured transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront

ii. Assignment transactions:

- a. Receivables under the assignment transactions are de-recognized in the balance sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances (refer note no. 13 and 18).
- b. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the formula prescribed as per the Circular. The unamortized portion is reflected as "Other long-term liabilities" / "Other current liabilities" (refer note no. 4, 8 and 37)

V. Income from investments:

- a) Dividend from investments is accounted for as income when the right to receive dividend is established.
- b) Interest income is accounted on accrual basis.
- c) Interest income from investments made in structured instruments are accounted based on implicit rate built in such instruments.

4) Fixed assets, depreciation and amortization:

a) Tangible assets :

- i. Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.
- ii. Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b) Depreciation on Tangible assets:

Depreciation on tangible assets is charged on Straight Line Method (SLM) in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets.

- a. Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
- b. Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
- c. Repossessed assets, which are primarily used vehicles, that have been capitalised for own use are depreciated at the rate of 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of Company's Tangible assets in note no.10.
- d. Residual value of the assets is considered as nil reflecting the estimate of realisable values at the end of the useful life of an asset.

c) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

d) Amortization of Intangible assets:

Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is taken as 36 months based on management's estimates of useful life.

5) Foreign exchange transactions and translations :

i. Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

ii. Conversion

- a) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.
- b) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a) Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.
- b) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

iv. Forward exchange and other derivative contracts entered into to hedge foreign currency risk of an existing assets/liabilities

- a. In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate which is either a premium or discount arising at the inception of a forward contract is amortised over the life of the contract. Unamortised forward premium as at the year end is reflected as Other long-term / short-term liabilities depending on the period over which the premium is amortised.
- b. Exchange differences on such contracts are recognised in the Statement of profit and loss in the period in which the exchange rate changes.
- c. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.
- d. As per the risk management policy, the Company has taken foreign currency swap to cover the risk exposure on account of foreign currency loans. These transactions are structured in such a way that the Company's foreign currency liability is crystallized at a rate of exchange prevailing on the date of taking the swap. Accordingly, no loss or gain is expected on the settlement of swap as compared to the rate of exchange prevailing on the date of the swap. In such cases, foreign currency gain/losses on currency swap contracts are recognised to the extent of loss/gain on the underlying loan liabilities.

- e. Interest rate swaps in the nature of hedge, taken to manage interest rate risk on foreign currency liabilities, whereby variable interest rate is swapped for fixed interest rate, are recognized on accrual basis at fixed interest rate and charged to the Statement of Profit and Loss.

6) Investments :

In terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are generally carried at cost comprising of acquisition and incidental expenses. Long-term investments in structured instruments are carried at cost less principal repayments till reporting date. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Any premium on acquisition is amortised over the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

7) Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatured finance charges.

8) Employee benefits :

(a) Contribution to provident fund -

Company's contribution paid/payable during the year to provident fund is recognised in the Statement of profit and loss.

(b) Gratuity -

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

(c) Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of profit and loss. The Company has no obligation to the scheme beyond its contributions.

(d) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

9) Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of profit and loss. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

10) Current and deferred tax:

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

11) Share issue expenses :

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium reserve in the year in which they are incurred.

12) Impairment of assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

13) Provisions and contingent liabilities :

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

14) Employee Stock Compensation Costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation cost is amortized over the vesting period of the option on a straight line basis. The options which have lapsed are reversed by a credit to Employee compensation cost, equal to the amortised portion of value of lapsed portion and credit to Deferred employee compensation cost equal the unamortised portion.

15) Lease :

Lease rentals in respect of assets taken on operating lease arrangements are recognized as per the terms of the lease.

16) 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares etc. 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.

For FY 2013-14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

1) Basis for preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards notified under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for Standard assets as prescribed by The Reserve Bank of India (RBI) for Non-Banking Financial Companies. The Company has a policy of making additional provision on a prudential basis (refer note no. 30 of notes to the financial statements)

2) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3) Revenue recognition :

i. General :

The Company follows the accrual method of accounting for recognition of income except for delayed payment charges, fee based income and Interest on trade advances, which on account of uncertainty of ultimate collection are accounted on receipt basis.

Further, in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies, income on business assets classified as Non-performing Assets, is recognised on receipt basis. Unrealized interest recognized as income in the previous period is reversed in the month in which the loan is classified as Non-performing.

ii. Income from loans :

- c) Interest Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.
- d) Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.

iii. Subvention income :

Subvention received from manufacturers/dealers on retail cases is booked over the period of the contract.

iv. Income from assignment / securitization transactions :

A. Income accounted prior to the issuance of RBI Circular dated August 21, 2012 (the Circular):

- i. Receivables assigned/secured by the Company, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser.
- ii. On de-recognition, the difference between book value of the receivables assigned/secured and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment/securitisation.
- iii. On the maturity of an underlying assignment/securitisation deal, estimated provision for loss/expenses and incidental expenses in respect of the said deal are reversed as the actual losses/expenses have already been debited to the Statement of profit and loss over the period.

B. Income accounted post the issuance of RBI Circular dated August 21, 2012 (the Circular):

i. Securitisation transactions:

- a. Securitised receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.
- b. Gains arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
- c. Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront

ii. Assignment transactions:

- a. Receivables under the assignment transactions are de-recognized in the balance sheet when they are sold subject to the portion of loan assets which is required under the Minimum Retention Criteria and reflected as Loans and Advances (refer note no. 13 and 18).

- b. The amount of profit in cash on such transactions is held under an accounting head styled as "Cash profit on loan transfer transactions pending recognition" maintained on an individual transaction basis. The amortisation of cash profit arising out of loan assignment transaction is done at the end of every financial year based on the formula prescribed as per the Circular. The unamortized portion is reflected as "Other long-term liabilities" / "Other current liabilities" (refer note no. 4, 8 and 37 (b))

v. Income from investments:

- a) Dividend from investments is accounted for as income when the right to receive dividend is established.
- b) Interest income is accounted on accrual basis.

a. Fixed assets, depreciation and amortization:

a. Tangible assets :

- i. Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.
- ii. Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b. Depreciation on Tangible assets:

Depreciation on tangible assets is charged on Straight Line Method (SLM) at rates specified in Schedule XIV to the Companies Act, 1956 on a pro-rata basis except for following assets :

- i. Office Equipment on which depreciation is charged at the rate of 16.21% instead of 4.75% as prescribed in Schedule XIV.
- ii. Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
- iii. Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
- iv. Repossessed assets that have been capitalised for own use are depreciated at the rate of 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of Company's Tangible assets in note no.10.

c. Intangible assets :

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

d. Amortization of Intangible assets:

Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is 36 months.

5. Foreign exchange transactions and translations :

i. Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

ii. Conversion

- a) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.
- b) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a) Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.
- b) Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

iv. Forward exchange and other derivative contracts entered into to hedge foreign currency risk of an existing assets/liabilities

- a. In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract.
- b. Exchange differences on such contracts are recognised in the Statement of profit and loss in the period in which the exchange rate changes.
- c. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.
- d. Interest rate swaps in the nature of hedge, taken to manage interest rate risk on foreign currency liabilities, whereby variable interest rate is swapped for fixed interest rate, are recognized on accrual basis at fixed interest rate and charged to the Statement of Profit and Loss.

6. Investments :

In terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are carried at cost comprising of acquisition and incidental expenses. Provision for diminution in value of investments, if any, is made if in the opinion of management, such diminution is other than temporary. Any premium on acquisition is amortised over the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at lower of cost or fair value.

7. Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatured finance charges.

8. Employee benefits :

a) Contribution to provident fund -

Company's contribution paid/payable during the year to provident fund and labour welfare fund are recognised in the Statement of profit and loss.

b) Gratuity -

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

c) Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of profit and loss. The Company has no obligation to the scheme beyond its monthly contributions.

d) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

9. Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of profit and loss. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

10. Current and deferred tax:

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

11. Share issue expenses :

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium reserve in the year in which they are incurred.

12. Impairment of assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

13. Provisions and contingent liabilities :

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

14. Employee Stock Compensation Costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation cost is amortized over the vesting period of the option on a straight line basis.

15. Lease :

Lease rentals in respect of assets taken on operating lease arrangements are recognized as per the terms of the lease.

16. 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares etc. 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.

For FY 2012-13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

1) Basis for preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards notified under the said Act.

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for Standard assets as prescribed by The Reserve Bank of India (RBI) for Non-Banking Financial Companies. The Company has a policy of making additional provision on a prudential basis (refer note no. 31 of notes to the financial statements)

2) Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3) Revenue recognition :

i. General :

The Company follows the accrual method of accounting for recognition of income except for delayed payment charges, fee based income and Interest on trade advances, which on account of uncertainty of ultimate collection are accounted on receipt basis. Further, in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies, income on business assets classified as Non-performing Assets, is recognised on receipt basis.

ii. Income from loans :

Income from loan transactions is accounted for by applying the interest rate implicit in such contracts.

iii. Income from subvention/service/document charges :

Subvention received from dealers/manufacturers on retail cases is booked over the period of the contract. However, service charges and documentation charges are booked at the commencement of the contract.

iv. Income from assignment / securitization transactions :

In assignment of receivables, the assets are de-recognised as all the rights, title, future receivables and interest thereof are assigned to the purchaser. On de-recognition, the difference between book value of the receivables assigned and consideration received as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction is recognised as gain or loss arising on assignment. Such assignment transactions were executed prior to issuance of RBI guidelines dated August 21, 2012 for accounting and disclosure of securitisation / assignment transactions

The recently issued guidelines as mentioned above are applicable to transactions effected on or after that date. Accordingly, securitisation transactions effected post issuance of the said guidelines are accounted as under :

- a) Securitised receivables are de-recognized in the balance sheet when they are sold i.e. if they fully meet the true sale criteria.
- b) Gains arising on securitisation of assets are recognised over the tenure of securities issued by Special Purpose Vehicles Trust (SPV).
- c) Company's contractual rights to receive the share of future interest (i.e. interest spread) in the transferred assets from the SPV is capitalised at the present value as Interest Only (I/O) strip with a corresponding liability created for unrealised gains on loan transfer transactions. The excess interest spread on the securitisation transactions are recognised in the Statement of profit and loss only when it is redeemed in cash by the SPV. Losses, if any, are recognised upfront.

v. Income from investments:

- a. Dividend from investments is accounted for as income when the right to receive dividend is established.
- b. Interest income is accounted on accrual basis.

4) Tangible and intangible assets :

a. Tangible assets :

Tangible assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

b. Intangible assets :

Intangible assets comprising of computer software is initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

5) Depreciation / Amortization :

- i. Depreciation on fixed assets, other than repossessed assets capitalised for own use, is charged on Straight Line Method (SLM) at rates specified in Schedule XIV to The Companies Act, 1956 on a pro-rata basis except that :
 - a) Office Equipment on which depreciation is charged at the rate of 16.21% instead of 4.75% as prescribed in Schedule XIV.

- b) Assets costing less than Rs.5000/- are fully depreciated in the period of purchase and
 - c) Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of vehicle for the Company.
- ii. Repossessed assets that have been capitalised for own use are depreciated @ 15% on SLM over the remaining useful life of these assets. The same have been grouped under the head 'Vehicles' forming part of 'Owned Assets'.
 - iii. Computer software is amortized over the estimated useful life. The maximum period for such amortization is 36 months.

6) Foreign exchange transactions :

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of profit and loss.

Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates and the resultant exchange differences are recognised in the Statement of profit and loss.

In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of a forward contract is recognised as income or expense and is amortised over the life of the contract. Such forward contracts outstanding at the year end are marked to market and gain or loss thereon is charged to statement of profit or loss. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognised as income or expense for the period.

7) Investments :

In terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Any premium on acquisition is amortised over the remaining maturity of the security on a constant yield to maturity basis. Such amortisation of premium is adjusted against interest income from investments. The book value of the investments is reduced to the extent of amount amortised during the relevant accounting period.

Investments other than long-term investments are classified as current investments and valued at cost or fair value whichever is less.

8) Loans against assets :

Loans against assets are stated at agreement value net of instalments received less unmatured finance charges.

9) Employee benefits :

a. Defined contribution plans –

Company's contribution paid/payable during the year to provident fund and labour welfare fund are recognised in the Statement of profit and loss.

b. Gratuity –

Liabilities with regard to the gratuity benefit payable in future are determined by actuarial valuation at each balance sheet date using the projected unit credit method and contributed to employee gratuity fund managed by Life Insurance Corporation of India. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Statement of profit and loss in the period in which they arise.

c. Superannuation -

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India. The Company has no obligation to the scheme beyond its monthly contributions.

d. Leave encashment / compensated absences –

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liabilities provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

Hitherto, the Company has determined liability on account of leave encashment on actual basis. With effect from the current year, the liability has been determined on actuarial basis. This change has no material impact on the financial statements of the Company.

10) Borrowing costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

11) Taxes on income :

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961.

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

12) Share issue expenses :

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium reserve in the year in which they are incurred.

13) Impairment of assets :

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

14) Provisions and contingent liabilities :

Provisions are recognised in accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

15) Employee Stock Compensation Costs :

Measurement and disclosure of the Employee Share-based Payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the Intrinsic value method (i.e. excess of market value of shares over the exercise price of the option at the date of grant). Compensation expense is amortized over the vesting period of the option on a straight line basis.

16) Lease :

Payments under operating lease arrangements are recognized as per the terms of the lease.

17) 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for 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, sub-division of shares etc. 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.

ANNEXURE - V
NOTES TO THE FINANCIAL STATEMENTS

Note : 1

Share capital

	As at 31				
	March 2017	March 2016	March 2015	March 2014	March 2013
Authorised capital :					
70,00,00,000 equity shares of Rs.2/- each	14000.00	14000.00	14000.00	14000.00	14000.00
50,00,000 Redeemable preference shares of Rs.100/- each	5000.00	5000.00	5000.00	5000.00	5000.00
Issued capital :					
56,87,64,960 equity shares of Rs.2/- each	11375.30	11375.30	11375.30	11375.30	11375.30
Subscribed and paid-up capital :					
56,87,64,960 equity shares of Rs.2/- each fully paid up	11375.30	11375.30	11375.30	11375.30	11375.30
Less : Shares issued to ESOS Trust but not allotted to employees (37,23,298 equity shares of Rs.2/- each (March 31, 2016 : 41,63,582 equity shares of Rs.2/- each))	74.47	83.27	92.49	104.80	114.90
	11300.83	11292.03	11282.81	11270.50	11260.40
6.90% Cummulative Redeemable Preference shares of Rs.100/- each (2012 25,00,000 shares)	0.00	0.00	0.00	0.00	0.00
Total	11300.83	11292.03	11282.81	11270.50	11260.40

For FY 2016-17:

As at March 31

	2017		2016	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares :				
Balance at the beginning of the year	568764960	11375.30	568764960	11375.30
Fresh allotment of shares	-	-	-	-
Balance at the end of the year	568764960	11375.30	568764960	11375.30
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%

a) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Shares issued to ESOS Trust

The Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment requires that shares allotted to a Trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly, the Company has reduced the Share capital by Rs. 15.71 Lakhs (March 31, 2016 : Rs. 15.71 Lakhs) in respect of 785275 equity shares of face value of Rs.2/- each (March 31, 2016 : 785275 equity shares of face value of Rs.2/- each) and Securities premium reserve by Rs. 64.39 Lakhs (March 31, 2016 : Rs. 64.39 Lakhs) in respect of 7,85,275 equity shares (March 31, 2016 : 7,85,275 equity shares) pertaining to Employee Stock Option Scheme 2005 and reduced the Share capital by Rs. 58.76 Lakhs (March 31, 2016 : Rs. 67.56 Lakhs) in respect of 2938023 equity shares of face value of Rs.2/- each (March 31, 2016 : 3378307 equity shares of face value of Rs.2/- each) pertaining to Employee Stock Option Scheme 2010 held by the Trust, as at the year-end pending allotment of shares to eligible employees.

For FY 2015-16:

As at March 31

	2016		2015	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares :				
Balance at the beginning of the year	568764960	11375.30	568764960	11375.30
Fresh allotment of shares	-	-	-	-
Balance at the end of the year	568764960	11375.30	568764960	11375.30
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%

c) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Shares issued to ESOS Trust

The Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment requires that shares allotted to a Trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly, the Company has reduced the Share capital by Rs. 83.27 Lakhs (March 31, 2015 : Rs. 92.49 Lakhs) in respect of 41,63,582 equity shares of face value of Rs.2/- each (March 31, 2015 : 46,24,289 equity shares of face value of Rs.2/- each) pertaining to Employee Stock Option Scheme 2005 and Employee Stock Option Scheme 2010 and Securities premium reserve by Rs. 64.39 Lakhs (March 31, 2015 : Rs. 64.39 Lakhs) in

respect of 7,85,275 equity shares (March 31, 2015 : 7,85,275 equity shares) pertaining to Employee Stock Option Scheme 2005 held by the Trust, as at the year-end pending allotment of shares to eligible employees.

For FY 2014-15:

	As at March 31			
	2015		2014	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares :				
Balance at the beginning of the year	568764960	11375.30	568764960	11375.30
Fresh allotment of shares / any other adjustment during the year :	-	-	-	-
Balance at the end of the year	568764960	11375.30	568764960	11375.30
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shares issued to ESOS Trust

The Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment requires that shares allotted to a Trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly, the Company has reduced the Share capital by Rs. 92.49 Lakhs (March 31, 2014 : Rs. 104.80 Lakhs), Securities premium reserve by Rs.64.39 Lakhs (March 31, 2014 : Rs. 86.83 Lakhs) in respect of 46,24,289 equity shares of face value of Rs.2/- each (March 31, 2014 : 52,39,841 equity shares of face value of Rs.2/- each) held by the Trust, as at the year end pending allotment of shares to eligible employees.

For FY 2013-14:

	March 2014		March 2013	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares :				
Balance at the beginning of the year	568764960	11375.30	104002735	10400.27
Add : Fresh allotment of shares / adjustment for sub-division of equity shares during the year :				
1) Private placement to Qualified Institutional Buyers (QIBs) through Qualified Institutional Placement (QIP) (Equity shares of face value Rs.10/-each)	-	-	9750257	975.03
2) Addition on account of sub-division of equity shares of Rs.10/- face value into equity shares of Rs.2/- face value	-	-	455011968	-
Balance at the end of the year	568764960	11375.30	568764960	11375.30
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited	291207660	5824.15	291207660	5824.15
Percentage of holding (%)	51.20%	51.20%	51.20%	51.20%

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shares issued to ESOS Trust

The Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment requires that shares allotted to a Trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly, the Company has reduced the Share capital by Rs.104.80 Lakhs (March 2013 : Rs. 114.90 Lakhs), Securities premium reserve by Rs. 86.83 Lakhs (March 2013 : Rs. 112.70 Lakhs) in respect of 52,39,841 equity shares of face value of Rs.2/- each (March 2013 : 57,44,785 equity shares of face value of Rs.2/- each) held by the Trust, as at the year end pending allotment of shares to eligible employees.

For FY 2012-13:

	March 2013		March 2012	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
a) Reconciliation of number of equity shares :				
Balance at the beginning of the year (Equity shares of face value Rs.10/- each)	104002735	10400.27	104002735	10400.27
Add : Fresh allotment of shares / adjustment for sub-division of equity shares during the year :				
1) Private placement to Qualified Institutional Buyers (QIBs) through Qualified Institutional Placement (QIP) (Equity shares of face value Rs.10/-each)	9750257	975.03	-	-
2) Addition on account of sub-division of equity shares of Rs.10/- face value into equity shares of Rs.2/- face value (on 18th February,2013)	455011968	-	-	-
Balance at the end of the year (Equity shares of face value Rs.2- each ; March 2012 : Rs.10/- each)	568764960	11375.30	104002735	10400.27
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates :				
Holding company : Mahindra & Mahindra Limited (Equity shares of face value of Rs.2- each ; March 2012 : Equity shares of face value of Rs.10/- each)	291207660	5824.15	58241532	5824.15
Percentage of holding (%)	51.20%	51.20%	56.00%	56.00%

c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Limited (Equity shares of face value of Rs.2- each ; March 2012 : Equity shares of face value of Rs.10/- each)	291207660	5824.15	58241532	5824.15
Percentage of holding (%)	51.20%	51.20%	56.00%	56.00%

d) Sub-division of equity shares

Pursuant to recommendation of the Board of Directors of the Company at its meeting held on 21st December, 2012 and followed by approval of the members by way of postal ballot, each equity share of the face value of Rs.10/- fully paid up was sub-divided into five Equity shares of Rs.2/- each fully paid up in February, 2013. In accordance with the Accounting Standard 20 pertaining to Earnings Per Share, the Company has given effect to the above mentioned sub-division of shares in computing the Earnings Per Share for the applicable previous year.

e) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) Shares issued to ESOS Trust

As per Guidance note issued by The Institute of Chartered Accountants of India on accounting for employee share-based payment which requires that shares allotted to a trust but not transferred to the employees be reduced from Share capital and Reserves. Accordingly Company has reduced the Share capital by Rs.114.90 Lakhs (March 2012 : Rs. 131.52 Lakhs), Securities premium reserve by Rs.112.70 Lakhs (March 2012 : Rs. 155.23 Lakhs) in respect of 57,44,785 equity shares of face value of Rs.2/- each (March 2012 : 13,15,164 equity shares of face value of Rs.10/- each) held by the trust pending for transfer into the beneficiary accounts of the eligible employees.

Note : 2

Reserves and surplus

	March 2017	March 2016	March 2015	March 2014	March 2013
Capital redemption reserve :					
Balance as at the beginning of the year	5000.00	5000.00	5000.00	5000.00	5000.00
Add : Transfers during the year	-	-	-	-	-
	5000.00	5000.00	5000.00	5000.00	5000.00
Less : Deductions during the year	-	-	-	-	-
Balance as at the end of the year	5000.00	5000.00	5000.00	5000.00	5000.00
Securities premium reserve:					
Balance as at the beginning of the year	203252.40	202324.25	201824.74	201558.08	116689.20
Add : Additions during the year on account of -					
i) Exercise of employee stock options	1029.01	928.15	499.51	266.66	444.18
ii) Fresh issue of shares	-	-	-	-	85704.76
	204281.41	203252.40	202324.25	201824.74	202838.14
Less :Deductions during the period in respect of retail NCD issue expenses	1,653.42	-	-	-	1280.06
Balance as at the end of the year	202627.99	203252.40	202324.25	201824.74	201558.08
Less: Premium on shares issued to ESOS Trust but not allotted to employees	64.39	64.39	64.39	86.83	112.70
Net balance	202563.60	203188.01	202259.86	201737.91	201445.38
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934					
Balance as at the beginning of the year	111620.62	98168.62	81532.62	63787.62	46133.62
Add : Transfers from Surplus in the Statement of profit and loss	8,005.00	13,452.00	16,636.00	17,745.00	17,654.00
	119625.62	111620.62	98168.62	81532.62	63787.62
Less : Deductions during the year	-	-	-	-	-
Balance as at the end of the year	119625.62	111620.62	98168.62	81532.62	63787.62
General reserve :					
Balance as at the beginning of the year	51220.78	44494.78	36176.78	27303.78	18476.78
Add : Transfers from Surplus in the Statement of profit and loss	4,003.00	6,726.00	8,318.00	8,873.00	8,827.00
	55223.78	51220.78	44494.78	36176.78	27303.78
Less : Transfers during the period	-	-	-	-	-
Balance as at the end of the year	55223.78	51220.78	44494.78	36176.78	27303.78
Debenture Redemption Reserve (DRR):					
Balance as at the beginning of the year	-	-	-	-	-
Add : Transfers during the year representing creation of DRR at the rate of 25% on a proportionate basis over the tenor of debentures issued to public	2649.86	-	0.00	-	-
	2649.86	-	0.00	-	-
Less : Deductions during the year	-	-	-	-	-
Balance as at the end of the year	2649.86	-	0.00	-	-
Employees stock options outstanding :					
A) Employees stock options outstanding -					
Balance as at the beginning of the year	4435.68	5241.45	1333.81	1347.77	1804.70
Add : Fresh grant of options	771.99	139.10	4465.00	289.16	-
	5207.67	5380.55	5798.81	1636.93	1804.70
Less : Transfers / reversals during the year					
i) Transfers to Securities premium reserve on exercise of options	1029.01	928.15	499.51	266.66	444.18
ii) Reversals for options lapsed	64.08	16.72	57.85	36.46	12.75
Balance as at the end of the year (A)	4114.58	4435.68	5241.45	1333.81	1347.77
B) Deferred employee compensation :					
Balance as at the beginning of the year	1994.35	3599.85	462.18	572.30	1101.19
Add : Fresh grant of options	771.99	139.10	4465.00	289.16	-
	2766.34	3738.95	4927.18	861.46	1101.19
Less : Amortisation during the year					
i) Transfers to employee compensation expenses	1049.50	1727.88	1269.48	362.82	516.14
ii) Reversals for options lapsed	64.08	16.72	57.85	36.46	12.75
Balance as at the end of the year (B)	1652.76	1994.35	3599.85	462.18	572.30
Balance as at the end of the year (A-B)	2461.82	2441.33	1641.60	871.63	775.47
Surplus in Statement of profit and loss :					
Balance as at the beginning of the year	224047.96	204093.23	172832.16	135885.23	97984.43
Less : Transitional depreciation charge (net of deferred tax) on recomputation based on the useful life of the assets as prescribed in Schedule II (section 123) of the Companies Act, 2013 in respect of carrying amount of assets where remaining useful life of an asset is nil.	-	-	317.77	-	-
	223533.28	204093.23	172514.39	135885.23	97984.43
Less : Transitional charge in respect of Mark to market loss on derivative transactions outstanding as at 01st April, 2016 as per Guidance note on Accounting for Derivative Transactions issued by the Institute of Chartered Accountants of India	514.68	-	-	-	-
	223533.28	204093.23	172514.39	135885.23	97984.43
Add : Transfer of opening balance in profit and loss statement on amalgamation of Mahindra Business & Consulting Services Private Ltd. (MBCSPL) with the Company (refer note no. 52 for FY14-15)	-	-	529.87	-	-
Add : Profit for the year transferred from the Statement of profit and loss	40023.49	67259.60	83177.59	88722.75	88269.18
	263556.77	271352.83	256221.85	224607.98	186253.61
Less : Appropriations :					
General reserve	4,003.00	6,726.00	8318.00	8873.00	8827.00
Statutory reserve as per Section 45-IC of The RBI Act, 1934	8,005.00	13,452.00	16636.00	17745.00	17654.00
Debenture redemption reserve	2,649.86	-	0.00	0.00	0.00
Capital redemption reserve	-	-	0.00	0.00	0.00
Proposed dividend on equity shares	-	22,750.60	22750.60	21,613.07	20,475.54
Corporate dividend tax on equity shares	-	4,376.27	4424.02	3,544.75	3,411.84
Excess provision for corporate dividend tax on equity shares for earlier year	0.00	0.00	0.00	-	-
	14657.86	47304.87	52128.62	51775.82	50368.38
Balance as at the end of the year	248898.91	224047.96	204093.23	172832.16	135885.23
Total	636423.59	597518.70	555658.09	498151.10	434197.48

Note : 3

Long-term borrowings :

	March 2017	March 2016	March 2015	March 2014	March 2013
a) Secured - #					
Non-convertible debentures (refer note no. 43)	1177330.00	730390.00	357040.00	321520.00	313960.00
Term loans :					
- from banks (refer note no. 43)	486131.28	534273.81	666930.95	960495.23	708192.00
Foreign currency loans from banks (refer note no. 43)	47460.87	53227.83	12500.00	40305.51	27142.50
Deferred payment liabilities					
Loans and advances from related parties					
Long term maturities of finance lease obligations					
Other loans & advances (Specify)					
Total	1710922.15	1317891.64	1036470.95	1322320.74	1049294.50
b) Unsecured -					
Unsecured bonds (Subordinate debts) (refer note no. 44)	211530.00	118410.00	100910.00	79410.00	59410.00
Term loans from banks	-	0.00	10000.00	10000.00	0.00
Foreign currency loans from banks					
Fixed deposits (refer note no. 44)	222918.85	296866.01	331333.83	277863.14	192053.19
Loans and advances from related parties (ICDs) (refer note no.44)	-	-	-	725.00	775.00
Total	434448.85	415276.01	442243.83	367998.14	252238.19
Total (a+b)	2145371.00	1733167.65	1478714.78	1690318.88	1301532.69

Note : 4

Other long-term liabilities :

	March 2017	March 2016	March 2015	March 2014	March 2013
Deposits / advances received against loan agreements (refer note no.34)	3932.57	2338.12	1804.35	1333.08	1260.70
Interest accrued but not due on borrowings	33437.36	31390.82	19283.53	15552.99	15983.12
Deferred subvention income	2535.73	2296.12	2508.93	3031.55	3424.05
Unrealised gains on loan transfers under securitisation transactions (refer note no.37)	2471.88	4730.46	5175.94	6629.14	3629.32
Cash profit on loan transfers under assignment transactions pending recognition	1.34	5.64	35.22	140.57	0.00
Derivative contract payables	361.22	-	-	954.49	0.00
Deferred premium payable to bank under forward exchange contracts on FCNR loans	0.00	2501.83	1440.00	-	-
Total	42740.10	43262.99	30247.97	27641.82	24297.19

Note : 5

Long-term provisions :

	March 2017	March 2016	March 2015	March 2014	March 2013
Provision for employee benefits (refer note no. 35)	2423.59	1000.81	1140.24	987.23	702.43
Others -					
- Provision for Non-performing assets (refer note no. 30)	43426.43	36337.76	24734.42	17685.49	9552.06
- Contingent provisions for Standard assets (refer note no. 30)	9030.00	7470.00	6896.00	6372.00	5220.00
- Higher provision on restructured standard advances	7.30	8.52	17.77	-	
- Provision for diminution in the fair value of restructured advances	3.03	3.90	7.62	-	
- Provision for estimated loss/expenses on assignments	-	-	-	6756.55	15564.46
Total	54890.35	44820.99	32796.05	31801.27	31038.95

Note : 6

Short-term borrowings

	March 2017	March 2016	March 2015	March 2014	March 2013
a) Secured # (refer note no. 45)					
Term loans from banks	70600.00	28100.00	72700.00	55500.00	40500.00
Cash credit facilities with banks	62090.05	81834.60	59105.33	57232.21	75027.03
Total	132690.05	109934.60	131805.33	112732.21	115527.03
b) Unsecured -					
Loans from banks :					
- Term loans (refer note no.44)	7,400.00	-	-	2,200.00	-
- from others					
- Overdraft facilities	-	-	-	-	2019.79
Loans and advances from related parties (ICDs) (refer note no.44)	55200.00	30925.00	850.00	3565.00	4215.00
Fixed deposits (refer note no. 44)	25686.71	17829.68	6943.06	5931.15	3362.41
Commercial Papers (CPs) (refer note no. 45)	365500.00	276000.00	347500.00	-	5000.00
Loans and advances from other parties (ICDs)	-	-	-	-	-
Total	453786.71	324754.68	355293.06	11696.15	14597.20
Total (a+b)	586476.76	434689.28	487098.39	124428.36	130124.23

Note : 7

Trade payables :

	March 2017	March 2016	March 2015	March 2014	March 2013
(i) Micro and Small Enterprises					
(ii) Other than Micro and Small Enterprises					
- Finance	45196.48	31995.87	33991.48	30095.50	34932.38
- Expenses	21099.53	15887.73	13798.95	13690.26	12951.94
Total	66296.01	47883.60	47790.43	43785.76	47884.32

Note : 8

Other current liabilities :

	March 2017	March 2016	March 2015	March 2014	March 2013
Current maturities of long-term debt					
a) Secured #					
Non-convertible debentures (refer note no.43)	243380.00	234470.00	152270.00	183520.00	167840.00
Foreign currency loans from banks (refer note no. 43)	52099.08	26932.51	42044.47	11983.00	10809.57
Term loans from banks (refer note no.43)	243142.86	342240.48	335730.95	306338.48	236298.67
	538621.94	603642.99	530045.42	501841.48	414948.24
b) Unsecured -					
Unsecured bonds (subordinate debts) (refer note no. 44)	6,880.00	-	-	-	3100.00
Fixed deposits (refer note no. 44)	189690.58	163730.66	129746.50	76425.51	37377.62
Loans and advances from related parties (ICDs) (refer note no. 44)	-	0.00	725.00	50.00	150.00
Term loans from banks	-	10000.00	-	-	-
	196570.58	173730.66	130471.50	76475.51	40627.62
Current maturities of finance lease obligations					
Interest accrued but not due on borrowings	95250.48	58168.59	40027.46	29745.21	14227.10
Interest accrued and due on borrowings	0.00	0.00	0.00	0.00	0.00
Income received in advance					
Unclaimed dividends #	52.66	52.14	57.69	57.93	62.52
Application money received for allotment of securities and due for refund and interest accrued thereon.					
Unclaimed matured deposits and interest accrued thereon #	376.37	382.63			
Unclaimed interest on subordinated debentures (retail issue) #	0.05	-			
Deposits / advances received against loan agreements (refer note no.34)	5209.69	1581.54	1460.65	1647.04	1728.60
Amount received in advance from ESOS trust	138.86	147.66	156.88	191.63	227.60
Less : Loan given to the ESOP trust	0.00	0.00	0.00	0.00	0.00
	138.86	147.66	156.88	191.63	227.60
Credit balances in current accounts with banks as per books	23159.97	21797.89	14032.27	7242.04	9430.67
Sundry Creditors **					
Deferred subvention income	2076.62	2108.73	2284.76	2623.37	1855.43
Unrealised gains on loan transfers under securitisation transactions (refer note no.37)	17300.26	20665.25	19175.40	15910.53	7447.22
Cash profit on loan transfers under assignment transactions pending recognition	3.32	17.93	85.42	168.42	0.00
Other current liabilities					0.00
Insurance premium payable	2413.93	2947.33	3840.65	3694.88	3155.66
Payables under assignment / securitisation transactions	3305.85	1871.91	2932.13	6157.50	7590.56
Taxes deducted at source (TDS) and Service tax liability	3242.27	3154.82	3009.23	2333.20	1528.83
Derivative contract payables	259.45	-			
Deferred premium payable to bank under forward exchange contracts on FCNR loans	2,286.21	2181.64	-	0.00	
Others	3086.75	2170.71	1184.74	1026.17	891.41
Total	893355.26	894622.42	748764.20	649114.91	503721.46

Investor Education and Protection Fund shall be credited with the unclaimed amount as and when due for transfer

Note : 9

Short-term provisions :

	March 2017	March 2016	March 2015	March 2014	March 2013
Employee benefits (refer note no. 35)	4442.84	4102.88	3455.50	5168.37	3493.65
Others -					
- Provision for estimated loss/expenses on assignments	-	-	6756.56	8807.92	4189.65
- Provision for Non-performing assets (refer note no. 30)	150020.20	112875.42	71882.66	45672.57	29319.30
- Contingent provisions for Standard assets (refer note no.30)	7185.00	6565.00	5786.00	5253.00	4295.00
- Higher provision on restructured standard advances	15.01	13.79	4.54	-	
- Provision for diminution in the fair value of restructured advances	6.24	6.30	1.94	-	
- Proposed dividend on equity shares #	-	22,750.60	22750.60	21613.07	20475.54
- Corporate dividend tax #	-	4,376.27	4424.02	3544.75	3411.84
Others (specify nature).					
Total	161669.29	150690.26	115061.82	90059.68	65184.98

For FY 2016-17

Note : 10

Fixed assets :

Rs.in lacs

Asset description	GROSS BLOCK AT COST				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at April 01, 2016	Additions	Deductions / adjustments	As at March 31, 2017	As at April 01, 2016	Additions	Deductions / adjustments	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016
i) Tangible assets :										
Premises	108.92	-	-	108.92	21.24	1.82	-	23.06	85.86	87.68
Computers	5548.51	1468.63	258.25	6758.89	4086.17	981.22	257.72	4809.67	1949.22	1462.34
Furniture and fixtures	7359.26	390.12	78.92	7670.46	3608.92	779.35	57.40	4330.87	3339.59	3750.34
Vehicles	5745.17	995.77	712.32	6028.62	3348.47	936.42	662.52	3622.37	2406.25	2396.70
Office equipments	7318.80	1124.35	208.76	8234.39	4223.95	1149.71	201.89	5171.77	3062.62	3094.85
Total (i)	26080.66	3978.87	1258.25	28801.28	15288.75	3848.52	1179.53	17957.74	10843.54	10791.91
March 2016 :	23113.74	4054.90	1087.98	26080.66	12606.00	3650.54	967.79	15288.75	10791.91	10507.74
ii) Intangible assets :										
Computer software	2395.82	506.25	-	2902.07	1840.52	753.62	-	2594.14	307.93	555.30
Total (ii)	2395.82	506.25	-	2902.07	1840.52	753.62	-	2594.14	307.93	555.30
March 2016 :	1868.29	527.53	-	2395.82	1402.25	438.27	-	1840.52	555.30	466.04
Total (i+ii)	28476.48	4485.12	1258.25	31703.35	17129.27	4602.14	1179.53	20551.88	11151.47	11347.21
March 2016 :	24982.03	4582.43	1087.98	28476.48	14008.25	4088.81	967.79	17129.27	11347.21	10973.78

For FY 2015-16

Note : 10

Fixed assets :

Rs.in lacs

Asset description	GROSS BLOCK AT COST				DEPRECIATION & AMORTISATION				NET BLOCK		
	As at 1st April, 2015	Additions	Deductions / adjustments	As at 31st Mar 2016	As at 1st April, 2015	Transitional depreciation#	Additions	Deductions / adjustments	As at 31st Mar 2016	As at 31st Mar 2016	As at 1st April, 2015
i) Tangible assets :											
Premises	108.92	-	-	108.92	19.41	-	1.83	-	21.24	87.68	89.51
Computers	5021.18	805.07	277.74	5548.51	3573.68	-	790.10	277.61	4086.17	1462.34	1447.50
Furniture and fixtures	6816.95	608.85	66.54	7359.26	2857.03	-	809.10	57.21	3608.92	3750.34	3959.92
Vehicles	5168.15	994.08	417.06	5745.17	2806.47	-	854.97	312.97	3348.47	2396.70	2361.68
Office equipments	5998.54	1646.90	326.64	7318.80	3349.41	-	1194.54	320.00	4223.95	3094.85	2649.13
Total (i)	23113.74	4054.90	1087.98	26080.66	12606.00	-	3650.54	967.79	15288.75	10791.91	10507.74
March 2015 :	19889.78	3516.56	292.60	23113.74	8453.53	481.39	3869.88	198.80	12606.00	10507.74	11436.25
ii) Intangible assets :											
Computer software	1868.29	527.53	-	2395.82	1402.25	-	438.27	-	1840.52	555.30	466.04
Total (ii)	1868.29	527.53	-	2395.82	1402.25	-	438.27	-	1840.52	555.30	466.04
March 2015 :	1614.60	253.69	-	1868.29	1120.50	-	281.75	-	1402.25	466.04	494.10
Total (i+ii)	24982.03	4582.43	1087.98	28476.48	14008.25	-	4088.81	967.79	17129.27	11347.21	10973.78
March 2015 :	21504.38	3770.25	292.60	24982.03	9574.03	481.39	4151.63	198.80	14008.25	10973.78	11930.35

represents transitional depreciation charge adjusted in opening balance of surplus in statement of profit and loss on recomputation based on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 in respect of carrying amount of assets where remaining useful life of an asset is nil (refer note no.24).

Note : 10

Fixed assets :

Rs.in lacs

Asset description	GROSS BLOCK AT COST				DEPRECIATION & AMORTISATION					NET BLOCK	
	As at 1st April, 2014	Additions	Deductions / adjustments	As at 31st March 2015	As at 1st April, 2014	Transitional depreciation#	Additions	Deductions / adjustments	As at 31st March 2015	As at 31st March 2015	As at 1st April, 2014
i) Tangible assets :											
Premises	108.92	-	-	108.92	17.59	-	1.82	-	19.41	89.51	91.33
Computers	4096.06	970.18	45.06	5021.18	2099.10	401.44	1118.20	45.06	3573.68	1447.50	1996.96
Furniture and fixtures	6252.18	583.19	18.42	6816.95	2032.83	36.38	799.84	12.02	2857.03	3959.92	4219.35
Vehicles	4836.17	530.54	198.56	5168.15	2094.53	1.86	823.09	113.01	2806.47	2361.68	2741.64
Office equipments	4596.45	1432.65	30.56	5998.54	2209.48	41.71	1126.93	28.71	3349.41	2649.13	2386.97
Total (i)	19889.78	3516.56	292.60	23113.74	8453.53	481.39	3869.88	198.80	12606.00	10507.74	11436.25
March 2014 :	18648.46	3426.06	2184.74	19889.78	8238.67	-	2309.10	2094.24	8453.53	11436.25	10409.79
ii) Intangible assets :											
Computer software	1614.60	253.69	-	1868.29	1120.50	-	281.75	-	1402.25	466.04	494.10
Total (ii)	1614.60	253.69	-	1868.29	1120.50	-	281.75	-	1402.25	466.04	494.10
March 2014 :	1150.30	464.30	-	1614.60	999.98	-	120.52	-	1120.50	494.10	150.32
Total (i+ii)	21504.38	3770.25	292.60	24982.03	9574.03	481.39	4151.63	198.80	14008.25	10973.78	11930.35
March 2014 :	19798.76	3890.36	2184.74	21504.38	9238.65	-	2429.62	2094.24	9574.03	11930.35	10560.11

represents transitional depreciation charge adjusted in opening balance of surplus in statement of profit and loss on recomputation based on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 in respect of carrying amount of assets where remaining useful life of an asset is nil (refer note no.24).

For FY 2013-14

Note : 10

Fixed assets :

Rs.in lacs

Asset description	GROSS BLOCK AT COST				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at 1st April, 2013	Additions	Deductions / adjustments	As at 31st March 2014	As at 1st April, 2013	Additions	Deductions / adjustments	As at 31st March 2014	As at 31st March 2014	As at 1st April, 2013
i) Tangible assets :										
Premises	108.92	-	-	108.92	15.82	1.77	-	17.59	91.33	93.10
Computers	4529.66	709.09	1142.69	4096.06	2695.32	545.44	1141.66	2099.10	1996.96	1834.34
Furniture and fixtures	5734.20	775.54	257.56	6252.18	1812.81	453.15	233.13	2032.83	4219.35	3921.39
Vehicles	4050.98	1088.68	303.49	4836.17	1729.51	608.06	243.04	2094.53	2741.64	2321.47
Office equipment	4224.70	852.75	481.00	4596.45	1985.21	700.68	476.41	2209.48	2386.97	2239.49
Total (i)	18648.46	3426.06	2184.74	19889.78	8238.67	2309.10	2094.24	8453.53	11436.25	10409.79
March 2013 :	15855.29	2977.07	183.90	18648.46	6240.82	2129.41	131.56	8238.67	10409.79	9614.47
ii) Intangible assets :										
Computer software	1150.30	464.30	-	1614.60	999.98	120.52	-	1120.50	494.10	150.32
Total (ii)	1150.30	464.30	-	1614.60	999.98	120.52	-	1120.50	494.10	150.32
March 2013 :	1000.17	150.13	-	1150.30	905.06	94.92	-	999.98	150.32	95.11
Total (i+ii)	19798.76	3890.36	2184.74	21504.38	9238.65	2429.62	2094.24	9574.03	11930.35	10560.11
March 2013 :	16855.46	3127.20	183.90	19798.76	7145.88	2224.33	131.56	9238.65	10560.11	9709.58

For FY 2012-13

Note : 10

Fixed assets :

Rs.in lakhs

Asset description	GROSS BLOCK AT COST			DEPRECIATION & AMORTISATION				NET BLOCK		
	As at 1st April, 2012	Additions	Deductions / adjustments	As at 31st March, 2013	As at 1st April, 2012	Additions	Deductions / adjustments	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
i) Tangible assets :										
Premises	108.92	-	-	108.92	14.04	1.78	-	15.82	93.10	94.88
Computers	4075.59	462.03	7.96	4529.66	2189.88	513.19	7.75	2695.32	1834.34	1885.71
Furniture and fixtures	4645.46	1101.63	12.89	5734.20	1353.51	466.70	7.39	1812.82	3921.38	3291.95
Vehicles	3659.88	544.44	153.34	4050.98	1268.63	568.26	107.38	1729.51	2321.47	2391.25
Office equipment	3365.44	868.97	9.71	4224.70	1414.76	579.49	9.04	1985.21	2239.49	1950.68
Total (i)	15855.29	2977.07	183.90	18648.46	6240.82	2129.41	131.57	8238.67	10409.79	9614.47
March 2012 :	11600.89	4512.89	258.49	15855.29	4573.42	1892.51	225.10	6240.82	9614.47	7027.47
ii) Intangible assets :										
Computer software	1000.17	150.13	-	1150.30	905.06	94.92	-	999.98	150.32	95.11
Total (ii)	1000.17	150.13	-	1150.30	905.06	94.92	-	999.98	150.32	95.11
March 2012 :	988.64	11.53	-	1000.17	841.25	63.81	-	905.06	95.11	147.39
Total (i+ii)	16855.46	3127.20	183.90	19798.76	7145.88	2224.33	131.57	9238.64	10560.11	9709.58
March 2012 :	12589.53	4524.42	258.49	16855.46	5414.67	1956.32	225.10	7145.89	9709.57	7174.86

Note : 11

Non-current investments :

	March 2017	March 2016	March 2015	March 2014	March 2013
A) Quoted (at cost) : Trade					
(i) Government securities (refer note no. 11(i))	70418.03	63220.81	50612.79	37895.56	24168.13
(ii) Secured redeemable non-convertible debentures (refer note no. ----) (Non-current portion of long term investments in secured redeemable non-convertible debentures)	8975.00	2000.01	5354.17	-	
Non -Trade :					
- Units of mutual funds	200.00	-			
(A)	79593.03	65220.82	55966.96	37895.56	24168.13
B) Unquoted (at cost) : Non-trade					
(a) Equity investment in subsidiary companies :					
(i) Mahindra Insurance Brokers Limited (2190722 equity shares of face value of Rs.10/- each fully paid up (refer note no. 11(ii))	47.98	47.98	47.98	47.98	47.98
(ii) Mahindra Rural Housing Finance Limited - Fully paid-up : 8,32,40,655 equity shares of Rs.10/- each fully paid up, of which 1,75,20,003 equity shares are at a premium of Rs. 15/- per share, 87,43,040 equity shares are at a premium of Rs.30/- per share and 1,69,77,612 equity shares are at a premium of Rs.57/- per share. (March 2016 : 6,62,63,043 equity shares of Rs.10/- each fully paid up, of which 1,75,20,003 equity shares are at a premium of Rs. 15/- per share and 87,43,040 equity shares are at a premium of Rs.30/- per share)	23252.22	11877.22	8380.00	6190.00	4000.00
(iv) Mahindra Asset Management Company Private Ltd. - Fully paid-up : 9,10,00,000 equity shares of Rs.10/- each fully paid up (March 2016 : 6,05,50,000 equity shares of Rs.10/- each fully paid up)	9100.00	6055.00	105.00	5.00	0.00
(vi) Mahindra Trustee Company Private Ltd. - Fully paid-up : 50,00,000 equity shares of Rs.10/- each fully paid up (March 2016 : 1,50,000 equity shares of Rs.10/- each fully paid up)	50.00	15.00	5.00	-	
(b) Equity investment in Joint Venture :	32450.20	17995.20	8537.98	6243.98	4048.98
49% Ownership in Mahindra Finance USA, LLC (Joint venture entity with De Lage Landen Financial Services INC. in United States of America) (refer note no. 11(iii))	18429.16	15317.32	10787.01	7788.05	5594.32
(c) Equity investment in other entities :					
New Democratic Electoral Trust - Fully paid-up : 10,000 equity shares of Rs.10/- each fully paid up (March 2016 : 500 equity shares of Rs.10/- each fully paid up)	1.00	0.05	0.05	-	-
	50880.36	33312.57	19325.04	14032.03	9643.30
(d) Investment in Bonds / Debentures :					
70 11% Unsecured redeemable non-convertible subordinate debentures issued by Mahindra Rural Housing Finance Limited (Tenure : 5 years and 6 months ; Maturity : 28th Dec, 2018)	700.00	700.00	700.00	700.00	700.00
(B)	51580.36	34012.57	20025.04	14732.03	10343.30
Total (A + B)	131173.39	99233.39	75992.00	52627.59	34511.43

Additional Information :

	March 2017	March 2016	March 2015	March 2014	March 2013
a) Aggregate amount of quoted investments and market value -					
i) Aggregate amount	79593.03	65220.82	55966.96	37895.56	24168.13
ii) Market value	84807.78	67928.16	58916.61	36504.87	24709.68
b) Aggregate amount of unquoted investments	51580.36	34012.57	20025.04	14732.03	10343.30

For FY 2016-17:-

i) Details of quoted Long-term investments in Government stock :

As at March 31, 2017:

Rs. in Lakhs

Particulars	Face Value (Rs.)	Units	Amount	Market Value
Govt Stock 6.90%-13/07/2019	100	1000000	947.79	1009.88
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50	1514.81
Govt Stock 6.90%-13/07/2019	100	1000000	932.55	1009.88
Govt Stock 6.35%-02/01/2020	100	1000000	885.25	996.12
Govt Stock 7.80%-03/05/2020	100	500000	488.65	515.25
Govt Stock 10.25%-30/05/2021	100	1000000	1057.01	1123.26
Govt Stock 8.20%-15/02/2022	100	1000000	1004.37	1055.24
Govt Stock 8.20%-15/02/2022	100	1000000	1001.28	1055.24
Govt Stock 8.13%-21/09/2022	100	1500000	1505.17	1586.44
Govt Stock 8.13%-21/09/2022	100	500000	490.95	528.81
Govt Stock 8.13%-21/09/2022	100	500000	490.71	528.81
Govt Stock 8.13%-21/09/2022	100	1000000	955.80	1057.63
Govt Stock 7.16%-20/5/2023	100	1000000	900.55	1004.32
Govt Stock 7.16%-20/5/2023	100	1000000	904.70	1004.32
Govt Stock 8.83%-25/11/2023	100	2000000	2026.85	2175.50
Govt Stock 9.15%-14/11/2024	100	2500000	2631.47	2766.26
Govt Stock 9.15%-14/11/2024	100	1000000	1088.37	1106.50
MP SDL 8.15%-13/11/2025	100	2500000	2500.91	2601.97
MP SDL 8.15%-13/11/2025	100	1100000	1171.29	1144.87
MP SDL 8.15%-13/11/2025	100	1200000	1277.77	1248.95
TN SDL 8.27%-23/12/2025	100	1000000	1001.79	1031.17
Maharashtra SDL 8.26% 23/12/2025	100	2000000	2137.26	2128.34
Rajasthan SDL 8.30% 13/01/2026	100	2500000	2719.85	2748.14
UP SDL 8.39% 27/01/2026	100	500000	500.59	500.67
AP SDL 8.39% 27/01/2026	100	1000000	1001.18	1001.34

Particulars	Face Value (Rs.)	Units	Amount	Market Value
Govt Stock 8.33%-09/07/2026	100	2000000	2056.05	2141.26
Govt Stock 8.24%-15/02/2027	100	2000000	1898.50	2125.20
Govt Stock 8.24%-15/02/2027	100	1000000	959.15	1062.60
Govt Stock 8.24%-15/02/2027	100	1000000	956.33	1062.60
Govt Stock 8.24%-15/02/2027	100	1000000	1015.21	1062.60
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75	1606.50
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10	2142.00
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90	2142.00
Govt Stock 8.28%-21/09/2027	100	1000000	932.65	1071.00
Govt Stock 8.28%-21/09/2027	100	2000000	2002.12	2142.00
Govt Stock 8.97%-05/12/2030	100	1000000	1024.59	1123.86
Govt Stock 8.97%-05/12/2030	100	1000000	1025.76	1123.86
Govt Stock 8.97%-05/12/2030	100	500000	514.42	561.93
Govt Stock 8.97%-05/12/2030	100	1000000	1029.20	1123.86
Govt Stock 8.97%-05/12/2030	100	500000	523.19	561.93
Govt Stock 8.97%-05/12/2030	100	1000000	1037.36	1123.86
Govt Stock 8.97%-05/12/2030	100	1500000	1587.80	1685.79
Govt Stock 8.97%-05/12/2030	100	1000000	1097.36	1123.86
Govt Stock 8.97%-05/12/2030	100	1000000	1082.08	1123.86
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20	1685.79
Govt Stock 8.97%-05/12/2030	100	2000000	2178.73	2247.73
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50	2677.91
Govt Stock 8.32%-02/08/2032	100	1000000	1009.91	1073.92
Govt Stock 8.32%-02/08/2032	100	1000000	1029.93	1073.92
Govt Stock 8.24%-10/11/2033	100	1000000	1025.02	1079.42
Govt Stock 8.33%-07/06/2036	100	1500000	1547.36	1635.00
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30	1628.22
Govt Stock 8.83%-12/12/2041	100	1000000	1016.77	1136.02
Govt Stock 8.83%-12/12/2041	100	1000000	1021.87	1136.02
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33	1704.02
Total		70300000	70418.03	75632.25

As at March 31, 2016:

Rs. in Lakhs

Particulars	Face Value (Rs.)	Units	Amount	Market Value
Govt Stock 6.90%-13/07/2019	100	1000000	947.79	982.50
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50	1473.75
Govt Stock 6.90%-13/07/2019	100	1000000	932.55	982.50
Govt Stock 6.35%-02/01/2020	100	1000000	885.25	962.40
Govt Stock 7.80%-03/05/2020	100	500000	488.65	503.00
Govt Stock 10.25%-30/05/2021	100	1000000	1070.70	1101.48
Govt Stock 8.20%-15/02/2022	100	1000000	1005.27	1014.70
Govt Stock 8.20%-15/02/2022	100	1000000	1001.54	1014.70
Govt Stock 8.13%-21/09/2022	100	1500000	1506.11	1520.23
Govt Stock 8.13%-21/09/2022	100	500000	490.95	506.74
Govt Stock 8.13%-21/09/2022	100	500000	490.71	506.74
Govt Stock 8.13%-21/09/2022	100	1000000	955.80	1013.49
Govt Stock 7.16%-20/5/2023	100	1000000	900.55	966.80
Govt Stock 7.16%-20/5/2023	100	1000000	904.70	966.80
Govt Stock 8.83%-25/11/2023	100	2000000	2030.88	2117.00
Govt Stock 9.15%-14/11/2024	100	2500000	2648.71	2710.06
Govt Stock 9.15%-14/11/2024	100	1000000	1099.95	1084.02
MP SDL 8.15%-13/11/2025	100	2500000	2501.01	2498.96
TN SDL 8.27%-23/12/2025	100	1000000	1002.00	1011.09
UP SDL 8.39% 27/01/2026	100	500000	500.66	500.67
UP SDL 8.39% 27/01/2026	100	1000000	1001.31	1001.34
Govt Stock 8.33%-09/07/2026	100	2000000	2062.09	2028.40
Govt Stock 8.24%-15/02/2027	100	2000000	1898.50	2056.81
Govt Stock 8.24%-15/02/2027	100	1000000	959.15	1028.40
Govt Stock 8.24%-15/02/2027	100	1000000	956.33	1028.40
Govt Stock 8.24%-15/02/2027	100	1000000	1016.75	1028.40
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75	1542.75
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10	2057.00
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90	2057.00
Govt Stock 8.28%-21/09/2027	100	1000000	932.65	1028.50
Govt Stock 8.28%-21/09/2027	100	2000000	2002.33	2057.00
Govt Stock 8.97%-05/12/2030	100	1000000	1026.39	1082.69
Govt Stock 8.97%-05/12/2030	100	1000000	1027.65	1082.69
Govt Stock 8.97%-05/12/2030	100	500000	515.47	541.34
Govt Stock 8.97%-05/12/2030	100	1000000	1031.33	1082.69
Govt Stock 8.97%-05/12/2030	100	500000	524.88	541.34
Govt Stock 8.97%-05/12/2030	100	1000000	1040.09	1082.69
Govt Stock 8.97%-05/12/2030	100	1500000	1594.21	1624.03
Govt Stock 8.97%-05/12/2030	100	1000000	1104.47	1082.69
Govt Stock 8.97%-05/12/2030	100	1000000	1088.07	1082.69
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20	1624.03
Govt Stock 8.97%-05/12/2030	100	2000000	2191.79	2165.37
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50	2567.88
Govt Stock 8.32%-02/08/2032	100	1000000	1010.56	1032.15
Govt Stock 8.32%-02/08/2032	100	1000000	1031.88	1032.15
Govt Stock 8.24%-10/11/2033	100	1000000	1026.53	1028.50
Govt Stock 8.33%-07/06/2036	100	1500000	1549.82	1552.50
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30	1548.90

Particulars	Face Value (Rs.)	Units	Amount	Market Value
Govt Stock 8.83%-12/12/2041	100	1000000	1017.45	1092.05
Govt Stock 8.83%-12/12/2041	100	1000000	1022.75	1092.05
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33	1638.08
Total		6350000	63220.81	65928.15

Quoted investments of Rs. 70418.03 Lakhs (March 31, 2016: Rs. 63,220.81 Lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.

ii) Details of investments in Secured redeemable non-convertible debentures :

As at March 31, 2017:

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In Lakhs)	Rs. in Lakhs		Total
				(a) Non Current	(b) Current	
1	INTREPID FINANCE AND LEASING PRIVATE LIMITED SR-F 13 XIRR NCD 28AG17 FV RS 416667	80	800	0.00	166.67	166.67
2	LIGHT MICROFINANCE PRIVATE LIMITED SR-F 13.6 XIRR NCD 28AG17 FVRS10LAKH	75	750	0.00	156.25	156.25
3	M POWER MICROFINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAKH	75	750	0.00	156.25	156.25
4	SAIJA FINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAKH	80	800	0.00	166.67	166.67
5	SATIN CREDITCARE NETWORK LIMITED SR-F 12.3 XIRR NCD 28AG17 FVRS10LAKH	300	3000	0.00	625.00	625.00
6	SV CREDITLINE PVT. LTD. SR-F 12.75 XIRR NCD 28AG17 FVRS10LAKH	200	2000	0.00	416.67	416.67
7	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 12.75 XIRR NCD 28AG17 FVRS250000	150	1500	0.00	312.50	312.50
8	UTKARSH MICROFINANCE LIMITED SR-F 10.50 XIRR NCD 28JUNE19 FVRS10LAKH	800	8000	5600.00	2400.00	8000.00

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In Lakhs)	(a) Non Current	(b) Current	Total
9	PUDHUAARU FINANCIAL SERVICED PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAKH	150	1500	750.00	750.00	1500.00
10	SMILE MICROFINANCE PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAKH	150	1500	750.00	750.00	1500.00
11	SAMASTA MICROFINANCE PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAKH	150	1500	750.00	750.00	1500.00
12	SVASTI MICROFINANCE PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAKH	75	750	375.00	375.00	750.00
13	ZEN LEFIN PRIVATE LIMITED SR-F 11.40 XIRR NCD 7MAR19 FVRS10LAKH	150	1500	750.00	750.00	1500.00
	Total			8975.00	7775.01	16750.01

Note : Secured redeemable non-convertible debentures are redeemable in tranches as per the terms and conditions of the issue.

As at March 31, 2016

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In Lakhs)	Rs. in		Total
				Lakhs		
(a) Non Current	(b) Current					
1	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAKH	100	1000	-	416.67	416.67
2	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
3	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAKH	100	1000	-	416.67	416.67

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In Lakhs)	(a) Non Current	(b) Current	Total
4	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
5	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAKH	150	1500	-	625.00	625.00
6	DISHA MICROFIN PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
7	FUSION MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
8	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	100	1000	-	250.00	250.00
9	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAKH	200	2000	-	833.33	833.33
10	SATIN CREDITCARE NETWORK LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	150	1500	-	375.00	375.00
11	SONATA FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAKH	150	1500	-	625.00	625.00
12	SV CREDITLINE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAKH	75	750	-	187.50	187.50
13	INTREPID FINANCE AND LEASING PRIVATE LIMITED SR-F 13 XIRR NCD 28AG17 FVRS750000	80	800	166.67	400.00	566.67
14	LIGHT MICROFINANCE PRIVATE LIMITED SR-F 13.6 XIRR NCD 28AG17 FVRS10LAKH	75	750	156.25	375.00	531.25

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In Lakhs)	(a) Non Current	(b) Current	Total
15	M POWER MICROFINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAKH	75	750	156.25	375.00	531.25
16	SAIJA FINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAKH	80	800	166.67	400.00	566.67
17	SATIN CREDITCARE NETWORK LIMITED SR-F 12.3 XIRR NCD 28AG17 FVRS10LAKH	300	3000	625.00	1500.00	2125.00
18	SV CREDITLINE PVT. LTD. SR-F 12.75 XIRR NCD 28AG17 FVRS10LAKH	200	2000	416.67	1000.00	1416.67
19	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 12.75 XIRR NCD 28AG17 FVRS750000	150	1500	312.50	750.00	1062.50
	Total			2000.01	9279.17	11279.18

Note : Secured redeemable non-convertible debentures are redeemable in tranches as per the terms and conditions of the issue.

iii) During the year, the Company has made following equity investments –

- a) Rs.11375.00 Lakhs (March 31, 2016 : Rs. 3497.22 Lakhs) in Mahindra Rural Housing Finance Ltd., its subsidiary, by subscription to 1,69,77,612 Equity shares of Rs.10/- each for cash at a premium of Rs.57/- per Equity share on a rights basis on which Rs.67/- per Equity share (March 31, 2016 : 87,43,040 Equity shares of Rs.10/- each for cash at Rs.40/- per share ,including premium of Rs.30/- per Equity share) has been fully paid up.
- b) Rs.3045.00 Lakhs (March 31, 2016 : Rs. 5950.00 Lakhs) in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 3,04,50,000 Equity shares of Face Value of Rs.10/- each at par for cash fully paid up on a rights basis.
- c) Rs. 35.00 Lakhs (March 31, 2016 : Rs.10.00 Lakhs) in Mahindra Trustee Company Private Limited, a wholly owned subsidiary, by subscription to 35,00,000 Equity shares of Face Value of Rs.10/- each at par for cash fully paid up on a rights basis.
- d) Rs.3111.84 Lakhs equivalent to US \$ 4.64 million (March 31, 2016 : Rs. 4530.31 Lakhs equivalent to US \$ 6.96 million) being additional equity infusion in Mahindra Finance USA LLC, a 49% joint venture company formed jointly with De Lage Landen Financial Services Inc. in United States.

e) Rs.0.95 Lakh (March 31, 2016 : Rs.0.05 Lakh) in New Democratic Electoral Trust, a Trust approved by the Central Board of Direct Taxes under Electoral Trust Scheme, 2013, by subscription to 9,500 Equity shares, including 7,000 additional Equity shares offered, of Face Value of Rs.10/- each at par for cash fully paid up on a rights basis.

* Having regard to the long-term nature of the investments, the decline in market value as compared to carrying value is considered temporary, hence no provision for diminution in value is considered necessary.

For FY 2015-16:-

ii) Details of quoted Long-term investments in Government stock :

As at March 31, 2016:

Particulars	Face Value (Rs.)	Rs. in Lakhs	
		Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1070.70
Govt Stock 8.20%-15/02/2022	100	1000000	1005.27
Govt Stock 8.20%-15/02/2022	100	1000000	1001.54
Govt Stock 8.13%-21/09/2022	100	1500000	1506.11
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 7.16%-20/5/2023	100	1000000	900.55
Govt Stock 7.16%-20/5/2023	100	1000000	904.70
Govt Stock 8.83%-25/11/2023	100	2000000	2030.88
Govt Stock 9.15%-14/11/2024	100	2500000	2648.71
Govt Stock 9.15%-14/11/2024	100	1000000	1099.95
MP SDL 8.15%-13/11/2025	100	2500000	2501.01
TN SDL 8.27%-23/12/2025	100	1000000	1002.00
UP SDL 8.39% 27/01/2026	100	500000	500.66
UP SDL 8.39% 27/01/2026	100	1000000	1001.31
Govt Stock 8.33%-09/07/2026	100	2000000	2062.09
Govt Stock 8.24%-15/02/2027	100	2000000	1898.50
Govt Stock 8.24%-15/02/2027	100	1000000	959.15
Govt Stock 8.24%-15/02/2027	100	1000000	956.33
Govt Stock 8.24%-15/02/2027	100	1000000	1016.75
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90
Govt Stock 8.28%-21/09/2027	100	1000000	932.65
Govt Stock 8.28%-21/09/2027	100	2000000	2002.33
Govt Stock 8.97%-05/12/2030	100	1000000	1026.39
Govt Stock 8.97%-05/12/2030	100	1000000	1027.65

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 8.97%-05/12/2030	100	500000	515.47
Govt Stock 8.97%-05/12/2030	100	1000000	1031.33
Govt Stock 8.97%-05/12/2030	100	500000	524.88
Govt Stock 8.97%-05/12/2030	100	1000000	1040.09
Govt Stock 8.97%-05/12/2030	100	1500000	1594.21
Govt Stock 8.97%-05/12/2030	100	1000000	1104.47
Govt Stock 8.97%-05/12/2030	100	1000000	1088.07
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20
Govt Stock 8.97%-05/12/2030	100	2000000	2191.79
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50
Govt Stock 8.32%-02/08/2032	100	1000000	1010.56
Govt Stock 8.32%-02/08/2032	100	1000000	1031.88
Govt Stock 8.24%-10/11/2033	100	1000000	1026.53
Govt Stock 8.33%-07/06/2036	100	1500000	1549.82
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1017.45
Govt Stock 8.83%-12/12/2041	100	1000000	1022.75
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33
Total		63500000	63220.81

As at March 31, 2015:

Rs. in Lakhs

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1084.47
Govt Stock 8.13%-21/09/2022	100	1500000	1507.06
Govt Stock 8.20%-15/02/2022	100	1000000	1006.17
Govt Stock 8.20%-15/02/2022	100	1000000	1001.80
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 7.16%-20/5/2023	100	1000000	900.55
Govt Stock 7.16%-20/5/2023	100	1000000	904.70
Govt Stock 8.83%-25/11/2023	100	2000000	2034.93
Govt Stock 9.15%-14/11/2024	100	2500000	2666.00
Govt Stock 9.15%-14/11/2024	100	1000000	1111.57
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90
Govt Stock 8.28%-21/09/2027	100	1000000	932.65
Govt Stock 8.24%-15/02/2027	100	2000000	1898.50
Govt Stock 8.24%-15/02/2027	100	1000000	959.15
Govt Stock 8.24%-15/02/2027	100	1000000	956.33
Govt Stock 8.28%-21/09/2027	100	2000000	2002.53

Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 8.97%-05/12/2030	100	1000000	1028.19
Govt Stock 8.97%-05/12/2030	100	1000000	1029.53
Govt Stock 8.97%-05/12/2030	100	500000	516.53
Govt Stock 8.97%-05/12/2030	100	1000000	1033.47
Govt Stock 8.97%-05/12/2030	100	500000	526.58
Govt Stock 8.97%-05/12/2030	100	1000000	1042.83
Govt Stock 8.97%-05/12/2030	100	1500000	1600.64
Govt Stock 8.97%-05/12/2030	100	1000000	1111.60
Govt Stock 8.97%-05/12/2030	100	1000000	1094.09
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20
Govt Stock 8.97%-05/12/2030	100	2000000	2204.88
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1018.13
Govt Stock 8.83%-12/12/2041	100	1000000	1023.64
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33
Total		51000000	50612.79

Quoted investments of Rs.63,220.81 Lakhs (March 31, 2015: Rs.50,612.79 Lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.

iv) Details of investments in Secured redeemable non-convertible debentures :

As at March 31, 2016:

Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	Lakhs		Total
				(a) Non Current	(b) Current	
1	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000	-	416.67	416.67
2	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750	-	187.50	187.50
3	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000	-	416.67	416.67
4	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR	75	750	-	187.50	187.50

	NCD 16SP16 FVRS10LAC					
5	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500	-	625.00	625.00
Sr. No	ISIN Description	Total Quantity	Face Value (Rs. In lakhs)	(a) Non Current	(b) Current	Total
6	DISHA MICROFIN PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750	-	187.50	187.50
7	FUSION MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750	-	187.50	187.50
8	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000	-	250.00	250.00
9	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	200	2000	-	833.33	833.33
10	SATIN CREDITCARE NETWORK LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	150	1500	-	375.00	375.00
11	SONATA FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500	-	625.00	625.00
12	SV CREDITLINE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750	-	187.50	187.50
13	INTREPID FINANCE AND LEASING PRIVATE LIMITED SR-F 13 XIRR NCD 28AG17 FVRS750000	80	800	166.67	400.00	566.67
14	LIGHT MICROFINANCE PRIVATE LIMITED SR-F 13.6 XIRR NCD 28AG17 FVRS10LAC	75	750	156.25	375.00	531.25
15	M POWER MICROFINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAC	75	750	156.25	375.00	531.25

16	SAIJA FINANCE PRIVATE LIMITED SR-F 13.1 XIRR NCD 28AG17 FVRS10LAC	80	800	166.67	400.00	566.67
17	SATIN CREDITCARE NETWORK LIMITED SR-F 12.3 XIRR NCD 28AG17 FVRS10LAC	300	3000	625.00	1500.00	2125.00
18	SV CREDITLINE PVT. LTD. SR-F 12.75 XIRR NCD 28AG17 FVRS10LAC	200	2000	416.67	1000.00	1416.67
19	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 12.75 XIRR NCD 28AG17 FVRS750000	150	1500	312.50	750.00	1062.50
Total				2000.01	9279.17	11279.18

Note : Secured redeemable non-convertible debentures are redeemable in tranches as per the terms and conditions of the issue.

As at March 31, 2015:

Sr. No	ISIN Description	Total Quantity	Face Value	Lakhs		Total
				(a) Non Current	(b) Current	
1	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000.00	416.67	500.00	916.67
2	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
3	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000.00	416.67	500.00	916.67
4	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.5	375	562.50
5	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1375.00
6	DISHA MICROFIN PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
7	FUSION MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50

8	FUTURE FINANCIAL SERVICES LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000.00	250.00	500.00	750.00
9	FUTURE FINANCIAL SERVICES LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1375.00
10	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000.00	250.00	500.00	750.00
11	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	200	2000.00	833.33	1000.00	1833.33
12	SATIN CREDITCARE NETWORK LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	150	1500.00	375.00	750.00	1125.00
13	SONATA FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1375.00
14	SV CREDITLINE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
	Total			5354.17	7875.00	13229.17

Note : Secured redeemable non-convertible debentures are redeemable in tranches as per the terms and conditions of the issue.

v) During the year, the Company has made following equity investments –

- a) Rs. 3497.22 Lakhs (March 31, 2015 : Rs.2190.00 Lakhs) in Mahindra Rural Housing Finance Ltd., its subsidiary, by subscription to 87,43,040 Equity shares of Rs.10/- each for cash at a premium of Rs.30/- per Equity share on a rights basis on which Rs.40/- per Equity share (including premium of Rs.30/- per Equity share) has been fully paid up.
- b) Rs. 5950.00 Lakhs (March 31, 2015 : Rs.100.00 Lakhs) in Mahindra Asset Management Company Private Limited, its wholly owned subsidiary, by subscription to 5,95,00,000 Equity shares of Face Value of Rs.10/- each at par for cash fully paid up on a rights basis.
- c) Rs. 10.00 Lakhs (March 31, 2015 : Rs.5.00 Lakhs) in Mahindra Trustee Company Private Limited, a wholly owned subsidiary, by subscription to 1,00,000 Equity shares of Face Value of Rs.10/- each at par for cash fully paid up on a rights basis.

d) Rs. 4530.31 Lakhs equivalent to US \$ 6.96 million (March 31, 2015 : Rs. 2998.96 Lakhs equivalent to US \$ 4.92 million) being additional equity infusion in Mahindra Finance USA LLC, a 49% joint venture company formed jointly with De Lage Landen Financial Services Inc. in United States.

vi) During the year, the Securities Exchange Board of India (SEBI) has granted Certificate of Registration for 'Mahindra Mutual Fund' along with an approval to Mahindra Asset Management Company Private Limited, a wholly owned subsidiary, to act as the Asset Management Company to 'Mahindra Mutual Fund'.

For FY 2014-15

i) Details of quoted Long-term investments in Government stock :

As at March 31, 2015:

Particulars	Face Value (Rs.)	Rs. in Lakhs	
		Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1084.47
Govt Stock 8.13%-21/09/2022	100	1500000	1507.06
Govt Stock 8.20%-15/02/2022	100	1000000	1006.17
Govt Stock 8.20%-15/02/2022	100	1000000	1001.80
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 7.16%-20/5/2023	100	1000000	900.55
Govt Stock 7.16%-20/5/2023	100	1000000	904.70
Govt Stock 8.83%-25/11/2023	100	2000000	2034.93
Particulars	Face Value (Rs.)	Units	Amount
Govt Stock 9.15%-14/11/2024	100	2500000	2666.00
Govt Stock 9.15%-14/11/2024	100	1000000	1111.57
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90
Govt Stock 8.28%-21/09/2027	100	1000000	932.65
Govt Stock 8.24%-15/02/2027	100	2000000	1898.50
Govt Stock 8.24%-15/02/2027	100	1000000	959.15
Govt Stock 8.24%-15/02/2027	100	1000000	956.33
Govt Stock 8.28%-21/09/2027	100	2000000	2002.53
Govt Stock 8.97%-05/12/2030	100	1000000	1028.19
Govt Stock 8.97%-05/12/2030	100	1000000	1029.53
Govt Stock 8.97%-05/12/2030	100	500000	516.53
Govt Stock 8.97%-05/12/2030	100	1000000	1033.47
Govt Stock 8.97%-05/12/2030	100	500000	526.58
Govt Stock 8.97%-05/12/2030	100	1000000	1042.83
Govt Stock 8.97%-05/12/2030	100	1500000	1600.64

Govt Stock 8.97%-05/12/2030	100	1000000	1111.60
Govt Stock 8.97%-05/12/2030	100	1000000	1094.09
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20
Govt Stock 8.97%-05/12/2030	100	2000000	2204.88
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1018.13
Govt Stock 8.83%-12/12/2041	100	1000000	1023.64
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33
Total		51000000	50612.79

As at March 31, 2014 :

Rs. in Lakhs

	Face Value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1098.16
Govt Stock 8.13%-21/09/2022	100	1500000	1508.00
Govt Stock 8.20%-15/02/2022	100	1000000	1007.06
Govt Stock 8.20%-15/02/2022	100	1000000	1002.06
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 9.15%-14/11/2024	100	2500000	2683.23
Govt Stock 9.15%-14/11/2024	100	1000000	1123.16
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90
Govt Stock 8.97%-05/12/2030	100	1000000	1029.99
	Face Value (Rs.)	Units	Amount
Govt Stock 8.97%-05/12/2030	100	1000000	1031.42
Govt Stock 8.97%-05/12/2030	100	500000	517.58
Govt Stock 8.97%-05/12/2030	100	1000000	1035.60
Govt Stock 8.97%-05/12/2030	100	500000	528.28
Govt Stock 8.97%-05/12/2030	100	1000000	1045.56
Govt Stock 8.97%-05/12/2030	100	1500000	1607.06
Govt Stock 8.97%-05/12/2030	100	1000000	1118.72
Govt Stock 8.97%-05/12/2030	100	1000000	1100.08
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1018.81
Govt Stock 8.83%-12/12/2041	100	1000000	1024.52
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33
Total		38000000	37895.56

Quoted investments of Rs.50612.79 Lakhs (March 31, 2014 : Rs. 37895.56 Lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act,1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.

vii) Details of investments in Secured redeemable non-convertible debentures :

As at March 31, 2015:

Sr. No	ISIN Description	Total Quantity	Face Value	Lakhs		Total
				(a) Non Current	(b) Current	
1	ANNAPURNA MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000.00	416.67	500.00	916.67
2	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
3	AROHAN FINANCIAL SERVICES PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	100	1000.00	416.67	500.00	916.67
4	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.5	375	562.50
5	ASIRVAD MICRO FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1375.00
6	DISHA MICROFIN PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
7	FUSION MICROFINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
8	FUTURE FINANCIAL SERVICES LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000.00	250.00	500.00	750.00

Sr. No	ISIN Description	Total Quantity	Face Value	(a) Non Current	(b) Current	Total
9	FUTURE FINANCIAL SERVICES LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1375.00
10	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	100	1000.00	250.00	500.00	750.00
11	GRAMA VIDYAL MICRO FINANCE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	200	2000.00	833.33	1000.00	1833.33
12	SATIN CREDITCARE NETWORK LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	150	1500.00	375.00	750.00	1125.00
13	SONATA FINANCE PRIVATE LIMITED SR-F 13.25 XIRR NCD 23JN17 FVRS10LAC	150	1500.00	625.00	750.00	1375.00
14	SV CREDITLINE PRIVATE LIMITED SR-F 13.25 XIRR NCD 16SP16 FVRS10LAC	75	750.00	187.50	375.00	562.50
	Total			5354.17	7875.00	13229.17

viii) During the year, the Company has made following equity investments –

- a) Rs. 2190.00 Lakhs in Mahindra Rural Housing Finance Ltd., its subsidiary, being the payment towards final call money @ Rs. 12.50 per Equity share (including premium of Rs.7.50 per Equity share) on 1,75,20,003 Equity shares of Rs.10/- each issued on a rights basis in May, 2013 for cash at a premium of Rs.15/- per Equity share, which now stands fully paid up.
- b) Rs.100.00 lakhs being the additional investment by subscription to 10,00,000 equity shares of face value of Rs.10/- each issued on a rights basis at par for cash in Mahindra Asset Management Company Private Limited, a wholly owned subsidiary.
- c) Rs. 5.00 Lakhs as initial investment in 50,000 equity shares of face value of Rs.10/- each in Mahindra Trustee Company Private Limited, a newly formed subsidiary, which was incorporated on July 10, 2013.
- d) Rs. 2998.96 Lakhs (US \$ 4.92 million) (March 2014 : Rs. 2193.73 Lakhs equivalent to US \$3.84 million) being additional equity infusion in Mahindra Finance USA LLC, a 49% joint venture company formed jointly with De Lage Landen Financial Services Inc. in United States.
- e) Rs. 0.05 Lakhs as investment in 500 equity shares of face value of Rs.10/- each in New Democratic Electoral Trust, a section 8 company formed by Mahindra & Mahindra Limited.

For FY 2013-14

i) Details of quoted Long-term investments in Government stock :

As on 31st March, 2014:

Rs. In Lakhs

	Face Value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1098.16
Govt Stock 8.13%-21/09/2022	100	1500000	1508.00
Govt Stock 8.20%-15/02/2022	100	1000000	1007.06
Govt Stock 8.20%-15/02/2022	100	1000000	1002.06
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 9.15%-14/11/2024	100	2500000	2683.23
Govt Stock 9.15%-14/11/2024	100	1000000	1123.16
Govt Stock 8.28%-21/09/2027	100	1500000	1380.75
Govt Stock 8.28%-21/09/2027	100	2000000	1868.10
Govt Stock 8.28%-21/09/2027	100	2000000	1867.90
Govt Stock 8.97%-05/12/2030	100	1000000	1029.99
Govt Stock 8.97%-05/12/2030	100	1000000	1031.42
Govt Stock 8.97%-05/12/2030	100	500000	517.58
Govt Stock 8.97%-05/12/2030	100	1000000	1035.60
Govt Stock 8.97%-05/12/2030	100	500000	528.28
Govt Stock 8.97%-05/12/2030	100	1000000	1045.56
Govt Stock 8.97%-05/12/2030	100	1500000	1607.06
Govt Stock 8.97%-05/12/2030	100	1000000	1118.72
Govt Stock 8.97%-05/12/2030	100	1000000	1100.08
Govt Stock 8.97%-05/12/2030	100	1500000	1450.20
Govt Stock 8.28%-15/02/2032	100	2500000	2401.50
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1018.81
Govt Stock 8.83%-12/12/2041	100	1000000	1024.52
Govt Stock 8.83%-12/12/2041	100	1500000	1469.33
Total		38000000	37895.56

As on 31st March,2013 :

Rs. In Lakhs			
	Face Value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 10.25%-30/05/2021	100	1000000	1111.85
Govt Stock 8.13%-21/09/2022	100	1500000	1508.95
Govt Stock 8.20%-15/02/2022	100	1000000	1007.96
Govt Stock 8.20%-15/02/2022	100	1000000	1002.32
Govt Stock 8.13%-21/09/2022	100	500000	490.95
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 9.15%-14/11/2024	100	2500000	2700.47
Govt Stock 8.97%-05/12/2030	100	1000000	1031.78
Govt Stock 8.97%-05/12/2030	100	1000000	1033.30
Govt Stock 8.97%-05/12/2030	100	500000	518.64
Govt Stock 8.97%-05/12/2030	100	1000000	1037.74
Govt Stock 8.97%-05/12/2030	100	500000	529.97
Govt Stock 8.97%-05/12/2030	100	1000000	1048.29
Govt Stock 8.97%-05/12/2030	100	1500000	1613.47
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.83%-12/12/2041	100	1000000	1019.49
Govt Stock 8.83%-12/12/2041	100	1000000	1025.41
Total		24000000	24168.13

Quoted investments of Rs. 37895.56 Lakhs (March 2013 : Rs. 24168.13 Lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act,1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January,2007 issued by The Reserve Bank of India.

ix) During the year, the Company has made following investments –

- a) Rs. 2190.00 Lakhs in Mahindra Rural Housing Finance Ltd., its subsidiary, by subscription to 1,75,20,003 Equity shares of Rs.10/- each for cash at a premium of Rs.15/- per Equity share on a rights basis on which Rs.12.50 per Equity share (including premium of Rs.7.50 per Equity share) has been paid up.
- b) Rs.5.00 lakhs being initial investment in 49998 equity shares of face value of Rs.10/- each in Mahindra Asset Management Company Private Limited, a newly formed subsidiary, which was incorporated on 20th June, 2013.
- c) Rs.2193.73 Lakhs (US \$ 3.84 million) (March 2013 : Rs. 3062.69 Lakhs equivalent to US \$5.68 million) being additional equity infusion in Mahindra Finance USA LLC, a 49% joint venture company formed jointly with De Lage Landen Financial Services Inc. in United States.

For FY 2012-13

(i) Details of quoted long-term investments in Government stock as on 31st March,2013

Rs. In Lakhs

	Face value (Rs.)	Units	Amount
Govt stock 6.90%-13/07/2019	100	100000000	947.79
Govt stock 6.90%-13/07/2019	100	150000000	1427.50
Govt stock 6.90%-13/07/2019	100	100000000	932.55
Govt stock 10.25%-30/05/2021	100	100000000	1111.85
Govt stock 6.35%-02/01/2020	100	100000000	885.25
Govt stock 8.13%-21/09/2022	100	150000000	1508.95
Govt stock 8.20%-15/02/2022	100	100000000	1007.96
Govt stock 8.20%-15/02/2022	100	100000000	1002.32
Govt stock 7.80%-03/05/2020	100	50000000	488.65
Govt stock 8.13%-21/09/2022	100	50000000	490.95
Govt stock 8.13%-21/09/2022	100	50000000	490.71
Govt stock 8.13%-21/09/2022	100	100000000	955.80
Govt stock 8.30%-02/07/2040	100	150000000	1359.30
Govt stock 8.97%-05/12/2030	100	100000000	1031.78
Govt stock 8.97%-05/12/2030	100	100000000	1033.30
Govt stock 8.83%-12/12/2041	100	100000000	1019.49
Govt stock 8.83%-12/12/2041	100	100000000	1025.41
Govt stock 8.97%-05/12/2030	100	50000000	518.64
Govt stock 8.97%-05/12/2030	100	100000000	1037.74
Govt stock 8.97%-05/12/2030	100	50000000	529.97
Govt stock 8.97%-05/12/2030	100	100000000	1048.29
Govt stock 9.15%-14/11/2024	100	250000000	2700.47
Govt stock 8.97%-05/12/2030	100	150000000	1613.47
Total		2400000000	24168.13

Details of quoted long-term investments in Government stock as on 31st March 2012

Rs. in Lakhs

	Face value (Rs.)	Units	Amount
Govt Stock 6.90%-13/07/2019	100	1000000	947.79
Govt Stock 6.90%-13/07/2019	100	1500000	1427.50
Govt Stock 6.90%-13/07/2019	100	1000000	932.55
Govt Stock 10.25%-30/05/2021	100	1000000	1153.00
Govt Stock 6.35%-02/01/2020	100	1000000	885.25
Govt Stock 8.13%-21/09/2022	100	1500000	1511.55
Govt Stock 8.20%-15/02/2022	100	1000000	1010.35
Govt Stock 8.20%-15/02/2022	100	1000000	1003.00
Govt Stock 7.80%-03/05/2020	100	500000	488.65
Govt Stock 8.13%-21/09/2022	100	500000	490.95

	Face value (Rs.)	Units	Amount
Govt Stock 8.13%-21/09/2022	100	500000	490.71
Govt Stock 8.13%-21/09/2022	100	1000000	955.80
Govt Stock 8.30%-02/07/2040	100	1500000	1359.30
Govt Stock 8.97%-05/12/2030	100	1000000	1033.90
Govt Stock 8.97%-05/12/2030	100	1000000	1035.35
Total		15000000	14725.65

Quoted investments of Rs.24168.13 Lakhs (March 2012 : Rs.14725.65 Lakhs) are in Government Stocks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act,1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January,2007 issued by The Reserve Bank of India.

- ii. During the year, the Company has sold 3,09,278 equity shares of face value of Rs.10/- each representing 12.37% of holding in subsidiary company, Mahindra Insurance Brokers Ltd., at Rs. 2080/- per share for a consideration aggregating Rs.6432.98 Lakhs to Inclusion Resources Private Limited (IRPL), a Singapore-based subsidiary of LeapFrog Financial Inclusion Fund (LFIF) vide corporate action dated March 28, 2013 and issue of transfer instruction dated March 30, 2013.

On account of a technical issue raised by the Depository Participant of IRPL, the actual transfer of 309,278 equity shares from the demat account of MMFSL, was recorded in the demat account of IRPL on April 2, 2013, being the next working day. The capital profit on this sale transaction amounting to Rs.6426.21 Lakhs has been shown as an Exceptional items in the Statement of profit and loss.

- iii. During the year, the Company has made an additional investment of Rs. 3062.69 Lakhs (US \$ 5.68 million) in Mahindra Finance USA LLC, a 49% joint venture company formed jointly with De Lage Landen Financial Services Inc. in United States.

Note : 12

Deferred tax assets (net) :

	March 2017	March 2016	March 2015	March 2014	March 2013
(a) Deferred tax assets					
Provision for non performing assets / loss and expenses on assignments	65016.56	51650.95	35779.54	26,825.77	19926.80
Provision on standard assets	5611.69	4857.23	4388.99	3,951.34	3234.15
Other disallowances	1247.10	1083.16	694.60	748.64	675.02
Difference between written down value as per books of account and Income Tax Act, 1961	1291.35	936.30	663.04	-	-
(a)	73166.69	58527.64	41526.17	31525.75	23835.97
b) Deferred tax liabilities					
Difference between written down value as per books of account and Income Tax Act, 1961	0.00	0.00	0.00	19.11	15.25
(b)	-	0.00	0.00	19.11	15.25
Net Deferred tax assets (a) - (b)	73166.69	58527.64	41526.17	31506.64	23820.72

Note : 13

Long-term loans and advances :

	March 2017	March 2016	March 2015	March 2014	March 2013
Unsecured, considered good unless otherwise stated :					
Capital advances	20.77	7.08	238.55	38.64	133.27
Deposits for office premises / others	2221.04	2052.59	1834.70	1656.70	1411.54
Loans and advances to related parties (Portfolio purchased from Mahindra Holidays & Resorts India Ltd.)	0.00	0.00	0.00	0.00	1091.74
(d)Other loans and advances (specify nature).					
Loans against assets (secured, including overdue loans) #	2200550.96	1830167.57	1684606.43	1564715.80	1277141.69
Retained interest in Pass Through Certificates under securitization transactions (refer note no. 48)	40.85	162.02	403.46	828.43	2041.02
Retained interest under assignment transactions	145.90	150.75	257.64	703.85	0.00
Interest Only Strip (I/O Strip) under securitization transactions (refer note no. 37 d)	2471.88	4730.45	5175.94	6629.14	3629.32
Loans and advances (including overdue loans) @	3205.94	4448.73	3195.52	3081.69	4793.76
Inter corporate deposits	-	0.00	4656.50	291.27	1736.64
Advance payment of taxes (net of provisions)	17327.65	10927.38	6597.29	4847.36	6162.91
<i>Other disclosures in respect of above-</i>					
<i>(ii) The above shall also be separately sub-classified as:</i>					
<i>(a) Secured, considered good;</i>					
<i>(b) Unsecured, considered good;</i>					
<i>(c) Doubtful.</i>					
<i>(iii) Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately.</i>					
# Includes non-performing assets of Rs. 79449.03 Lacs (March 2016 : Rs.66,283.31 Lacs) (refer note no. 5, 9 and 30 (a))					
@ Includes non-performing assets of Rs.415.48 Lacs (March 2016 : Rs.387.57 Lacs) (refer note no. 5, 9 and 30 (a))					
Total	2225984.99	1852646.57	1706966.03	1582792.88	1298141.89

Note : 14

Other non-current assets :

	March 2017	March 2016	March 2015	March 2014	March 2013
Term deposits with banks with original maturity greater than 12 months					
- Free	294.00	-	4086.77	2500.00	5000.00
- Under lien (refer note no. 17 (a))	10929.88	3310.23	18354.12	11093.00	11777.00
Derivative contract receivables	-	459.52	-	-	279.50
Exchange gain receivable on forward contract on FCNR loans	-	391.45	168.00	-	-
Deferred premium on FCNR loan forward contracts	-	1015.24	594.57	-	-
Total	11223.88	5176.44	23203.46	13593.00	17056.50

Note : 15

Current investments :

	March 2017	March 2016	March 2015	March 2014	March 2013
i) Quoted -					
Secured redeemable non-convertible debentures (refer note no. 11) (Current portion of long term investments in secured redeemable non-convertible debentures)	7775.01	9279.17	7875.00	-	-
Units of mutual funds	27500.00	-	-	-	-
	35,275.01	9,279.17	7,875.00	-	-
ii) Unquoted (at cost) :					
Certificate of deposits with banks #	-	24,821.50	-	24289.13	19585.34
Commercial Papers #	22500.00	15000.00	1500.00	10000.00	2000.00
	22500.00	39821.50	1500.00	34289.13	21585.34
Total	57775.01	49100.67	9375.00	34289.13	21585.34

Additional Information :

	March 2017	March 2016	March 2015	March 2014	March 2013
Aggregate amount of quoted investments and market value -					
i) Aggregate amount	35275.01	9279.17	7875.00	-	-
ii) Market Value	35283.26	9279.17	7875.00	-	-
Aggregate amount of unquoted investments	22500.00	39821.50	1500.00	34289.13	21585.34

For FY 2016-17:-

* Book value of Secured redeemable non-convertible debentures is taken as market value since market quotes are not available in the absence of trades.

a) Details of investment in Mutual fund units –

As at March 31, 2017 :

Name of the Mutual Fund	Scheme Name	Units	Net Asset Value (Rs)	Cost (Rs. in Lakhs)	Market Value (Rs. in Lakhs)
Mahindra Mutual Fund	Mahindra Liquid fund – Direct – Growth	2375664.604	1052.6354	25000.00	25007.09
Mahindra Mutual Fund	Mahindra ALP Samay Bachat Yojana – Direct – Growth	247640.163	1009.9978	2500.00	2501.16
Total				27500.00	27508.25

As at March 31, 2016 : Nil

b) Details of unquoted current investments in certificate of deposits :

As at March 31, 2017 : Nil

As at March 31, 2016

Rs. in Lakhs

Particulars	Face Value (Rs.)	Units	Amount
IDBI BANK	100000	5000	4992.89
IDBI BANK	100000	10000	9982.22
ORIENTAL BANK OF COMMERCE	100000	10000	9846.39
Total		25000	24821.50

c) Details of unquoted current investment in Commercial Papers :

As at March 31, 2017 :

Rs. in Lakhs

Particulars	Face Value (Rs.)	Total (qty)	Amount
ESAF MICROFINANCE & INVESTMENT PRIVATE LIMITED	500000	1500	7,500.00
IFMR CAPITAL FINANCE PRIVATE LIMITED	500000	1500	7,500.00
FIVE STAR BUSINESS FINANCE LIMITED	500000	500	2,500.00
SATIN CREDITCARE NETWORK LIMITED	500000	1000	5,000.00
Total		4,500.00	22,500.00

As at March 31, 2016 :

Particulars	Rs. in Lakhs		
	Face Value (Rs.)	Total (qty)	Amount
IFMR CAPITAL FINANCE PRIVATE LIMITED	500000	500	2,500.00
IFMR CAPITAL FINANCE PRIVATE LIMITED	500000	1000	5,000.00
JANALAKSHMI FINANCIAL SERVICES LIMITED	500000	1500	7,500.00
Total		3000	15,000.00

For FY 2015-16:-

* Book value is taken as market value since market quotes are not available in the absence of trades.

Details of unquoted current investments in certificate of deposits :

As at March 31, 2016 :

Particulars	Rs. in Lakhs		
	Face Value (Rs.)	Units	Amount
IDBI BANK	100000	5000	4992.89
IDBI BANK	100000	10000	9982.22
ORIENTAL BANK OF COMMERCE	100000	10000	9846.39
Total		25000	24821.50

As at March 31, 2015 : Nil

For FY 2014-15:-

* Book value is taken as market value since market quotes are not available in the absence of trades.

Details of unquoted current investments in certificate of deposits :

As at March 31, 2015 : Nil

As at March 31, 2014 :

	Rs. In Lakhs		
	Face Value (Rs.)	Units	Amount
Indian Bank	100000	5000	4924.83
Punjab National Bank	100000	2500	2297.66
Punjab National Bank	100000	2500	2297.66
Canara Bank	100000	5000	4944.74
Union Bank of India	100000	5000	4917.75
Indian Bank	100000	5000	4906.50
Total		25000	24289.13

For FY 2013-14:-

Details of unquoted current investments in certificate of deposits :

As on 31st March 2014 :

Rs. In Lakhs

	Face Value (Rs.)	Units	Amount
Indian Bank	100000	5000	4924.83
Punjab National Bank	100000	2500	2297.66
Punjab National Bank	100000	2500	2297.66
Canara Bank	100000	5000	4944.74
Union Bank of India	100000	5000	4917.75
Indian Bank	100000	5000	4906.50
Total		25000	24289.13

As on 31st March 2013 :

Rs. In Lakhs

Particulars	Face value (Rs.)	Units	Amount
Indian Overseas Bank	100000	20000	19585.34
Total		20000	19585.34

For FY 2012-13:-

Details of unquoted current investments in certificate of deposits as on 31st March 2013

Rs. In Lakhs

Particulars	Face value (Rs.)	Units	Amount
Indian Overseas Bank	100000	20000	19585.34
Total		20000	19585.34

Details of unquoted current investments in certificate of deposits as on 31st March 2012

Rs. in Lakhs

Particulars	Face value (Rs.)	Units	Amount
Corporation Bank	100000	5000	4532.72
Central Bank of India	100000	10000	9774.42
Oriental Bank of Commerce	200000	10000	9759.36
UCO Bank	100000	5000	4871.05
Total		30000	28937.55

Note : 16

Trade receivables

	March 2017	March 2016	March 2015	March 2014	March 2013
Secured, considered doubtful unless otherwise stated :					
Trade receivable on hire purchase transactions # (outstanding for a period exceeding six months from the date they are due for payment)	374.19	374.19	375.53	377.66	379.57
Unsecured, considered good unless otherwise stated :					
Debts outstanding for a period exceeding six months from the date they are due for payment	0.47	-	29.08	0.12	35.85
Debts outstanding for a period not exceeding six months from the date they are due for payment	208.04	137.05	162.64	1057.58	565.88
# Includes non-performing assets of Rs.374.19 Lacs (March 2016 : Rs.374.19 Lacs) (refer note no. 5, 9 and 30 (a))					
Total	582.70	511.24	567.25	1435.36	981.30

Note : 17

Cash and bank balances :

	March 2017	March 2016	March 2015	March 2014	March 2013
Cash and cash equivalents :					
- Cash on hand	1723.81	1872.37	1276.67	2206.40	1839.48
- Cheques and drafts on hand	1258.49	544.49	296.98	608.62	484.56
- Balances with banks in current accounts	38163.10	19078.38	17203.64	19031.39	21756.00
	41145.40	21495.24	18777.29	21846.41	24080.05
Other bank balances :					
Earmarked balances with banks - - Unclaimed dividend accounts	53.98	53.45	59.01	59.25	63.83
Term deposits maturing within 12 months	1,862.00	92.00	-	5000.00	0.00
Term deposits under lien (refer note no. 17 (a))	14745.12	36880.77	28755.88	28087.00	10132.00
	16661.10	37026.22	28814.89	33146.25	10195.83
Total	57806.50	58521.46	47592.18	54992.66	34275.88

For FY 2016-17

a) Details of Term deposits #

	As at March 31, 2017			As at March 31, 2016		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
(i) Term deposits for SLR	5563.00	766.00	6329.00	15307.00	2470.00	17777.00
(ii) Collateral deposits for securitization transactions	8766.12	10047.88	18814.00	21380.77	513.23	21894.00
(iii) Legal deposits	3.00	17.00	20.00	3.00	17.00	20.00
(iv) Margin deposits towards Constituent Subsidiary General Ledger (CSGL) account	413.00	99.00	512.00	190.00	310.00	500.00
(v) Lien free deposits	1862.00	294.00	2156.00	-	-	-
Total	16607.12	11223.88	27831.00	36880.77	3310.23	40191.00

Term deposits with scheduled banks under lien include:

- i) Rs.6329.00 Lakhs (March 31, 2016 : Rs. 17777.00 Lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.
- ii) Rs.18814.00 Lakhs (March 31, 2016 : 21894.00 Lakhs) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions (refer note no.49 (IV)).
- iii) Rs.20.00 Lakhs (March 31, 2016 : Rs.20.00 Lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company.
- iv) Rs.512.00 Lakhs (March 31, 2016 : 500.00 Lakhs) as collateral deposits kept with banks towards Constituent Subsidiary General Ledger (CSGL) account for holding securities for SLR purpose.

For FY 2015-16

a) Details of Term deposits #

Rs. in Lakhs

	As at March 31, 2016			As at March 31, 2015		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
(i) Term deposits for SLR	15307.00	2470.00	17777.00	10783.00	13722.00	24505.00
(ii) Collateral deposits for securitization transactions	21380.77	513.23	21894.00	17469.88	4615.12	22085.00
(iii) Legal deposits	3.00	17.00	20.00	3.00	17.00	20.00
(iv) Margin deposits towards Constituent Subsidiary General Ledger (CSGL) account	190.00	310.00	500.00	500.00	-	500.00
Total	36880.77	3310.23	40191.00	28755.88	18354.12	47110.00

Term deposits with scheduled banks under lien include:

- i) Rs. 17777.00 Lakhs (March 31, 2015 : Rs. 24505.00 Lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.
- ii) Rs.21894.00 Lakhs (March 31, 2015 : 22085.00 Lakhs) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions (refer note no.49 (IV)).
- iii) Rs.20.00 Lakhs (March 31, 2015 : Rs.20.00 Lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company.
- iv) Rs.500.00 Lakhs (March 31, 2015 : 500.00 lakhs) as collateral deposits kept with banks towards Constituent Subsidiary General Ledger (CSGL) account for holding securities for SLR purpose.

For FY 2014-15

a) Details of Term deposits #

Rs. in Lakhs

	As at March 31, 2015			As at March 31, 2014		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
(i) Term deposits for SLR	10783.00	13722.00	24505.00	17963.00	501.00	18464.00
(ii) Collateral deposits for securitization transactions	17469.88	4615.12	22085.00	9621.00	10575.00	20196.00
(iii) Legal deposits	3.00	17.00	20.00	3.00	17.00	20.00
(iv) Margin deposits towards Constituent Subsidiary General Ledger (CSGL) account	500.00	-	500.00	500.00	-	500.00
Total	28755.88	18354.12	47110.00	28087.00	11093.00	39180.00

Term deposits with scheduled banks under lien include:

- i) Rs.24505.00 Lakhs (March 31, 2014 : Rs. 18464.00 Lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act, 1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated January 04, 2007 issued by The Reserve Bank of India.
- ii) Rs.22085.00 Lakhs (March 31, 2014 : 20196.00 Lakhs) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions (refer note no.37 (f)).
- iii) Rs.20.00 Lakhs (March 31, 2014 : Rs.20.00 Lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company.
- iv) Rs.500.00 Lakhs (March 31, 2014 : 500.00 lakhs) as collateral deposits kept with banks towards Constituent Subsidiary General Ledger (CSGL) account for holding securities for SLR purpose.

For FY 2013-14

b) Details of Term deposits :

	March 2014			March 2013		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
Term deposits for SLR (i)	17963.00	501.00	18464.00	6780.00	5960.00	12740.00
Collateral deposits for securitization transactions (ii)	9621.00	10575.00	20196.00	3349.00	5800.00	9149.00
Legal deposits (iii)	3.00	17.00	20.00	3.00	17.00	20.00
Margin deposits towards Constituent Subsidiary General Ledger (CSGL) account (iv)	500.00	-	500.00	-	-	-
Total	28087.00	11093.00	39180.00	10132.00	11777.00	21909.00

Term deposits with scheduled banks under lien include:

- i) Rs. 18464.00 Lakhs (March 2013 : Rs. 12740.00 Lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act,1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January,2007 issued by The Reserve Bank of India.
- ii) Rs. 20196.00 Lakhs (March 2013 : 9149.00 Lakhs) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions (refer note no.37 (f)).
- iii) Rs. 20.00 Lakhs (March 2013 : Rs.20.00 Lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company.
- iv) Rs.500.00 Lakhs (March 2013 : Nil) as collateral deposits kept with banks towards Constituent Subsidiary General Ledger (CSGL) account for holding securities for SLR purpose.

For FY 2012-13

a) Details of Term deposits :

	March 2013			March 2012		
	Cash and bank balances	Other Non-current assets	Total	Cash and bank balances	Other Non-current assets	Total
Term deposits for SLR (i)	6780.00	5960.00	12740.00	6000.00	1500.00	7500.00
Collateral deposits for securitization transactions (ii)	3349.00	5800.00	9149.00	0.00	0.00	0.00
Legal deposits (iii)	3.00	17.00	20.00	4.00	17.00	21.00
Total	10132.00	11777.00	21909.00	6004.00	1517.00	7521.00

Term deposits with scheduled banks under lien include:

- i) Rs.12740 Lakhs (March 2012 : Rs7500.00 Lakhs) being the Term deposits kept with Banks as Statutory Liquid Assets as required under Section 45 IB of The Reserve Bank of India Act,1934 vide a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent trust, pursuant to circular RBI/2006-07/225 DNBS (PD) C.C.No. 87/03.02.004/2006-07 dated 4th January,2007 issued by The Reserve Bank of India.
- ii) Rs.9149.00 Lakhs (March 2012 : Nil) being collateral deposits kept with banks as retained exposure under credit enhancements pertaining to securitization transactions.
- iii) Rs.20.00 Lakhs (March 2012 : Rs.21.00 Lakhs) as special deposits kept with banks towards guarantee against legal suits filed by the Company

Note :18

Short-term loans and advances :

	March 2017	March 2016	March 2015	March 2014	March 2013
Unsecured, considered good unless otherwise stated :					
Loans against assets (secured, including overdue loans) #	1822630.33	1626968.33	1428927.36	1219281.10	970440.29
Retained interest in Pass Through Certificates (PTC) under securitization transactions (refer note no. 38(f))	110.98	310.32	839.89	1387.00	1813.53
Retained interest under assignment transactions	15.31	143.30	524.46	914.35	0.00
Interest Only Strip (I/O Strip) under securitization transactions (refer note no. 37(d))	17300.26	20665.26	19175.40	15910.53	7447.22
Loans and advances (including overdue loans) @	23607.21	12647.00	13532.09	7914.21	13609.34
Bills of exchange	38851.72	29447.55	14955.03	12333.78	7442.71
Trade Advances @	121579.34	116616.51	105574.35	118411.37	91907.73
Inter corporate deposits to related parties @	100.00	4756.50	0.00	1070.33	10345.00
Inter corporate deposits to other parties @	-	-	100.00	100.00	100.00
Other loans & advances :					
Loans and advances to related parties (portfolio purchased from Mahindra Holidays & Resorts India Ltd.)	-	-	-	1091.74	1817.37
Deposits for office premises / others	421.19	371.44	364.99	258.99	232.70
Other short term advances	1735.32	1583.79	2361.64	567.78	808.45
# Includes non-performing assets of Rs. 268968.36 Lacs (March 2016 : Rs. 2,03,237.01 Lacs) (refer note no. 5, 9 and 30)					
@ Includes non-performing assets of Rs.4207.48 Lacs (March 2016 : Rs.2442.47 Lacs) (refer note no. 5, 9 and 30)					
Total	2026351.66	1813510.00	1586355.21	1379241.18	1105964.34

Note : 19

Other current assets :

	March 2017	March 2016	March 2015	March 2014	March 2013
Interest accrued on -					
Investments	1395.18	1233.46	958.94	742.74	505.57
Others deposits	1167.85	3908.65	2365.55	2314.76	711.48
Derivative contract receivables	-	0.00	784.47	1083.00	1009.57
Exchange gain receivable on forward contract on FCNR loans	190.40	888.13	-	-	-
Deferred premium on FCNR loan forward contracts	504.38	3341.21	722.96	-	-
Foreign currency receivables under forward exchange contracts on FCNR loans	0.00	0.00	0.00	0.00	0.00
Total	3257.81	9371.45	4831.92	4140.50	2226.62

Note : 20**Revenue from operations**

	March 2017	March 2016	March 2015	March 2014	March 2013
a) Interest Income					
Income from loans	565018.75	527653.45	493711.72	441807.79	340079.74
Income from hire purchase	15.07	26.09	31.64	61.35	53.30
Interest on term deposits / Inter-corporate deposits / Bonds etc	6551.71	6918.09	6133.18	3795.38	2469.27
Interest on retained interest in PTCs under securitization transactions	12.59	43.55	97.12	211.79	26.92
Interest on Government securities - Long term	5345.19	4710.02	3710.69	2477.24	1432.49
(a)	576943.31	539351.20	503684.35	448353.55	344061.72
b) Other financial services					
Service charges and other fees on loan transactions	24331.66	22282.68	22280.14	21053.37	18609.94
Income from hire purchase	0.14	0.13	0.20	0.21	0.58
Income from bill discounting	4179.23	3047.41	2018.08	1383.25	1544.64
Income from lease	-	1.24	0.51	0.36	0.34
Income from assignment / securitisation transactions (refer note no.37)	11936.72	20633.45	25622.33	21372.47	21454.93
(b)	40447.75	45964.91	49921.26	43809.66	41610.43
Total (a+b)	617391.06	585316.11	553605.61	492163.21	385672.15

Note : 21**Other Income**

	March 2017	March 2016	March 2015	March 2014	March 2013
Dividend income on -					
- Current investments in mutual fund units	85.48	48.15	84.09	56.61	10.62
- Long-term investments in subsidiary companies	1,256.29	1,021.60	755.43	400.10	1655.00
Profit/premium on sale/redemption of -					
- Current investments	88.48	-	468.64	9.15	231.18
Profit on sale / retirement of owned assets (net)	15.24	107.10	14.99	8.29	8.70
Income from shared services	4580.24	3595.55	2932.95	2290.15	1607.28
Others	337.03	421.54	608.89	372.94	284.97
Total	6362.76	5193.94	4864.99	3137.24	3797.75

Note : 22**Employee benefits expense**

	March 2017	March 2016	March 2015	March 2014	March 2013
Salary, bonus and incentives	59818.31	48915.58	40218.39	26242.38	19293.24
Company's contribution to provident funds and other funds	4741.09	3672.48	3073.18	1667.34	1401.58
Employee Stock Compensation costs (refer note no. 29)	879.82	1431.06	1065.33	307.33	443.02
Staff welfare expenses	2650.49	1861.62	1551.30	1516.36	1202.36
Total	68089.71	55880.74	45908.20	29733.41	22340.20

For FY 2016-17:-

Inclusive of ESOP costs reimbursements (net) to the holding company Rs.33.76 Lakhs (March 31, 2016 : Rs. 17.24 Lakhs) and net of recoveries from subsidiary company Rs. 203.44 Lakhs (March 31, 2016 : Rs. 314.06 Lakhs).

For FY 2015-16:-

Inclusive of ESOP costs reimbursements (net) to the holding company Rs.17.24 Lacs (March 31, 2015 : Rs.19.15 Lacs) and net of recoveries from subsidiary company Rs.314.06 Lacs (March 31, 2015 : Rs. 223.30 Lacs).

Note : 23**Finance costs**

	March 2017	March 2016	March 2015	March 2014	March 2013
Interest expenses	283491.16	261524.81	247405.42	216824.12	160121.87
Other borrowing costs	2251.54	2404.38	2267.71	1977.33	1754.63
Total	285742.70	263929.19	249673.13	218801.45	161876.50

Note : 24**Depreciation and amortization expenses**

	March 2017	March 2016	March 2015	March 2014	March 2013
Depreciation on tangible assets	3848.52	3650.54	3869.88	2309.10	2129.41
Amortization of intangible assets	753.62	438.27	281.75	120.52	94.92
Total	4602.14	4088.81	4151.63	2429.62	2224.33

Note : 25**Loan provisions and write offs**

	March 2017	March 2016	March 2015	March 2014	March 2013
Bad debts and write offs (refer note no. 30)	84500.16	51003.24	48401.00	23981.87	20922.86
Provision for Non-performing assets (net) (refer note no.5,9 and 30)	44233.45	52596.10	33259.02	24486.70	5814.48
General provision for Standard assets (refer note no.5,9 and 30)	2180.00	1353.00	1057.00	2110.00	1597.00
Provision for diminution in the fair value of restructured advances	(0.94)	0.64	9.56	0.00	0.00
Total	130912.67	104952.98	82748.89	50578.57	28334.34

Note : 26**Other expenses**

	March 2017	March 2016	March 2015	March 2014	March 2013
Electricity charges	2039.34	1850.42	1608.17	1378.77	1085.59
Rent	6785.70	6384.04	5440.30	4572.80	3971.19
Repairs and maintenance -					
- Buildings	436.59	483.46	370.96	444.69	746.57
- Others	323.11	280.09	212.47	142.32	71.73
Insurance	1650.25	1422.74	1133.17	858.08	805.85
Rates and taxes, excluding taxes on income	765.55	510.81	342.62	812.29	236.42
Directors' sitting fees and commission	275.72	294.55	214.63	147.02	110.34
Commission and brokerage	22222.74	17250.70	16271.72	14746.34	12018.33
Legal and professional charges	9563.50	7235.57	5867.51	5983.66	4150.39
Manpower outsourcing cost	706.49	184.73	33.87	15011.59	13823.84
Payments to the auditor -					
- Audit fees	46.82	44.31	34.40	29.92	26.01
- Taxation matters	18.18	7.95	4.68	4.49	6.39
- Other services	32.34	35.08	16.75	11.76	39.98
- Reimbursement of expenses	1.51	1.28	0.72	0.98	0.67
CSR donations and expenses (refer note no.50)	3047.53	2905.95	2487.63	722.69	0.00
General and administrative expenses	24484.40	18948.52	16584.75	14313.16	12539.56
Total	72399.77	57840.20	50624.35	59180.56	49632.86

Above expenses includes following expenditure incurred in foreign currency

	March 2017	March 2016	March 2015	March 2014	March 2013
Travelling expenses	0.00	1.63	10.62	40.76	30.35
Legal and professional fees	295.85	122.91	126.68	115.24	62.75
Other expenses	27.17	10.26	26.10	18.61	7.21

Note : 27**Exceptional items**

	March 2017	March 2016	March 2015	March 2014	March 2013
Profit on sale of investments in shares of subsidiary company (refer note no. 11 (ii))	0.00	0.00	0.00	0.00	6426.21
Additional general provision for Standard assets (refer note no.30)(For FY 12-13)	0.00	0.00	0.00	0.00	(3568.00)
Total	0.00	0.00	0.00	0.00	2858.21

For FY 2016-17:

28. Disclosure under the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS-27).

The Company has interest in the following jointly controlled entity.

	Name of the entity	Country of Incorporation	% Holding
i)	Mahindra Finance USA, LLC	United States of America	49.00%
ii)	Interest in the assets, liabilities, income and expenses with respect to jointly controlled entities		
			(Rs. In Lakhs)
	Particulars	March 2017	March 2016
I.	ASSETS		
	1 Long-term loans and advances	226440.34	194461.94
	2 Deferred tax assets	1028.95	735.90
	3 Cash and cash equivalents	577.88	624.49
	4 Short-term loans and advances	69080.41	47929.25
II.	LIABILITIES		
	1 Long-term borrowings	118296.56	108561.47
	2 Other Long-term liabilities	-	-
	3 Long term provisions	775.45	727.01
	4 Short term borrowings	80431.74	55269.45
	5 Other current liabilities	69333.16	56052.27
	6 Short term provisions	233.16	176.84

III.	INCOME		
1	Revenue from operations	14013.55	10048.49
2	Other income	809.26	635.97
IV.	EXPENSES		
1	Finance costs	5656.00	3918.39
2	Provisions and write-offs	912.31	973.53
3	Other expenses	4013.33	2913.69
4	Provision for current tax	1884.27	1294.04
5	Provision for deferred tax	(319.60)	(254.18)

29. Employee Stock Option Plan

- a) The Company had allotted 134,32,750 equity shares (face value of Rs.2/- each) under Employee Stock Option Scheme 2005 at a premium of Rs.8.20 per share on December 06, 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) under Employee Stock Option Scheme 2010 at par on February 03, 2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The Trust had issued 1,45,54,477 equity shares to employees up to March 31, 2017 (March 31, 2016 : 1,41,14,193 equity shares), of which 4,40,284 equity shares (March 31, 2016 : 4,60,707 equity shares) were issued during the current year. All the equity shares issued to employees during the current year are out of Employee Stock Option Scheme 2010.

The details of Employees stock option schemes are as under :

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	3 years from the date of each vesting
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

- b) During the year, the Company has granted 2,17,400 stock options to the eligible employees under the Employees' Stock option scheme 2010. The details are as under:

	Grant dated January 5, 2017
No. of options granted	217400
Intrinsic value of shares based on latest available closing market price (Rs.)	355.10
Total amount to be amortized over the vesting period (Rs. in Lakhs)	771.99
Charge to Statement of profit and loss for the year (Rs. in Lakhs)	86.92
Compensation in respect of lapsed cases (Rs. in Lakhs)	10.70
Unamortized amount carried forward (Rs. in Lakhs)	674.37

The fair value of options, based on the valuation of the independent valuer as on the date of grant are :

Vesting date	Grant dated January 5, 2017	
	Expected Vesting	Fair Value (Rs.) per share
January 5, 2018	43482	337.36
January 5, 2019	43482	
January 5, 2020	43482	
January 5, 2021	43482	
January 5, 2022	43472	
	217400	

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables #	Grant dated January 5, 2017
1) Risk free interest rate	6.67%
2) Expected life	4.70 years
3) Expected volatility	38.28%
4) Dividend yield	1.12%
5) Price of the underlying share in the market at the time of option grant (Rs.)	357.10

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

c) Summary of stock options

As at / Year ended March 31

Summary of Stock Options	2017		2016	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	17,14,173	2.00	21,22,955	2.00
Options granted during the year	2,17,400	2.00	57,920	2.00
Options forfeited/lapsed during the year #	23,580	2.00	5,995	2.00
Options exercised during the year	4,40,284	2.00	4,60,707	2.00
Options outstanding at the end of the year	14,67,709	2.00	17,14,173	2.00
Options vested but not exercised at the end of the year	2,35,038	2.00	2,87,526	2.00

including 3014 (March 31, 2016: Nil) options forfeited/lapsed out of the options granted during the year.

d) Information in respect of options outstanding :

As at March 31

Grant date / Exercise price	2017		2016	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Scheme 2010 :				
February 07, 2011 at Rs.2.00	35,090	21 months	1,44,188	34 months
January 25, 2012 at Rs.2.00	38,580	30 months	62,830	41 months
July 22, 2013 at Rs.2.00	19,020	44 months	28,878	52 months
October 21, 2013 at Rs.2.00	39,116	39 months	41,365	51 months
October 21, 2014 at Rs.2.00 #	10,75,448	52 months	13,78,992	59 months
October 21, 2015 at Rs.2.00	46,069	59 months	57,920	68 months
October 21, 2015 at Rs.2.00	2,14,386	70 months	-	-
Total	14,67,709		17,14,173	

net of 3014 (March 2016: Nil) options forfeited/lapsed out of the options granted during the year

- e) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of Exercise	Average share price (Rs.)
25-Apr-16	293.29
20-May-16	297.89
21-Jun-16	323.35
26-Jul-16	318.59
29-Aug-16	344.10
19-Sep-16	343.71
27-Oct-16	365.77
25-Nov-16	285.28
23-Dec-16	254.65
11-Jan-17	282.99
27-Jan-17	282.76
28-Feb-17	291.43
27-Mar-17	321.24

- f) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Employee stock compensation cost is amortized over the vesting period.

- g) Fair value of options

The fair value of options have been calculated using Black Scholes Options Pricing Model and the significant assumptions made in this regards are as follows :

Grants covered under Scheme 2005 :

Variables #	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008
1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years
3) Expected volatility	0.50%	43.69%	43.61%	43.66%

4) Dividend yield	5%	1.59%	1.59%	1.64%
5) Price of the underlying share in the market at the time of option grant (Rs.)	13.11*	46.00	63.62	50.35

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

Grants covered under Scheme 2010 :

Variables #	7-Feb-2011	25-Jan-2012	22-Jul-2013	21-Oct-2013	21-Oct-2014	21-Oct-2015	05-Jan-2017
1) Risk free interest rate	7.73%	8.11%	7.61%	8.60%	8.50%	7.53%	6.67%
2) Expected life	4.5 years	5.5 years	3.5 years	3.25 years	3.25 years	3.25 years 4.50 years	4.70 Years
3) Expected volatility	42.38%	46.08%	35.53%	39.27%	38.83%	37.37%	38.28%
4) Dividend yield	2.28%	2.11%	1.70%	1.32%	1.35%	1.65%	1.12%
5) Price of the underlying share in the market at the time of option grant (Rs.)	138.60	133.14	212.35	272.40	280.80	242.15	357.10

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

h) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on "Accounting for Employee Share-based Payments" is as follows:

<u>Particulars</u>	<u>Intrinsic Value Method</u>		<u>Fair Value Method *</u>	
	<u>As at March 31</u>		<u>As at March 31</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net profit after tax (Rs. in Lakhs)	40023.49	67259.60	40069.58	67336.73
Weighted average number of equity shares of Rs.2/- each – Basic	564723582	564278639	564723582	564278639

Weighted Average number of equity shares of Rs.2/- each – Diluted	568446880	568442221	568446880	568442221
Basic Earnings Per Share (Rs.)	7.09	11.92	7.10	11.93
Diluted Earnings Per Share # (Rs.)	7.04	11.83	7.05	11.84

Dilution in Earnings per share is on account of 37,23,298 equity shares (March 31, 2016 : 41,63,582 equity shares) held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.

* Earnings Per Share under Fair value method is computed on net profit after tax after adjusting for employee compensation costs under fair value method. Employee compensation cost under fair value method as compared to intrinsic value method is lower by Rs. 46.09 Lakhs (March 31, 2016 : Rs. 77.13 Lakhs).

30. Loan provisions and write offs

- a) The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. As per the practice consistently followed, the Company has also made accelerated provision on a prudential basis.

The RBI vide it's notification no DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015 has revised the asset classification norms for NPAs and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending 31st March, 2016, upto the financial year ending 31st March, 2018 which would result in an additional provision.

The cumulative accelerated provision made by the Company as on March 31, 2017 is Rs.68623.98 Lakhs (March 31, 2016 : Rs. 73567.48 Lakhs)

- b) (i) In accordance with the Master direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to increase the general provision on the Standard assets in a phased manner commencing from the financial year ended March 31, 2016 to 0.30%, to 0.35% by the financial year ended March 31,2017 and to 0.40% by the financial year ending March 31,2018, the Company has made a provision of Rs.2180.00 Lakhs (March 31, 2016: Rs. 1353.00 Lakhs).

(ii) The total amount of provision on Standard assets of Rs.16215.00 Lakhs (March 31, 2016 :Rs.14035.00 Lakhs) includes additional provision of 0.05% for Rs.2034.00 Lakhs as at March 31, 2017 (0.10% for Rs. 5262.00 as at March 31, 2016).

(iii) During the year, the Company has reviewed the basis of estimating provision for non-performing assets and has considered estimated realisable value of underlying security (which conforms to the RBI norms) for loan assets to determine 100% provisioning for assets which are 24 months overdue resulting in a lower provision of Rs.8336.91 Lakhs.

- c) Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such loan assets on account of poor financial position of such customers.
- d) In accordance with the Prudential norms for restructured advances, the Company has made provisions of Rs. 254.65 Lakhs (March 31, 2016 : Rs. 32.51 Lakhs) as Higher / additional provisions and Provisions for diminution in fair value on account of restructured advance.

31. Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.

32. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with Segment Reporting.

33. During the year, the Company has raised an amount of Rs.1,00,000.00 Lakhs by way of Public Issuance Unsecured Subordinated Redeemable Non-Convertible Debentures (NCDs) of the face value of Rs.1,000 each. The NCDs were allotted on 6th June, 2016 and listed on BSE Limited on 8th June, 2016. The proceeds of the issue - have been used for the purposes as stated in its 'Placement Document'. The NCDs issue expenses of Rs. 1653.42 Lakhs has been adjusted against securities premium reserve.

In terms of the requirements as per Section 71 (4) of the Companies Act, 2013 read with The Companies (Share capital and Debentures) Rules 2014, Rule no.18 (7) and applicable SEBI Issue and Listing of Debt Securities) Regulations, 2008, the Company has transferred Rs. 2649.86 Lakhs out of the profits available for payment of dividend to Debenture Redemption Reserve (DRR) on a prorata basis to create adequate DRR over the tenor of the debentures

34. Deposits/advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

35. Employee benefits

Defined benefit plans -as per actuarial valuation

Rs.in Lakhs

		Gratuity (Funded)		Sick leave (Non funded)		Privilege Leave (Non funded)	
		March 2017	March 2016	March 2017	March 2016	March 2017	March 2016
I.	Expense recognised in the Statement of Profit & Loss Account for the year ended 31st						
1	Current service cost	363.90	992.35	83.95	159.91	477.14	1070.95
2	Interest cost	155.60	137.72	22.18	17.07	93.54	92.51
3	Expected return on plan assets	(166.11)	(150.41)	-	-	-	-
4	Actuarial (gains)/losses	675.34	(503.97)	10.63	(90.38)	266.33	(815.69)
5	Fund amount to be transferred from MBCSPL gratuity fund	-	-	-	-	-	-
6	Adjustment due to change in opening balance of Plan assets	(156.76)	-	-	-	-	-
7	Total expense	871.97	475.69	116.76	86.61	837.01	347.76
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st						

1	Present value of defined benefit obligation as at 31 st	2736.45	1944.96	394.01	277.25	1738.27	1169.26
2	Fair value of plan assets as at 31st	2181.29	1919.58	-	-	-	-
3	Funded status (surplus/(deficit))	(555.16)	(25.38)	(394.01)	(277.25)	(1738.27)	(1169.26)
4	Net asset/(liability) as at 31st	(555.16)	(25.38)	(394.01)	(277.25)	(1738.27)	(1169.26)
III.	Change in the obligations during the year ended 31st						
1	Present value of defined benefit obligation at the beginning of the year	1944.96	1558.68	277.25	190.96	1169.26	1056.62
2	Current service cost	363.90	992.35	83.95	159.91	477.14	1068.35
3	Transfer to Asset Management company	-	-	-	(0.32)	-	-
4	Interest cost	155.60	137.72	22.18	17.07	93.54	92.51
5	Actuarial (gains)/losses	509.23	(654.38)	10.63	(90.38)	266.33	(815.69)
6	Benefits paid	(237.23)	(89.41)	-	-	(268.01)	(232.52)
7	Present value of defined benefit obligation at the year ended 31st	2736.45	1944.96	394.01	277.25	1738.27	1169.26
IV.	Change in the fair value of plan assets during the year ended 31st						
1	Fair value of plan assets at the beginning of the year	1919.58	1583.37	-	-	-	-
2	Expected return on plan assets	166.11	150.41	-	-	-	-
3	Contributions by employer	342.19	425.62	-	-	-	-
4	Actuarial (Gains)/Losses	(166.11)	(150.41)	-	-	-	-
5	Fund amount to be transferred from MBCSPL gratuity fund	-	-	-	-	-	-
6	Adjustment due to change in opening balance of Plan assets	156.76	-	-	-	-	-
7	Actual Benefits paid	(237.23)	(89.41)			-	-

				-	-		
8	Fair value of plan assets at the end of the year	2181.29	1919.58	-	-	-	-
V.	Major category of plan assets as a percentage of total plan						
	Funded with LIC	100%	100%	-	-	-	-
VI.	Actuarial Assumptions						
1	Discount Rate (p.a.)	7.36%	8%	7.36%	8%	7.36%	8%
2	Expected rate of return on plan assets (p.a.)	8%	8%	-	-	-	-
3	Rate of Salary increase (p.a.)	5%	5%	5%	5%	5%	5%
4	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

VII Experience adjustments

Rs. in Lakhs

As at March 31

		2017	2016	2015	2014	2013
1	Defined benefit obligation at end of the period	2736.45	1944.96	1558.68	1192.46	855.07
2	Plan assets at the end of period	2181.29	1919.57	1583.37	1111.98	776.20
3	Funded status surplus/ (deficit)	(555.16)	(25.38)	24.69	(80.48)	(78.87)
4	Experience adjustments on plan liabilities (gain)/loss	338.58	(211.91)	(154.49)	(77.52)	(66.64)
5	Experience adjustments on plan assets gain/(loss)	(166.11)	(39.21)	(32.19)	(21.77)	(16.07)

36. Disclosure on derivatives

Outstanding derivative instrument and un-hedged foreign currency exposures as on March 31, 2017

The Company has outstanding Foreign Currency Non-Repatriable (FCNR (b)) loans of US \$ 1535.23 Lakhs (March 31, 2016 : US \$ 1209.88 Lakhs). The said loan has been hedged to INR liability using a cross currency and interest swap. There is no un-hedged foreign currency exposure as on March 31, 2017.

During the year, the Company has changed its accounting policy for derivative transactions to align to the Guidance Note on Accounting for Derivative Transactions issued by the Institute of Chartered Accountants of India applicable with effect from April 01, 2016. Consequently, mark to market loss of Rs.514.68 Lakhs (net of deferred tax of Rs.272.38 Lakhs) is charged to opening retained earnings as transitional charge in respect of derivative transactions outstanding as at April 01, 2016 and a loss of Rs. 2365.54 Lakhs is charged to Statement of profit and loss for the year ended March 31, 2017.

37. Securitisation / assignment transactions

- a) During the year, the Company has without recourse securitised on “at par” basis vide PTC route loan receivables of 11489 contracts (March 31, 2016 : 30940 contracts) amounting to Rs. 33772.18 Lakhs (March 31, 2016: Rs. 85586.85 Lakhs) for a consideration of Rs 33772.18 Lakhs (March 31, 2016: Rs. 85586.85 Lakhs) and de-recognised the assets from the books.
 - b) Income from assignment / securitization transactions include write back of provision for loss / expenses in respect of matured assignment transactions amounting to Rs Nil (March 31, 2016 : Rs. 6756.56 Lakhs) considered no longer necessary (refer Accounting policy 3 (IV) A (iii)).
 - c) In terms of the accounting policy stated in 3 (IV) (B) (i) (c), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances.
 - d) Excess interest spread received during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment / securitisation transactions amounting to Rs.11500.70 Lakhs (March 31,2016: Rs. 12062.65 Lakhs)
38. There were 176 cases (March 31, 2016: 150 cases) of frauds amounting to Rs. 397.06 Lakhs (March 31, 2016 : Rs 559.99 Lakhs) reported during the year. The Company has recovered an amount of Rs.125.98 Lakhs (March 31, 2016 : Rs 117.89 Lakhs) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.
39. There are no gold loans outstanding as at March 31, 2017 (March 31, 2016 : 0.02% of total assets).

40. Related party disclosure as per Accounting Standard 18

A) List of the related parties and nature of relationship which have transactions with our Company during the year:

Holding Company :	Mahindra and Mahindra Limited
Subsidiary Companies :	Mahindra Insurance Brokers Limited Mahindra Rural Housing Finance Limited Mahindra Asset Management Company Private Limited Mahindra Trustee Company Private Limited
Joint Ventures :	Mahindra Finance USA, LLC

Fellow subsidiary Companies:	2 x 2 Logistics Private Limited Mahindra USA, Inc. Mahindra Two Wheelers Limited NBS International Ltd. Mahindra First Choice Wheels Ltd. Mahindra Defence Systems Ltd. Mahindra Retail Pvt Ltd. Mahindra Integrated Business Solutions Ltd. Mahindra Vehicle Manufacturers Ltd. Mahindra Construction Company Ltd.
Fellow Associates :	Tech Mahindra Ltd.
Key Management Personnel :	Mr. Ramesh Iyer (Vice-Chairman and Managing Director)
Relatives of Key Management Personnel :	Ms Janaki Iyer
	Ms Ramlaxmi Iyer
	Mr Risheek Iyer

B) Related party transactions are as under:

Rs. in Lakhs

				Rupees in Lakhs		
Sr. No.	Nature of transactions	Holding Company	Subsidiary Companies	Fellow subsidiary Companies/ Associates	Joint Ventures	* Key Management Personnel
1	Income					
	Loan income	-	-	222.49	-	-
		-	-	(64.15)	-	-
	Subvention / Disposal loss income	3,786.03	-	-	-	-
		(4,049.60)	-	-	-	-
	Other income	-	2,464.77	3.91	-	-

		-	(2,549.83)	(3.47)	-	-
2	Expenses					
	Interest	1,638.56	1,462.16	190.68	-	19.24
		(126.12)	(1,363.13)	-	-	(20.12)
	Other expenses	2,334.64	2,826.86	1,270.35	-	
		(1,777.74)	(2,389.54)	(602.83)	-	-
	Remuneration to KMP's					674.59
						(436.13)
3	Investment in share capital	-	14,455.00	-	3,111.84	-
		-	(9,457.22)	-	(4,530.32)	-
4	Purchase of fixed assets	142.16	-	0.48	-	-
		(254.81)	-	(30.97)	-	-
5	Sale of fixed assets	-	13.98	-	-	-
		-	(11.35)	-	-	-
6	Finance					
	Fixed deposits taken	-	2,925.00	-	-	18.07
		-	(3,750.00)	-	-	(18.94)
	Fixed deposits matured	-	4,375.00	-	-	-
		-	(125.00)	-	-	(21.67)
	Dividend paid – for previous year	11,648.31	-	-	-	25.46
		(11,648.31)	-	-	-	(23.85)
	Inter corporate deposits taken	50,000.00	8,525.00	30,000.00	-	-
		(30,000.00)	(7,500.00)	-	-	-
	Inter corporate deposits repaid	55,000.00	9,250.00	-	-	-
		-	(8,150.00)	-	-	-
	Inter corporate deposits given	-	-	-	-	-
		-	-	-	-	-
	Inter corporate deposits refunded	-	4,656.50	-	-	-
		-	-	-	-	-

7	Other transactions					
	Reimbursement from parties	-	-	-	-	-
		-	-	-	-	-
	Reimbursement to parties	-	-	184.15	-	-
		-	-	(153.08)	-	-
8	Balances as at the end of the period					
	Receivables	-	103.09	78.07	-	-
		(315.06)	(66.57)	(127.42)	-	-
	Loan given (including interest accrued but not due)	-	-	2,448.79	-	-
		-	-	(1,870.04)	-	-
	Inter corporate deposits given (including interest accrued but not due)	-	-	113.38	-	-
		-	(5,189.14)	-	-	-
	Payables	882.92	952.54	400.50	-	-
		-	(692.74)	(218.94)	-	-
Subordinate debt held (including interest accrued but not due)	-	700.57	-	-	-	
	-	(700.76)	-	-	-	
Inter corporate deposits taken (including interest accrued but not due)	25,260.01	201.09	30,171.61	-	-	
	(30,113.51)	(936.04)	-	-	-	
Fixed deposits (including interest accrued but not due)	-	13,957.65	-	-	245.59	
	-	(15,143.45)	-	-	(226.54)	

Notes:

Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18

C) The significant related party transactions are as under:

Rs. in Lakhs

The significant related party transactions are as under:				
Nature of transactions		Holding Company	Subsidiary Companies	Fellow subsidiary Companies
Income				
<u>Revenue from operations</u>				
Subvention / Disposal loss income	Mahindra & Mahindra Limited	3,786.03		
		(4,049.60)		
Loan income	2 x 2 Logistics Pvt Ltd			222.03
-				(62.08)
<u>Other income</u>				
-	-			
-	-			
Interest income on inter corporate deposits / subordinate debt	Mahindra Rural Housing Finance Limited		213.44	
-	-		(567.27)	
Income from shared services	Mahindra Insurance Brokers Limited		174.53	
-	-		(149.78)	
Income from shared services	Mahindra Rural Housing Finance Limited		588.01	
			(454.75)	
Dividend income	Mahindra Rural Housing Finance Limited		927.68	
			(747.76)	
Dividend income	Mahindra Insurance Brokers Limited		328.61	
			(273.84)	

ESOP compensation recovered	Mahindra Rural Housing Finance Limited		86.82	
			(200.07)	
ESOP compensation recovered	Mahindra Insurance Brokers Limited		116.62	
			(113.98)	
Expenses				
<u>Interest</u>	-			
Interest expense on inter corporate deposits and non-convertible debentures	Mahindra Insurance Brokers Limited		1,462.16	
			(1,363.13)	
Interest expense on inter corporate deposits and non-convertible debentures	Mahindra & Mahindra Limited	1,638.56		
			-	
<u>Other expenses</u>				
Rent	Mahindra & Mahindra Limited	1,388.30		
-		(1,267.00)		
Handling Charges	Mahindra Insurance Brokers Limited		2,826.86	
			(2,389.54)	
Commission & Valuation charges	Mahindra First Choice Wheels Limited			1,056.10
				(526.94)
Investment in Share Capital	Mahindra Rural Housing Finance Limited		11,375.00	
			(3,497.22)	
Investment in Share Capital	Mahindra Asset Management Co Pvt Ltd		3,045.00	
			(5,950.00)	

Purchase of fixed assets	Mahindra & Mahindra Limited	142.16 (254.81)		
Sale of fixed assets	Mahindra Rural Housing Finance Limited		13.98 -	
Finance				
Fixed Deposits	Mahindra Insurance Brokers Limited		2,925.00 (3,750.00)	
Fixed deposits matured	Mahindra Insurance Brokers Limited		4,375.00 (125.00)	
Dividend paid - for previous year	Mahindra & Mahindra Limited	11,648.31 (11,648.31)		
Inter corporate deposits taken	Mahindra Insurance Brokers Limited		8,525.00 (7,500.00)	
Inter corporate deposits taken	Mahindra & Mahindra Limited	50,000.00 (30,000.00)		
Inter corporate deposits taken	Tech Mahindra Limited			30,000.00 -

Inter corporate deposits repaid	Mahindra Insurance Brokers Limited		9,250.00	
			(8,150.00)	
Inter corporate deposits repaid	Mahindra & Mahindra Limited	55,000.00		
		-		
Inter corporate deposits refunded	Mahindra Rural Housing Finance Limited		4,656.50	
			-	
Balances at the year end				
Receivables	Mahindra & Mahindra Limited	-		
		(315.06)		
Receivables	Mahindra Rural Housing Finance Limited		95.91	
			(66.57)	
Receivables	NBS International			78.07
				(127.42)
Loan outstanding	2 x 2 Logistics Pvt Ltd			2,114.46
				(1,865.14)
Payables	Mahindra Insurance Brokers Limited		952.54	
			(692.74)	
Payables	Mahindra First Choice Wheels Limited			283.38
				(155.44)
Payables	Mahindra & Mahindra Limited	882.92		
		-		
Inter corporate deposits taken (including interest accrued but not due)	Mahindra Insurance Brokers Limited		201.09	
			(936.04)	
Inter corporate deposits taken (including interest accrued but not due)	Mahindra & Mahindra Limited	25,260.01		

Inter corporate deposits taken (including interest accrued but not due)	Tech Mahindra Limited	(30,113.51)		30,171.61
Inter corporate deposits given (including interest accrued but not due)	Mahindra Rural Housing Finance Limited		-	-
			(5,189.14)	
Subordinate debt held (including interest accrued but not due)	Mahindra Rural Housing Finance Limited		700.57	
			(700.76)	
Fixed deposits	Mahindra Insurance Brokers Limited		13,957.65	
			(15,143.45)	

Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18 as well as the Companies Act, 2013.

d) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at March 31, 2017

Rs. in Lakhs

Particulars	Relation	Balance as on April 1, 2016	Advances / investments	Repayments/ sale	Balance as on March 31, 2017
(A) Loans and advances					
Mahindra Rural Housing Finance Ltd.	Subsidiary	4,656.50	-	4,656.50	-
Mahindra Retail Pvt Ltd	Fellow subsidiary	4.90	-	4.90	-
2 x 2 Logistics Pvt Ltd	Fellow subsidiary	1,865.14	674.00	424.68	2,114.46
		6,526.54	674.00	5,086.08	2,114.46
(B) Unsecured redeemable non-convertible subordinate debentures					

Mahindra Rural Housing Finance Ltd.	Subsidiary	700.00	-	-	700.00
		700.00	-	-	700.00
(C) Investments					
Mahindra Insurance Brokers Ltd.	Subsidiary	47.98	-	-	47.98
Mahindra Rural Housing Finance Ltd.	Subsidiary	11,877.22	11,375.00	-	23,252.22
Mahindra Asset Management Company Pvt. Ltd.	Wholly owned Subsidiary	6,055.00	3,045.00	-	9,100.00
Mahindra Trustee Company Pvt. Ltd.	Wholly owned Subsidiary	15.00	35.00	-	50.00
Mahindra Finance USA, LLC	Joint Venture	15,317.32	3,111.84	-	18,429.16
		33,312.52	17,566.84	-	50,879.36
Total		40,539.06	18,240.84	5,086.08	53,693.82

Notes :

- i) Above loans & advances and investments have been given for general business purposes.
- ii) There were no guarantees given / securities provided during the year

As at March 31, 2016

Rs. in Lakhs

Particulars	Relation	Balance as on April 1, 2015	Advances / investments	Repayments/ sale	Balance as on March 31, 2016
(A) Loans and advances					
Mahindra Rural Housing Finance Ltd.	Subsidiary	4,656.50	-	-	4,656.50
Mahindra Retail Pvt Ltd	Fellow subsidiary	30.08	-	25.18	4.90

2 x 2 Logistics Pvt Ltd	Fellow subsidiary	13.21	1,952.93	101.00	1,865.14
		4,699.79	1,952.93	126.18	6,526.54
(B) Unsecured redeemable non-convertible subordinate debentures					
Mahindra Rural Housing Finance Ltd.	Subsidiary	700.00	-	-	700.00
		700.00	-	-	700.00
(C) Investments					
Mahindra Insurance Brokers Ltd.	Subsidiary	47.98	-	-	47.98
Mahindra Rural Housing Finance Ltd.	Subsidiary	8,380.00	3,497.22	-	11,877.22
Mahindra Asset Management Company Pvt. Ltd.	Wholly owned Subsidiary	105.00	5,950.00	-	6,055.00
Mahindra Trustee Company Pvt. Ltd.	Wholly owned Subsidiary	5.00	10.00	-	15.00
Mahindra Finance USA, LLC	Joint Venture	10,787.01	4,530.31	-	15,317.32
		19,324.99	13,987.53	-	33,312.52
Total		24,724.78	15,940.46	126.18	40,539.06

Notes :

- i) Above loans & advances and investments have been given for general business purposes.
- ii) There were no guarantees given / securities provided during the year

41. Contingent liabilities and commitments (to the extent not provided for)

Rs. in Lakhs

As at March 31

	March 2017	March 2016
i) Contingent liabilities		
a) Demand against the Company not acknowledged as debts -		
- Income tax	5247.71	3835.66
- Value Added Tax (VAT)	684.93	191.98
- Service tax	5541.95	5,283.34
b) Corporate guarantees towards assignment transactions	-	15331.13
c) Credit enhancement in terms of corporate guarantee for securitization transactions	21037.84	17196.42
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	4328.62	3373.92
	36841.05	45212.45
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account	469.77	274.82
	469.77	274.82
Total	37310.82	45487.27

42. MICRO AND SMALL ENTERPRISES :

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSME as at March 31, 2017.

The relevant particulars as at the year-end as required under the MSMED Act are furnished here below:

Rs. in Lakhs

For the year ended March 31

	2017	2016
a) Principal amount due and remaining unpaid to suppliers as at the year end	-	-
b) Interest accrued and due to suppliers on the above amount as at the year end	-	-
c) Interest paid to suppliers in terms of Section 16 of the MSMED Act	-	-
d) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
e) Interest paid to suppliers (other than Section 16 of the MSMED Act)	-	-
f) Interest due and payable to suppliers for payments already made (for the period of delay, if any)	-	-
g) Interest accrued and remaining unpaid at the year end	-	-
h) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

43. Secured long-term borrowings

i. Secured non-convertible debentures

As at March 31, 2017

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.70% - 9.00%	189200.00	-	189200.00
Maturing between 3 years to 5 years	7.50% - 8.90%	132780.00	-	132780.00
Maturing between 1 year to 3 years	7.43% - 10.25%	855350.00	-	855350.00
Maturing within 1 year	7.38% - 9.45%	-	243380.00	243380.00
TOTAL		1177330.00	243380.00	1420710.00

As at March 31, 2016

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.70% - 9.00%	189200.00	-	189200.00
Maturing between 3 years to 5 years	8.48% - 9.45%	201950.00	-	201950.00
Maturing between 1 year to 3 years	8.48% - 10.25%	339240.00	-	339240.00
Maturing within 1 year	8.57% - 10.20%	-	234470.00	234470.00
Total		730390.00	234470.00	964860.00

ii. Secured term loans from banks
As at March 31, 2017 :

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
1) Repayable on maturity :				
Maturing between 1 year to 3 years	8.05% - 8.55%	74000.00		74000.00
Maturing within 1 year	8.55% - 9.70%	-	35000.00	35000.00
Total for repayable on maturity		74000.00	35000.00	109000.00
2) Repayable in installments :				
i) Quarterly -				
Maturing between 3 years to 5 years	8.15% - 8.90%	15000.00		15000.00
Maturing between 1 year to 3 years	8.15% - 9.35%	76130.95		76130.95
Maturing within 1 year	8.15% - 9.65%	-	85476.19	85476.19
Total		91130.95	85476.19	176607.14
ii) Half yearly -				
Maturing beyond 3 years to 5 years	8.30%- 9.05%	25000.00		25000.00
Maturing between 1 year to 3 years	8.30% - 9.70%	117666.67		117666.67
Maturing within 1 year	8.50% - 9.70%	-	74333.33	74333.33
Total		142666.67	74333.33	217000.00

iii) Yearly -				
Maturing between 3 years to 5 years	9.30%-9.70%	36666.67		36666.67
Maturing between 1 year to 3 years	8.45%-9.70%	141667.00		141667.00
Maturing within 1 year	8.45%-9.70%	-	48333.33	48333.33
Total		178333.67	48333.33	226667.00
Total for repayable in installments		412131.28	208142.86	620274.14
TOTAL (1+2)		486131.28	243142.86	729274.14

As at March 31, 2016

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
1) Repayable on maturity :				
Maturing beyond 5 years	-	-	-	-
Maturing between 3 years to 5 years				
Maturing between 1 year to 3 years	9.65% - 9.75%	35000.00		35000.00
Maturing within 1 year	9.50% - 9.95%	-	127500.00	127500.00
Total for repayable on maturity		35000.00	127500.00	162500.00
2) Repayable in installments :				
i) Quarterly -				
Maturing beyond 5 years	-	-	-	-
Maturing between 3 years to 5 years	9.00% - 9.30%	15892.86		15892.86
Maturing between 1 year to 3 years	9.30% - 9.65%	100714.29		100714.29
Maturing within 1 year	9.30% - 9.70%	-	61907.14	61907.14
Total		116607.14	61907.14	178514.29
ii) Half yearly -				
Maturing beyond 3 years to 5 years	9.00% - 9.45%	50000.00		50000.00
Maturing between 1 year to 3 years	9.65% - 9.75%	106000.00		106000.00
Maturing within 1 year	9.65% - 9.75%	-	107000.00	107000.00
Total		156000.00	107000.00	263000.00

iii) Yearly -				
Maturing beyond 5 years	-	-	-	-
Maturing between 3 years to 5 years	9.65%-9.70%	75833.33		75833.33
Maturing between 1 year to 3 years	9.35%-9.70%	150833.33		150833.33
Maturing within 1 year	9.65%-9.70%	-	45833.33	45833.33
Total		226666.67	45833.33	272500.00
Total for repayable in installments		499273.81	214740.48	714014.29
TOTAL (1+2)		534273.81	342240.48	876514.29

iii. Foreign currency loans from banks

As at March 31, 2017

From the Balance Sheet date	Rate range	Rs. in Lakhs		
		(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	LIBOR plus spread 1.07% - 2.20%	47460.87		47460.87
Maturing within 1 year	LIBOR plus spread 1.07% - 2.20%	-	52099.08	52099.08
TOTAL		47460.87	52099.08	99559.95

As at March 31, 2016

From the Balance Sheet date	Rate range	Rs. in Lakhs		
		(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	LIBOR plus spread 1.07% - 2.20%	53227.83	-	53227.83
Maturing within 1 year	LIBOR plus spread 1.07% - 2.20%	-	26932.51	26932.51
TOTAL		53227.83	26932.51	80160.34

44. Unsecured borrowings

i) Subordinated debts (long-term)

As at March 31, 2017

- Issued on private placement basis:

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.90% - 10.15%	58,780.00	-	58,780.00
Maturing between 3 years to 5 years	9.50% - 10.50%	37,270.00	-	37,270.00
Maturing between 1 year to 3 years	9.85% - 11.75%	15,480.00	-	15,480.00
Maturing within 1 year	10.50% - 12.00%	-	6,880.00	6,880.00
Sub-total (i)		111,530.00	6,880.00	118,410.00

- Issued to retail investors through public issue:

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.44% - 9.00%	94,534.22	-	94,534.22
Maturing between 3 years to 5 years	8.34% - 8.70%	5,465.78	-	5,465.78
Sub-total (ii)		100,000.00	-	100,000.00
TOTAL (i+ii)		211,530.00	6,880.00	218,410.00

As at March 31, 2016

- Issued on private placement basis:

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.90% - 10.50%	68,830.00	-	68,830.00
Maturing between 3 years to 5 years	9.50% - 10.02%	41,720.00	-	41,720.00
Maturing between 1 year to 3 years	10.50% - 12.00%	7,860.00	-	7,860.00
Sub-total (i)		118,410.00	-	118,410.00

- Issued to retail investors through public issue :

From the Balance Sheet date	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
	-	-	-	-
Sub-total (ii)		-	-	-
TOTAL (i+ii)		118,410.00	-	118,410.00

ii) Unsecured term loans from banks

As at March 31, 2017 :

Rs. in Lakhs

From the Balance Sheet date	Rate range	(a) Short-term	(b) Long-term	Total
Repayable on maturity :				
Maturing within 1 year	7.50% - 8.00%	7,400.00	-	7,400.00
TOTAL		7,400.00	-	7,400.00

As at March 31, 2016 :

Rs. in Lakhs				
From the Balance Sheet date	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing within 1 year	9.5%-10%	-	10,000.00	10,000.00
TOTAL		-	10,000.00	10,000.00

iii) Inter-corporate deposits (ICDs)

As at March 31, 2017

Rs.in Lakhs					
From the Balance Sheet date	Rate range	(a) Short Term	(b) Non-current	(c) Current Maturities	Total
Repayable on maturity :					
Maturing within 1 year	6.50% -7.50%	55200.00	-	-	55200.00
TOTAL		55200.00	-	-	55200.00

As at March 31, 2016

Rs.in Lakhs					
From the Balance Sheet date	Rate range	(a) Short Term	(b) Non-current	(c) Current Maturities	Total
Repayable on maturity :					
Maturing within 1 year	8.45% - 9.05%	30925.00	-	-	30925.00
TOTAL		30925.00	-	-	30925.00

iv) Fixed deposits

As at March 31, 2017

Rs. in Lakhs					
From the Balance Sheet date	Rate range	(a) Short-Term	(b) Non-current	(c) Current Maturities	Total
Maturing beyond 3 years	7.35% - 10.10%	-	31,748.40	-	31,748.40
Maturing between 1 year to 3 years	7.35% - 10.10%	-	191,170.45	-	191,170.45
Maturing within 1 year	7.30% - 10.60%	25,686.71	-	189,690.58	215,377.29
TOTAL		25,686.71	222,918.85	189,690.58	438,296.14

As at March 31, 2016

From the Balance Sheet date	Rate range	(a) Short-Term	Rs. in Lakhs		Total
			(b) Non-current	(c) Current Maturities	
a) Maturing beyond 3 years	8.20% - 10.10%	-	15,832.63	-	15,832.63
b) Maturing between 1 year to 3 years	8.20% - 10.60%	-	281,033.37	-	281,033.37
c) Maturing within 1 year	7.90% - 10.60%	17,829.68	-	163,730.66	181,560.34
TOTAL		17,829.68	296,866.01	163,730.66	478,426.35

45. Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As at March 31, 2017

From the Balance Sheet date	Rs. in Lakhs	
	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	7.90% -12.35%	132690.05
TOTAL		132690.05

As at March 31, 2016

From the Balance Sheet date	Rs. in Lakhs	
	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	9.50% -12.15%	109934.60
TOTAL		109934.60

ii) Commercial papers

As at March 31, 2017 :

From the Balance Sheet date	Rs. in Lakhs	
	Rate range	Current
Repayable on maturity :		
Maturing within 1 year	6.65% - 7.31%	365,500.00
TOTAL		365,500.00

As at March 31, 2016 :

Rs. in Lakhs

From the Balance Sheet date	Rate range	Current
Repayable on maturity :		
Maturing within 1 year	8.09% - 9.20%	276,000.00
TOTAL		276,000.00

46. Managerial remuneration to Directors included in the Statement of profit and loss

Rs. in Lakhs

Year ended March 31

	2017	2016
Salary and perquisites	848.11	564.08
Sitting fees and commission	275.72	294.55
Total	1123.83	858.63

Above figures are excluding charge for gratuity, provision for leave encashment as separate actuarial valuation figures are not available.

47. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Rs. in Lakhs

As at March 31

Sr No.	Particulars	2017		2016	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	<u>Liabilities side</u>				
(1)	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :				

	(a) Debentures : Secured	1503137.31	-	1012166.76	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	807909.69	-	915559.66	-
	(d) Inter-corporate loans and Other Borrowings	55632.72	-	31049.56	-
	(e) Commercial Paper	365,500.00	-	276,000.00	-
	(f) Public Deposits	421571.95	-	466215.66	-
	(g) Fixed Deposits accepted from Corporates	48898.50	-	47460.23	-
	(h) FCNR Loans	99654.21	-	80287.64	-
	(i) Subordinate debt (including NCDs issued through Public issue)	231130.30	-	124089.84	-
	(j) Other Short Term Loans and credit facilities from banks	62090.05	-	81834.60	-
(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e.,debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	421571.95	-	466215.66	-
	<u>Asset side:</u>				
		Amount outstanding		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
	(a) Secured	20085.18		26162.10	
	(b) Unsecured	187119.57		169101.15	

(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed	15278.93	5951.34
	(b) Loans other than (a) above	3819078.69	3304801.42
(5)	<u>Break-up of Investments :</u>		
	<u>Current Investments :</u>		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	7,775.01	9,279.17
	(iii) Units of mutual funds	27,500.00	-
	(iv) Government Securities	-	-

	(v) Investments in Certificate of Deposits with Banks	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Certificate of Deposits with Banks	-	24821.50
	(vi) Commercial Papers	22500.00	15000.00
	<u>Long Term Investments :</u>		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	8975.00	2000.01
	(iii) Units of mutual funds	200.00	-
	(iv) Government Securities	70418.03	63220.81
	2. Unquoted :		
	(i) Shares : (a) Equity	50880.36	33312.57
	(b) Preference	-	-
	(ii) Debentures and Bonds	700.00	700.00
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-

6) Borrower group-wise classification assets financed as in (3) and (4) above :

Category	March 2017			March 2016		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	5189.14	5189.14
(b) Companies in the same group	2,114.46	-	2114.46	1,870.04	-	1870.04
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	3852328.34	187119.57	4039447.91	3335044.82	163912.01	3498956.83
<i>Total</i>	3854442.80	187119.57	4041562.37	3336914.86	169101.15	3506016.01

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	March 2017		March 2016	
	Market Value/ Brak up	Book Value	Market Value/ Brak up	Book Value
	or fair value or NAV	(Net of Provisions)	or fair value or NAV	(Net of provisions)
1. Related Parties				
(a) Subsidiaries	33150.20	33150.20	18695.20	18695.20
(b) Companies in the same group	18430.16	18430.16	15317.37	15317.37
(c) Other related parties	-	-	-	-
2. Other than related parties	142582.79	109668.04	117028.83	114321.49
<i>Total</i>	194,163.15	161,248.40	151,041.40	148,334.06

8) Other information :

		March 2017		March 2016
Particulars		Amount		Amount
(i)	Gross Non-Performing Assets :			
	(a) Related parties	-		-
	(b) Other than related parties	418266.41		322416.98
(ii)	Net Non-Performing Assets :			
	(a) Related parties	-		-
	(b) Other than related parties	159967.91		123511.37
(iii)	Assets acquired in satisfaction of debt :	-		-

48. Balance Sheet Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

I) Capital

As at March 31

Particulars		2017	2016
i)	CRAR (%) #	17.2%	17.3%
ii)	CRAR-Tier I Capital (%)	12.8%	14.6%
iii)	CRAR-Tier II Capital (%)	4.4%	2.7%
iv)	Amount of subordinated debt raised as Tier-II capital (Rs. in Lakhs)	100000.00	17500.00
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

In terms of the revised Accounting Standard (AS) - 4 'Contingencies and Events occurring after Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, the Company has not accounted for proposed dividend for the

current financial year as liability as at March 31, 2017. However, the proposed dividend of Rs.27126.87 Lakhs was accounted for as liability as at March 31, 2016 in accordance with the then existing Accounting Standard. The Company has adjusted the amount of proposed dividend amounting to Rs.16097.30 Lakhs including dividend distribution tax for the current financial year determining capital funds for computation of Capital Adequacy ratio as at March 31, 2017.

II) Investments

Rs. in Lakhs

As at March 31

Particulars		2017	2016
1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	170519.24	133016.74
	(b) Outside India	18429.16	15317.32
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	170519.24	133016.74
	(b) Outside India	18429.16	15317.32
2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

III) Derivatives

a) Forward Rate Agreement / Interest Rate Swap

The Company is not carrying out any activity of providing Forward/Interest rate swap cover to third parties.

b) Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing Derivative cover to third parties

c) Disclosures on Risk Exposure in Derivatives**Qualitative Disclosures –**

- i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.
- ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of M.D/CFO/Treasurer Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.
- iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions

Quantitative Disclosures –**d) FCNR(B) Loans Availed:****Rs. in Lakhs**

		As at March 31, 2017		As at March 31, 2016	
S No.	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	102592.50		78987.00	
	For hedging				

(ii)	Marked to Market Positions [1]				
	(a) Asset (+) Estimated gain	-	-	1657.21	-
	(b) Liability (-) Estimated loss	(618.23)	(2.44)		(105.80)
(iii)	Credit Exposure [2]	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

IV) Disclosures relating to Securitisation

- a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2012-13 dated August 21, 2012.

Applicable for transactions effected after the date of circular:

Rs. in Lakhs

As at March 31			
S No.	Particulars	2017	2016
1	No of SPVs sponsored by the NBFC for securitisation transactions	17	16
2	Total amount of securitised assets as per books of the SPVs sponsored	81804.49	136825.69
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss- Credit enhancement in form of corporate undertaking	21037.84	17196.42
	Others	-	-
	b) On-balance sheet exposures		
	First loss- Cash collateral term deposits with banks	16958.00	20038.00
	Others- Retained interest in pass through certificates (excluding accrued interest)	151.77	472.12
4	Amount of exposures to securitisation transactions other than MRR	-	-

a) Off-balance sheet exposures		
(i) Exposure to own securitizations		
First loss	-	-
Loss		
(ii) Exposure to third party securitisations		
First loss	-	-
Others		
Excess Interest Spread	21053.50	27856.85
b) On-balance sheet exposures		
(i) Exposure to own securitisations		
First loss	-	-
Others-		
Cash collateral term deposits with banks	1856.00	1856.00
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

During the current year and the previous year the Company has not sold any financial assets to Securitisation /Reconstruction Company for asset reconstruction.

c) Details of Assignment transactions undertaken by NBFCs (During the year)

Rs. in Lakhs

Year ended March 31

		2017	2016
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-

(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

d) Details of non-performing financial assets purchased / sold

i) Details of non-performing financial assets purchased:

During the current year and the previous year the Company has not purchased any non -performing financial assets.

ii) Details of Non-performing Financial Assets sold:

During the current year and the previous year the Company has not sold any non -performing financial assets.

V) Exposures

a) Exposure to Real Estate Sector

During the current year and the previous the Company has no Exposure to Real estate Sector.

b) Exposure to Capital Market

During the current year and the previous year the Company has no Exposure to Capital Market.

c) Details of financing of parent company products

Of the total financing activity undertaken by the Company during the financial year 2016-17, 47% (March 31, 2016: 45%) of the financing was towards parent company products.

d) Details of Single Borrower Limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC

During the current year and the previous year, the Company has not exceeded the prudential exposure limits.

e) Unsecured Advances

During the current year, the Company has granted unsecured advances of Rs. 187344.21 Lakhs (March 31, 2016: Rs.167916.29 Lakhs).

VI) Miscellaneous

a) Registration obtained from other financial sector regulators

During the current year and the previous year, the Company has not obtained any registration from other financial sector regulators.

b) Disclosure of Penalties imposed by RBI and other regulators

During the current year and the previous year, there are no penalties imposed by RBI and other regulators

c) Related Party Transactions

(refer note no.40)

d) Rating assigned by credit rating agencies and migration of ratings during the year

Credit Rating -

During the year under review, CRISIL Limited (CRISIL), has reaffirmed the rating to the Company's Long-term Debt Instruments and Bank Facilities as 'CRISIL AA+/ Stable' and the Company's Fixed Deposit Programme as 'FAAA/Stable', respectively. The 'AA+/Stable' rating indicates a high degree of safety with regard to timely payment of financial obligations. The rating on the Company's Short-term Bank Loans and Cash Credit facility has been reaffirmed at 'CRISIL A1+' which is the highest level of rating.

During the year under review, India Ratings & Research Private Limited (IND), which is part of Fitch Group, reaffirmed the rating of Company's Long-term instrument and Subordinated Debt programme to 'IND AAA/Stable'. The Company's Short Term Commercial Paper has been rated at IND A1+

During the year under review, Credit Analysis & Research Limited (CARE), also reaffirmed the 'CARE AAA/Stable' rating to Company's Long-term debt instrument and Subordinated Debt programme

During the year under review, Brickwork Ratings India Private Limited (BWR) has, reaffirmed the 'BWR AAA/stable' rating of the Company's Long-term Subordinated Debt Issue.

The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

VII) Net Profit of Loss for the period ,prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to Account in terms of the relevant Accounting Standard.

VIII) Revenue Recognition

(Refer note no. 3 under Summary of Significant Accounting Policies)

IX) Accounting Standard 21- Consolidated Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Accounting Standard 21

Refer consolidated financial statements (CFS)

Additional Disclosures :**X) Provisions and Contingencies**

Rs. in Lakhs

Year ended March 31

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2017	2016
Provisions for depreciation on Investment	-	-
Provision towards NPA	44233.45	52596.10
Provision made towards Income tax	36350.00	53560.00
Other Provision and Contingencies (with details)	-	-
Provision for diminution in the fair value of restructured advances	(0.94)	0.64
Provision for Standard Assets	2180.00	1353.00

Draw Down from Reserves

Year ended March 31, 2017 : Nil

Year ended March 31, 2016 : : Nil

XI) Concentration of Deposits, Advances, Exposures and NPAs**a) Concentration of Deposits (for deposit taking NBFCs)**

Rs. in Lakhs

As at March 31

	2017	2016
Total Deposits of twenty largest depositors	47232.85	44718.44
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	10.0%	8.7%

b) Concentration of Advances

Rs. in Lakhs

As at March 31

	2017	2016
Total Advances to twenty largest borrowers	122204.95	80359.22
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	2.9%	2.2%

c) Concentration of Exposures

Rs. in Lakhs

As at March 31

	2017	2016
Total Exposure to twenty largest borrowers / customers	122204.95	80359.22
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	2.9%	2.2%

d) Concentration of NPAs

Rs. in Lakhs

As at March 31

	2017	2016
Total Exposure to top four NPA accounts	6122.71	7411.47

e) Sector-wise NPAs

S No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		As at March 31, 2017	As at March 31, 2016
1	Agriculture & allied activities/Auto	10.4%	9.2%
2	MSME/Corporate borrowers	4.4%	4.2%
3	Unsecured personal loans	17.9%	10.3%
4	Other loans	-	0.7%
5	Services	-	-

f) Movement of NPAs

Rs. in Lakhs

As at /Year ended March 31

Particulars		2017	2016
(i)	Net NPAs to Net Advances (%)	4.0%	3.5%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	322416.98	209972.20
	(b) Additions during the year	241101.36	213047.58
	(c) Reductions during the year	145251.93	100602.80
	(d) Closing balance	418266.41	322416.98
(iii)	Movement of Net NPAs		
	(a) Opening balance	123511.37	81820.64
	(b) Additions during the year	100324.29	91707.63
	(c) Reductions during the year	63867.75	50016.90
	(d) Closing balance	159967.91	123511.37
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	149213.18	96617.08
	(b) Provisions made during the year	104248.99	91439.33
	(c) Write-off / write-back of excess provisions	60015.54	38843.23
	(d) Closing balance	193446.63	149213.18

XII) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Rs. in Lakhs

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets as at March 31, 2017	Total Assets as at March 31, 2016
Mahindra Finance USA, LLC	De Lage Landen Financial Services	USA	297,127.58	243,751.58

XIII) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NA	NA

XIV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2017

Rs. in Lakhs

	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Deposits	17433.22	17319.05	21467.65	68664.62	90771.50	191168.19	31748.25	-	438572.48
Advances	299238.93	170423.06	164879.04	403218.09	675874.67	1751899.76	392398.33	1336.61	3859268.49
Reserves & surplus	-	-	-	-	-	-	-	636423.64	636423.64
Investments	27700.00	-	-	-	22500.00	4193.09	21001.32	113553.99	188948.40
Borrowings	76935.02	190000.00	63187.14	301157.14	313383.57	1412984.67	252182.45	342514.78	2952344.77
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	4863.75	14741.65	4863.75	-	27629.93	47460.87	-	-	99559.95

XV) Disclosure of Complaints

Customer Complaints

(a) No. of complaints pending at the beginning of the year	5
(b) No. of complaints received during the year	93
(c) No. of complaints redressed during the year	96
(a) No. of complaints pending at the end of the year	2

49. Disclosure on restructured advances :

During the year ended March 31, 2015, the Company had restructured one of the standard advance accounts resulting in reduction in rate of interest and increase in tenor of the loan. The movement of the same is provided here below.

Rs. in Lakhs

Sr. No.	Type of Restructuring Asset Classification	Details	Others				
			Standard	Substandard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of Borrowers	1	-	-	-	1
		Amount Outstanding	446.15	-	-	-	446.15
		Provision thereon #	32.51	-	-	-	32.51
2	Fresh Restructuring during the year	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
3	Up-gradations to restructured standard category during the FY	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
4	Restructured standard advances which cease to attract higher provisioning and /or additional risk weight at the end of FY and hence need to be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
5	Down gradations of restructured accounts during the FY	No. of Borrowers	(1)	-	1	-	1
		Amount Outstanding	(446.15)	-	446.15	-	-
		Provision thereon	(32.51)	-	254.65	-	222.14
6	Write-offs of restructured	No. of Borrowers					

	accounts during the FY	Amount Outstanding					
7	Restructured Accounts as on March 31 of the FY (Closing Figures)	No. of Borrowers	-	-	1	-	1
		Amount Outstanding	-	-	446.15	-	446.15
		Provision thereon #	-	-	254.65	-	254.65

Note: Since the disclosure of restructured advance account pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.

Represents higher provisioning, provision for diminution in fair value and additional provision on downgrade of Rs. 254.65 Lakhs (March 31, 2016: Rs. 32.51 Lakhs).

50. During the year, the Company has incurred an expenditure of Rs.2905.66 Lakhs (March 31, 2016 : Rs. 2791.69 Lakhs) towards Corporate Social Responsibility activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs.141.87 Lakhs (March 31, 2016 : Rs. 114.26 Lakhs) towards the CSR activities undertaken by the Company (refer note no. 26).
51. During the year, the Company had made a contribution of Rs.160.00 Lakhs (March 31, 2016 : Nil) to New Democratic Electoral Trust, a Trust approved by the Central Board of Direct Taxes under Electoral Trust Scheme, 2013 to enable Electoral Trust to make contributions to political party/parties duly registered with the Election Commission, in such manner and at such times as it may decide from time to time. This contribution is as per the provisions of section 182 of the Companies Act, 2013.
52. During the year, the Department of Sales Tax in the State of Maharashtra has initiated an investigation proceeding against the Company under Section 64 of the Maharashtra Value Added Tax Act, 2002, in relation to the taxability of sale of vehicles on behalf of the Company's customers from fiscal year 2011 to the period ended October 30, 2016. The Company has made payment of Rs. 2935.92 Lakhs under protest. The company has received a demand notice for fiscal year 2011 for Rs 492.95 Lakhs which has been shown under contingent liability, however the demand notice from fiscal 2012 is yet to be received from the department.
53. Pursuant to Notification No. G.S.R. 308 (E) dated March 30, 2017 issued by the Ministry of Corporate Affairs requiring the Companies to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the Company provides here below the required details.

	Rs. in Lakhs		
	SBNs	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	3336.73	263.81	3600.54
Add : Permitted Receipts #	10.78	81369.76	81380.54
Less : Permitted Payments	-	12.65	12.65
Less : Amount deposited in Banks	3347.51	79176.19	82523.70
Closing cash in hand as on December 30, 2016	-	2444.73	2444.73

includes non-permitted receipts of SBNs aggregating to Rs.10.78 Lakhs received from customers and directly deposited by customers into Company's bank accounts from November 9, 2016 to November 11, 2016.

54. Changes in provisions

Rs. in Lakhs

	As at April 1, 2016	Additional Provisions	Utilizations/ Reversals	As at March 31, 2017
Provision for Standard assets	14035.00	2180.00	-	16215.00
Provision for Non-performing assets	149213.18	100239.51	56006.05	193446.63

55. Previous year figures have been regrouped / reclassified wherever found necessary.

For FY 2015-16:

28. Disclosure under the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS-27).

The Company has interest in the following jointly controlled entity.

	Name of the entity	Country of Incorporation	% Holding
i)	Mahindra Finance USA, LLC	United States of America	49.00%
ii) Interest in the assets, liabilities, income and expenses with respect to jointly controlled entities (Rs. in Lacs)			
	Particulars	As at March 31, 2016	As at March 31, 2015
I.	ASSETS		
	1 Long-term loans and advances	194636.77	134793.06
	2 Deferred tax assets	735.90	451.68
	3 Cash and cash equivalents	624.49	266.35
	4 Short-term loans and advances	47754.42	31788.75
II.	LIABILITIES		
	1 Long-term borrowings	108561.47	75101.31
	2 Other Long-term liabilities	-	-
	3 Long term provisions	727.01	430.29
	4 Short term borrowings	55269.45	36064.29
	5 Other current liabilities	56052.27	40044.49
	6 Short term provisions	176.84	100.71

		As at March 31,	As at March 31,
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			2016	2015
III.		INCOME		
	1	Revenue from operations	10048.49	6602.74
	2	Other income	635.97	365.65
IV.		EXPENSES		
	1	Finance costs	3918.39	2492.20
	2	Provisions and write-offs	973.53	327.88
	3	Other expenses	2913.69	2021.86
	4	Provision for current tax	1294.04	893.55
	5	Provision for deferred tax	(254.18)	(129.08)

29. Employee Stock Option Plan

- a) The Company had allotted 134,32,750 equity shares (face value of Rs.2/- each) under Employee Stock Option Scheme 2005 at a premium of Rs.8.20 per share on December 06, 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) under Employee Stock Option Scheme 2010 at par on February 03, 2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The Trust had issued 1,41,14,193 equity shares to employees up to March 31, 2016 (March 31, 2015 : 1,36,53,486 equity shares), of which 4,60,707 equity shares (March 31, 2015 : 6,15,552 equity shares) were issued during the current year. All the equity shares issued to employees during the current year are out of Employee Stock Option Scheme 2010.

The details of Employees stock option schemes are as under :

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	3 years from the date of vesting
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

- b) The details of modification to Employee stock option scheme (extension of exercise period) :

The Nomination and Remuneration Committee of the Board of Directors of Mahindra & Mahindra Financial Services Limited at its Meeting held on 23rd April, 2015, has approved the extension of the exercise period to 36 months from the date of vesting as against the current period of 6 months in respect of the stock options granted under the Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme 2010.

The details of increase / (decrease) in fair value as a result of extension of the exercise period are as follows :

Sr.No.	Scheme Name	Grant date	Fair value per option on the date of grant (Rs.)	Pre modification fair value per option (Rs.)	Post modification fair value per option (Rs.)	Increase / (decrease) in fair value per option (Rs.)
1	ESOS 2010	25-Jan-2012	117.31	276.65	273.82	(2.83)
2	ESOS 2010	22-Jul-2013	198.64	272.99	268.41	(4.58)
3	ESOS 2010	21-Oct-2013	259.46	272.25	267.57	(4.68)
4	ESOS 2010	21-Oct-2014	267.23	268.69	264.07	(4.62)

As per the requirements of paragraph 24 of the Guidance Note on Accounting for Employee Share-based payments issued by the Institute of Chartered Accountants of India (ICAI), the Company has not taken in to account above decrease in fair value measured immediately before and after modification of the terms and conditions and hence continued to measure the amount recognised for services received as consideration for the stock options based on the grant date fair value of the stock options granted.

- c) During the year, the Company has granted 57,920 stock options to the eligible employees under the Employees' Stock option scheme 2010. The details are as under:

	Grant dated October 21, 2015
No. of options granted	57920
Intrinsic value of shares based on latest available closing market price (Rs.)	240.15
Total amount to be amortized over the vesting period (Rs. in Lacs)	139.10
Charge to Statement of profit and loss for the year (Rs. in Lacs)	31.76
Compensation in respect of lapsed cases (Rs. in Lacs)	-

Unamortized amount carried forward (Rs. in Lacs)	107.34
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The fair value of options, based on the valuation of the independent valuer as on the date of grant are :

Vesting date	Grant dated October 21, 2015	
	Expected Vesting	Fair Value (Rs.) per share
October 21, 2016	11584	223.42
October 21, 2017	11584	
October 21, 2018	11584	
October 21, 2019	11584	
October 21, 2020	11584	
	57920	

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables #	Grant dated October 21, 2015
1) Risk free interest rate	7.53%
2) Expected life	4.50 years
3) Expected volatility	37.37%
4) Dividend yield	1.65%
5) Price of the underlying share in the market at the time of option grant (Rs.)	242.15

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

d) Summary of stock options

As at / Year ended March 31

Summary of Stock Options	2016		2015	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the	21,22,955	2.00	11,63,249	12.70

year				
Options granted during the year	57,920	2.00	16,01,507	2.00
Options forfeited/lapsed during the year #	5,995	2.00	26,249	11.07
Options exercised during the year	4,60,707	2.00	6,15,552	21.84
Options outstanding at the end of the year	17,14,173	2.00	21,22,955	2.00
Options vested but not exercised at the end of the year	2,87,526	2.00	1,24,345	2.00

including nil (March 31, 2015: 13,225) options forfeited/lapsed out of the options granted during the year.

e) Information in respect of options outstanding :

As at March 31

Grant date / Exercise price	2016		2015	
	No. of stock options	Weighted average remaining life \$	No. of stock options	Weighted average remaining life
Scheme 2010 :				
February 07, 2011 at Rs.2.00	1,44,188	34 months	3,55,735	13 months
January 25, 2012 at Rs.2.00	62,830	41 months	95,790	19 months
July 22, 2013 at Rs.2.00	28,878	52 months	38,504	28 months
October 21, 2013 at Rs.2.00	41,365	51 months	44,644	31 months
October 21, 2014 at Rs.2.00 #	13,78,992	59 months	15,88,282	37 months
October 21, 2015 at Rs.2.00	57,920	68 months	-	-
Total	17,14,173		21,22,955	

\$ the increase in weighted average remaining life as at March 31, 2016 as compared to March 31, 2015 is on account of modification to Employee stock option scheme 2010 representing extension of exercise period to 36 months from the date of vesting as against the erstwhile exercise period of 6 months from the date of vesting (refer note no. 29 (b)).

net of nil (March 2015: 13,225) options forfeited/lapsed out of the options granted during the year

f) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of Exercise	Average share price (Rs.)
April 23, 2015	280.33
May 22, 2015	268.97
June 29, 2015	270.34
July 27, 2015	264.08
August 21, 2015	264.41
September 24, 2015	229.04
October 28, 2015	227.17
November 24, 2015	238.94
December 21, 2015	243.26
January 22, 2016	201.98
February 22, 2016	217.58
March 22, 2016	240.11

g) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Employee stock compensation cost is amortized over the vesting period.

h) Fair value of options

The fair value of options used to compute proforma net profit and earnings per share in note 28 (i) have been estimated on the date of grant using the black-scholes model. The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Grants covered under Scheme 2005 :

Variables #	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008
1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years

3) Expected volatility	0.50%	43.69%	43.61%	43.66%
4) Dividend yield	5%	1.59%	1.59%	1.64%
5) Price of the underlying share in the market at the time of option grant (Rs.)	13.11*	46.00	63.62	50.35

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

Grants covered under Scheme 2010 :

Variables #	7-Feb-2011	25-Jan-2012	22-Jul-2013	21-Oct-2013	21-Oct-2014	21-Oct-2015
1) Risk free interest rate	7.73%	8.11%	7.61%	8.60%	8.50%	7.53%
2) Expected life	4.5 years	5.5 years	3.5 years	3.25 years	3.25 years	4.50 years
3) Expected volatility	42.38%	46.08%	35.53%	39.27%	38.83%	37.37%
4) Dividend yield	2.28%	2.11%	1.70%	1.32%	1.35%	1.65%
5) Price of the underlying share in the market at the time of option grant (Rs.)	138.60	133.14	212.35	272.40	280.80	242.15

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

i) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on "Accounting for Employee Share-based Payments" is as follows:

	<u>Intrinsic Value Method</u>	<u>Fair Value Method *</u>

Particulars	As at March 31		As at March 31	
	2016	2015	2016	2015
Net profit after tax (Rs. in Lacs)	67259.60	83177.59	67336.73	83245.96
Weighted average number of equity shares of Rs.2/- each – Basic	564278639	563837362	564278639	563837362
Weighted Average number of equity shares of Rs.2/- each – Diluted	568764960	568764960	568764960	568764960
Basic Earnings Per Share (Rs.)	11.92	14.75	11.93	14.76
Diluted Earnings Per Share # (Rs.)	11.83	14.62	11.84	14.64

Dilution in Earnings per share is on account of 41,63,582 equity shares (March 31, 2015 : 46,24,289 equity shares) held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.

* Earnings Per Share under Fair value method is computed on proforma net profit after tax after adjusting for employee compensation costs under fair value method. Employee compensation cost under fair value method as compared to intrinsic value method is lower by Rs.77.13 Lacs (March 31, 2015 : Rs. 68.37 Lacs).

30. Loan provisions and write offs

- a) The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. As per the practice consistently followed, the Company has also made additional provision on a prudential basis.

The RBI vide its notification no DNBR. 011/CGM (CDS)-2015 dt. March 27, 2015 has revised the asset classification norms for NPAs and substandard assets under its prudential norms applicable to NBFCs in a phased manner commencing from financial year ending 31st March, 2016, upto the financial year ending 31st March, 2018 which would result in an additional provision.

As on 31st March, 2016, the Company has recognised NPAs based on 4 months overdue norms as against the revised regulatory norms of recognising NPAs at 5 months overdue applicable for the current financial year resulting in an additional provision of Rs. 3454.79 lacs and income de-recognition of Rs. 2095.16 lacs with a consequent impact of Rs. 5549.96 Lacs on Profit before tax for the year ended 31st March, 2016.

The cumulative additional / accelerated provision made by the Company as on March 31, 2016 is Rs. 73567.48 Lacs (March 31, 2015 : Rs. 53319.01 Lacs)

- b) In accordance with the Notification No. DNBS.222/ CGM (US)-2011 dated January 17, 2011 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general provision of 0.25% on the Standard assets, the Company has made a provision of Rs. 1353.00 Lacs (March 31, 2015 : Rs. 1057.00 Lacs).

The total amount of provision on Standard assets of Rs.14035.00 Lacs (March 31, 2015 :Rs.12682.00 Lacs) is shown separately as "Contingent provision for Standard assets" under Long-term and Short-term provisions in the balance sheet (refer note no.5 and 9). The said amount includes additional / accelerated provision of 0.15% for Rs.5262.00 Lacs as at March 31, 2016 (March 31, 2015 : Rs. 4757.00 Lacs).

- c) Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such hire purchase/leased/loan assets on account of poor financial position of such customers.
- d) In accordance with the Prudential norms for restructured advances, the Company has made provisions of Rs. 32.51 Lacs (March 31, 2015 : Rs. 31.87 Lacs) as Higher provisions and Provisions for diminution in fair value on account of restructured advance which are shown separately under Long-term and Short-term provisions in the Balance sheet (refer note no.5 and 9).
31. Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.
32. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with Segment Reporting.
33. In the opinion of the Board, Current assets, Loans and advances are approximately of the value stated if realised in the ordinary course of business.
34. Deposits/advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

35. Employee benefits

Defined benefit plans -as per actuarial valuation

Rs.in Lacs

As at March 31

		Gratuity (Funded)		Sick leave (Non funded)		Previlag e Leave	Previlag e Leave
		March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
I.	Expense recognized in the Statement of Profit & Loss Account for the year ended 31st						
1	Current service cost	992.35	834.37	159.91	129.11	1070.56	993.59
2	Interest cost	137.72	106.95	17.07	13.49	92.51	76.41
3	Expected return on plan assets	(150.41)	(122.75)	-	-	-	-
4	Actuarial (gains)/losses	(503.97)	(326.85)	(90.38)	(99.52)	(816.18)	(662.17)

5	Fund amount to be transferred from MBCSPL gratuity fund	0.00	(56.36)	-	-	-	-
6	Adjustment due to change in opening balance of Plan assets	0.00	(98.83)	-	-	-	-
7	Total expense	475.69	336.53	86.61	43.09	346.88	407.83
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st						
1	Present value of defined benefit obligation as at 31st	1944.96	1558.68	277.25	190.97	1168.39	1056.62
2	Fair value of plan assets as at 31 st	1919.58	1583.37	-	-	-	-
3	Funded status (surplus/(deficit))	(25.38)	24.69	(277.25)	(190.97)	(1168.39)	(1056.62)
4	Net asset/(liability) as at 31st	(25.38)	24.69	(277.25)	(190.97)	(1168.39)	(1056.62)
III.	Change in the obligations during the year ended 31st						
1	Present value of defined benefit obligation at the beginning of the year	1558.68	1192.46	190.96	147.88	1056.62	846.55
2	Current service cost	992.35	834.37	159.91	129.11	1067.96	993.59
3	Transferred to Mahindra Asset Management Company Pvt. Ltd.	-	-	(0.32)	-	-	-
4	Interest cost	137.72	106.95	17.07	13.49	92.51	76.41
5	Actuarial (gains)/losses	(654.38)	(449.21)	(90.38)	(99.52)	(816.18)	(662.17)
6	Benefits paid	(89.41)	(125.89)	-	-	(232.52)	(197.76)
7	Present value of defined benefit obligation at the year ended 31st	1944.96	1558.68	277.25	190.97	1168.39	1056.62
IV.	Change in the fair value of plan assets during the year ended 31st						
1	Fair value of plan assets at the beginning of the year	1583.37	1111.98	-	-	-	-
2	Expected return on plan assets	150.41	122.75	-	-	-	-

3	Contributions by employer	425.62	442.08	-	-	-	-
4	Actuarial (Gains)/Losses	(150.41)	(122.75)	-	-	-	-
5	Fund amount to be transferred from MBCSPL gratuity fund	0.00	56.36	-	-	-	-
6	Adjustment due to change in opening balance of Plan assets	0.00	98.83	-	-	-	-
7	Actual Benefits paid	(89.41)	(125.89)	-	-	-	-
8	Fair value of plan assets at the end of the year	1919.58	1583.37	-	-	-	-

V.	Major category of plan assets as a percentage of total plan						
	Funded with LIC	100%	100%	-	-	-	-
VI	Actuarial Assumptions						
1	Discount Rate (p.a.)	8%	8%	8%	8%	8%	8%
2	Expected rate of return on plan assets (p.a.)	8%	8%	-	-	-	-
3	Rate of Salary increase (p.a.)	5%	5%	5%	5%	5%	5%
4	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

VII Experience adjustments

Rs. in Lacs

As at March 31

		2016	2015	2014	2013	2012
1	Defined benefit obligation at end of the period	1944.96	1558.68	1192.46	855.07	644.20
2	Plan assets at the end of period	1919.58	1583.37	1111.98	776.20	484.50
3	Funded status surplus/ (deficit)	25.38	(24.69)	(80.48)	(78.87)	(159.71)
4	Experience adjustments on plan liabilities (gain)/loss	(211.91)	(154.49)	(77.52)	(66.64)	(73.01)
5	Experience adjustments on plan assets gain/(loss)	(39.21)	(32.19)	(21.77)	(16.07)	(9.94)

36. Disclosure on derivatives

Outstanding derivative instrument and un-hedged foreign currency exposures as on

March 31, 2016

The Company has outstanding Foreign Currency Non-Repatriable (FCNR (b)) loans of US \$ 1209.88 Lacs (March 31, 2015 : US \$ 872.71 Lacs). The said loan has been fixed to INR liability using a cross currency swap and floating interest thereon in LIBOR plus rate has been swapped for fixed rate in Indian rupee. There is no un-hedged foreign currency exposure as on March 31, 2016.

37. Securitisation / assignment transactions

- a) During the year, the Company has without recourse securitised on “at par” basis vide PTC route loan receivables of 30940 contracts (March 31, 2015 : 27907 contracts) amounting to Rs. 85586.85 Lacs (March 31, 2015: Rs. 72229.92 Lacs) for a consideration of Rs 85586.85 Lacs (March 31, 2015: Rs. 72229.92 Lacs) and de-recognised the assets from the books.
- b) Income from assignment / securitization transactions include write back of provision for loss / expenses in respect of matured assignment transactions amounting to Rs 6756.56 Lacs (March 31, 2015 : Rs. 8807.91 Lacs) considered no longer necessary (refer Accounting policy 3 (IV) A (iii)).
- c) In terms of the accounting policy stated in 3 (IV) (B) (i) (c), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances (refer note no. 13 and 18) and equivalent amount of unrealised gains has been recognised as liabilities (refer note no. 4 and 8).
- d) Excess interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment / securitisation transactions amounting to Rs. 12062.65 Lacs (March 31, 2015: Rs. 11024.71 Lacs)

38. There were 150 cases (March 31, 2015: 119 cases) of frauds amounting to Rs. 559.99 Lacs (March 31, 2015 : Rs 353.81 Lacs) reported during the year. The Company has recovered an amount of Rs. 117.89 Lacs (March 31, 2015 : Rs 107.39 Lacs) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.

39. The gold loans outstanding as a percentage of total assets is at 0.02% (March 31, 2015 : 0.02%).

40. Related party disclosure as per Accounting Standard 18

A) List of the related parties and nature of relationship which have transactions with our Company during the year:

Holding Company :	Mahindra and Mahindra Limited
Subsidiary Companies :	Mahindra Insurance Brokers Limited Mahindra Rural Housing Finance Limited Mahindra Asset Management Company Private Limited Mahindra Trustee Company Private Limited
Joint Ventures :	Mahindra Finance USA, LLC
Fellow subsidiary Companies:	2 x 2 Logistics Private Limited Mahindra USA, Inc. Mahindra Two Wheelers Limited NBS International Ltd. Mahindra First Choice Wheels Ltd. Mahindra First Choice Services Ltd. Mahindra Defence Systems Ltd. Mahindra Retail Pvt Ltd. Mahindra Integrated Business Solutions Ltd. Mahindra Vehicle Manufacturers Ltd.
Key Management Personnel :	Mr. Ramesh Iyer (Managing Director)
Relatives of Key Management Personnel :	Ms Janaki Iyer
	Ms Ramlaxmi Iyer
	Mr Risheek Iyer

B) Related party transactions are as under:

Rs. in Lacs

				Rupees in lacs		
Sr. No.	Nature of transactions	Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Joint Ventures	* Key Management Personnel
1	Income					
	Loan income	-	-	64.15	-	-
		-	-	(3.52)	-	-
	Subvention / Disposal loss income	4,049.60	-	-	-	-
		(3,663.07)	-	-	-	-
	Other income	-	2,549.83	3.47	-	-
		(64.21)	(2,225.08)	-	-	-
2	Expenses					
	Interest	126.12	1,363.13	-	-	20.12
		-	(972.19)	-	-	(20.11)
	Other expenses	1,777.74	2,389.54	602.83	-	
		(1,494.18)	(1,685.59)	(430.81)	-	
	Remuneration to KMP's					436.13
						(645.48)
3	Investment in share capital	-	9,457.22	-	4,530.32	-
		-	(2,295.00)	-	(2,193.73)	-
4	Purchase of fixed assets	254.81	-	30.97	-	-
		(413.60)	-	-	-	-
5	Sale of fixed assets	-	11.35	-	-	-
		-	-	-	-	-
6	Finance					
	Fixed deposits taken	-	3,750.00	-	-	18.94
		-	(7,065.00)	-	-	(202.90)

	Fixed deposits matured	-	125.00	-	-	21.67
		-	-	-	-	(188.25)
	Dividend paid for previous year	11,648.31	-	-	-	23.85
		(11,065.89)	-	-	-	(23.71)
	Inter corporate deposits taken	(30,000.00)	7,500.00	-	-	-
		-	(1,475.00)	-	-	-
	Inter corporate deposits repaid	-	8,150.00	-	-	-
		-	(4,240.00)	-	-	-
	Inter corporate deposits given	-	-	-	-	-
		-	(69,107.00)	-	-	-
	Inter corporate deposits refunded	-	-	-	-	-
		-	(64,974.39)	-	-	-
7	Other transactions					
	Reimbursement from parties	-	-	-	-	-
		-	(0.02)	-	-	-
	Reimbursement to parties	-	-	153.08	-	-
		-	-	(119.72)	-	-

8	Balances as at the end of the period					
	Receivables	315.06	66.57	127.42	-	-
		(1,245.02)	(85.12)	-	-	-
	Loan given (including interest accrued but not due)	-	-	1,870.04	-	-
		-	-	(43.29)	-	-
	Inter corporate deposits given (including interest accrued but not due)	-	5,189.14	-	-	-
		-	(4,747.90)	-	-	-
	Payables	-	692.74	218.94	-	-

		-	(455.13)	(157.98)	-	-
Subordinate debt held (including interest accrued but not due)		-	700.76	-	-	-
		-	(700.76)	-	-	-
Inter corporate deposits taken (including interest accrued but not due)	30,113.51		936.04	-	-	-
	-		(1,617.69)	-	-	-
Fixed deposits (including interest accrued but not due)		-	15,143.45	-	-	226.54
		-	(10,426.55)	-	-	(231.80)

Notes:

Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18 as well as the Companies Act, 2013

C) The significant related party transactions are as under:

Rs. in Lacs

The significant related party transactions are as under:					
Nature of transactions		Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Key Management Personnel
Income					
<u>Revenue from operations</u>					
Subvention / Disposal loss income	Mahindra & Mahindra Limited	4,049.60			
		(3,663.07)			
Loan income	2 x 2 Logistics Pvt Ltd			62.08	
				-	
<u>Other income</u>					

Interest income on inter corporate deposits / subordinate debt	Mahindra Rural Housing Finance Limited	567.27		
		(602.73)		
Income from shared services	Mahindra Insurance Brokers Limited	149.78		
		(135.60)		
Income from shared services	Mahindra Rural Housing Finance Limited	454.75		
		(404.09)		

Dividend income	Mahindra Rural Housing Finance Limited	747.76		
		(536.36)		
Dividend income	Mahindra Insurance Brokers Limited	273.84		
		(219.07)		
ESOP compensation recovered	Mahindra Rural Housing Finance Limited	200.07		
		(76.99)		
ESOP compensation recovered	Mahindra Insurance Brokers Limited	113.98		
		(146.31)		
Expenses				
<u>Interest</u>	-			
Interest expense on inter corporate deposits and non-convertible debentures	Mahindra Insurance Brokers Limited	1,363.13		
		(972.19)		
<u>Other expenses</u>				

Rent	Mahindra & Mahindra Limited	1,267.00			
-		(951.24)			
Handling Charges	Mahindra Insurance Brokers Limited		2,389.54		
			(1,685.59)		
Commission & Valuation charges	Mahindra First Choice Wheels Limited			526.94	
				(417.19)	
Investment in Share Capital	Mahindra Rural Housing Finance Limited		3,497.22		
			(2,190.00)		
Investment in Share Capital	Mahindra Asset Management Co Pvt Ltd		5,950.00		
			(100.00)		
Purchase of fixed assets	Mahindra & Mahindra Limited	254.81			
		(413.60)			
Purchase of fixed assets	NBS International			30.97	
Sale of fixed assets	Mahindra Asset Management Co Pvt Ltd		11.35		

Finance					
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Fixed Deposits	Mahindra Insurance Brokers Limited		3,750.00		
			(7,065.00)		
Fixed deposits matured	Ramesh Iyer and relatives				21.67
					(188.25)
Fixed deposits matured	Mahindra Insurance Brokers Limited		125.00		
			-		
Dividend paid - for previous year	Mahindra & Mahindra Limited	11,648.31			
		(11,065.89)			
Inter corporate deposits taken	Mahindra Insurance Brokers Limited		7,500.00		
			(1,475.00)		
Inter corporate deposits taken	Mahindra & Mahindra Limited	30,000.00			
		-			
Inter corporate deposits repaid	Mahindra Insurance Brokers Limited		8,150.00		
			(4,240.00)		
Balances at the year end					
Receivables	Mahindra & Mahindra Limited	315.06			
		(1,245.02)			
Receivables	Mahindra Rural Housing Finance Limited		66.57		
			(59.41)		
Receivables	NBS International			127.42	
				-	

Loan outstanding	2 x 2 Logistics Pvt Ltd			1,865.14	
				-	
Payables	Mahindra Insurance Brokers Limited		692.74		
			(455.13)		
Payables	Mahindra First Choice Wheels Limited			155.44	
				(114.87)	
Inter corporate deposits taken (including interest accrued but not due)	Mahindra Insurance Brokers Limited		936.04		
			(1,617.69)		
Inter corporate deposits taken (including interest accrued but not due)	Mahindra & Mahindra Limited	30,113.51			
		-			

Inter corporate deposits given (including interest accrued but not due)	Mahindra Rural Housing Finance Limited		5,189.14		
			(4,747.90)		
Subordinate debt held (including interest accrued but not due)	Mahindra Rural Housing Finance Limited		700.76		
			(700.76)		
Fixed deposits	Mahindra Insurance Brokers Limited		15,143.45		
			(10,426.55)		

Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18 as well as the Companies Act, 2013.

d) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at March 31, 2016

Rs. in lacs

Particulars	Relation	Balance as on April 1, 2015	Advances / investments	Repayment s/ sale	Balance as on March 31, 2016
(A) Loans and advances					
Mahindra Rural Housing Finance Ltd.	Subsidiary	4,656.50	-	-	4,656.50
Mahindra Retail Pvt Ltd	Fellow subsidiary	30.08	-	25.18	4.90
2 x 2 Logistics Pvt Ltd	Fellow subsidiary	13.21	1,952.93	101.00	1,865.14
		4,699.79	1,952.93	126.18	6,526.54
(B) Unsecured redeemable non-convertible subordinate debentures					
Mahindra Rural Housing Finance Ltd.	Subsidiary	700.00	-	-	700.00
		700.00	-	-	700.00
(C) Investments					
Mahindra Insurance Brokers Ltd.	Subsidiary	47.98	-	-	47.98
Mahindra Rural Housing Finance Ltd.	Subsidiary	8,380.00	3,497.22	-	11,877.22
Mahindra Asset Management Company Pvt. Ltd.	Wholly owned Subsidiary	105.00	5,950.00	-	6,055.00
Mahindra Trustee Company Pvt. Ltd.	Wholly owned Subsidiary	5.00	10.00	-	15.00
Mahindra Finance USA, LLC	Joint Venture	10,787.01	4,530.31	-	15,317.32
		19,324.99	13,987.53	-	33,312.52

Total		24,724.78	15,940.46	126.18	40,539.06
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Notes :

- iii) Above loans & advances and investments have been given for general business purposes.
iv) There were no guarantees given / securities provided during the year

As at March 31, 2015

Rs. in lacs

Particulars	Relation	Balance as on April 1, 2014	Advances/ investments	Repayments/ sale	Balance as on March 31, 2015
(A) Loans and advances					
Mahindra Rural Housing Finance Ltd.	Subsidiary	523.89	69,107.00	64,974.39	4,656.50
Mahindra Business and Consulting Services Pvt. Ltd.	Subsidiary	837.72	456.45	1,294.17	-
Mahindra Retail Pvt Ltd	Fellow subsidiary	36.11	-	6.03	30.08
2 x 2 Logistics Pvt Ltd	Fellow subsidiary	-	13.58	0.37	13.21
		1,397.72	69,577.03	66,274.96	4,699.79
(B) Unsecured redeemable non-convertible subordinate debentures					
Mahindra Rural Housing Finance Ltd.	Subsidiary	700.00	-	-	700.00
		700.00	-	-	700.00
(C) Investments					

Mahindra Insurance Brokers Ltd.	Subsidiary	47.98	-	-	47.98
Mahindra Rural Housing Finance Ltd.	Subsidiary	6,190.00	2,190.00	-	8,380.00
Mahindra Business and Consulting Services Pvt. Ltd.#	Wholly owned Subsidiary	1.00	-	1.00	-
Mahindra Asset Management Company Pvt. Ltd.	Wholly owned Subsidiary	5.00	100.00	-	105.00
Mahindra Trustee Company Pvt. Ltd.	Wholly owned Subsidiary	-	5.00	-	5.00
Mahindra Finance USA, LLC	Joint Venture	7,788.05	2,998.96	-	10,787.01
		14,032.03	5,293.96	1.00	19,324.99
Total		16,129.75	74,870.99	66,275.96	24,724.78

Investment held by the Company now merged with the Company effective from April 1, 2014.

Notes :

- iii) Above loans & advances and investments have been given for general business purposes.
- iv) There were no guarantees given / securities provided during the year

41. Contingent liabilities and commitments (to the extent not provided for)

Rs. in Lacs

As at March 31

	2016	2015
i) Contingent liabilities		
a) Demand against the Company not acknowledged as debts -		
- Income tax	3835.66	4379.05
- Value Added Tax (VAT)	191.98	191.98
- Service tax	5283.34	-

b) Corporate guarantees towards assignment transactions	15331.13	31338.63
c) Credit enhancement in terms of corporate guarantee for securitization transactions (refer note no. 48 (IV))	17196.42	8307.81
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	3373.92	3110.83
	45212.45	47328.30
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account	274.82	554.84
	274.82	554.84
Total	45487.27	47883.14

42. Disclosure of trade payables to Micro, Small and Medium Enterprises under Current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Amount outstanding as on March 31, 2016 to Micro, Small and Medium Enterprises on account of principle amount aggregate to Rs. Nil (March 31, 2015: Rs. Nil) [including overdue amount of Rs. Nil (March 31, 2015: Rs. Nil)] and interest due thereon is Rs. Nil (March 31, 2015: Rs. Nil) and interest paid during the year Rs. Nil (March 31, 2015: Rs. Nil).

43. Secured long-term borrowings

i. Secured non-convertible debentures

As at March 31, 2016

Particulars	Rate range	Rs. in Lacs		
		(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.70% - 9.00%	189200.00	-	189200.00
Maturing between 3 years to 5 years	8.48% - 9.45%	201950.00	-	201950.00

Maturing between 1 year to 3 years	8.48% - 10.25%	339240.00	-	339240.00
Maturing within 1 year	8.57% - 10.20%	-	234470.00	234470.00
Total		730390.00	234470.00	964860.00

As at March 31, 2015

		Rs. in Lacs		
	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.70% - 8.95%	53000.00	-	53000.00
Maturing between 3 years to 5 years	8.65% - 10.25%	122760.00	-	122760.00
Maturing between 1 year to 3 years	8.65% - 10.20%	181280.00	-	181280.00
Maturing within 1 year	8.60% - 9.95%	-	152270.00	152270.00
Total		357040.00	152270.00	509310.00

ii. Secured term loans from banks

As at March 31, 2016 :

		Rs. in Lacs		
Particulars	Rate range	(a) Non-current	(b) Current Maturities	Total
1) Repayable on maturity :				
Maturing beyond 5 years	-	-	-	-
Maturing between 3 years to 5 years				
Maturing between 1 year to 3 years	9.65% - 9.75%	35000.00		35000.00
Maturing within 1 year	9.50% - 9.95%	-	127500.00	127500.00
Total for repayable on maturity		35000.00	127500.00	162500.00
2) Repayable in installments :				
i) Quarterly -				
Maturing beyond 5 years	-	-	-	-

Maturing between 3 years to 5 years	9.30%	15892.86		15892.86
Maturing between 1 year to 3 years	9.30% - 9.65%	100714.29		100714.29
Maturing within 1 year	9.30% - 9.70%	-	61907.14	61907.14
Total		116607.14	61907.14	178514.29
ii) Half yearly -				
Maturing beyond 3 years to 5 years	9.45%	50000.00		50000.00
Maturing between 1 year to 3 years	9.65% - 9.75%	106000.00		106000.00
Maturing within 1 year	9.65% - 9.75%	-	107000.00	107000.00
Total		156000.00	107000.00	263000.00
iii) Yearly -				
Maturing beyond 5 years	-	-	-	-
Maturing between 3 years to 5 years	9.65%-9.70%	75833.33		75833.33
Maturing between 1 year to 3 years	9.35%-9.70%	150833.33		150833.33
Maturing within 1 year	9.65%-9.70%	-	45833.33	45833.33
Total		226666.67	45833.33	272500.00
Total for repayable in installments		499273.81	214740.48	714014.29
TOTAL (1+2)		534273.81	342240.48	876514.29

As at March 31, 2015

Rs. in Lacs

	Rate range	(a) Non-current	(b) Current Maturities	Total
1) Repayable on maturity :				
Maturing between 1 year to 3 years	9.70% - 10.25%	192500.00		192500.00
Maturing within 1 year	9.45% - 10.40%	-	127000.00	127000.00
Total for repayable on maturity		192500.00	127000.00	319500.00
2) Repayable in installments :				
i) Bimonthly				
Maturing within 1 year	10.25%	-	6200.00	6200.00

Total		-	6200.00	6200.00
ii) Quarterly -				
Maturing between 3 years to 5 years	10.00%	1428.57		1428.57
Maturing between 1 year to 3 years	9.95% - 10.25%	95835.71		95835.71
Maturing within 1 year	9.95% - 10.25%	-	32364.29	32364.29
Total		97264.29	32364.29	129628.57
iii) Half yearly -				
Maturing beyond 3 years	10.25%	15000.00		15000.00
Maturing between 1 year to 3 years	10.00%-10.25%	214666.67		214666.67
Maturing within 1 year	10.00%-10.25%	-	162666.67	162666.67
Total		229666.67	162666.67	392333.33
iv) Yearly -				
Maturing between 3 years to 5 years	10.20% - 10.25%	43333.33		43333.33
Maturing between 1 year to 3 years	10.20% - 10.25%	104166.67		104166.67
Maturing within 1 year	10.25%	-	7500.00	7500.00
Total		147500.00	7500.00	155000.00
Total for repayable in installments		474430.95	208730.95	683161.90
TOTAL (1+2)		666930.95	335730.95	1002661.90

iii. Foreign currency loans from banks
As at March 31, 2016

Particulars	Rate range	Rs. in Lacs		
		(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	8.69% - 9.97%	53227.83	-	53227.83
Maturing within 1 year	9.16% - 9.33%	-	26932.51	26932.51
TOTAL		53227.83	26932.51	80160.34

As at March 31, 2015

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	8.95%	12500.00	-	12500.00
Maturing within 1 year	9.05% - 9.98%	-	42044.47	42044.47
TOTAL		12500.00	42044.47	54544.47

44. Unsecured borrowings

i) Subordinated debts (long-term)

As at March 31, 2016

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	8.90% - 10.50%	68,830.00	-	68,830.00
Maturing between 3 years to 5 years	9.50% - 10.02%	41,720.00	-	41,720.00
Maturing between 1 year to 3 years	10.50% - 12.00%	7,860.00	-	7,860.00
TOTAL		118,410.00	-	118,410.00

As at March 31, 2015

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current Maturities	Total
Repayable on maturity :				
Maturing beyond 5 years	9.18% - 10.50%	78550.00	-	78550.00
Maturing between 3 years to 5 years	9.85% - 11.75%	15480.00	-	15480.00
Maturing between 1 year to 3 years	10.50% - 12.00%	6,880.00	-	6880.00

TOTAL		100910.00	-	100910.00
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ii) Unsecured term loans from banks

As at March 31, 2016 :

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing within 1 year	10.00%	-	10,000.00	10,000.00
TOTAL		-	10,000.00	10,000.00

As at March 31, 2015 :

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	10%	10000.00	-	10000.00
TOTAL		10000.00	-	10000.00

iii) Inter-corporate deposits (ICDs)

As at March 31, 2016

Rs.in Lacs					
	Rate range	(a) Short Term	Long Term		Total
			(b) Non-current	(c) Current Maturities	
Repayable on maturity :					
Maturing within 1 year	8.45% - 9.05%	30925.00	-	-	30925.00
TOTAL		30925.00	-	-	30925.00

As at March 31, 2015

Rs.in Lacs	
Long Term	

	Rate range	(a) Short Term	(b) Non-current	(c) Current Maturities	Total
Repayable on maturity :					
Maturing within 1 year	9.00% - 9.60%	850.00	-	725.00	1575.00
TOTAL		850.00	-	725.00	1575.00

iv) Fixed deposits

As at March 31, 2016

	Rate range	(a) Short-Term	Rs. in Lacs		Total
			(b) Non-current	(c) Current Maturities	
				Long-term	
a) Maturing beyond 3 years	8.20% - 10.10%	-	15,832.63	-	15,832.63
b) Maturing between 1 year to 3 years	8.20% - 10.60%	-	281,033.37	-	281,033.37
c) Maturing within 1 year	7.90% - 10.60%	17,829.68	-	163,730.66	181,560.34
TOTAL		17,829.68	296,866.01	163,730.66	478,426.35

As at March 31, 2015

	Rate range	(a) Short-Term	Rs. in Lacs		Total
			(b) Non-current	(c) Current Maturities	
				Long-term	
Maturing beyond 3 years	8.90% - 10.10%	-	6561.15	-	6561.15
Maturing between 1 year to 3 years	9.15% - 10.60%	-	324772.68	-	324772.68
Maturing within 1 year	8.40% -10.75%	6943.06	-	129746.50	136689.56
TOTAL		6943.06	331333.83	129746.50	468023.39

45. Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As at March 31, 2016

Rs. in Lacs

	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	9.50% - 12.15%	109934.60
TOTAL		109934.60

As at March 31, 2015

Rs. in Lacs

	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	9.60% - 14.00%	131805.33
TOTAL		131805.33

ii) Commercial papers

As at March 31, 2016 :

Rs. in Lacs

Particulars	Rate range	Current
Repayable on maturity :		
Maturing within 1 year	8.09% - 9.20%	276,000.00
TOTAL		276,000.00

As at March 31, 2015 :

Rs. in Lacs

	Rate range	Current
Repayable on maturity :		
Maturing within 1 year	8.88% - 9.15%	347500.00
TOTAL		347500.00

46. Managerial remuneration to Directors included in the Statement of profit and loss

Rs. in Lacs

Year ended March 31

	2016	2015
Salary and perquisites	564.08	583.22
Sitting fees and commission	294.55	214.62
Total	858.63	797.84

Above figures are excluding charge for gratuity, provision for leave encashment as separate actuarial valuation figures are not available.

47. Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Rs. in Lacs

As at March 31

		2016		2015	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	<u>Liabilities side</u>				
(1)	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :				
	(a) Debentures : Secured	1012166.76	-	531521.57	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	915559.66	-	1086150.23	-
	(d) Inter-corporate loans and Other Borrowings	31049.56	-	1617.69	-

	(e) Commercial Paper	276000.00	-	347500.00	-
	(f) Public Deposits	466215.66	-	460702.68	-
	(g) Fixed Deposits accepted from Corporates	47460.23	-	38501.41	-
	(h) FCNR Loans	80287.64	-	54741.36	-
	(i) Subordinate debt	124089.84	-	105738.99	-
	(j) Other Short Term Loans and credit facilities from banks	81834.60	-	59105.33	-
	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e., debentures	-	-	-	-
	where there is a shortfall in the value of security				
	(c) Other public deposits	466215.66	-	460702.68	-

Rs. in Lacs

As at March 31

		2016	2015
	-	Amount outstanding	Amount outstanding
	Asset side:		
(3)	Break-up of Loans and Advances including bills receivables		

	[other than those included in (4) below] :		
	(a) Secured	47914.91	36273.34
	(b) Unsecured	168719.44	144202.13
(4)	Break up of Leased Assets and stock on hire and		
	hypothecation loans counting towards AFC activities :		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed	5951.34	7860.00
	(b) Loans other than (a) above	3283048.61	3001425.74
(5)	<u>Break-up of Investments :</u>		
	<u>Current Investments :</u>		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	9279.17	7,875.00

Rs. in Lacs

As at March 31

		2016	2015
	-	Amount outstanding	Amount outstanding
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Investments in Certificate of Deposits with Banks	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Certificate of Deposits with Banks	24821.5	-
	(vi) Commercial Papers	15000.00	1500.00
	<u>Long Term Investments :</u>		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	2000.01	5354.17

	(iii) Units of mutual funds	-	-
	(iv) Government Securities	63220.81	50612.79
	2. Unquoted :		
	(i) Shares : (a) Equity	33312.57	19325.04

Rs. in Lacs

As at March 31

		2016	2015
	-	Amount outstanding	Amount outstanding
	(b) Preference	-	-
	(ii) Debentures and Bonds	700.00	700.00
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-

Rs. In Lacs

(6)
Borrower group-wise classification assets financed as in (3) and (4)
above :

Category	As 31 March, 2016			As at March 31, 2015		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						

(a) Subsidiaries	-	5189.14	5189.14	-	4747.90	4747.90
(b) Companies in the same group	1870.04	-	1870.04	43.29	-	43.29
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	3335044.82	163530.3	3498575.12	3045515.79	139454.23	3184970.02
Total	3336914.86	168719.44	3505634.3	3045559.08	144202.13	3189761.21

Rs. In Lacs

(7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

Category	As 31 March, 2016		As 31 March, 2015	
	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	18695.2	18695.2	9237.98	9237.98
(b) Companies in the same group	15317.37	15317.37	10787.06	10787.06
(c) Other related parties	-	-	-	-
2. Other than related parties	117028.83	114321.49	68291.61	65341.96
Total	151041.40	148334.06	88,316.65	85,367.00

(8) **Other information**

		As at March 31	
		2016	2015
		Amount	Amount

	Gross Non-Performing Assets :		
(i)			
	(a) Related parties	-	-
	(b) Other than related parties	322416.98	209972.20
(ii)	Net Non-Performing Assets :		
	(a) Related parties	-	-
	(b) Other than related parties	123511.37	81820.64
(iii)	Assets acquired in satisfaction of debt :	-	-

48. Disclosures as required under Revised Regulatory Framework for NBFCs (Notification No. DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014)

I) Capital

As at March 31

Particulars		2016	2015
i)	CRAR (%)	17.3%	18.3%
ii)	CRAR-Tier I Capital (%)	14.6%	15.5%
iii)	CRAR-Tier II Capital (%)	2.7%	2.8%
iv)	Amount of subordinated debt raised as Tier-II capital (Rs. in Lacs)	17500.00	21500.00
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

II) Investments

Rs. in lacs

As at March 31

Particulars		2016	2015
1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	133016.74	74579.99

	(b) Outside India	15317.32	10787.01
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	133016.74	74579.99
	(b) Outside India	15317.32	10787.01
2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

III) Derivatives

a) Forward Rate Agreement / Interest Rate Swap

The Company is not carrying out any activity of providing Forward/Interest rate swap cover to third parties.

b) Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing Derivative cover to third parties

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures –

- i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the

proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

- ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of M.D/CFO/Treasurer Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.
- iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions

Quantitative Disclosures –

d) FCNR(B) Loans Aailed:

Rs. in Lacs

S No.	Particulars	As at March 31, 2016		As at March 31, 2015	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	78987.00		53592.00	
	For hedging				
(ii)	Marked to Market Positions [1]				
	(a) Asset (+) Estimated gain	1657.21	-	823.53	-
	(b) Liability (-) Estimated loss	-	(105.80)	(369.90)	(216.27)
(iii)	Credit Exposure [2]	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

IV) Disclosures relating to Securitisation

- a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2012-13 dated August 21, 2012.

Applicable for transactions effected after the date of circular:

Rs. in Lacs

As at March 31

S No.	Particulars	2016	2015
1	No of SPVs sponsored by the NBFC for securitisation transactions	16	12
2	Total amount of securitised assets as per books of the SPVs sponsored	136825.69	154321.26
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss- Credit enhancement in form of corporate undertaking	17196.42	8307.81
	Others	-	-
	b) On-balance sheet exposures		
	First loss- Cash collateral term deposits with banks	20038.00	20085.00
	Others- Retained interest in pass through certificates (excluding accrued interest)	472.12	1242.81
4	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures		
	(i) Exposure to own securitizations		
	First loss	-	-
	Loss		
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others		
	Excess Interest Spread	27856.85	27176.87

b) On-balance sheet exposures		
(i) Exposure to own securitisations		
First loss	-	-
Others- Cash collateral term deposits with banks	1856.00	2000.00
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

During the current year and the previous year the Company has not sold any financial assets to Securitisation /Reconstruction Company for asset reconstruction.

c) Details of Assignment transactions undertaken by NBFCs (During the year)

Rs. in lacs

Year ended March 31

		2016	2015
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

d) Details of non-performing financial assets purchased / sold

i) Details of non-performing financial assets purchased:

During the current year and the previous year the Company has not purchased any non -performing financial assets.

ii) Details of Non-performing Financial Assets sold:

During the current year and the previous year the Company has not sold any non -performing financial assets.

V) Exposures

a) Exposure to Real Estate Sector

During the current year and the previous the Company has no Exposure to Real estate sector.

b) Exposure to Capital Market

During the current year and the previous year the Company has no Exposure to Capital Market.

c) Details of financing of parent company products

Of the total financing activity undertaken by the Company during the financial year 2015-16, 45% (March 31, 2015: 48%) of the financing was towards parent company products.

d) Details of Single Borrower Limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC

During the current year and the previous year, the Company has not exceeded the prudential exposure limits.

e) Unsecured Advances

During the current year, the Company has granted unsecured advances of Rs. 167916.29 Lacs (March 31, 2015: Rs.142013.49 Lacs).

VI) Miscellaneous

a. Registration obtained from other financial sector regulators

During the current year and the previous year, the Company has not obtained any registration from other financial sector regulators.

b. Disclosure of Penalties imposed by RBI and other regulators

During the current year and the previous year, there are no penalties imposed by RBI and other regulators

c. Related Party Transactions

(refer note no.40)

d. Rating assigned by credit rating agencies and migration of ratings during the year

Credit Rating -

During the year under review, CRISIL Limited [CRISIL], has reaffirmed the rating to the Company's Long-term Debt Instruments and Bank Facilities as 'CRISIL AA+/ Stable' and the Company's Fixed Deposit Programme as 'FAAA/Stable', respectively. The 'AA+/Stable' rating indicates a high degree of safety with regard to timely payment of financial obligations. The rating on the Company's Short-term Debt and Bank Loans has been reaffirmed at 'CRISIL A1+' which is the highest level of rating.

During the year under review, India Ratings & Research Private Limited, which is part of Fitch Group, upgraded the rating of Company's National Long-term instrument and Lower Tier II Subordinated Debt programme to 'IND AAA/Stable' from 'IND AA+/Stable'. The 'IND AAA' national ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

During the year under review, CARE Ratings has assigned the 'CARE AAA' rating to Company's Long-term debt instrument and Lower Tier II Subordinated Debt programme. The Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Brickwork Ratings India Private Limited has, during the year, upgraded the rating of the Company's Long-term Subordinated Debt Issue to 'BWR AAA/stable' from "BWR AA+/positive". 'BWR AAA' stands for an instrument that is considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

VII) Net Profit of Loss for the period ,prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to Account in terms of the relevant Accounting Standard.

VIII) Revenue Recognition

(Refer note no. 3 under Summary of Significant Accounting Policies)

IX) Accounting Standard 21- Consolidated Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Accounting Standard 21

Refer consolidated financial statements (CFS)

Additional Disclosures :**X) Provisions and Contingencies**

Rs. in lacs

Year ended March 31

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2016	2015
Provisions for depreciation on Investment	-	-
Provision towards NPA	52596.10	33259.02
Provision made towards Income tax	53560.00	51995.00
Other Provision and Contingencies (with details)	-	-
Provision for diminution in the fair value of restructured advances	0.64	9.56
Provision for Standard Assets	1353.00	1079.31

Draw Down from Reserves

Year ended March 31 2016 : Nil

Year ended March 31 2015 :

Refer note no. 24 regarding transitional depreciation of Rs.317.77 Lacs (net of deferred tax of Rs.163.62 Lacs) arising pursuant to requirements of schedule II of the Companies Act 2013 which was charged to opening balance of surplus in Statement of profit and loss.

XI) Concentration of Deposits, Advances, Exposures and NPAs

a. Concentration of Deposits (for deposit taking NBFCs)

Rs. in lacs

As at March 31

	2016	2015
Total Deposits of twenty largest depositors	44718.44	37130.21
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	8.7%	7.4%

b. Concentration of Advances

Rs. in lacs

As at March 31

	2016	2015
Total Advances to twenty largest borrowers	80359.22	37180.54
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	2.2%	1.1%

c. Concentration of Exposures

Rs. in lacs

As at March 31

	2016	2015
Total Exposure to twenty largest borrowers / customers	80359.22	37180.54
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	2.2%	1.1%

d. Concentration of NPAs

Rs. in lacs

As at March 31

	2016	2015
Total Exposure to top four NPA accounts	7411.47	6241.67

e. Sector-wise NPAs

S No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		As at March 31, 2016	As at March 31, 2015
1	Agriculture & allied activities/Auto	9.2%	6.5%
2	MSME/Corporate borrowers	4.2%	5.6%
3	Unsecured personal loans	10.3%	13.1%
4	Other loans	0.7%	3.4%
5	Services	-	-

f. Movement of NPAs

Rs. in lacs

As at / Year ended March 31

Particulars		2016	2015
(i)	Net NPAs to Net Advances (%)	3.5%	2.6%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	209972.20	140569.12
	(b) Additions during the year	213047.58	147895.67
	(c) Reductions during the year	100602.80	78492.59
	(d) Closing balance	322416.98	209972.20
(iii)	Movement of Net NPAs		

	(a) Opening balance	81820.64	57564.17
	(b) Additions during the year	91707.63	67419.23
	(c) Reductions during the year	50016.90	43162.76
	(d) Closing balance	123511.37	81820.64
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	96617.08	63358.06
	(b) Provisions made during the year	91439.33	61506.02
	(c) Write-off / write-back of excess provisions	38843.23	28247.00
	(d) Closing balance	149213.18	96617.08

XII) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Rs. in lacs

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets as at March 31, 2016	Total Assets as at March 31, 2015
Mahindra Finance USA, LLC	De Lage Landen Financial Services	USA	243,751.58	167,299.84

XIII) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NA	NA

XIV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2016

Rs. in lacs

	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Deposits	15664.40	18168.12	15454.38	46352.65	85920.79	281033.37	15832.63	-	478426.35
Advances	284937.61	147877.40	154020.45	380287.32	611279.67	1488932.17	294618.21	2446.12	3364398.95
Reserves and surplus	-	-	-	-	-	-	-	597518.72	597518.72
Investments	14,975.11	-	9,846.39	-	15000.00	11202.82	24568.95	72740.79	148334.05
Borrowings	92097.89	140400.00	77678.57	135712.86	469544.05	849582.22	385396.19	258030.00	2408441.78
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	6,567.13	-	7,114.39	13251.00	53227.83	-	-	80160.34

XV) Disclosure of Complaints

Customer Complaints

(a) No. of complaints pending at the beginning of the year	9
(b) No. of complaints received during the year	132
(c) No. of complaints redressed during the year	136
(b) No. of complaints pending at the end of the year	5

49. Disclosure on restructured standard advances :

During the previous year, the Company has restructured one of the standard advance accounts resulting in reduction in rate of interest and increase in tenor of the loan. The details of the same are provided here below.

Rs. in Lacs

Sr. No.	Type of Restructuring Asset Classification		Others				Total
			Standard	Substandard	Doubtful	Loss	
Details							
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of Borrowers	1	-	-	-	1
		Amount Outstanding	446.15	-	-	-	446.15
		Provision thereon #	31.87	-	-	-	31.87
2	Fresh Restructuring during the year	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
3	Up-gradations to restructured standard category during the FY	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
4	Restructured standard advances which cease to attract higher provisioning and /or additional risk weight at the end of FY and hence need to be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
5	Down gradations of restructured accounts during the FY	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
6	Write-offs of restructured accounts during the FY	No. of Borrowers					
		Amount Outstanding					
7	Restructured Accounts as on March 31 of the FY (Closing Figures)	No. of Borrowers	1	-	-	-	1
		Amount Outstanding					446.15

		446.15	-	-	-	
	Provision thereon #	32.51	-	-	-	32.51

Note : Since the disclosure of restructured advance account pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.

Represents higher provisioning and provision for diminution in fair value of Rs. 22.31 Lacs (March 31,2015: Rs. 22.31 Lacs) and Rs. 10.20 Lacs (March 31,2015: Rs. 9.56 Lacs) respectively.

50. During the year, the Company has incurred an expenditure of Rs. 2791.69 Lacs (March 31, 2015 : Rs. 2374.07 Lacs) towards Corporate Social Responsibility activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. 114.26 Lacs (March 31, 2015 : Rs.113.56 Lacs) towards the CSR activities undertaken by the Company (refer note no. 26).

51. Changes in provisions

Rs. in Lacs

	As at April 1, 2015	Additional Provisions	Utilizations/ Reversals	As at March 31, 2016
Provision for Standard assets	12682.00	1353.00	-	14035.00
Provision for Non-performing assets	96617.08	91439.33	38843.23	149213.18

52. Previous year figures have been regrouped / reclassified wherever found necessary.

For FY 2014-15:

28. Disclosure under the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS-27).

The Company has interest in the following jointly controlled entity.

	Name of the entity	Country of Incorporation	% Holding
i)	Mahindra Finance USA, LLC	United States of America	49.00%
ii)	Interest in the assets, liabilities, income and expenses with respect to jointly controlled entities		
			(Rs. in Lacs)
	Particulars	As at March 31, 2015	As at March 31, 2014
I.	ASSETS		
1	Long-term loans and advances	134793.06	91854.46
2	Deferred tax assets	451.68	306.36
3	Cash and cash equivalents	266.35	395.53
4	Short-term loans and advances	31788.75	21562.02
II.	LIABILITIES		
1	Long-term borrowings	75101.31	48549.09
2	Other Long-term liabilities	-	59.74
3	Long term provisions	430.29	333.14
4	Short term borrowings	36064.29	28664.24
5	Other current liabilities	40044.49	25810.16
6	Short term provisions	100.71	77.40

(Rs. in Lacs)

			As at March 31, 2015	As at March 31, 2014
III.		INCOME		
	1	Revenue from operations	6602.74	4782.11
	2	Other income	365.65	210.91
IV.		EXPENSES		
	1	Finance costs	2492.20	1677.26
	2	Provisions and write-offs	327.88	251.15
	3	Other expenses	2021.86	1578.45
	4	Provision for current tax	893.55	823.54
	5	Provision for deferred tax	(129.08)	(307.94)

29. Employee Stock Option Plan

- a) The Company had allotted 134,32,750 equity shares (face value of Rs.2/- each) on December 06, 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) on February 03, 2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The Trust had issued 1,36,53,486 equity shares to employees (March 31, 2014 : 1,30,37,934 equity shares) up to March 31, 2015, of which 6,15,552 equity shares (March 31, 2014 : 5,04,944 equity shares) were issued during the current year.

The details of Employees stock option schemes are as under :

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	6 years from the date of grant
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

- b) During the year, the Company has granted 16,01,507 stock options to the eligible employees under the Employees' Stock option scheme 2010. The details are as under:

	Grant dated October 21, 2014
No. of options granted	16,01,507
Intrinsic value of shares based on latest available closing market price (Rs.)	278.80
Total amount to be amortized over the vesting period (Rs. in Lacs)	4465.00
Charge to Statement of profit and loss for the year (Rs. in Lacs)	1011.09
Compensation in respect of lapsed cases (Rs. in Lacs)	36.87
Unamortized amount carried forward (Rs. in Lacs)	3417.04

The fair value of options, based on the valuation of the independent valuer as on the date of grant are :

Vesting date	Grant dated October 21, 2014	
	Expected Vesting	Fair Value (Rs.) per share
October 21, 2015	320299	267.23
October 21, 2016	320299	
October 21, 2017	320299	
October 21, 2018	320299	
October 21, 2019	320311	
	1601507	

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables #	Grant dated October 21, 2014
1) Risk free interest rate	8.50%
2) Expected life	3.25 years
3) Expected volatility	38.83%
4) Dividend yield	1.35%
5) Price of the underlying share in the market at the time of option grant (Rs.)	280.80

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

c) Summary of stock options

As at / Year ended March 31

Summary of Stock Options	2015		2014	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	11,63,249	12.70	16,44,675	21.61
Options granted during the year	16,01,507	2.00	1,17,625	2.00
Options forfeited/lapsed during the year #	26,249	11.07	94,107	37.64
Options exercised during the year	6,15,552	21.84	5,04,944	34.57
Options outstanding at the end of the year	21,22,955	2.00	11,63,249	12.70
Options vested but not exercised at the end of the year	1,24,345	2.00	4,36,039	30.55

including 13,225 (March 31, 2014: 4,085) options forfeited/lapsed out of the options granted during the year.

d) Information in respect of options outstanding :

As at March 31

Grant date / Exercise price	2015		2014	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Scheme 2005 :				
September 18, 2008 at Rs.46.60	-	-	2,79,150	5 months
(a)			2,79,150	
Scheme 2010 :				
February 07, 2011 at Rs.2.00	355735	13 months	6,34,749	18 months
January 25, 2012 at Rs.2.00	95790	19 months	1,35,810	26 months

July 22, 2013 at Rs.2.00	38504	28 months	48,130	34 months
October 21, 2013 at Rs.2.00	44644	31 months	65,410	37 months
October 21, 2014 at Rs.2.00 #	1588282	37 months	-	-
(b)	21,22,955		8,84,099	
Total (a + b)	21,22,955		11,63,249	

net of 13,225 options forfeited/lapsed out of the options granted during the year

- e) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of Exercise	Average share price (Rs.)
April 23, 2014	247.08
May 19, 2014	273.10
May 23, 2014	314.43
June 18, 2014	282.44
July 25, 2014	238.78
August 21, 2014	274.40
September 03, 2014	286.16
September 23, 2014	278.33
October 28, 2014	287.62
November 17, 2014	314.66
December 22, 2014	294.69
January 19, 2015	288.62
February 24, 2015	252.75
March 23, 2015	265.00

- f) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Employee stock compensation cost is amortized over the vesting period.

g) Fair value of options

The fair value of options used to compute proforma net profit and earnings per share in note 28 (h) have been estimated on the date of grant using the black-scholes model. The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Grants covered under Scheme 2005 :

Variables #	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008
1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years
3) Expected volatility	0.50%	43.69%	43.61%	43.66%
4) Dividend yield	5%	1.59%	1.59%	1.64%
5) Price of the underlying share in the market at the time of option grant (Rs.)	13.11*	46.00	63.62	50.35

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

Grants covered under Scheme 2010 :

Variables #	7-Feb-2011	25-Jan-2012	22-Jul-2013	21-Oct-2013	21-Oct-2014
1) Risk free interest rate	7.73%	8.11%	7.61%	8.60%	8.50%
2) Expected life	4.5 years	5.5 years	3.5 years	3.25 years	3.25 years
3) Expected volatility	42.38%	46.08%	35.53%	39.27%	38.83%
4) Dividend yield	2.28%	2.11%	1.70%	1.32%	1.35%
5) Price of the underlying share in the market at the time of option grant (Rs.)	138.60	133.14	212.35	272.40	

					280.80
--	--	--	--	--	--------

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

h) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on “Accounting for Employee Share-based Payments” is as follows:

Particulars	<u>Intrinsic Value Method</u>		<u>Fair Value Method *</u>	
	As at March 31		As at March 31	
	2015	2014	2015	2014
Net profit after tax (Rs. in Lacs)	83177.59	88722.75	83245.96	88753.64
Weighted average number of equity shares of Rs.2/- each – Basic	563837362	563184677	563837362	563184677
Weighted Average number of equity shares of Rs.2/- each – Diluted	568764960	568764960	568764960	568764960
Basic Earnings Per Share (Rs.)	14.75	15.75	14.76	15.76
Diluted Earnings Per Share # (Rs.)	14.62	15.60	14.64	15.60

Dilution in Earnings per share is on account of 46,24,289 equity shares (March 31, 2014 : 52,39,841 equity shares) held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.

* Earnings Per Share under Fair value method is computed on proforma net profit after tax after adjusting for employee compensation costs under fair value method. Employee compensation cost under fair value method as compared to intrinsic value method is lower by Rs.68.37 Lacs (March 31, 2014 : Rs.30.89 Lacs).

30. Loan provisions and write offs

- a) The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. As per the practice consistently followed, the Company has also made additional provision on a prudential basis. The cumulative additional provision made by the Company as on March 31, 2015 is Rs.53319.01 Lacs (March 31, 2014 : Rs. 35253.77 Lacs)

- b) In accordance with the Notification No. DNBS.222/ CGM (US)-2011 dated January 17, 2011 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general provision of 0.25% on the Standard assets, the Company has made a provision of Rs. 1057.00 Lacs (March 31, 2014 : Rs. 2110.00 Lacs).

The total amount of provision on Standard assets of Rs.12682.00 Lacs (March 31, 2014 : Rs. 11625.00 Lacs) is shown separately as "Contingent provision for Standard assets" under Long-term and Short-term provisions in the balance sheet (refer note no.5 and 9). The said amount includes additional / accelerated provision of 0.15% for Rs.4757.00 Lacs as at March 31, 2015 (March 31, 2014 : Rs. 4370.00 Lacs).

- c) Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such hire purchase/leased/loan assets on account of poor financial position of such customers.
- d) In accordance with the Prudential norms for restructured advances, the Company has made provisions of Rs. 31.87 Lacs on account of restructured advance which are included under this head.

31. Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.

32. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with Segment Reporting.

33. In the opinion of the Board, Current assets, Loans and advances are approximately of the value stated if realised in the ordinary course of business.

34. Deposits/advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

35. Employee benefits

Defined benefit plans -as per actuarial valuation

Rs.in Lacs

As at March 31

		Gratuity (Funded)		Sick leave (Non funded)		Previlage Leave	Previlage Leave
		2015	2014	2015	2014	2015	2014
I.	Expense recognized in the Statement of Profit & Loss Account for the year ended March 31						

1	Current service cost	834.37	559.24	129.11	86.49	993.59	572.34
2	Interest cost	106.95	76.35	13.49	10.06	76.41	49.84
3	Expected return on plan assets	(122.75)	(74.56)	-	-	-	-
4	Actuarial (gains)/losses	(326.85)	(112.83)	(99.52)	(59.84)	(662.17)	(173.57)
5	Fund amount to be transferred from MBCSPL gratuity fund	(56.36)	(64.27)	-	-	-	-
6	Adjustment due to change in opening balance of Plan assets	(98.83)	(186.28)	-	-	-	-
7	Total expense	336.53	197.65	43.09	36.72	407.83	448.61
II.	Net asset/(liability) recognized in the Balance Sheet as at March 31						
1	Present value of defined benefit obligation as at 31 st	1558.68	1192.46	190.96	147.88	1056.62	846.55
2	Fair value of plan assets as at 31 st	1583.37	1111.98	-	-	-	-
3	Funded status (surplus/(deficit))	24.69	(80.48)	(190.96)	(147.88)	(1056.62)	(846.55)
4	Net asset/(liability) as at 31 st	24.69	(80.48)	(190.96)	(147.88)	(1056.62)	(846.55)
III.	Change in the obligations during the year ended March 31						
1	Present value of defined benefit obligation at the beginning of the year	1192.46	855.07	147.88	111.16	846.55	564.13
2	Current service cost	834.37	559.24	129.10	86.49	993.59	572.34
3	Interest cost	106.95	76.35	13.49	10.06	76.41	49.84
4	Actuarial (gains)/losses	(449.21)	(184.16)	(99.52)	(59.84)	(662.17)	(173.57)
5	Benefits paid	(125.89)	(114.04)	-	-	(197.76)	(166.20)
6	Present value of defined benefit obligation at the year ended March 31	1558.68	1192.46	190.96	147.88	1056.62	846.55
IV.	Change in the fair value of plan assets during the year ended March 31						
1	Fair value of plan assets at the beginning of the year	1111.98	776.20	-	-	-	-

Rs.in Lacs

As at March 31

		Gratuity (Funded)		Sick leave (Non funded)		Previlage Leave	Previlage Leave
		2015	2014	2015	2014	2015	2014
2	Expected return on plan assets	123.75	74.56	-	-	-	-
3	Contributions by employer	442.08	199.26	-	-	-	-
4	Actuarial (Gains)/Losses	(123.75)	(74.56)	-	-	-	-
5	Fund amount to be transferred from MBCSPL gratuity fund	56.36	64.27	-	-	-	-
6	Adjustment due to change in opening balance of Plan assets	98.83	186.28	-	-	-	-
7	Actual Benefits paid	(125.89)	(114.04)	-	-	-	-
8	Fair value of plan assets at the end of the year	1583.37	1111.98	-	-	-	-
V.	Major category of plan assets as a percentage of total plan						
	Funded with LIC	100%	100%	100%	100%	100%	100%
VI.	Actuarial Assumptions						
1	Discount Rate (p.a.)	8%	8%	8%	8%	8%	8%
2	Expected rate of return on plan assets (p.a.)	8%	8%	-	-	-	-
3	Rate of Salary increase (p.a.)	5%	5%	5%	5%	5%	5%
4	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

VII. Experience Adjustments (Gratuity)		As at / year ended March 31				
		2011	2012	2013	2014	2015
1	Defined benefit obligation at end of the period	442.42	644.20	855.07	1192.46	1558.29
2	Plan assets at the end of period	375.80	484.50	776.20	1111.98	1560.01
3	Funded status surplus/ (deficit)	(66.61)	(159.71)	(78.87)	(80.48)	(24.69)
4	Experience adjustments on plan liabilities (gain)/loss	(46.70)	(73.01)	(66.64)	(77.52)	(154.49)
5	Experience adjustments on plan assets gain/(loss)	(7.89)	(9.94)	(16.07)	(21.77)	(32.19)

36. Disclosure on derivatives

Outstanding derivative instrument and un-hedged foreign currency exposures as on

March 31, 2015

The Company has outstanding Foreign Currency Non-Repatriable (FCNR (b)) loans of US \$ 872.71 Lacs (March 31, 2014 : US \$ 872.71 Lacs). The said loan has been fixed to INR liability using a cross currency swap and floating interest thereon in LIBOR plus rate has been swapped for fixed rate in Indian rupee. There is no un-hedged foreign currency exposure as on March 31, 2015.

37. Securitisation / assignment transactions

- a) During the year, the Company has without recourse securitised on “at par” basis vide PTC route loan receivables of 27907 contracts (March 31, 2014 : 47122 contracts) amounting to Rs. 72229.92 Lacs (March 31, 2014: Rs.126292.70 Lacs) for a consideration of Rs 72229.92 Lacs (March 31, 2014: Rs. 126292.70 Lacs) and de-recognised the assets from the books.
- b) During the year, the Company has without recourse assigned loan receivables of Nil contracts (March 31, 2014: 6490 contracts) amounting to Rs. Nil (March 31, 2014 : Rs. 19850.83 Lacs) for a consideration of Rs. Nil (March 31, 2014 : Rs. 15554.19 Lacs towards 90% of receivables assigned and de-recognised the assets from the books). Out the total receivables assigned, an amount of Rs. Nil (March 31, 2014: Rs.1985.08 Lacs equivalent to 10% of the receivables) have been recognized as “Retained interest in assignment transactions” representing Minimum Retention Requirement (MRR) as required under revised guidelines on securitization transactions vide RBI Circular dated August 21, 2012 (refer note no. 13 and 18).

The amount of profit in cash of Rs.120.64 Lacs (March 31, 2014: Rs.314.94 Lacs) on assignment transaction has been held under an accounting head “Cash profit on loan transfers under assignment transactions pending recognition” and the same is amortized in line with above referred guidelines (refer note no. 4 and 8).

- c) Income from assignment / securitization transactions include write back of provision for loss / expenses in respect of matured assignment transactions amounting to Rs 8807.91 Lacs (March 31, 2014 : Rs. 4189.65 Lacs) considered no longer necessary (refer Accounting policy 3 (IV) A (iii)).

- d) In terms of the accounting policy stated in 3 (IV) (B) (i) (c), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances (refer note no. 13 and 18) and equivalent amount of unrealised gains has been recognised as liabilities (refer note no. 4 and 8).
- e) Excess interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment / securitisation transactions amounting to Rs.11024.71 Lacs (March 31, 2014: Rs. 5146.47 Lacs)
38. There were 119 cases (March 31, 2014: 77 cases) of frauds amounting to Rs.353.81 Lacs (March 31, 2014 : Rs 560.32 Lacs) reported during the year. The Company has recovered an amount of Rs.107.39 Lacs (March 31, 2014 : Rs 46.38 Lacs) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.
39. The gold loans outstanding as a percentage of total assets is at 0.02% (March 31, 2014 : 0.03%).
40. **Related party disclosure as per Accounting Standard 18**

A) List of the related parties and nature of relationship which have transactions with our Company during the year:

Holding Company :	Mahindra and Mahindra Limited
Subsidiary Companies :	Mahindra Insurance Brokers Limited Mahindra Rural Housing Finance Limited Mahindra Business & Consulting Services Private Limited (amalgamated with the Company effective from April 1, 2014) Mahindra Asset Management Company Private Limited Mahindra Trustee Company Private Limited
Joint Ventures :	Mahindra Finance USA, LLC
Fellow subsidiary Companies:	2 x 2 Logistics Private Limited Mahindra USA, Inc. Mahindra Holidays and Resorts India Ltd. NBS International Ltd. Mahindra First Choice Wheels Ltd. Mahindra First Choice Services Ltd. Mahindra Defence Systems Ltd. Mahindra Retail Pvt Ltd.

Key Management Personnel :	Mr. Ramesh Iyer (Managing Director)
Relatives of Key Management Personnel :	Ms Janaki Iyer
	Ms Ramlaxmi Iyer
	Mr Risheek Iyer

B) Related party transactions are as under:

Rs. in Lacs

Sr. No.	Nature of transactions	Holding Company	Subsidiary Companies	Rupees in lacs		
				Fellow subsidiary Companies	Joint Ventures	* Key Management Personnel
1	Income					
	Loan income	-	-	3.52	-	-
		-	-	(1.79)	-	-
	Subvention income	3,663.07	-	-	-	-
		(2,322.68)	-	-	-	-
	Other income	64.21	2,225.08	-	-	-
		(1.02)	(1,499.88)	(54.11)	-	-
2	Expenses					
	Interest	-	972.19	-	-	20.11
		(339.45)	(533.57)	-	-	(18.09)
	Other expenses	1,494.18	1,685.59	430.81	-	
		(1,394.33)	(17,420.53)	(167.71)	-	
	Remuneration to KMP's					657.05
						(394.88)
3	Investment in share capital	-	2,295.00	-	2,998.97	-
		-	(2,195.00)	-	(2,193.73)	-
4	Purchase of fixed assets	413.60	-	-	-	-

		(421.36)	-	(5.85)	-	-
5	Finance					
	Fixed deposits taken	-	7,065.00	-	-	202.90
		-	(2,700.00)	-	-	(207.50)
	Fixed deposits matured	-	-	-	-	188.25
		-	-	-	-	(187.50)
	Dividend paid – for previous year	11,065.89	-	-	-	23.71
		(10,483.48)	-	-	-	(18.99)
	Inter corporate deposits taken	-	1,475.00	-	-	-
		(50,000.00)	(3,565.00)	-	-	-
	Inter corporate deposits repaid	-	4,240.00	-	-	-
		(50,000.00)	(4,365.00)	-	-	-
	Inter corporate deposits given	-	69,107.00	-	-	-
		-	(48,130.24)	-	-	-
	Inter corporate deposits refunded	-	64,974.39	-	-	-
		-	(48,505.27)	-	-	-

				Rupees in lacs		
Sr. No.	Nature of transactions	Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Joint Ventures	* Key Management Personnel
6	Other transactions					
	Reimbursement from parties	-	0.02	-	-	-
		(112.54)	-	-	-	-
	Reimbursement to parties	-	-	119.72	-	-
		-	-	(113.75)	-	-
7	Balances as at the end of the period					

Receivables	1,245.02	137.95	-	-	-
	(375.59)	(85.12)	(1,091.74)	-	-
Loan given (including interest accrued but not due)	-	-	43.29	-	-
	-	-	-	-	-
Inter corporate deposits given (including interest accrued but not due)	-	4,747.90	-	-	-
	-	(1,437.16)	-	-	-
Payables	-	455.13	157.98	-	-
	-	(575.23)	(107.64)	-	-
Subordinate debt held (including interest accrued but not due)	-	700.38	-	-	-
	-	(700.76)	-	-	-
Inter corporate deposits taken (including interest accrued but not due)	-	1,617.69	-	-	-
	-	(4,414.76)	-	-	-
Fixed deposits (including interest accrued but not due)	-	10,426.55	-	-	231.80
	-	(2,834.75)	-	-	(214.83)

Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18 as well as the Companies Act, 2013.

C) The significant related party transactions are as under:

Rs. in Lacs

The significant related party transactions are as under:					
Nature of transactions		Holding Company	Subsidiary Companies	Fellow subsidiary Companies	*Key Management Personnel
Income					
<u>Revenue from operations</u>					

Subvention income	Mahindra & Mahindra Limited	3,663.07			
		(2,322.68)			
Loan income	Mahindra Retail Pvt Ltd			3.28	
				-	

Rs. in Lacs

The significant related party transactions are as under:					
Nature of transactions		Holding Company	Subsidiary Companies	Fellow subsidiary Companies	*Key Management Personnel
<u>Other income</u>					
Interest income on inter corporate deposits / subordinate debt	Mahindra Rural Housing Finance Limited		602.73		
-	-		(366.01)		
Income from shared services	Mahindra Insurance Brokers Limited		135.60		
-	-		(102.64)		
Income from shared services	Mahindra Rural Housing Finance Limited		404.09		
			(442.30)		
Dividend income	Mahindra Rural Housing Finance Limited		536.36		
			(400.00)		
	Mahindra Insurance Brokers Limited		219.07		
			-		

Expenses					
<u>Interest</u>					
Interest expense on inter corporate deposits and non-convertible debentures	Mahindra Insurance Brokers Limited		972.19		
			(533.57)		
<u>Other expenses</u>					
Handling Charges	Mahindra Insurance Brokers Limited		1,685.59		
			(1,247.65)		
Commission & Valuation charges	Mahindra First Choice Wheels Limited			417.19	
				(157.88)	
Purchase of fixed assets	Mahindra & Mahindra Limited	413.60			
		(421.36)			
Finance					
Fixed Deposits	Mahindra Insurance Brokers Limited		7,065.00		
			(2,700.00)		
Fixed Deposits matured	Ramesh Iyer and relatives			188.25	
				(187.50)	

Rs. in Lacs

The significant related party transactions are as under:					
Nature of transactions		Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Key Management Personnel
Dividend paid - for previous year	Mahindra & Mahindra Limited	11,065.89 (10,483.48)			
Inter corporate deposits taken	Mahindra Insurance Brokers Limited		1,475.00 (3,565.00)		
Inter corporate deposits repaid	Mahindra Insurance Brokers Limited		4,240.00 (4,365.00)		
Inter corporate deposits given	Mahindra Rural Housing Finance Limited		69,107.00 (46,298.00)		
Inter corporate deposits refunded	Mahindra Rural Housing Finance Limited		64,974.39 (45,812.63)		
Balances at the year end					
Receivables	Mahindra & Mahindra Limited	1,245.02 (375.59)			

Loan outstanding	Mahindra Retail Pvt Ltd			30.08	
				-	
Payables	Mahindra Insurance Brokers Limited		455.13		
			(387.75)		
Inter corporate deposits taken (including interest accrued but not due)	Mahindra Insurance Brokers Limited		1,617.69		
			(4,414.76)		
Inter corporate deposits given (including interest accrued but not due)	Mahindra Rural Housing Finance Limited		4,747.90		
			(552.83)		
Subordinate debt held (including interest accrued but not due)	Mahindra Rural Housing Finance Limited		700.38		
			(700.76)		
Fixed deposits	Mahindra Insurance Brokers Limited		10,426.55		
			(2,834.75)		

Figures in bracket represent corresponding figures of previous year.

* Key Management Personnel as defined in Accounting Standard 18 as well as the Companies Act, 2013.

41. Contingent liabilities and commitments (to the extent not provided for)

Rs. in Lacs

As at March 31

	2015	2014
i) Contingent liabilities		
a) Demand against the Company not acknowledged as debts -		
- Income tax	4379.05	7476.70

- Value Added Tax (VAT)	191.98	60.92
b) Corporate guarantees towards assignment transactions	31338.63	55631.29
c) Credit enhancement in terms of corporate guarantee for securitization transactions (refer note no. 51 (IV) (a))	8307.81	4782.00
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	3110.83	2726.48
	47328.30	70677.39
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account	554.84	438.05
b) Uncalled liability on shares and other investments partly paid (March 31, 2014: On 1,75,20,003 partly paid equity shares of Mahindra Rural Housing Finance Ltd. @ Rs.12.50/- per share)	-	2,190.00
	554.84	2628.05

42. The Company has sent letters to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 seeking information for which replies are awaited. In view of this, information required under Schedule III of The Companies Act, 2013 is not given.

43. Secured long-term borrowings

i. Secured non-convertible debentures

As at March 31, 2015

	Rate range	Rs. in Lacs		Total
		(a) Non-current	(b) Current	
Repayable on maturity :				
Maturing beyond 5 years	8.70% - 8.95%	53000.00	-	53000.00
Maturing between 3 years to 5 years	8.65% - 10.25%	122760.00	-	122760.00
Maturing between 1 year to 3 years	8.65% - 10.20%	181280.00	-	181280.00
Maturing within 1 year	8.60% - 9.95%		152270.00	152270.00

		-		
Total		357040.00	152270.00	509310.00

As at March 31, 2014

Rs. in Lacs

	Rate range	(a) Non-current	(b) Current	Total
1) Repayable on maturity :				
Maturing between 3 years to 5 years	9.25% - 10.25%	44550.00	-	44550.00
Maturing between 1 year to 3 years	9.00% - 10.20%	252470.00	-	252470.00
Maturing within 1 year	9.04% - 10.25%	-	169020.00	169020.00
Total		297020.00	169020.00	466040.00
2) Repayable in yearly installments:				
Maturing between 1 year to 3 years	9.95%	24500.00	-	24500.00
Maturing within 1 year	9.95% - 13.00%	-	14500.00	14500.00
Total		24500.00	14500.00	39000.00
Total (1+2)		321520.00	183520.00	505040.00

ii. Secured term loans from banks

As at March 31, 2015

Rs. in Lacs

	Rate range	(a) Non-current	(b) Current	Total
1) Repayable on maturity :				
Maturing between 1 year to 3 years	9.70% - 10.25%	192500.00		192500.00
Maturing within 1 year	9.45% - 10.40%	-	127000.00	127000.00
Total for repayable on maturity		192500.00	127000.00	319500.00
2) Repayable in installments :				
i) Bimonthly				
Maturing within 1 year	10.25%	-	6200.00	6200.00
Total		-	6200.00	6200.00

ii) Quarterly -				
Maturing between 3 years to 5 years	10.00%	1428.57		1428.57
Maturing between 1 year to 3 years	9.95% - 10.25%	95835.71		95835.71
Maturing within 1 year	9.95% - 10.25%	-	32364.29	32364.29
Total		97264.29	32364.29	129628.57
iii) Half yearly -				
Maturing beyond 3 years	10.25%	15000.00		15000.00
Maturing between 1 year to 3 years	10.00%-10.25%	214666.67		214666.67
Maturing within 1 year	10.00%-10.25%	-	162666.67	162666.67
Total		229666.67	162666.67	392333.33
iv) Yearly -				
Maturing between 3 years to 5 years	10.20% - 10.25%	43333.33		43333.33
Maturing between 1 year to 3 years	10.20% - 10.25%	104166.67		104166.67
Maturing within 1 year	10.25%	-	7500.00	7500.00
Total		147500.00	7500.00	155000.00
Total for repayable in installments		474430.95	208730.95	683161.90
TOTAL (1+2)		666930.95	335730.95	1002661.90

As at March 31, 2014 :

Rs. in Lacs

	Rate range	(a) Non-current	(b) Current	Total
1) Repayable on maturity :				
Maturing between 3 years to 5 years	10.20%	25000.00	-	25000.00
Maturing between 1 year to 3 years	9.70%-10.40%	294000.00	-	294000.00
Maturing within 1 year	7.75%-10.35%	-	62500.00	62500.00
Total for repayable on maturity		319000.00	62500.00	381500.00
2) Repayable in installments :				

i) Bi-monthly				
Maturing between 1 year to 3 years	10.25%	6,200.00	-	6200.00
Total		6200.00	-	6200.00
ii) Quarterly -				
Maturing between 3 years to 5 years	10.00%-10.25%	27314.28	-	27314.28
Maturing between 1 year to 3 years	10.00%- 10.50%	49814.28	-	49814.28
Maturing within 1 year	10.00%- 10.25%	-	44505.15	44505.15
Total		77128.56	44505.15	121633.71
iii) Half yearly -				
Maturing beyond 3 years	10.25%	81900.00	-	81,900.00
Maturing between 1 year to 3 years	10.20% -10.25%	321266.67	-	321266.67
Maturing within 1 year	10.20% -10.25%	-	144333.33	144333.33
Total		403166.67	144333.33	547500.00
iv) Yearly -				
Maturing between 3 years to 5 years	10.20%- 10.25%	81666.67	-	81666.67
Maturing between 1 year to 3 years	10.20%- 10.25%	73333.33	-	73333.33
Maturing within 1 year	9.25%- 10.25%	-	55000.00	55000.00
Total		155000.00	55000.00	210000.00
Total for repayable in installments		641495.23	243838.48	885333.71
Total (1+2)		960495.23	306338.48	1266833.71

iii. Foreign currency loans from banks

As at March 31, 2015

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	8.95%	12500.00	-	12500.00
Maturing within 1 year	9.05% - 9.98%	-	42044.47	42044.47

TOTAL		12500.00	42044.47	54544.47
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As at March 31, 2014

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	9.05%-9.98%	40305.51	-	40305.51
Maturing within 1 year	9.60%	-	11983.00	11983.00
Total		40305.51	11983.00	52288.51

44. Unsecured borrowings

i) Subordinated debts (long-term)

As at March 31, 2015

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing beyond 5 years	9.18% - 10.50%	78550.00	-	78550.00
Maturing between 3 years to 5 years	9.85% - 11.75%	15480.00	-	15480.00
Maturing between 1 year to 3 years	10.50% - 12.00%	6,880.00	-	6880.00
TOTAL		100910.00	-	100910.00

As at March 31, 2014

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing between 3 years to 5 years	10.50%-12.00%	7860.00	-	7860.00
Maturing beyond 5 years	9.50%-10.50%	71550.00	-	71550.00

Total		79410.00	-	79410.00
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ii) Unsecured term loans from banks

As at March 31, 2015 :

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	10%	10000.00	-	10000.00
TOTAL		10000.00	-	10000.00

As at March 31, 2014 :

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing within 1 year	9.75%	-	2200.00	2200.00
Maturing between 1 year to 3 years	10%	10,000.00	-	10000.00
Total		10000.00	2200.00	12200.00

iii) Inter-corporate deposits (ICDs)

As at March 31, 2015

Rs.in Lacs					
	Rate range	(a) Short Term	Long Term		Total
			(b) Non-current	(c) Current	
Repayable on maturity :					
Maturing within 1 year	9.00% - 9.60%	850.00	-	725.00	1575.00
TOTAL		850.00	-	725.00	1575.00

As at March 31, 2014

Rs.in Lacs	
Long-term	

	Rate range	(a) Short-Term	(b) Non-current	(c) Current	Total
Repayable on maturity :					
Maturing between 1 year to 3 years	9.40%	-	725.00	-	725.00
Maturing within 1 year	8.75% -10.25%	3565.00	-	50.00	3615.00
Total		3565.00	725.00	50.00	4340.00

iv) Fixed deposits

As at March 31, 2015

		Rs. in Lacs			
		Long-term			
	Rate range	(a) Short-Term	(b) Non-current	(c) Current	Total
Maturing beyond 3 years	8.90% - 10.10%	-	6561.15	-	6561.15
Maturing between 1 year to 3 years	9.15% - 10.60%	-	324772.68	-	324772.68
Maturing within 1 year	8.40% -10.75%	6943.06	-	129746.50	136689.56
TOTAL		6943.06	331333.83	129746.50	468023.39

As at March 31, 2014

		Rs. in Lacs			
		Long-term			
	Rate range	(a) Short-Term	(b) Non-current	(c) Current	Total
Maturing beyond 3 years	9.4% - 10.25%	-	7308.37	-	7308.37
Maturing between 1 year to 3 years	8.65% - 10.75%	-	270554.77	-	270554.77
Maturing within 1 year	8.65% - 10.75%	5931.15	-	76425.51	82356.66
Total		5931.15	277863.14	76425.51	360219.80

45. Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As at March 31, 2015

Rs. in Lacs

	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	9.60% - 14.00%	131805.33
TOTAL		131805.33

As at March 31, 2014

Rs. in Lacs

	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	10.25% - 13.25%	112732.21
Total		112732.21

ii) Commercial papers

As at March 31, 2015 :

Rs. in Lacs

	Rate range	Current
Repayable on maturity :		
Maturing within 1 year	8.88% - 9.15%	347500.00
TOTAL		347500.00

As at March 31, 2014 : Nil

46. Managerial remuneration to Directors included in the Statement of profit and loss

Rs. in Lacs

Year ended March 31

	2015	2014

Salary and perquisites	583.22	330.34
Sitting fees and commission	214.62	147.02
Total	797.84	477.35

Above figures are excluding charge for gratuity, provision for leave encashment as separate actuarial valuation figures are not available.

47. Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Rs. in Lacs

		As at March 31, 2015		As at March 31, 2014	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	<u>Liabilities side</u>				
(1)	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :				
	(a) Debentures : Secured	531521.57	-	524148.97	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	1086150.23	-	1334854.96	-
	(d) Inter-corporate loans and Other Borrowings	1617.69	-	4414.76	-
	(e) Commercial Paper	347500.00	-	-	-

	(f) Public Deposits	460702.68	-	359500.62	-
	(g) Fixed Deposits accepted from Corporates	38501.41	-	22023.38	-
	(h) FCNR Loans	54741.36	-	52502.27	-
	(i) Subordinate debt	105738.99	-	83663.23	-
	(j) Other Short Term Loans and credit facilities from banks	59105.33	-	57232.21	-
(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e., debentures	-	-	-	-
	where there is a shortfall in the value of security				
	(c) Other public deposits	460702.68	-	359500.62	-

Rs. in Lacs

As at March 31

		2015	2014
	-	Amount outstanding	Amount outstanding
	Asset side:		
(3)	Break-up of Loans and Advances including bills receivables		
	[other than those included in (4) below] :		

	(a) Secured	36273.34	34048.00
	(b) Unsecured	144202.13	144926.46
(4)	Break up of Leased Assets and stock on hire and		
	hypothecation loans counting towards AFC activities :		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed	7860.00	8752.63
	(b) Loans other than (a) above	3001425.74	2705765.33
(5)	<u>Break-up of Investments :</u>		
	<u>Current Investments :</u>		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	7,875.00	-

Rs. in Lacs

As at March 31

		2015	2014
	-	Amount outstanding	Amount outstanding
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Investments in Certificate of Deposits with Banks	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Certificate of Deposits with Banks	-	24289.13
	(vi) Commercial Papers	1500.00	10000.00
	<u>Long Term Investments :</u>		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	5354.17	-

	(iii) Units of mutual funds	-	-
	(iv) Government Securities	50612.79	37895.56
	2. Unquoted :		
	(i) Shares : (a) Equity	19325.04	14032.03
	(b) Preference	-	-
	(ii) Debentures and Bonds	700.00	700.00
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-

Rs. In Lacs

(6)

Borrower group-wise classification assets financed as in (3) and (4) above :

Category	As 31 March, 2015			As at March 31, 2014		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	4747.90	4747.90	-	1361.61	1361.61
(b) Companies in the same group	-	-	-	-	1091.74	1091.74
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	3045559.08	139454.23	3185013.31	2748565.96	142473.11	2891039.07
Total	3045559.08	144202.13	3189761.21	2748565.96	144926.46	2893492.42

Rs. In Lacs

(7)

Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As 31 March, 2015		As 31 March, 2014	
	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	9237.98	9237.98	6943.98	6943.98
(b) Companies in the same group	10787.06	10787.06	7788.05	7788.05
(c) Other related parties	-	-	-	-
2. Other than related parties	68291.61	65341.96	70794.00	72184.69
Total	88,316.65	85,367.00	85,526.03	86,916.72

(8) Other information		As at March 31	
		2015	2014
		Amount	Amount
	Gross Non-Performing Assets :		
(i)			
	(a) Related parties	-	-
	(b) Other than related parties	209972.20	140569.12
(ii)	Net Non-Performing Assets :		
	(a) Related parties		

		-	-
	(b) Other than related parties	81820.64	57564.17
(iii)	Assets acquired in satisfaction of debt :	-	-

48. Disclosures as required under Revised Regulatory Framework for NBFCs (Notification No. DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014)

I) Capital

As at March 31

Particulars		2015	2014
i)	CRAR (%)	18.3%	18.0%
ii)	CRAR-Tier I Capital (%)	15.5%	15.5%
iii)	CRAR-Tier II Capital (%)	2.8%	2.5%
iv)	Amount of subordinated debt raised as Tier-II capital (Rs. in Lacs)	21500.00	20000.00
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

II) Investments

Rs. in lacs

As at March 31

Particulars		2015	2014
1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	74579.99	79128.67
	(b) Outside India	10787.01	7788.05
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		

	(a) In India	74579.99	79128.67
	(b) Outside India	10787.01	7788.05

Rs. in lacs

As at March 31

Particulars		2015	2014
2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

III) Derivatives

a) Forward Rate Agreement / Interest Rate Swap

The Company is not carrying out any activity of providing Forward/Interest rate swap cover to third parties.

b) Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing Derivative cover to third parties

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures –

- i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.
- ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of M.D/CFO/Treasurer Liquidity risk is

controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

- iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions

Quantitative Disclosures –

d) FCNR(B) Loans Availed:

Rs. in Lacs

S No.	Particulars	As at March 31, 2015		As at March 31, 2014	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	53592.00		52160.00	
	For hedging				
(ii)	Marked to Market Positions [1]				
	(a) Asset (+) Estimated gain	823.53	-	1777.52	-
	(b) Liability (-) Estimated loss	(369.90)	(216.27)	(1,635.90)	-
(iii)	Credit Exposure [2]	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

IV) Disclosures relating to Securitisation

- a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2012-13 dated August 21, 2012.

Applicable for transactions effected after the date of circular:

Rs. in Lacs

As at March 31

S No.	Particulars	2015	2014
1	No of SPVs sponsored by the NBFC for securitisation transactions	12	8
2	Total amount of securitised assets as per books of the SPVs sponsored	154321.26	192645.41
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss- Credit enhancement in form of corporate undertaking	8307.81	4782.00
	Others	-	-
	b) On-balance sheet exposures		
	First loss- Cash collateral term deposits with banks	20085.00	18040.00
	Others- Retained interest in pass through certificates	1242.81	2213.95

Rs. in Lacs

As at March 31

S No.	Particulars	2015	2014
4	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures		
	(i) Exposure to own securitizations		
	First loss	-	-
	Loss		
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others		

Excess Interest Spread	27176.87	25938.12
b) On-balance sheet exposures		
(i) Exposure to own securitisations		
First loss	-	-
Others- Cash collateral term deposits with banks	2000.00	2156.00
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

During the current year and the previous year the Company has not sold any financial assets to Securitisation /Reconstruction Company for asset reconstruction.

c) Details of Assignment transactions undertaken by NBFCs (During the year)

Rs. in lacs

Year ended March 31

		2015	2014
(i)	No. of accounts	-	6490
(ii)	Aggregate value (net of provisions) of accounts sold	-	19850.83
(iii)	Aggregate consideration	-	15554.19
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	314.94

d) Details of non-performing financial assets purchased / sold

i) Details of non-performing financial assets purchased:

During the current year and the previous year the Company has not purchased any non -performing financial assets.

ii) Details of Non-performing Financial Assets sold:

During the current year and the previous year the Company has not sold any non -performing financial assets.

V) Exposures

a) Exposure to Real Estate Sector

During the current year and the previous the Company has no Exposure to Real estate sector.

b) Exposure to Capital Market

During the current year and the previous year the Company has no Exposure to Capital Market.

c) Details of financing of parent company products

Of the total financing activity undertaken by the Company during the financial year 2014-15, 48% (March 31, 2014 : 48%) of the financing was towards parent company products.

d) Details of Single Borrower Limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC

During the current year and the previous year, the Company has not exceeded the prudential exposure limits.

e) Unsecured Advances

During the current year, the Company has granted unsecured advances of Rs. 142013.49 Lacs (March 31, 2014: Rs.144294.39 Lacs).

VI) Miscellaneous

a. Registration obtained from other financial sector regulators

During the current year and the previous year, the Company has not obtained any registration from other financial sector regulators.

b. Disclosure of Penalties imposed by RBI and other regulators

During the current year and the previous year, there are no penalties imposed by RBI and other regulators

c. Related Party Transactions

(refer note no.42)

d. Rating assigned by credit rating agencies and migration of ratings during the year

Credit Rating -

During the year under review, CRISIL Limited [CRISIL], has reaffirmed the rating to the Company's Long-term Debt Instruments and Bank Facilities as 'CRISIL AA+/ Stable' and the Company's Fixed Deposit Programme as 'FAAA/Stable', respectively. The 'AA+/Stable' rating indicates a high degree of safety with regard to timely payment of financial obligations. The rating on the Company's Short-term Debt and Bank Loans has been reaffirmed at 'CRISIL A1+' which is the highest level of rating.

During the year under review, India Ratings & Research Private Limited, which is part of Fitch Group, upgraded the rating of Company's National Long-term instrument and Lower Tier II Subordinated Debt programme to 'IND AAA/Stable' from 'IND AA+/Stable'. The 'IND AAA' national ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

During the year under review, CARE Ratings has assigned the 'CARE AAA' rating to Company's Long-term debt instrument and Lower Tier II Subordinated Debt programme. The Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Brickwork Ratings India Private Limited has, during the year, upgraded the rating of the Company's Long-term Subordinated Debt Issue to 'BWR AAA/stable' from "BWR AA+/positive". 'BWR AAA' stands for an instrument that is considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

VII) Net Profit of Loss for the period ,prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to Account in terms of the relevant Accounting Standard.

VIII) Revenue Recognition

(Refer note no. 3 under Summary of Significant Accounting Policies)

IX) Accounting Standard 21- Consolidated Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Accounting Standard 21

Refer consolidated financial statements (CFS)

Additional Disclosures :**X) Provisions and Contingencies**

Rs. in lacs

Year ended March 31

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2015	2014
Provisions for depreciation on Investment	-	-
Provision towards NPA	33259.02	24486.70
Provision made towards Income tax	51995.00	53540.00
Other Provision and Contingencies (with details)	-	-
Provision for diminution in the fair value of restructured advances	9.56	-
Provision for Standard Assets	1079.31	2110.00

Draw Down from Reserves

Refer note no. 24 regarding transitional depreciation of Rs.317.77 Lacs (net of deferred tax of Rs.163.62 Lacs) arising pursuant to requirements of schedule II of the Companies Act 2013 which is charged to opening balance of surplus in Statement of profit and loss.

XI) Concentration of Deposits, Advances, Exposures and NPAs**a. Concentration of Deposits (for deposit taking NBFCs)**

Rs. in lacs

As at March 31

	2015	2014
Total Deposits of twenty largest depositors	37130.21	23378.24
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	7.4%	6.1%

b. Concentration of Advances

Rs. in lacs

As at March 31

	2015	2014
Total Advances to twenty largest borrowers	37180.54	36789.53
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.1%	1.3%

c. Concentration of Exposures

Rs. in lacs

As at March 31

	2015	2014
Total Exposure to twenty largest borrowers / customers	37180.54	36789.53
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.1%	1.3%

d. Concentration of NPAs

Rs. in lacs

As at March 31

	2015	2014
Total Exposure to top four NPA accounts	6241.67	3186.32

e. Sector-wise NPAs

S No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		As at March 31, 2015	As at March 31, 2014
1	Agriculture & allied activities/Auto	6.5%	4.9%
2	MSME/Corporate borrowers	5.6%	3.4%
3	Unsecured personal loans	13.1%	8.2%
4	Other loans	3.4%	3.9%
5	Services	-	-

f. Movement of NPAs

Rs. in lacs

As at / Year ended March 31

Particulars		2015	2014
(i)	Net NPAs to Net Advances (%)	2.6%	2.0%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	140569.12	76295.53
	(b) Additions during the year	147895.67	105297.91
	(c) Reductions during the year	78492.59	41024.32
	(d) Closing balance	209972.20	140569.12
(iii)	Movement of Net NPAs		
	(a) Opening balance	57564.17	25992.87
	(b) Additions during the year	67419.23	52462.18
	(c) Reductions during the year	43162.76	20890.88
	(d) Closing balance	81820.64	57564.17

(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	63358.06	38871.36
	(b) Provisions made during the year	61506.02	40757.25
	(c) Write-off / write-back of excess provisions	28247.00	16270.55
	(d) Closing balance	96617.08	63358.06

XII) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Rs. in lacs

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets as at March 31, 2015	Total Assets as at March 31, 2014
Mahindra Finance USA, LLC	De Lage Landen Financial Services	USA	167299.84	114118.37

XIII) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NA	NA

XIV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2015

Rs. in lacs

	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Deposits	9067.27	11956.49	9896.81	27006.66	78767.68	324767.42	6561.05	-	468023.39

Advances	241340.37	128593.80	142272.10	346743.95	569732.88	1402397.67	257345.01	1338.97	3089764.75
Reserves and surplus	-	-	-	-	-	-	-	555658.11	555658.11
Investments	-	-	-	-	1500.00	4193.09	17510.26	62163.65	85367.00
Borrowings	51735.60	282050.00	110295.24	195920.24	236823.81	911417.71	198001.90	131550.00	2117794.51
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	10794.47	-	31250.00	12500.00	-	-	54544.47

XV) Disclosure of Complaints

Customer Complaints

(a) No. of complaints pending at the beginning of the year	5
(b) No. of complaints received during the year	113
(c) No. of complaints redressed during the year	109
(d) No. of complaints pending at the end of the year	9

49. Disclosure on restructured standard advances :

During the year, the Company has restructured one of the standard advance accounts resulting in reduction in rate of interest and increase in tenor of the loan.

The details of the same are provided here below.

Rs. in Lacs

Sr. No.	Type of Restructuring Asset Classification		Others				Total
			Standard	Substandard	Doubtful	Loss	
	Details						
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					

2	Fresh Restructuring during the year	No. of Borrowers	1	-	-	-	1
		Amount Outstanding	446.15	-	-	-	446.15
		Provision thereon #	31.87	-	-	-	31.87
3	Up-gradations to restructured standard category during the FY	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
4	Restructured standard advances which cease to attract higher provisioning and /or additional risk weight at the end of FY and hence need to be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
5	Down gradations of restructured accounts during the FY	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					
6	Write-offs of restructured accounts during the FY	No. of Borrowers					
		Amount Outstanding					
7	Restructured Accounts as on March 31 of the FY (Closing Figures)	No. of Borrowers					
		Amount Outstanding					
		Provision thereon					

Note : Since the disclosure of restructured advance account pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.

Represents higher provisioning and provision for diminution in fair value of Rs. 22.31 Lacs and Rs. 9.56 Lacs respectively.

50. During the year, the Company has incurred expenditure of Rs. 2374.07 Lacs towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs.113.56 Lacs towards the CSR activities undertaken by the Company (refer note no. 26).
51. The Company has received show cause-cum-demand notice from Service Tax Department to show cause as to why service tax of Rs. 4,631.54 Lacs should not be levied on subvention income and on collection charges on receivables in respect of securitisation transactions for the period from 2007-08 to 2013-14. The Company has given a detailed reply to the department justifying why the transactions would fall outside the purview of service tax. The Company has appointed an expert to consult on the matter, who have opined that the Company has a strong case on merits to defend and the chances of getting an unfavourable outcome is remote.

52. Scheme of Amalgamation

- i) Scheme details and balance sheet position:

In terms of Scheme of Arrangement under section 391 and 394 of the Companies Act, 1956 (the "Scheme") between the Company and Mahindra Business & Consulting Services Private Ltd. ("MBCSPL"), an erstwhile wholly owned subsidiary of the Company and their respective shareholders, all the assets and liabilities, including reserves, of MBCSPL were transferred and vested in the Company effective from April 01, 2014 ("the Appointed date"). The Scheme was approved by the Honourable High Court of judicature at Bombay ("the Court") vide its order dated March 20, 2015. The said Scheme became effective from April 18, 2015 (the "Effective date") on filing of the certified Court order with Registrar of Companies, Maharashtra.

With effect from the appointed date, the whole of assets, properties, liabilities of the MBCSPL including all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description relating to the said business is transferred to and vested in and / or be deemed to be transferred to and vested in the Company.

Break up of assets and liabilities transferred to the Company as per the Court scheme as under:

Rs. in Lacs

Particulars	As at April 1, 2014
Assets	1837.54
Liabilities	1837.54
Net amount adjusted in opening balance of surplus in the statement of profit and loss	529.87

- ii) Consideration:

The Scheme entails the amalgamation of MBCSPL, a wholly owned subsidiary of the Company with its parent MMFSL, with the consequent dissolution without winding up of MBCSPL. Accordingly, the scheme does not envisage any issue of shares or payment of the consideration.

- iii) Accounting:

- a) The assets and liabilities, including reserves as at April 1, 2014 were incorporated in the financial statement of the Company at their existing carrying amount.
- b) 1,00,000 Equity Shares of Rs.10/- each fully paid up in MBCSPL, held as investment by the Company stands cancelled and the difference, if any, is debited to opening balance of surplus in the statement of profit and loss (refer note no.2).
- c) All inter-corporate deposits, loans and advances, outstanding balances or other obligations between MBCSPL and the Company, stands cancelled and there shall be no obligation/ outstanding in that behalf.
- d) In accordance with the Scheme, MBCSPL continued to carry on the business and activities in relation on account of and in trust for the Company from April 1, 2014 (the "Appointed date") till April 18, 2015 (the "Effective date"). Accounts for the year also comprise of operations of business

transacted out of MBCSPL and therefore the certain figures may not be exactly comparable with the previous year's figures.

53. Changes in provisions

Rs. in Lacs

	As at April 1, 2014	Additional Provisions	Utilizations/ Reversals	As at March 31, 2015
Provision for Standard assets	11625.00	1057.00	-	12682.00
Provision for Non-performing assets	63358.06	61506.02	28247.00	96617.08

54. Previous year figures have been regrouped / reclassified wherever found necessary

For FY 2013-14:

28. Disclosure under the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS-27).

The Company has interest in the following jointly controlled entity.

i)	Name of the entity	Country of Incorporation	% Holding
	Mahindra Finance USA, LLC	United States of America	49.00%
ii)	Interest in the assets, liabilities, income and expenses with respect to jointly controlled entity		
			Rs. in Lacs
	Particulars	March 2014	March 2013

I.	ASSETS		
	Long-term loans and advances	91854.46	58689.98
	Deferred tax assets	306.36	-
	Cash and cash equivalents	395.53	224.14
	Short-term loans and advances	21562.02	16844.83
II.	LIABILITIES		
	Long-term borrowings	48549.09	24756.47
	Other Long-term liabilities	59.74	-
	Long term provisions	333.14	199.35
	Short term borrowings	28664.24	30782.02
	Other current liabilities	25810.16	13302.36
	Short term provisions	77.40	57.30
III.	INCOME		
	Revenue from operations	4782.11	2774.21
	Other income	210.91	86.88

			Rs. in Lacs
	Particulars	March 2014	March 2013
IV.	EXPENSES		
	Finance costs	1677.26	943.95
	Loan provisions and write-offs	251.15	-

	Other expenses	1578.45	1225.05
	Provision for current tax	823.54	259.83
	Provision for deferred tax	(307.94)	-

29. Employee Stock Option Plan

- a) The Company had allotted 134,32,750 equity shares (face value of Rs.2/- each) on 6th December 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) on 3rd February,2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The Trust had issued 1,30,37,934 equity shares to employees (March 2013 : 1,25,32,990 equity shares) up to 31st March, 2014, of which 5,04,944 equity shares (March 2013 : 8,31,035 equity shares) were issued during the current year.

The details of Employees stock option schemes are as under :

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	6 years from the date of grant
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

- b) During the year, the Company has granted 1,17,625 stock options to the eligible employees under the Employees' Stock option scheme 2010. The details are as under:

	Grant dated 22nd July, 2013	Grant dated 21st October, 2013
No. of options granted	48130	69495
Intrinsic value of shares based on latest available closing market price (Rs.)	210.35	270.40
Total amount to be amortized over the vesting period (Rs. in Lacs)	101.24	187.92
Charge to Statement of profit and loss for the year (Rs. in Lacs)	34.67	40.38
Compensation in respect of lapsed cases (Rs. in Lacs)	Nil	11.05
Unamortized amount carried forward (Rs. in Lacs)	66.57	136.48

The fair value of options, based on the valuation of the independent valuer as on the date of grant are :

Vesting period in years	Grant dated 22nd July, 2013		Grant dated 21st October, 2013	
	Expected Vesting	Fair Value (Rs.)	Expected Vesting	Fair Value (Rs.)
1	9626	} 198.64	13899	} 259.46
2	9626		13899	
3	9626		13899	
4	9626		13899	
5	9626		13899	
	48130		69495	

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables	Grant dated 22nd July, 2013	Grant dated 21st October, 2013
1) Risk free interest rate	7.61%	8.60%
2) Expected life	3.5 years	3.25 years
3) Expected volatility	35.53%	39.27%
4) Dividend yield	1.70%	1.32%
5) Price of the underlying share in the market at the time of option grant (Rs.)	212.35	272.40

c) Summary of stock options

Summary of Stock Options	March 2014		March 2013	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	16,44,675	21.61	24,85,550	24.59
Options granted during the year	1,17,625	2.00	-	-
Options forfeited/lapsed during the year #	94,107	37.64	9,840	7.11
Options exercised during the year	5,04,944	34.57	8,31,035	30.69
Options outstanding at the end of the year	11,63,249	12.70	16,44,675	21.61
Options vested but not exercised at the end of the year	4,36,039	30.55	6,04,090	45.81

including 4085 (March 2013: Nil) options forfeited/lapsed out of the options granted during the year

d) Information in respect of options outstanding :

Grant date / Exercise price	March 2014		March 2013	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Scheme 2005 :				
24 th July, 2007 at Rs.42.20	-	-	82,985	12 months
25 th March, 2008 at Rs.60.80	-	-	1,99,915	11 months
18 th September, 2008 at Rs.46.60	2,79,150	5 months	3,84,680	17 months
(a)	2,79,150		6,67,580	
Scheme 2010 :				
7 th February, 2011 at Rs.2.00	6,34,749	18 months	7,90,985	27 months
25 th January, 2012 at Rs.2.00	1,35,810	26 months	1,86,110	31 months
22 nd July, 2013 at Rs.2.00	48,130	34 months	-	-
21 st October, 2013 at Rs.2.00 #	65,410	37 months	-	-
(b)	8,84,099		9,77,095	
Total (a + b)	11,63,249		16,44,675	

net of 4085 options forfeited/lapsed out of the options granted during the year

e) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of Exercise	Average share price (Rs.)
25-Apr-2013	228.46
16-May-2013	251.69
20-Jun-2013	266.69
19-Jul-2013	251.01
20-Aug-2013	240.09

21-Aug-2013	234.40
23-Sep-2013	258.45
17-Oct-2013	270.36
22-Nov-2013	293.20
16-Dec-2013	303.71
17-Jan-2014	277.86
19-Feb-2014	254.59
21-Mar-2014	257.16
25-Mar-2014	253.40

f) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Employee stock compensation cost is amortized over the vesting period.

g) Fair value of options

The fair value of options used to compute proforma net profit and earnings per share in note 29 (h) have been estimated on the date of grant using the black-scholes model. The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Grants covered under Scheme 2005 :

Variables	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008
1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years
3) Expected volatility	0.50%	43.69%	43.61%	43.66%
4) Dividend yield	5%	1.59%	1.59%	1.64%

5) Price of the underlying share in the market at the time of option grant (Rs.)	13.11*	46.00	63.62	50.35
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* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

Grants covered under Scheme 2010 :

Variables	7-Feb-2011	25-Jan-2012	22-Jul-2013	21-Oct-2013
1) Risk free interest rate	7.73%	8.11%	7.61%	8.60%
2) Expected life	4.5 years	5.5 years	3.5 years	3.25 years
3) Expected volatility	42.38%	46.08%	35.53%	39.27%
4) Dividend yield	2.28%	2.11%	1.70%	1.32%
5) Price of the underlying share in the market at the time of option grant (Rs.)	138.60	133.14	212.35	272.40

h) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on “Accounting for Employee Share-based Payments” is as follows:

Particulars	Intrinsic Value Method		Fair Value Method *	
	March 2014	March 2013	March 2014	March 2013
Net profit after tax (Rs. in Lacs)	88722.75	88269.18	88753.64	88308.57
Weighted average number of equity shares of Rs.2/- each – Basic	563184677	531949491	563184677	531949491
Weighted Average number of equity shares of Rs.2/- each – Diluted	568764960	538178537	568764960	538178537
Basic Earnings Per Share (Rs.)	15.75	16.59	15.76	16.60

Diluted Earnings Per Share # (Rs.)	15.60	16.40	15.60	16.41
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Dilution in Earnings per share is on account of 52,39,841 equity shares (March 2013 : 57,44,785 equity shares) held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.

* Earnings Per Share under Fair value method is computed on proforma net profit after tax after adjusting for employee compensation costs under fair value method. Employee compensation cost under fair value method as compared to intrinsic value method is lower by Rs.30.89 Lacs (March 2013 : Rs. 39.39 Lacs).

30. Loan provisions and write offs

- a) The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. As per the practice consistently followed, the Company has also made additional provision on a prudential basis. The cumulative additional provision made by the Company as on 31st March, 2014 is Rs. 35253.77 Lacs (March 2013 : Rs. 19692.65 Lacs)
- b) In accordance with the Notification No. DNBS.222/ CGM (US)-2011 dated 17.01.2011 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general provision of 0.25% on the Standard assets, the Company has made a provision of Rs. 2110.00 Lacs (March 2013 : Rs. 5165.00 Lacs, including additional / accelerated provision of Rs. 3568.00 Lacs, refer note no. 27).

The total amount of provision on Standard assets of Rs.11625.00 Lacs (March 2013 : Rs. 9515.00 Lacs) is shown separately as "Contingent provision for Standard assets" under Long-term and Short-term provisions in the balance sheet (refer note no.5 and 9). The said amount includes additional / accelerated provision of 0.15% for Rs.4370.00 Lacs as at 31st March, 2014 (March 2013 : Rs.3568.00 Lacs).

- c) Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such hire purchase/leased/loan assets on account of poor financial position of such customers.
31. Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.
 32. The Company has single reportable segment "Financial services" for the purpose of Accounting Standard 17 on Segment reporting.
 33. In the opinion of the Board, Current assets, Loans and advances are approximately of the value stated if realised in the ordinary course of business.
 34. Deposits/advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

35. Employee benefits

Defined benefit plans -as per actuarial valuation

Rs.in Lacs

		Gratuity (Funded)		Sick leave (Non funded)		Privilege Leave (Non funded)	
		March 2014	March 2013	March 2014	March 2013	March 2014	March 2013
I.	Expense recognised in the Statement of Profit & Loss Account for the year ended 31st						
1	Current service cost	559.24	439.63	86.49	74.60	572.34	109.25
2	Interest cost	76.35	58.79	10.06	8.58	49.84	-
3	Expected return on plan assets	(74.56)	(52.14)	-	-	-	-
4	Actuarial (gains)/losses	(112.83)	(180.59)	(59.84)	(77.62)	(173.57)	554.44
5	Fund amount to be transferred from MBCSPL gratuity fund *	(64.27)	-	-	-	-	-
6	Adjustment due to change in opening balance of plan assets	(186.28)	-	-	-	-	-
7	Total expense	197.64	265.68	36.72	5.56	448.61	663.68
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st						
1	Present value of defined benefit obligation as at 31 st	1192.46	855.07	147.88	111.16	846.55	564.13
2	Fair value of plan assets as at 31 st	1111.98	776.20	-	-	-	-
3	Funded status (surplus/(deficit))	(80.48)	(78.87)	(147.88)	(111.16)	(846.55)	(564.13)
4	Net asset/(liability) as at 31st	(80.48)	(78.87)	(147.88)	(111.16)	(846.55)	(564.13)

Rs.in Lacs

		Gratuity (Funded)		Sick leave (Non funded)		Privilege Leave (Non funded)	
		March 2014	March 2013	March 2014	March 2013	March 2014	March 2013
III.	Change in the obligations during the year ended 31st						
1	Present value of defined benefit obligation at the beginning of the year	855.07	644.20	111.16	105.60	564.13	-
2	Current service cost	559.24	439.63	86.49	74.60	572.34	109.25
3	Interest cost	76.35	58.79	10.06	8.58	49.84	-
4	Actuarial (gains)/losses	(184.16)	(220.18)	(59.84)	(77.62)	(173.57)	554.44
5	Benefits paid	(114.04)	(67.37)	-	-	(166.20)	(99.55)
6	Present value of defined benefit obligation at the year ended 31 st	1192.46	855.07	147.88	111.16	846.55	564.13
IV.	Change in the fair value of plan assets during the year ended 31st						
1	Fair value of plan assets at the beginning of the year	776.20	484.50				
2	Expected return on plan assets	74.56	52.14				
3	Contributions by employer	199.26	334.56				
4	Actuarial (Gains)/Losses	(74.56)	(27.63)				
5	Fund amount to be transferred from MBCSPL gratuity fund *	64.27	-				
6	Adjustment due to change in opening balance of Plan assets	186.28	-				
7	Actual Benefits paid	(114.04)	(67.37)				
8	Fair value of plan assets at the end of the year	1111.98	776.20				
V.	Major category of plan assets as a percentage of total plan						

	Funded with LIC	100%	100%	100%	100%	100%	100%
VI.	Actuarial Assumptions						
1	Discount Rate (p.a.)	8%	8%	8%	8%	8%	8%
2	Expected rate of return on plan assets (p.a.)	8%	8%	-	-	-	-
3	Rate of Salary increase (p.a.)	5%	5%	5%	5%	5%	5%
4	In-service Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Rs.in Lacs

VII.	Experience Adjustments (Gratuity)					
		Year ended 31st March				
		2010	2011	2012	2013	2014
1	Defined benefit obligation at end of the period	343.83	442.42	644.20	855.07	1192.46
2	Plan assets at the end of period	305.50	375.80	484.50	776.20	1111.98
3	Funded status surplus/ (deficit)	(38.33)	(66.61)	(159.71)	(78.87)	(80.48)
4	Experience adjustments on plan liabilities (gain)/loss	(40.37)	(46.70)	(73.01)	(66.64)	(77.52)
5	Experience adjustments on plan assets gain/(loss)	(6.22)	(7.89)	(9.94)	(16.07)	(21.77)

* During the year, certain employees of Mahindra Business & Consulting Services Private Limited (MBCSPL) were transferred to the payroll of the Company w.e.f. 1st January, 2014. The liability on account of retirement benefits (gratuity and leave encashment) has been considered while arriving at the employee benefits liability for the current year. Pending the transfer of funds lying with the MBCSPL Gratuity trust, the Company has considered the said amount in the plan assets balance as at 31st March, 2014. The Company expects to make a contribution to the Gratuity Fund of Rs. 439.42 lacs within a year.

36. Disclosure on derivatives

Outstanding derivative instrument and un-hedged foreign currency exposures as on 31st March, 2014

The Company has outstanding Foreign Currency Non-Repatriable (FCNR (b)) loans of US \$ 872.71 Lacs (March 2013 : US \$ 699.13 Lacs). The said loan has been fixed to INR liability using a cross currency swap and floating interest thereon in LIBOR plus rate has been swapped for fixed rate in Indian rupee. There is no un-hedged foreign currency exposure as on 31st March, 2014.

37. Securitisation / assignment transactions

- a) During the year, the Company has without recourse securitised on “at par” basis vide PTC route loan receivables of 47122 contracts (March 2013: 54374 contracts) amounting to Rs. 126292.70 Lacs (March 2013: Rs. 143361.38 Lacs) for a consideration of Rs.126292.70 Lacs (March 2013: Rs. 143361.38 Lacs) and de-recognised the assets from the books.
- b) During the year, the Company has without recourse assigned loan receivables of 6490 contracts (March 2013: NIL contracts) amounting to Rs.19850.83 Lacs (March 2013 : Rs.NIL) for a consideration of Rs.15554.19 Lacs (March 2013 : Rs.NIL) towards 90% of receivables assigned and de-recognised the assets from the books. Out the total receivables, an amount of Rs.1985.08 Lacs equivalent to 10% of the receivables have been recognized as “Retained interest in assignment transactions” representing Minimum Retention Requirement (MRR) as required under revised guidelines on securitization transactions vide RBI Circular dated August 21, 2012 (refer note no. 13 and 18).

The amount of profit in cash of Rs.314.94 Lacs on this assignment transaction has been held under an accounting head “Cash profit on loan transfers under assignment transactions pending recognition” and the same is amortized in line with above referred guidelines (refer note no. 4 and 8).

- c) Income from assignment / securitization transactions include write back of provision for loss / expenses in respect of matured assignment transactions amounting to Rs.4189.65 Lacs (March 2013 : Rs. 3193.08 Lacs) considered no longer necessary (refer Accounting policy 3 (IV) A (iii)).
- d) In terms of the accounting policy stated in 3 (IV) (B) (i) (c), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances (refer note no. 13 and 18) and equivalent amount of unrealised gains has been recognised as liabilities (refer note no. 4 and 8).
- e) Excess interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment / securitisation transactions amounting to Rs.5146.47 Lacs (March 2013 : Rs. 106.98 Lacs)
- f) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2013-13 dated August 21, 2012.

Applicable for transactions effected after the date of circular:

Rs. in Lacs

S. No.	Particulars	March 2014	March 2013
1	No of SPVs sponsored by the NBFC for securitization transactions	8	5
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	192645.41	141347.26
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	* First loss - Credit enhancement in the form of corporate undertaking (refer note no.41 (i) (c))	4782.00	2922.00
	* Others	-	-
	b) On-balance sheet exposures		
	* First loss – Cash collateral term deposits with banks (refer note no.17 (a) (ii))	18040.00	7293.00
	* Others – Retained interest in Pass Through Certificates (refer note no.13 and 18)	2213.95	3844.37
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitizations		
	* First loss	-	-
	* Loss	-	-
	ii) Exposure to third party securitizations		
	* First loss	-	-
	* Others	-	-

Rs. in Lacs

			March 2014	March 2013
	b)	On-balance sheet exposures		
	i)	Exposure to own securitizations		
	*	First loss	-	-
	*	Others – Cash collateral term deposits with banks (refer note no.17 (a) (ii))	2156.00	1856.00
	ii)	Exposure to third party securitizations		
	*	First loss	-	-
	*	Others	-	-

38. There were 77 cases (March 2013 : 28 cases) of frauds amounting to Rs. 560.32 Lacs (March 2013 : Rs 450.31 Lacs) reported during the year. The Company has recovered an amount of Rs.46.38 Lacs (March 2013 : Rs 31.53 Lacs) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.

39. The gold loans outstanding as a percentage of total assets is at 0.03% (March 2013 : 0.05%).

40. Related party disclosure as per Accounting Standard 18

A) List of the related parties and nature of relationship which have transactions with our Company during the year:

Holding Company :	Mahindra and Mahindra Limited
Subsidiary Companies :	Mahindra Insurance Brokers Limited Mahindra Rural Housing Finance Limited Mahindra Business & Consulting Services Private Limited Mahindra Asset Management Company Private Limited
Joint Ventures :	Mahindra Finance USA, LLC
Fellow subsidiary Companies:	Mahindra Trucks & Buses Ltd. (merged with Mahindra &

	Mahindra Ltd. w.e.f. April 01, 2013) Mahindra USA, Inc. Mahindra Holidays and Resorts India Ltd. Bristlecone India Limited Mahindra Yueda (Yancheng) Tractor Co.Ltd. NBS International Ltd. Mahindra First Choice Wheels Ltd. Mahindra Construction Company Ltd. Mahindra Two Wheelers Ltd. Mahindra First Choice Services Ltd.
Key Management Personnel :	Mr. Ramesh Iyer (Managing Director)
Relatives of Key Management Personnel :	Ms Janaki Iyer
	Ms Ramlaxmi Iyer
	Mr Risheek Iyer

B) Related party transactions are as under:

Rs. in Lacs

Sr. No.	Nature of transactions	Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Joint Ventures	Key Management Personnel
1	Income					
	Loan income	-	-	1.79	-	-
		-	-	(10.51)	-	-
	Subvention income (iii)	2,322.68	-	-	-	-
		(1,048.52)	-	(431.58)	-	-
	Other income	1.02	1,499.88	54.11	-	-
		-	(3,262.17)	(10.18)	-	-
2	Expenses					

	Interest	339.45	533.57	-	-	18.09
		(334.41)	(228.80)	-	-	(16.75)
	Other expenses	1,394.33	17,420.53	167.71	-	-
		(1,404.97)	(14,830.49)	(58.57)	-	-
	Remuneration to MD	-	-	-	-	274.80
		-	-	-	-	(235.02)
3	Investment in share capital	-	2,195.00	-	2,193.73	-
		-	-	-	(3,062.69)	-
4	Purchase of fixed assets	421.36	-	5.85	-	-
		(173.73)	(2.97)	-	-	-
5	Finance					
	Fixed deposits	-	2,700.00	-	-	207.50
		-	-	-	-	(168.00)
	Fixed deposits matured	-	-	-	-	187.50
		-	-	-	-	-
	Dividend paid – for previous year	10,483.48	-	-	-	18.99
		(8,153.81)	-	-	-	(15.11)
	Inter corporate deposits taken	50,000.00	3,565.00	-	-	-
		(50,000.00)	(7,788.32)	-	-	-
	Inter corporate deposits repaid	50,000.00	4,365.00	-	-	-
		(50,000.00)	(4,939.87)	-	-	-
	Inter corporate deposits given	-	48,130.24	-	-	-
		-	(56,794.20)	(2,000.00)	-	-
	Inter corporate deposits refunded	-	48,505.27	2,000.00	-	-
		-	(59,771.55)	-	-	-
6	Other transactions					
	Reimbursement from parties	112.54	-	-	-	-

		-	-	-	-	-
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Rs. in Lacs

Sr. No.	Nature of transactions	Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Joint Ventures	Key Management Personnel
7	Reimbursement to parties	-	-	113.75	-	-
		-	-	-	-	-
	Balances as at the year end					
	Receivables (iii)	375.59	85.12	1,091.74	-	-
		(48.41)	(74.56)	(3,289.26)	-	-
	Loans given (including interest accrued but not due) (ii)	-	-	334.33	-	-
		-	-	(334.33)	-	-
	Inter corporate deposits given (including interest accrued but not due) (ii)	-	1,437.16	113.38	-	-
		-	(1,818.77)	(2,122.01)	-	-
	Payables	-	575.23	107.64	-	-
	-	(754.42)	(66.33)	-	-	
Subordinate debts held (including interest accrued but not due)	-	700.76	-	-	-	
	-	(700.76)	-	-	-	
Inter corporate deposits taken (including interest accrued but not due)	-	4,414.76	-	-	-	
	-	(5,215.39)	-	-	-	
Fixed deposits (including interest accrued but not due)	-	2,834.75	-	-	214.79	
	-	-	-	-	(195.24)	

Notes:

- i) Figures in bracket represent corresponding figures of previous year.
- ii) An amount of Rs 113.38 lacs of inter corporate deposits and Rs 334.33 lacs of loan given to Mahindra Construction Co Ltd is provided as Non Performing Asset in the books of account.
- iii) Mahindra Trucks and Buses Ltd is merged with Mahindra & Mahindra Ltd (holding company) during the current year w.e.f. 01st April, 2013. However, transactions in the form of subvention income of the previous year amounting to Rs 431.52 lacs and balance receivable as at March 31, 2013 amounting to Rs 380.15 lacs is disclosed in the column pertaining to fellow subsidiary companies..

C) The significant related party transactions are as under:

Rs. in Lacs

Nature of transactions		Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Key Management Personnel
Income					
<u>Revenue from operations</u>					
Subvention income	Mahindra and Mahindra Limited	2,322.68	-	-	-
		(1,048.52)	-	-	-
<u>Other income</u>					
Interest income on inter corporate deposits / subordinate debt	Mahindra Rural Housing Finance Limited	-	366.01	-	-
		-	(808.70)	-	-
	Mahindra Business & Consulting Services Private Limited	-	114.54	-	-
		-	(174.26)	-	-
Dividend income	Mahindra Rural Housing Finance Limited	-	400.00	-	-
		-	(280.00)	-	-
Income from shared services	Mahindra Rural Housing Finance Limited	-	442.30	-	-
		-	(449.12)	-	-

	Mahindra Insurance Brokers Limited	-	102.64	-	-
		-	(80.54)	-	-
Expenses					
<u>Interest</u>					
Interest expense on inter corporate deposits, nonconvertible debentures and fixed deposits	Mahindra and Mahindra Limited	339.45	-	-	-
		(334.41)	-	-	-
	Mahindra Insurance Brokers Limited	-	533.57	-	-
		-	(225.76)	-	-
<u>Other expenses</u>					
Manpower outsourcing expenses	Mahindra Business & Consulting Services Private Limited	-	16,172.88	-	-
		-	(14,010.96)	-	-

Rs. in Lacs

Nature of transactions		Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Key Management Personnel
Handling charges	Mahindra Insurance Brokers Limited	-	1,247.65	-	-
		-	(802.71)	-	-
Purchase of fixed assets	Mahindra and Mahindra Limited	421.36	-	-	-
		(173.73)	-	-	-
Finance					

Fixed deposits	Mahindra Insurance Brokers Limited	-	2,700.00	-	-
		-	-	-	-
Fixed deposits matured	Ramesh Iyer	-	-	-	44.50
		-	-	-	-
	Janaki Iyer	-	-	-	133.00
		-	-	-	-
Dividend paid - for previous year	Mahindra and Mahindra Limited	10,483.48	-	-	-
		(8,153.81)	-	-	-
Inter corporate deposits taken	Mahindra and Mahindra Limited	50,000.00	-	-	-
		(50000.00)	-	-	-
Inter corporate deposits repaid	Mahindra and Mahindra Limited	50,000.00	-	-	-
		(50000.00)	-	-	-
Inter corporate deposits given	Mahindra Rural Housing Finance Limited	-	46298.00	-	-
		-	(55015.95)	-	-
Inter corporate deposits refunded	Mahindra Rural Housing Finance Limited	-	45812.63	-	-
		-	(58373.96)	-	-
Balances at the year end					
Receivables	Mahindra Holidays & Resorts India Limited	-	-	1,091.74	-
		-	-	(2,909.11)	-
	Mahindra & Mahindra Limited	375.59	-	-	-
		(48.41)	-	-	-
Loan given (including interest accrued but not due)	Mahindra Construction Company Limited	-	-	334.33	-
		-	-	(334.33)	-

Nature of transactions		Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Key Management Personnel
Payables	Mahindra Insurance Brokers Limited	-	387.75	-	-
		-	(245.19)	-	-
	Mahindra Business & Consulting Services Private Limited	-	138.14	-	-
		-	(437.67)	-	-
Inter corporate deposits taken (including interest accrued but not due)	Mahindra Insurance Brokers Limited	-	4,414.76	-	-
		-	(5,215.39)	-	-
Inter corporate deposits given (including interest accrued but not due)	Mahindra Business & Consulting Services Private Limited	-	884.33	-	-
		-	(1,780.22)	-	-
	Mahindra Rural Housing Finance Limited	-	552.83	-	-
		-	(38.55)	-	-
Subordinate debt held (including interest accrued but not due)	Mahindra Rural Housing Finance Limited	-	700.76	-	-
		-	(700.76)	-	-

41. Contingent liabilities and commitments (to the extent not provided for)

Rs. in Lacs

	March 2014	March 2013
i) Contingent liabilities		
a) Demand against the Company not acknowledged as debts -		

- Income tax	7476.70	5472.52
- Value Added Tax (VAT)	60.92	-
b) Corporate guarantees towards assignment transactions	55631.29	71572.12
c) Credit enhancement in terms of corporate guarantee for securitization transactions (refer note no. 48 (f))	4782.00	2922.00
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	2726.48	2031.55
	70677.39	81998.19
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account	438.05	624.91
b) Uncalled liability on shares and other investments partly paid	2,190.00	-
(On 1,75,20,003 partly paid equity shares of Mahindra Rural Housing Finance Ltd. @ Rs.12.50/- per share)		
	2628.05	624.91
Total	73305.44	82623.10

42. The Company has sent letters to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 seeking information for which replies are awaited. In view of this, information required under Schedule VI of The Companies Act, 1956 is not given.

43. Secured long-term borrowings

i. Secured non-convertible debentures

As on 31st March, 2014

	Rate range	Rs. in Lacs		
		(a) Non-current	(b) Current	Total
1) Repayable on maturity :				
Maturing between 3 years to 5 years	9.25% - 10.25%	44550.00	-	44550.00
Maturing between 1 year to 3 years	9.00% - 10.20%	252470.00	-	252470.00
Maturing within 1 year	9.04% - 10.25%	-	169020.00	169020.00

	Total		297020.00	169020.00	466040.00
2) Repayable in yearly installments:					
	Maturing between 1 year to 3 years	9.95%	24500.00	-	24500.00
	Maturing within 1 year	9.95% - 13.00%	-	14500.00	14500.00
	Total		24500.00	14500.00	39000.00
	Total (1+2)		321520.00	183520.00	505040.00

As on 31st March, 2013

Rs. in Lacs					
	Rate range	(a)Non-current	(b)Current maturity	Total	
1) Repayable on maturity :					
	Maturity beyond 5 years	9.34%-9.43%	7350.00	-	7350.00
	Maturity between 3 years to 5 years	9.25%-9.45%	5100.00	-	5100.00
	Maturity between 1 year to 3 years	9.23%-10.25%	262510.00	-	262510.00
	Maturity within 1 year	8.30%-10.47%	-	151770.00	151770.00
	Total		274960.00	151770.00	426730.00
2) Repayable in installments :					
Yearly installments -					
	Maturity beyond 3 years	9.95%-13.00%	25000.00	-	25000.00
	Maturity between 1 year to 3 years	9.95%	14000.00	-	14000.00
	Maturity within 1 year	10.50%-13.00%	-	16070.00	16070.00
	Total		39000.00	16070.00	55070.00
	Total (1+2)		313960.00	167840.00	481800.00

ii. Secured term loans from banks

As on 31st March, 2014

Rs. in Lacs

	Rate range	(a) Non-	(b) Current	Total
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		current		
1) Repayable on maturity :				
Maturing between 3 years to 5 years	10.20%	25000.00	-	25000.00
Maturing between 1 year to 3 years	9.70% - 10.40%	294000.00	-	294000.00
Maturing within 1 year	7.75% - 10.35%	-	62500.00	62500.00
Total for repayable on maturity		319000.00	62500.00	381500.00
2) Repayable in installments :				
i) Bi-monthly				
Maturing between 1 year to 3 years	10.25%	6,200.00	-	6200.00
Maturing within 1 year	-	-	-	-
Total		6200.00	-	6200.00
ii) Quarterly -				
Maturing between 3 years to 5 years	10.00% - 10.25%	27314.28	-	27314.28
Maturing between 1 year to 3 years	10.00% - 10.50%	49814.28	-	49814.28
Maturing within 1 year	10.00% - 10.25%	-	44505.15	44505.15
Total		77128.56	44505.15	121633.71
iii) Half yearly -				
Maturing beyond 3 years	10.25%	81900.00	-	81,900.00
Maturing between 1 year to 3 years	10.20% - 10.25%	321266.67	-	321266.67
Maturing within 1 year	10.20% - 10.25%	-	144333.33	144333.33
Total		403166.67	144333.33	547500.00
iv) Yearly -				
Maturing between 3 years to 5 years	10.20% - 10.25%	81666.67		81666.67

			-	
Maturing between 1 year to 3 years	10.20% - 10.25%	73333.33	-	73333.33
Maturing within 1 year	9.25% - 10.25%	-	55000.00	55000.00
Total		155000.00	55000.00	210000.00
Total for repayable in installments		641495.23	243838.48	885333.71
Total (1+2)		960495.23	306338.48	1266833.71

As on 31st March, 2013

Rs. in Lacs

	Rate range	(a)Non-current	(b)Current	Total
1) Repayable on maturity :				
Maturity beyond 3 years	10.15%-10.35%	27500.00	-	27500.00
Maturity between 1 year to 3 years	7.75%-10.35%	175000.00	-	175000.00
Maturity within 1 year	5.50%-10.35%	-	128500.00	128500.00
Total		202500.00	128500.00	331000.00
2) Repayable in installments :				
i) Quarterly-				
Maturity between 1 year to 3 years	10.15%-10.25%	55692.00	-	55692.00
Maturity within 1 year	10.15%-10.25%	-	23632.00	23632.00
Total		55692.00	23632.00	79324.00
ii) Half-yearly-				
Maturity beyond 3 years	10.25%	91666.67	-	91666.67
Maturity between 1 year to 3 years	10.20%-10.25%	268333.33	-	268333.33
Maturity within 1 year	7.90%-10.45%	-	44166.67	44166.67
Total		360000.00	44166.67	404166.67

iii) Yearly-				
Maturity between 1 year to 3 years	9.25%-10.25%	90000.00	-	90000.00
Maturity within 1 year	9.25%	-	40000.00	40000.00
Total		90000.00	40000.00	130000.00
Total for repayable in installments		505692.00	107798.67	613490.67
Total (1+2)		708192.00	236298.67	944490.67

iii. Foreign currency loans from banks

As on 31st March 2014

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing between 1 year to 3 years	9.05%-9.98%	40305.51		40305.51
Maturing within 1 year	9.60%	-	11983.00	11983.00
Total		40305.51	11983.00	52288.51

As on 31st March 2013

Rs. in Lacs				
	Rate range	(a) Non-current	(b) Current maturity	Total
1) Repayable on maturity :				
Maturity between 1 year to 3 years	9.60%-11.65%	27142.50	10809.57	37952.07
Total		27142.50	10809.57	37952.07

44. Unsecured borrowings

i) Subordinated debts (long-term)

As on 31st March 2014

Rs. in Lacs

	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing between 3 years to 5 years	10.50% - 12.00%	7860.00	-	7860.00
Maturing beyond 5 years	9.50%-10.50%	71550.00	-	71550.00
Total		79410.00	-	79410.00

As on 31st March 2013

Rs. in Lacs

	Rate range	(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing beyond 5 years	9.80%-11.75%	52530.00	-	52530.00
Maturing between 3 years to 5 years	10.50%-12.00%	6880.00	-	6880.00
Maturing between 1 year to 3 years	-	-	-	-
Maturing within 1 year	10.20%-10.40%	-	3100.00	3100.00
Total		59410.00	3100.00	62510.00

ii) Unsecured term loans from banks

As on 31st March 2014 :

Rs. in Lacs

	Rate range	(a) Non-current	(b) Current	Total
Repayable on maturity :				
Maturing within 1 year	9.75%	-	2200.00	2200.00
Maturing between 1 year to 3 years	10%	10,000.00	-	10000.00
Total		10000.00	2200.00	12200.00

As on 31st March,2013 : Nil

iii) Inter-corporate deposits (ICDs)

As on 31st March, 2014

Rs.in Lacs

	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current	
Repayable on maturity :					
Maturing between 1 year to 3 years	9.40%	-	725.00	-	725.00
Maturing within 1 year	8.75% - 10.25%	3565.00	-	50.00	3615.00
Total		3565.00	725.00	50.00	4340.00

As on 31st March, 2013

Rs.in Lacs

	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current maturity	
Maturing between 1 year to 3 years	9.40%-9.80%	-	775.00	-	775.00
Maturing within 1 year	8.50%-9.75%	4215.00	-	150.00	4365.00
Total		4215.00	775.00	150.00	5140.00

iv) Fixed deposits

As on 31st March, 2014

Rs.in Lacs

	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current	
Maturing beyond 3 years	9.4% - 10.25%	-	7308.37	-	7308.37

Maturing between 1 year to 3 years	8.65% - 10.75%	-	270554.77	-	270554.77
Maturing within 1 year	8.65% - 10.75%	5931.15	-	76425.51	82356.66
Total		5931.15	277863.14	76425.51	360219.80

As on 31st March, 2013

Rs.in Lacs

	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current maturity	
Maturing beyond 3 years	8.65%-10.75%	-	116827.59	-	116827.59
Maturing between 1 year to 3 years	8.65%-10.75%	-	75225.60	-	75225.60
Maturing within 1 year	8.65%-10.50%	3362.41	-	37377.62	40740.03
Total		3362.41	192053.19	37377.62	232793.22

45. Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As on 31st March, 2014

Rs.in Lacs

	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	10.25% - 13.25%	112732.21
Total		112732.21

As on 31st March, 2013

Rs.in Lacs

	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	9.20% -13.65%	115527.03
Total		115527.03

ii) Commercial papers

As on 31st March 2014 : Nil

As on 31st March 2013

Rs. in Lacs		
	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	9.20%-9.35%	5000.00
Total		5000.00

46. Managerial remuneration to Directors included in the Statement of profit and loss

Rs. in Lacs		
	March 2014	March 2013
Salary and perquisites	197.06	167.36
Contribution to provident fund and other funds	13.20	11.57
Sitting fees and commission (including commission to Managing Director)	147.02	110.34
Total	357.27	289.26

Above figures are excluding charge for gratuity, provision for leave encashment as separate actuarial valuation figures are not available. Further, perquisites do not include amortisation of Employees Stock Options.

47. Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Rs. in Lacs

Sr No.	Particulars	March 2014		March 2013	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue

(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	359500.62	-	228746.82	-

		March 2014	March 2013
		Amount outstanding	Amount outstanding
(3)	Asset side:		
	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	34048.00	19025.00
	(b) Unsecured	144926.46	133604.13
(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry		

	debtors :		
		March 2014	March 2013
		Amount outstanding	Amount outstanding
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed	8752.63	5310.11
	(b) Loans other than (a) above	2705765.33	2201245.42
(5)	Break-up of Investments :		
	<u>Current Investments :</u>		
	1. Quoted :		
	(i) Shares : (a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Investments in Certificate of Deposits with Banks	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-

	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
		March 2014	March 2013
		Amount outstanding	Amount outstanding
	(iv) Government Securities	-	-
	(v) Certificate of Deposits with Banks	24289.13	19585.34
	(vi) Commercial Papers	10000.00	2000.00
	<u>Long Term Investments :</u>		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	37895.56	24168.13
	2. Unquoted :		

	(i) Shares : (a) Equity		14032.03		9643.30		
	(b) Preference		-		-		
	(ii) Debentures and Bonds		700.00		700.00		
	(iii) Units of mutual funds		-		-		
	(iv) Government Securities		-		-		
(6)	Borrower group-wise classification assets financed as in (3) and (4) above :						
	Category	March 2014			March 2013		
		Amount net of provisions			Amount net of provisions		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	1.Related Parties						
	a)Subsidiaries	-	1361.61	1361.61	-	1818.77	1818.77
	b) Companies in the same group	-	1091.74	1091.74	-	4917.74	4917.74
	c) Other related parties	-	-	-	-	-	-
	2.Other than related parties	2748565.96	142473.11	2891039.07	2225580.53	126867.62	2352448.15
	<i>Total</i>	2748565.96	144926.46	2893492.42	2225580.53	133604.13	2359184.66

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
		March 2014		March 2013	
	Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties				
	a) Subsidiaries	6943.98	6943.98	4748.98	4748.98
	b) Companies in the same group	7788.05	7788.05	5594.32	5594.32
	c) Other related parties	-	-	-	-
	2. Other than related parties	70794.00	72184.69	46295.02	45753.47
	Total	85,526.03	86,916.72	56,638.32	56,096.77

(8) Other information :		March 2014	March 2013
Particulars		Amount	Amount
(i)	Gross Non-Performing Assets :		
	(a) Related parties	447.71	447.71
	(b) Other than related parties	140121.41	75847.82
(ii)	Net Non-Performing Assets :		
	(a) Related parties	-	-
	(b) Other than related parties	57564.17	25992.87

(iii) Assets acquired in satisfaction of debt :	-	-
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48. Changes in provisions

Rs. in Lacs

	March 2013	Additional Provisions	Utilizations/ reversals	March 2014
Provision for Standard assets	9515.00	2110.00	-	11625.00
Provision for Non-performing assets	38871.36	40757.25	16270.55	63358.06

49. During the current financial year, the Company has incorporated Mahindra Trustee Company Private Limited (MTCPL) and has proposed to subscribe 49,998 equity shares of Rs. 10/- each amounting to Rs. 4.99 Lacs being 99.99% of the shareholding as a promoter shareholder. However, the Company has not made any investment during the year in MTCPL.

50. Previous year figures have been regrouped / reclassified wherever found necessary.

For FY 2012-13:

28. In compliance with the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS-27), the Company has interest in the following jointly controlled entity :

i) Jointly controlled entity by the Company:			
	Name of the entity	Country of Incorporation	% Holding
	Mahindra Finance USA, LLC	United States of America	49.00%
ii) Interest in the assets, liabilities, income and expenses with respect to jointly controlled entity			
			Rs. In Lacs
	Particulars	March 2013	March 2012
I.	ASSETS		
	Long-term loans and advances	58689.98	-
	Cash and cash equivalents	224.14	573.49
	Short-term loans and advances	16844.83	38058.66
II.	LIABILITIES		
	Long-term borrowings	24756.47	30637.02
	Long term provisions	199.35	-
	Short term borrowings	30782.02	8.58
	Other current liabilities	13302.36	5038.86
	Short term provisions	57.30	-
III.	INCOME		
	Revenue from operations	2774.21	999.77
	Other income	86.88	8.93

IV. EXPENSES			
Finance costs		943.95	303.24
Other expenses		1225.05	506.18
Provision for taxation		259.83	77.57

Above figures are based on unaudited financial statements.

29. Employee Stock Option Plan

- a) The Company had allotted 134,32,750 equity shares (face value of Rs.2/- each) on 6th December 2005 and 48,45,025 Equity shares (face value of Rs.2/- each) on 3rd February, 2011, to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee. The trust had issued 1,25,32,990 equity shares (March 2012 : 1,17,01,955 equity shares) up to 31st March, 2013 and 8,31,035 equity shares (March 2012 : 11,73,035 equity shares) for the current year to the employees.

The details of Employees stock option schemes are as under :

	Scheme 2005	Scheme 2010
Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
Contractual life	6 years from the date of grant	6 months from the date of grant
Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
Vesting conditions	35% on expiry of 12 months from the date of grant	20% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant	20% on expiry of 36 months from the date of grant
	10% on expiry of 48 months from the date of grant	20% on expiry of 48 months from the date of grant
	10% on expiry of 60 months from the date of grant	20% on expiry of 60 months from the date of grant

- b) Summary of stock options

	March 2013		March 2012	
	No. of stock options	Weighted average exercise price	No. of stock options	Weighted average exercise price

Summary of Stock Options		(Rs.)		(Rs.)
Options outstanding at the beginning of the year	24,85,550	24.59	38,13,940	24.02
Options granted during the year	-	-	2,12,130	2.00
Options forfeited/lapsed during the year	9,840	7.11	367,485	10.38
Options exercised during the year	8,31,035	30.69	11,73,035	23.10
Options outstanding at the end of the year	16,44,675	21.61	24,85,550	24.59
Options vested but not exercised at the end of the year	6,04,090	45.81	8,05,605	43.93

c) Information in respect of options outstanding :

Grant date / Exercise price	March 2013		March 2012	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Scheme 2005 :				
24 th July, 2007 at Rs.42.20	82,985	12 months	60,792	15 months
25 th March, 2008 at Rs.60.80	1,99,915	11 months	63,947	23 months
18 th September, 2008 at Rs.46.60	3,84,680	17 months	1,12,636	29 months
(a)	6,67,580		2,37,375	
Scheme 2010 :				
7 th February, 2011 at Rs.2.00	7,90,985	27 months	2,17,988	34 months
25 th January, 2012 at Rs.2.00	1,86,110	31 months	41,747	40 months
(b)	9,77,095		2,59,735	
Total (a + b)	16,44,675		4,97,110	

- d) Average Share price at recognised stock exchange (NSE) on the date of exercise of the option are as under:

Date of exercise	Average share price (Rs.)	Face value (Rs.)
9-May-2012	663.86	10.00
1-Jun-2012	636.96	10.00
2-Jul-2012	649.22	10.00
6-Aug-2012	734.55	10.00
4-Sep-2012	742.65	10.00
4-Oct-2012	898.99	10.00
29-Oct-2012	888.48	10.00
19-Nov-2012	987.93	10.00
19-Dec-2012	1097.88	10.00
22-Jan-2013	1052.77	10.00
1-Feb-2013	1067.11	10.00
19-Feb-2013	216.48	2.00
20-Feb-2013	215.03	2.00

- e) Method used for accounting for share based payment plan

The Company has elected to use intrinsic value method to account for the compensation cost of stock options to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option.

- f) Fair value of options

The fair value of options used to compute proforma net profit and earnings per share in note 30(g) have been estimated on the date of grant using the black-scholes model. The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Variables	7-Dec-2005	24-Jul-2007	25-Mar-2008	18-Sep-2008	7-Feb-2011	25-Jan-2012

1) Risk free interest rate	5.8% to 6.6%	8.17%	7.31%	8.20%	7.73%	8.11%
2) Expected life	2.5 - 5 years	4.17 years	4.17 years	4.18 years	4.5 years	5.5 years
3) Expected volatility	0.50%	43.69%	43.61%	43.66%	42.38%	46.08%
3) Dividend yield	5%	1.59%	1.59%	1.64%	2.28%	2.11%
4) Price of the underlying share in the market at the time of option grant (Rs.)	65.53*	230.00	318.10	252.45	693.00	665.70

* being fair value taken from an independent valuer as the Company was unlisted as on the date of grant of option.

g) Earnings Per Share

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on “Accounting for Employee Share-based Payments” is as follows:

Particulars	Intrinsic Value Method		Fair Value Method *	
	Mar.2013	Mar.2012	Mar.2013	March 2012
Net profit after tax (Rs. in Lacs)	88269.18	62011.67	88308.57	62062.70
Weighted average number of equity shares of Rs.2/- each – Basic (refer note no. 1 (d))	531949491	512790825	531949491	512790825
Weighted Average number of equity shares of Rs.2/- each – Diluted (refer note no. 1 (d))	538178537	520013675	538178537	520013675
Basic Earnings Per Share (Rs.)	16.59	12.09	16.60	12.10
Diluted Earnings Per Share # (Rs.)	16.40	11.93	16.41	11.93

Dilution in Earnings per share is on account of 57,44,785 equity shares of face value of Rs.2/- each (March 2012 : 65,75,820 equity shares of face value of Rs.2/- each held by the Employees Stock Option Trust issued under the Employees Stock Option Scheme.

* Earnings Per Share under Fair value method is computed on proforma net profit after tax after adjusting for employee compensation costs under fair value method. Employee compensation cost under fair value method is Rs.476.72 Lacs (March 2012 : Rs.698.62 Lacs).

30. Loan provisions and write offs

- a) The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India. The Company also makes additional provision on a prudential basis. The cumulative additional provision made by the Company as on 31st March, 2013 is Rs. 19692.65 Lacs (March 2012 : Rs. 13178.47 Lacs)
- b) In accordance with the Notification No. DNBS.222/ CGM (US)-2011 dated 17.01.2011 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general provision of 0.25% on the Standard assets, the Company has made a provision of Rs.5165.00 Lacs on the Standard assets as on 31st March 2013 (March 2012 : Rs. 4350.00 Lacs). With effect from the current year, the Company has on a prudent basis, decided to make additional / accelerated general provision on its Standard assets and has provided Rs. Rs.3568.00 Lacs on this account, which is reflected as "Exceptional Items" in the Statement of profit and loss. The total amount of provision on Standard assets of Rs.9515.00 Lacs is shown separately as "Contingent provision against Standard assets" under "Provisions" in the balance sheet.
- c) Bad debts and write offs includes loss on termination which mainly represents shortfall on settlement of certain contracts due to lower realisation from such hire purchase/leased/loan assets on account of poor financial position of such customers.
31. Commission and brokerage mainly represents amount incurred in respect of acquisition of customers and mobilisation of public deposits.
32. The Company has single reportable segment "Financial services" for the purpose of Accounting Standard 17 on Segment reporting.
33. In the opinion of the Board, Current assets, Loans and advances are approximately of the value stated if realised in the ordinary course of business.
34. Deposits/advances received against loan agreements are on account of loan against assets, which are repayable / adjusted over the period of the contract.

35. Employee benefits :

Defined benefit plans -as per actuarial valuation

Rs.in Lacs

		Gratuity (Funded)		Sick leave (Non funded)		Privilege Leave *
		March 2013	March 2012	March 2013	March 2012	March 2013
I.	Expense recognised in the Statement of Profit and Loss for the year ended 31st					
	Current service cost	439.63	348.99	74.60	69.51	109.25
	Interest cost	58.79	41.98	8.58	6.32	-

	Expected return on plan assets	(52.14)	(37.97)	-	-	-
	Actuarial (gains)/losses	(180.59)	(123.12)	(77.62)	(43.54)	554.44
	Total expense	265.68	229.89	5.56	32.29	663.68
II.	Net asset/(liability) recognised in the Balance Sheet as at 31st					
	Present value of defined benefit obligation as at 31 st	855.07	644.20	111.16	105.60	564.13
	Fair value of plan assets as at 31 st	776.20	484.50	-	-	-
	Funded status (surplus/(deficit))	(78.87)	(159.71)	(111.16)	(105.60)	(564.13)
	Net asset/(liability) as at 31 st	(78.87)	(159.71)	(111.16)	(105.60)	(564.13)
III.	Change in the obligations during the year ended 31st					
	Present value of defined benefit obligation at the beginning of the year	644.20	442.42	105.60	73.31	-
	Current service cost	439.63	348.99	74.60	69.51	109.25
	Interest cost	58.79	41.98	8.58	6.32	-
	Actuarial (gains)/losses	(220.18)	(161.08)	(77.62)	(43.54)	554.44
	Benefits paid	(67.37)	(28.10)	-	-	(99.55)
	Present value of defined benefit obligation at the year ended 31 st	855.07	644.20	111.16	105.60	564.13
IV.	Change in the fair value of plan assets during the year ended 31st					
	Fair value of plan assets at the beginning of the year	484.50	375.80			
	Expected return on plan assets	52.14	37.97			
	Contributions by employer	334.56	148.09			
	Excess contribution withdrawn from fund	0.00	(11.29)			
	Actuarial (gains)/losses	(27.63)	(37.97)			
	Actual benefits paid	(67.37)	(28.10)			

	Fair value of plan assets at 31st	776.20	484.50			
	The Company expects to contribute Rs.206.36 Lacs to gratuity in the next year (2012 : Rs. 334.56 Lacs)					
V.	Major category of plan assets as a percentage of total plan					
	Funded with LIC	100%	100%	100%	100%	100%
VI.	Actuarial Assumptions					
	Discount Rate	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
	Expected rate of return on plan assets	8.00% p.a.	8.00% p.a.			
	Rate of Salary increase	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
	In-service Mortality	LIC (1994-96) ULTIMATE	LIC (1994-96) ULTIMATE	LIC (1994-96) ULTIMATE	LIC (1994-96) ULTIMATE	LIC (1994-96) ULTIMATE
VII.	Experience Adjustments	Year ended 31st March				
		2009	2010	2011	2012	2013
	Defined benefit obligation at end of the period	256.67	343.83	442.42	644.20	855.07
	Plan assets at the end of period	208.08	305.50	375.80	484.50	776.20
	Funded status surplus/ (deficit)	(48.59)	(38.33)	(66.61)	(159.71)	(78.87)
	Experience adjustments on plan liabilities (gain)/loss	(61.20)	(40.37)	(46.70)	(73.01)	(66.64)
	Experience adjustments on plan assets gain/(loss)	-	(6.22)	(7.89)	(9.94)	(16.07)

* There are no previous year figures as the actuarial valuation is done with effect from current year.

36. Disclosure on derivatives :

Outstanding derivative instrument and un-hedged foreign currency exposures as on 31st March, 2013

The Company has outstanding Foreign Currency Non-Repatriable (FCNR (b)) loans of US \$ 699.13 Lacs (March 2012 : US \$ 199.13 Lacs and JPY 18451.97 Lacs). The loan of US \$ 699.13 Lacs (March 2012 : US \$ 199.13 Lacs and JPY 18451.97 Lacs) and interest thereon has been fixed to INR liability using a cross currency swap. There is no un-hedged foreign currency exposure as on 31st March, 2013.

37. Securitisation / assignment transactions

- a) During the year, the Company has without recourse securitised on “at par” basis vide PTC route loan receivables of 54374 contracts (March 2012: Nil contracts) amounting to Rs. 143361.38 Lacs (March 2012: Rs. Nil) for a consideration of Rs. 143361.38 Lacs (March 2012: Rs. Nil) and de-recognised the assets from the books.
- b) During the year, the Company has without recourse assigned loan receivables of Nil contracts (March 2012 : 56559 contracts) amounting to Rs. Nil (March 2012 : Rs.148741.39 Lacs) for a consideration of Rs. Nil (March 2012 : Rs.148741.39 Lacs) and de-recognised the assets from the books. The income booked in respect of assignment of receivables includes certain amount towards cost of future servicing of the assigned pool and an appropriate amount has been provided towards expenditure for future services.
- c) Income from assignment / securitization includes write back of provision in respect of assignment transactions amounting to Rs. 3193.08 Lacs (March 2012 : Rs. 2479.18 Lacs) considered no longer necessary.
- d) In terms of the accounting policy stated in 3 (iv), securitisation income is recognized as per RBI Guidelines dated 21st August, 2012. Accordingly, interest only strip representing present value of interest spread receivable has been recognized and reflected under loans and advances (refer note no. 13 and 18) and equivalent amount of unrealised gains has been recognised as liabilities (refer note no. 4 and 8).
- e) Excess interest spread redeemed during the year by the Special Purpose Vehicle Trust (SPV Trust) has been recognised as income and included in Income from assignment / securitisation amounting to Rs.106.98 Lacs (March 2012 : Rs. Nil)
- f) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2012-13 dated August 21, 2012

(applicable for transactions effected after the date of circular)

S. No.	Particulars	No. / Amount in Rs. Lacs
1	No of SPVs sponsored by the NBFC for securitization transactions	5
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	141347.26
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	
	a) Off-balance sheet exposures	
	* First loss -	
	Credit enhancement in the form of corporate undertaking (refer note no.41 (i) (c))	2922.00

	*	Others	-
	b)	On-balance sheet exposures	
	*	First loss –	
		Cash collateral term deposits with banks (refer note no.17 (a) (ii))	7293.00
	*	Others –	
		Retained interest in Pass Through Certificates (refer note no.13 and 18)	3844.37
4		Amount of exposures to securitization transactions other than MRR	
	a)	Off-balance sheet exposures	-
	i)	Exposure to own securitizations	
	*	First loss	-
	*	Loss	-
	ii)	Exposure to third party securitizations	
	*	First loss	-
	*	Others	-
	b)	On-balance sheet exposures	
	i)	Exposure to own securitizations	
	*	First loss	-
	*	Others –	
		Cash collateral term deposits with banks (refer note no.17 (a) (ii))	1856.00
	ii)	Exposure to third party securitizations	
	*	First loss	-
	*	Others	-

38. There were 28 cases (March 2012 : 22 cases) of frauds amounting to Rs. 450.31 Lacs (March 2012 : Rs 33.46 Lacs) reported during the year. The Company has recovered an amount of Rs.31.53 Lacs (March 2012 : Rs 14.92 Lacs) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.

39. The gold loans outstanding as a percentage of total assets is at 0.05% (March 2012 : 0.05%)

40. Related party disclosure as per Accounting Standard 18:

A) List of the related parties and nature of relationship which have transactions with our Company during the year:

Holding Company :	Mahindra and Mahindra Limited
Subsidiary Companies :	Mahindra Insurance Brokers Limited Mahindra Rural Housing Finance Limited Mahindra Business and Consulting Services Private Limited
Joint Ventures :	Mahindra Finance USA, LLC
Fellow subsidiary Companies:	Mahindra Navistar Automotives Ltd. Mahindra USA, Inc. Mahindra Holidays and Resorts India Ltd. Mahindra Auto Developers Pvt Ltd. Mahindra Yueda (Yancheng) Tractor Co.Ltd. NBS International Ltd. Mahindra First Choice Wheels Ltd. Mahindra Retail Pvt. Ltd. Mahindra Two Wheelers Ltd. Mahindra Logistics Ltd. Mahindra First Choice Services Ltd.
Key Management Personnel :	Mr. Ramesh Iyer (Managing Director)

B) Related party transactions are as under:

Rs. in Lacs

Sr. No.	Nature of transactions	Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Joint Ventures	Key Management Personnel
1	Income					
	Loan income	-	-	10.51	-	-
		-	-	(39.67)	-	-
	Subvention income	1048.52	-	431.58	-	-
		(823.00)	-	(288.04)	-	-
	Other income	-	3,262.17	10.18	-	-
		-	(1,942.07)	(243.08)	-	-
2	Expenses					
	Interest	334.41	228.80	-	-	2.74
		(718.39)	(181.85)	(10.71)	-	(1.86)
	Other expenses	1,404.97	14,830.49	58.57	-	235.02
		(1,652.07)	(9,900.61)	(20.59)	-	(195.81)
3	Investment in share capital	-	-	-	3,062.69	-
		-	(1,400.00)	-	(249.36)	-
4	Purchase of fixed assets	173.73	2.97	-	-	-
		(166.55)	-	(23.79)	-	-
5	Sale of fixed assets	-	-	-	-	-
		-	(4.85)	-	-	-
6	Finance					
	Fixed deposits (including interest accrued but not due)	-	-	-	-	48.51
		-	-	-	-	(20.77)
	NCD held (including interest accrued but not due)	-	-	-	-	-
	(Purchased from secondary market)	(2,645.73)	-	-	-	-
	Dividend paid – for previous year	8,153.81	-	-	-	15.11
		(5,824.15)	-	-	-	(4.85)

	Inter corporate deposits taken (including interest accrued but not due)	-	5,215.39	-	-	-
		-	(2,486.56)	-	-	-
	Inter corporate deposits given (including interest accrued but not due)	-	1,818.77	2,008.63	-	-
		-	(4,774.70)	-	-	-
	Loan given (including interest accrued but not due)	-	-	-	-	-
		-	-	(260.46)	-	-
	Subordinate debts held (including interest accrued but not due)	-	700.76	-	-	-
		-	-	-	-	-
7	Other transactions					
	Reimbursement to parties	-	-	-	-	-
		-	-	(17.87)	-	-
8	Outstandings					
	Receivables	174.60	74.56	3,289.26	-	-
		(295.01)	(45.88)	(5,895.04)	-	-
	Payables	126.19	754.42	66.33	-	-
		(235.70)	(662.51)	(8.67)	-	-

Figures in bracket represent corresponding figures of previous year.

C) The significant related party transactions are as under:

		Rs. in Lacs			
Nature of transactions		Holding Company	Subsidiary Companies	Fellow subsidiary Companies	Key Management Personnel
Income					
<u>Revenue from operations</u>					
Subvention income	Mahindra and Mahindra Limited	1,048.52	-	-	-

		(823.00)	-	-	-
	Mahindra Navistar Automotives Limited	-	-	431.52	-
		-	-	(287.87)	-
<u>Other income</u>					
Interest income on inter corporate deposits / subordinate debt	Mahindra Rural Housing Finance Limited	-	808.70	-	-
		-	(1,273.59)	-	-
Dividend income	Mahindra Insurance Brokers Limited	-	1,375.00	-	-
		-	(100.00)	-	-
Income from shared services	Mahindra Rural Housing Finance Limited	-	449.12	-	-
		-	(268.23)	-	-
Expenses					
<u>Interest</u>					
Interest expense on inter corporate deposits and nonconvertible debentures	Mahindra and Mahindra Limited	334.41	-	-	-
		(718.39)	-	-	-
	Mahindra Insurance Brokers Limited	-	225.76	-	-
		-	(181.85)	-	-
<u>Other expenses</u>					
Manpower outsourcing expenses	Mahindra Business & Consulting Services Private Limited	-	14,010.96	-	-
		-	(10,034.98)	-	-

Purchase of fixed assets	Mahindra and Mahindra Limited	173.73	-	-	-
		(166.55)	-	-	-
Finance					
Fixed deposits (including interest accrued but not due)	Mr. Ramesh Iyer	-	-	-	48.51
		-	-	-	(20.77)
Dividend paid - for previous year	Mahindra and Mahindra Limited	8,153.81	-	-	-
		(5,824.15)	-	-	-
Inter corporate deposits taken (including interest accrued but not due)	Mahindra Insurance Brokers Limited	-	5,215.39	-	-
		-	(2,486.56)	-	-
	Mahindra Business & Consulting Services Private Limited	-	1,780.22	-	-
		-	(1,375.49)	-	-
	Mahindra Two Wheelers Limited	-	-	2,008.63	-
		-	-	-	-
Subordinate debt held (including interest accrued but not due)	Mahindra Rural Housing Finance Limited	-	700.76	-	-
		-	-	-	-
Outstanding					
Receivables	Mahindra Holidays & Resorts India Limited	-	-	2,909.11	-
		-	-	(5,834.89)	-
	Mahindra Navistar Automotives Limited	-	-	380.15	-

		-	-	(60.07)	-
Payables	Mahindra Insurance Brokers Limited	-	316.75	-	-
		-	(320.32)	-	-
	Mahindra Business & Consulting Services Private Limited	-	437.67	-	-
		-	(342.19)	-	-

41. Contingent liabilities and commitments (to the extent not provided for)

Rs. in Lacs

	March 2013	March 2012
i) Contingent liabilities		
a) Demand against the Company not acknowledged as debts on taxation matters (income tax)	5472.52	4629.06
b) Corporate guarantees towards assignment transactions	71572.12	86274.38
c) Credit enhancement in terms of corporate guarantee for securitization transactions (refer note no. 38 (f))	2922.00	-
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	2031.55	2067.45
	81998.19	92970.89
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account	624.91	447.13

	624.91	447.13
Total	82623.10	93418.02

42. The Company has sent letters to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 seeking information for which replies are awaited. In view of this, information required under Schedule VI of The Companies Act, 1956 is not given.

43. Secured long-term borrowings :

i. Secured non-convertible debentures

As on 31st March,2013

Rs. in Lacs				
	Rate range	(a)Non-current	(b)Current maturity	Total
1) Repayable on maturity :				
a) Maturity beyond 5 years	9.34%-9.43%	7350.00	-	7350.00
b) Maturity between 3 years to 5 years	9.25%-9.45%	5100.00	-	5100.00
c) Maturity between 1 year to 3 years	9.23%-10.25%	262510.00	-	262510.00
d) Maturity within 1 year	8.30%-10.47%	-	151770.00	151770.00
Total		274960.00	151770.00	426730.00
2) Repayable in installments :				
Yearly installments -				
a) Maturity beyond 3 years	9.95%-13.00%	25000.00	-	25000.00
b) Maturity between 1 year to 3 years	9.95%	14000.00	-	14000.00
c) Maturity within 1 year	10.50%-13.00%	-	16070.00	16070.00
Total		39000.00	16070.00	55070.00
Total (1+2)		313960.00	167840.00	481800.00

As on 31st March,2012

Rs. in Lacs

Particulars	Rate range	(a) Non-current	(b) Current maturity	Total
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1) Repayable on maturity :				
a) Maturing within 1 year	8.35% - 9.90%	-	36100.00	36100.00
b) Maturing between 1 year to 3 years	8.30% - 10.47%	192400.00		192400.00
Total		192400.00	36100.00	228500.00
2) Repayable in installments :				
Yearly Installments -				
a) Maturing within 1 year	10.50% - 13.00%	-	15715.00	15715.00
b) Maturing between 1 year to 3 years	9.95% - 13.00%	30570.00	-	30570.00
c) Maturing between 3 years to 5 years	9.95%	24500.00	-	24500.00
Total		55070.00	15715.00	70785.00
TOTAL (1+2)		247470.00	51815.00	299285.00

ii. Secured term loans from banks

As on 31st March,2013

Rs. in Lacs

	Rate range	(a)Non-current	(b)Current	Total
1) Repayable on maturity :				
a) Maturity beyond 3 years	10.15%-10.35%	27500.00	-	27500.00
b) Maturity between 1 year to 3 years	7.75%-10.35%	175000.00	-	175000.00
c) Maturity within 1 year	5.50%-10.35%	-	128500.00	128500.00
Total		202500.00	128500.00	331000.00
2) Repayable in installments :				
i) Quarterly-				
a) Maturity beyond 3 years	-	-	-	-
b) Maturity between 1 year to 3 years	10.15%-	55692.00	-	55692.00

	10.25%			
c) Maturity within 1 year	10.15%-10.25%	-	23632.00	23632.00
Total		55692.00	23632.00	79324.00
ii) Half-yearly-				
a) Maturity beyond 3 years	10.25%	91666.67	-	91666.67
b) Maturity between 1 year to 3 years	10.20%-10.25%	268333.33	-	268333.33
c) Maturity within 1 year	7.90%-10.45%	-	44166.67	44166.67
Total		360000.00	44166.67	404166.67
iii) Yearly-				
a) Maturity beyond 3 years	-	-	-	-
b) Maturity between 1 year to 3 years	9.25%-10.25%	90000.00	-	90000.00
c) Maturity within 1 year	9.25%	-	40000.00	40000.00
Total		90000.00	40000.00	130000.00
Total for repayable in installments		505692.00	107798.67	613490.67
Total (1+2)		708192.00	236298.67	944490.67

As on 31st March,2012

Rs.in Lacs

Particulars	Rate range	(a) Non-current	(b) Current	Total
1) Repayable on maturity :				
a) Maturing within 1 year	7.25% - 10.75%	-	119000.00	119000.00
b) Maturing between 1 year to 3 years	5.50% - 10.80%	141000.00	-	141000.00
c) Maturing between 3 years to 5 years	10.70% - 10.75%	105000.00	-	105000.00
d) Maturing beyond 5 years	-	-	-	-

Total for repayable on maturity		246000.00	119000.00	365000.00
2) Repayable in installments :				
i) Quarterly -				
a) Maturing within 1 year	6.15% - 10.75%	-	61448.86	61448.86
b) Maturing between 1 year to 3 years	7.90% - 10.75%	73863.64	-	73863.64
c) Maturing between 3 years to 5 years	10.65%	2500.00	-	2500.00
d) Maturing beyond 5 years	-	-	-	-
Total		76363.64	61448.86	137812.50
ii) Half yearly -				
a) Maturing within 1 year	10.20% - 10.75%	-	6666.67	6666.67
b) Maturing between 1 year to 3 years	6.25% - 10.20%	101666.66	-	101666.66
c) Maturing beyond 3 years	-	-	-	-
Total		101666.66	6666.67	108333.33
iii) Yearly -				
a) Maturing within 1 year	9.25% - 10.25%	-	40366.67	40366.67
b) Maturing between 1 year to 3 years	9.25% - 10.75%	90000.00	-	90000.00
Total		90000.00	40366.67	130366.67
Total for repayable in installments		268030.30	108482.20	376512.50
TOTAL (1+2)		514030.30	227482.20	741512.50

iii. Foreign currency loans from banks

As on 31st March 2013

	Rate range	Rs. in Lacs		Total
		(a) Non-current	(b) Current maturity	
1) Repayable on maturity :				

a) Maturity beyond 3 years	-	-	-	-
b) Maturity between 1 year to 3 years	9.60%-11.65%	27142.5	10809.57	37952.07
Total		27142.5	10809.57	37952.07

As on 31st March 2012

Particulars	Rate range	Rs. in Lacs		
		(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
a) Maturing within 1 year	7.85%	-	10000.00	10000.00
b) Maturing between 1 year to 3 years	9.75%	9800.00		9800.00
TOTAL		9800.00	10000.00	19800.00

44. Unsecured borrowings :

i) Subordinated debts (long-term)

As on 31st March 2013

Particulars	Rate range	Rs. in Lacs		
		(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				
Maturing beyond 5 years	9.80%-11.75%	52530.00	-	52530.00
Maturing between 3 years to 5 years	10.50%-12.00%	6880.00	-	6880.00
Maturing between 1 year to 3 years	-	-	-	-
Maturing within 1 year	10.20%-10.40%	-	3100.00	3100.00
TOTAL		59410.00	3100.00	62510.00

As on 31st March 2012

Particulars	Rate range	Rs. in Lacs		
		(a) Non-current	(b) Current maturity	Total
Repayable on maturity :				

a) Maturing within 1 year	9.40% - 9.40%	-	3140.00	3140.00
b) Maturing between 1 year to 3 years	10.20% - 10.40%	3100.00	-	3100.00
c) Maturing between 3 years to 5 years	-	-	-	-
d) Maturing beyond 5 years	9.80% - 12.00%	47910.00	-	47910.00
TOTAL		51010.00	3140.00	54150.00

ii) Inter-corporate deposits (ICDs)

As on 31st March, 2013

	Rate range	(a) Short-Term	Rs.in Lacs		Total
			(b) Non-current	(c) Current maturity	
a) Maturing beyond 3 years					
b) Maturing between 1 year to 3 years	9.40%-9.80%	-	775.00	-	775.00
c) Maturing within 1 year	8.50%-9.75%	4215.00	-	150.00	4365.00
TOTAL		4215.00	775.00	150.00	5140.00

As on 31st March, 2012

Particulars	Rate range	(a) Short term	Rs.in Lacs		Total
			(b) Non-current	(c) Current maturity	
Repayable on maturity :					
a) Maturing within 1 year	9.00% - 10.00%	2027.00		-	2027.00
b) Maturing between 1 year to 3 years	8.50% - 9.80%	-	350.00	-	350.00
TOTAL		2027.00	350.00	-	2377.00

iii) Fixed deposits

As on 31st March, 2013

Rs.in Lacs

	Rate range	(a) Short-Term	Long-term		Total
			(b) Non-current	(c) Current maturity	
a) Maturing beyond 3 years	8.65%-10.75%	-	116827.59	-	116827.59
b) Maturing between 1 year to 3 years	8.65%-10.75%	-	75225.60	-	75225.60
c) Maturing within 1 year	8.65%-10.50%	3362.41	-	37377.62	40740.03
TOTAL		3362.41	192053.19	37377.62	232793.22

As on 31st March, 2012

Particulars	Rate range	(a) Short-Term	Rs.in Lacs Long-term		Total
			(b) Non-current	(c) Current maturity	
a) Maturing within 1 year	8.15% -10.25%	1385.20	-	29688.54	31073.74
b) Maturing between 1 year to 3 years	8.15%-10.75%	-	99450.81	-	99450.81
c) Maturing between 3 years to 5 years	8.65%-10.25%	-	6962.84	-	6962.84
TOTAL		1385.20	106413.65	29688.54	137487.39

45. Short – term borrowings

i) Secured term loans from banks and cash credit facilities

As on 31st March, 2013

	Rs.in Lacs	
	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	9.20%-13.65%	115527.03
Total		115527.03

As on 31st March, 2012

Particulars	Rs. in Lacs	
	Rate range	Amount
Repayable on maturity :		

Maturing within 1 year	10.75% - 13.50%	116001.33
TOTAL		116001.33

ii) Unsecured term loans from banks

As on 31st March 2013 : Nil

As on 31st March,2012 :

Particulars	Rs. in Lacs	
	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	11.50%	22500.00
TOTAL		22500.00

iii) Commercial papers

As on 31st March 2013

	Rs. in Lacs	
	Rate range	Total
Repayable on maturity :		
Maturing within 1 year	9.20%-9.35%	5000.00
TOTAL		5000.00

As on 31st March 2012

Particulars	Rs. in Lacs	
	Rate range	Amount
Repayable on maturity :		
Maturing within 1 year	9.93%	3000.00
TOTAL		3000.00

46. Managerial Remuneration paid to Directors included in the Statement of profit and loss is Rs.289.26 Lacs (March 2012 : Rs. 247.40 Lacs) includes Directors' Fees of Rs.10.24 Lacs (March 2012 : Rs. 7.59 Lacs) and Perquisites Rs.4.95 Lacs (March 2012 : Rs. 2.21 Lacs) and excluding charge for gratuity, provision for leave encashment and sick leave as separate actuarial valuation figures are not available. The above perquisites do not include amortisation of Employees Stock Options.

47. Schedule to the Balance Sheet of a Non-Banking Financial Company
(as required in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)
Rs. in Lacs

Sr No.	Particulars	March 2013		March 2012	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities side				
(1)	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :				
	(a) Debentures : Secured	496997.56	0.00	308901.85	0.00
	: Unsecured	0.00	0.00	0.00	0.00
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	0.00	0.00	0.00	0.00
	(c) Term Loans	985276.37	0.00	823022.13	0.00
	(d) Inter-corporate loans and Other Borrowings	5215.39	0.00	2486.56	0.00
	(e) Commercial Paper	5000.00	0.00	3000.00	0.00
	(f) Public Deposits	228746.82	0.00	135365.24	0.00
	(g) Fixed Deposits accepted from Corporates	15880.11	0.00	9359.73	0.00
	(h) FCNR Loans	38092.45	0.00	19843.67	0.00
	(i) Subordinate debt	65183.50	0.00	56410.13	0.00
	(j) Other Short Term Loans and credit facilities from banks	77046.82	0.00	57101.31	0.00
(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
	(a) In the form of Unsecured debentures	0.00	0.00	0.00	0.00
	(b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	0.00	0.00	0.00	0.00
	(c) Other public deposits	228746.82	0.00	135365.24	0.00
	Asset side:				
		Amount outstanding		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
	(a) Secured	19025.00		0.00	
	(b) Unsecured	133604.13		106087.98	
(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :				
	(i) Lease assets including lease rentals under sundry debtors :				
	(a) Financial lease	0.00		0.00	
	(b) Operating lease	0.00		0.00	
	(ii) Stock on hire including hire charges under sundry debtors :				
	(a) Assets on hire	0.00		0.00	
	(b) Repossessed Assets	0.00		0.00	
	(iii) Other loans counting towards AFC activities :				
	(a) Loans where assets have been repossessed	5310.11		2199.16	
	(b) Loans other than (a) above	2201245.42		1603437.79	
(5)	Break-up of Investments :				
	Current Investments :				
	1. Quoted :				
	(i) Shares : (a) Equity				
	(b) Preference				
	(ii) Debentures and Bonds	0.00		0.00	
	(iii) Units of mutual funds	0.00		0.00	
	(iv) Government Securities	0.00		0.00	
	(v) Investments in Certificate of Deposits with Banks	0.00		0.00	

47. Schedule to the Balance Sheet of a Non-Banking Financial Company

(as required in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Rs. in Lacs

Sr No.	Particulars	March 2013	March 2012
	2. Unquoted :		
	(i) Shares : (a) Equity	0.00	0.00
	(b) Preference	0.00	0.00
	(ii) Debentures and Bonds	0.00	0.00
	(iii) Units of mutual funds	0.00	0.00
	(iv) Government Securities	0.00	0.00
	(v) Certificate of Deposits with Banks	19585.34	28937.55
	(vi) Commercial Papers	2000.00	0.00
	<u>Long Term Investments :</u>		
	1. Quoted :		
	(i) Shares : (a) Equity	0.00	0.00
	(b) Preference	0.00	0.00
	(ii) Debentures and Bonds	0.00	0.00
	(iii) Units of mutual funds	0.00	0.00
	(iv) Government Securities	24168.13	14725.65
	2. Unquoted :		
	(i) Shares : (a) Equity	9643.30	6587.39
	(b) Preference	0.00	0.00
	(ii) Debentures and Bonds	700.00	0.00
	(iii) Units of mutual funds	0.00	0.00
	(iv) Government Securities	0.00	0.00

(6)	Borrower group-wise classification assets financed as in (3) and (4) above :						
	Category	March 2013			March 2012		
		Amount net of provisions			Amount net of provisions		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related Parties						
	(a) Subsidiaries	-	1818.77	1818.77	-	4774.70	4774.70
	(b) Companies in the same group	-	4917.74	4917.74	-	6117.46	6117.46
	(c) Other related parties	-	-	-	-	-	-
	2. Other than related parties	2225580.53	126867.62	2352448.15	1605636.95	95195.82	1700832.77
	Total	2225580.53	133604.13	2359184.66	1605636.95	106087.98	1711724.93

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
	Category	March 2013		March 2012	
		Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties				
	(a) Subsidiaries	4748.98	4748.98	4055.76	4055.76
	(b) Companies in the same group	5594.32	5594.32	2531.63	2531.63
	(c) Other related parties	-	-	-	-
	2. Other than related parties	46295.02	45753.47	43439.53	43663.20
	Total	56,638.32	56,096.77	50,026.92	50,250.59

(8) Other information				
	Particulars	Amount		Amount
(i)	Gross Non-Performing Assets :			
	(a) Related parties	-		-
	(b) Other than related parties	76295.53		55433.65
(ii)	Net Non-Performing Assets :			
	(a) Related parties	-		-
	(b) Other than related parties	25992.87		12196.07
(iii)	Assets acquired in satisfaction of debt :	-		-

48. The Board of Directors of the Company at its meeting held on 9th October, 2012, and special resolution passed by the members at the Extraordinary General Meeting held on 6th November, 2012, had approved the infusion of share capital.

Pursuant to the passing of the above resolutions and in accordance with Chapter VIII of Securities & Exchange Board of India (Issue of Capital & Disclosure requirements) Regulations, 2009, as amended, the Company allotted 97,50,257 equity shares of face value of Rs.10/- each at price of Rs.889/- per equity share including a premium of Rs.879/- per equity share aggregating to Rs.86,679.78 Lacs to Qualified Institutional Buyers (QIBs) through Qualified Institutional Placement (QIP). This has resulted in an increase of equity share capital by Rs. 975.02 Lacs and securities premium reserve by Rs. 85,704.76 Lacs.

The share issue expenses amounting to Rs.1280.06 Lacs is adjusted against the securities premium reserve in accordance with the provisions of The Companies Act, 1956.

The utilization of the funds received from the QIP are as under:

Rs.in Lacs

	Amount
Sources of Funds :	
QIP Proceeds	86679.78
Utilization of Funds :	
QIP Issue Expenses	1280.06
Disbursement of retail loans to customers	85399.72
Total	86679.78

49. Changes in provisions

Rs. in Lacs

	As at 31.03.2012	Additional Provisions	Utilizations/ reversals	As at 31.03.2013
Provision for Standard assets	4350.00	5165.00	-	9515.00
Provision for Non-performing assets	33056.88	20844.30	15029.82	38871.36

50. Previous year figures have been regrouped / reclassified wherever found necessary.

Signatures to Significant accounting policies and Notes to the financial statements – IV and V

For B. K. Khare & Co.

Chartered Accountants
FRN : 105102W

Padmini Khare Kaicker

Partner

Membership No.

044784

Mumbai, June 19, 2017

Ramesh Iyer

Vice – Chairman &

Managing Director

V Ravi Executive Director &

Chief Financial Officer

Annexure VI

Statement of Dividend

(Rs. in lakhs, except per share data)

Particulars	Fiscal Year 2017*	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Face value of Equity Shares (Rs. per share)	2/-	2/-	2/-	2/-	2/-
Interim Dividend on Equity Shares	-	-	-	-	-
Final Dividend on Equity Shares	13,650.36	22,750.60	22,750.60	21,613.07	20,475.54
Total Dividend on Equity Shares	13,650.36	22,750.60	22,750.60	21,613.07	20,475.54
Dividend Rate (percentage)	120%	200%	200%	190%	180%
Dividend Distribution Tax	2,446.94	4,376.27	4,424.02	3,544.75	3,411.84

**Recommended*

Annexure VII

Statement of Contingent liabilities

(Rs. in lakhs)

	March 2017	March 2016	March 2015	March 2014	March 2013
i) Contingent liabilities					
a) Demand against the Company not acknowledged as debts -					
- Income tax	5247.71	3835.66	4379.05	7476.70	5472.52
- Value Added Tax (VAT)	684.93	191.98	191.98	60.92	-
- Service tax	5541.95	5283.34	-	-	-
b) Corporate guarantees towards assignment transactions	-	15331.13	31338.63	55631.29	71572.12
c) Credit enhancement in terms of corporate guarantee for securitization transactions	21037.84	17196.42	8307.81	4782.00	2922.00
d) Legal suits filed by customers in consumer forums and civil courts claiming compensation from the Company	4328.62	3373.92	3110.83	2726.48	2031.55
	36841.05	45212.45	47328.30	70677.39	81998.19

Annexure VIII

Capitalisation Statement as at 31 March 2017:

(Rs. In lakhs)

Particulars	Prior to the Issue (as of March 31, 2017)	Post-Issue ¹
Debts		
Short term debts (A)	586,476.76	586,476.76
Long term debts		
– maturity beyond 1 year	728,312.52	728,312.52
– maturity within 1 year	2,145,371.00	2,345,371.00
Total Long term debts (B)	2,873,683.52	2,873,683.52
Total debts (C)	3,460,160.28	3,667,040.28
Shareholders' fund		
Share capital	11,300.83	11,300.83
Reserves and surplus excluding revaluation reserve	636,423.59	636,423.59
Total shareholders' funds (D)	647,724.42	647,724.42
Long term debt/ equity (B/D)	4.43	4.76
Total debt/ equity(C/D)	5.34	5.66

Notes:

1. Any change in total debt and net worth after March 31, 2017 has not been considered.

FINANCIAL INDEBTEDNESS

The outstanding borrowings of the Company as on March 31, 2017 are as follows:

Sr. No.	Nature of Borrowing	Amount (₹ in lakhs)
1.	Secured Borrowings	23,82,234.15
2.	Unsecured Borrowings	10,84,806.14

Set forth below, is a summary of the borrowings by our Company as at March 31, 2017 together with a brief description of certain significant terms of such financing arrangements.

Details of Term Loans from Banks:

Our Company's outstanding secured term loans from banks as on March 31, 2017 amount to ₹ 8,28,834.10 lakhs on a standalone basis. Our Company's outstanding unsecured term loans from banks as on March 31, 2017 amount to ₹ 7,400.00 lakhs. The details of the borrowings are set out below:

Secured Term Loans from Banks*:

(₹ in lakhs)

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
1.	Allahabad Bank	30,000.00	20,000.00	December 27, 2018	To be repaid in three equal yearly installments after moratorium period of two years.
2.	Axis Bank	25,000.00	25,000.00	December 31, 2018	Bullet payment at the end of 2 years from the date of first disbursement. No prepayment within 12 months from the date of first disbursement. Option with the Borrower to prepay after one year only if there is an upward revision in the rate of interest. In this case, the Borrower shall have an option to repay the facility within 15 days written notice without any prepayment charges.
3.	Axis Bank	25,000.00	25,000.00	March 9, 2019	Bullet payment at the end of 2 years from the date of first disbursement. No prepayment within 12 months from the date of first disbursement. The borrower can prepay the loan after a period of one year only if there is an upward revision in the rate of interest with 15 days' prior notice without any prepayment charges.
4.	Bank of Baroda	30,000.00	20,000.00	March 28, 2019	Repayment, from the date of first drawdown, to be made as per following:

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
					i. ₹ 10,000.00 at the end of 36 months; ii. ₹ 10,000.00 at the end of 48 months; and iii. ₹ 10,000.00 at the end of 60 months.
5.	Bank of India	50,000.00	50,000.00	March 29, 2020	The borrower shall repay the principal amount of loan in two equal instalments at the end of 2.5 years and 3 years from the date of first disbursement. The door to door tenor of the facility is 36 months.
6.	Bank of Maharashtra	50,000.00	50,000.00	December 31, 2020	Re-payment to be made in 3 equal installments on the following dates from the date of first disbursement: i. At the end of 3 rd year; ii. At the end of 4 th year; and iii. At the end of 5 th year.
7.	Canara Bank	50,000.00	21,000.00	March 30, 2020	Repayment to commence from the end of 18 th month from the date of first disbursement and the entire principal amount shall be payable in 4 equal half yearly instalments i.e. end of 18 th , 24 th , 30 th and 36 th month. The borrower shall have an option to prepay the facility without any prepayment charges. On any other date other than the above, the borrower can prepay without prepayment penalty by giving a notice of 15 days.
8.	Central Bank of India	50,000.00	35,000.00	March 20, 2018	Door to Door tenure is 60 months. After moratorium of 42 months and from date of disbursement, repayment to be made as under: i. ₹ 15,000.00 at the end of 48 months; ii. ₹ 15,000.00 at the end of 54 months; and iii. ₹ 20,000.00 at the end of 60 months.

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
					Prepayment penalty: 1% of the amount prepaid unless prepaid on revision in the Base Rate or interest rate date within 30 days from the date of such revision.
9.	Central Bank of India	25,000.00	15,000.00	December 31, 2019	To be repaid in 3 annual instalments as follows: i. ₹ 7,500 at the end of 3 years; ii. ₹ 7,500 at the end of 4 years; and iii. ₹ 10,000 at the end of 5 years. Option to prepay on revision of base rate with no prepayment charges.
10.	Citibank N.A (FCNR - B)	14,468.00	14,591.25	June 23, 2017	To be repaid in a single tranche at the date falling at the expiry of 24 months from the date of draw down.
11.	Corporation Bank	42,500.00	14,500.00	September 30, 2017	Re-payment to be made in 6 quarterly installments (5 installments of ₹ 7,000 and one installment of ₹ 7,500), after initial moratorium of 30 months from the date of first disbursement. Repayment shall start from the 33 rd month from the date of first disbursement. Pre-payment charges: The Term Loan amount may be pre-paid, so long as a notice 15 days in advance is given.
12.	Dena Bank	20,000.00	20,000.00	September 26, 2018	Re-payment to be made in 3 installments on the following dates from the date of first disbursement: i. At the end of 36 months; ii. At the end of 42 months; and iii. At the end of 48 months. Pre-payment charges: pre-payment can be made

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
					either in full or in part, without any Pre-payment Premium.
13.	Dena Bank	50,000.00	15,000.00	March 27, 2021	<p>Repayment to be made in 3 instalments on the following dates from the date of first disbursement:</p> <ul style="list-style-type: none"> i. 15,000 at the end of 36th month; ii. 15,000 at the end of 42nd month; and iii. 20,000 at the end of 48th month. <p>The borrower is entitled to prepay the loan amount at the time of reset without any prepayment penalty/charges by giving 15 days' notice to the bank.</p>
14.	HDFC Bank	50,000.00	3,714.29	June 28, 2017	<p>Repayment to be made by equal quarterly instalments within a period of 4 years after initial moratorium of 6 months. However, for sublimit of ₹ 30,000, repayment to be made in equal quarterly instalments after 18 months moratorium.</p> <p>Prepayment penalty of 2% on the overall amount.</p>
15.	HDFC Bank	25,000.00	4,285.72	September 29, 2018	<p>Repayment to be made by equal quarterly instalments within a period of 4 years from drawdown date after initial moratorium of 6 months.</p>
16.	HDFC Bank	27,500.00	21,607.14	December 18, 2019	<p>Repayment to be made by equal quarterly instalments within a period of 4 years from drawdown date after initial moratorium of 6 months.</p>
17.	HDFC Bank	35,000.00	30,000.00	February 29, 2020	<p>Repayment to be made by equal quarterly instalments within a period of 4 years from drawdown date after</p>

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
					initial moratorium of 6 months. Provided however that the bank will be entitled to demand immediate repayment of the loan amount if any instalment of interest/loan instalment remains unpaid on the due date for payment thereof.
18.	HDFC Bank	10,000.00	10,000.00	September 30, 2020	Repayable within a period of 4 years from the drawdown date by equal quarterly instalments after initial moratorium of 6 months.
19.	HDFC Bank	10,000.00	10,000.00	December 31, 2020	Repayable by equal quarterly instalments after initial moratorium of 6 months.
20.	HDFC Bank	40,000.00	40,000.00	March 27, 2021	Repayment by equal quarterly instalments after initial moratorium of 6 months. Prepayment penalty of 2% of the overall amount. No prepayment charges if facility paid at the time of revision in the MCLR rate.
21.	ICICI Bank	50,000.00	30,000.00	December 29, 2018	Repayment to be done as per following: i. 20% by last day of 24 th month; and ii. 80% by last day of 36 th month. Bullet repayment at the end of 24 th month for FCNR - B. Option with the borrower to prepay the amount by giving 30 days' notice with no prepayment penalty in case prepayment is made from internal accruals or from any capital infusement by the promoters. In all other cases, borrower to pay a prepayment penalty of 0.5% unless specifically waived.
22.	ICICI Bank (FCNR - B)	Sub-limit of above	19,595.10	January 04, 2018	Repayment to be done as per following:

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
		sanctioned amount of 50,000.00			<p>i. 20% by last day of 24th month; and</p> <p>ii. 80% by last day of 36th month.</p> <p>Bullet repayment at the end of 24th month for FCNR - B.</p> <p>Option with the borrower to prepay the amount by giving 30 days' notice with no prepayment penalty in case prepayment is made from internal accruals or from any capital infusement by the promoters. In all other cases, borrower to pay a prepayment penalty of 0.5% unless specifically waived.</p>
23.	ICICI Bank (FCNR - B)	25,000.00	23,889.34	June 29, 2018	Bullet repayment at the end of 24 th month.
24.	ICICI Bank (FCNR - B)	25,000.00	23,571.53	November 27, 2018	Bullet repayment at the end of 24 th month.
25.	Indian Bank	20,000.00	20,000.00	March 27, 2018	<p>Repayment to be made in 4 years from the date of first disbursement, in four equal instalments, on the following dates:</p> <p>i. At the end of 39 months;</p> <p>ii. At the end of 42 months;</p> <p>iii. At the end of 45 months; and</p> <p>iv. At the end of 48 months.</p> <p>No prepayment charges. However, option to prepay upon revision in base rate with the consent of the bank by giving a 30 days' notice.</p>
26.	Kotak Bank Limited	15,000.00	14,000.00	March 31, 2020	<p>Bullet repayment at the maturity of the tenor.</p> <p>Option with the borrower to prepay the facility without any prepayment penalty/charges on the interest reset dates.</p>
27.	Kotak Mahindra Bank Limited (FCNR - B)	25,000.00	9,877.90	May 16, 2017	Re-payment to be decided at the time of disbursement, subject to maximum door to door tenor of 2 years.

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
28.	Kotak Mahindra Bank Limited (FCNR - B)	32,000.00	8,034.83	February 01, 2018	Re-payment to be decided at the time of disbursement, subject to maximum door to door tenor of 2 years.
29.	Oriental Bank of Commerce	20,000.00	20,000.00	December 27, 2018	To be repaid in 4 half yearly installments: i. At the end of 42 months from the date of first disbursement; ii. At the end of 48 months from the date of first disbursement; iii. At the end of 54 months from the date of first disbursement; and iv. At the end of 60 months from the date of first disbursement.
30.	Punjab and Sindh Bank	20,000.00	10,000.00	June 30, 2017	Bullet repayment of ₹ 20,000 at the end of 3 years. Option with the borrower to prepay without any prepayment charges on every revision in the base rate.
31.	Punjab National Bank	50,000.00	2,500.00	August 31, 2017	To be repaid in 8 quarterly installments with 12 months moratorium from the date of first disbursement. Pre-payment penalty: 1% of the outstanding. However, in case of increase in base rate, Company shall have option to prepay the advance with notice of 7 days within a period of one month, without any pre-payment penalty.
32.	Punjab National Bank	40,000.00	20,000.00	February 28, 2019	Door to door tenure of the loan is 35 months. Repayment to be made in six quarterly instalments with 18 months moratorium from the date of first disbursement. In case of increase in the base rate the borrower has an option to prepay the facility with 7 days' prior notice within a period of

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
					1 month without any prepayment penalty/charges. In all other cases, prepayment penalty to be charged at 1% of outstanding.
33.	State Bank of India	50,000.00	50,000.00	February 28, 2021	<p>Repayment to be made in 4 consecutive half yearly instalments from the date of first drawdown on the following dates:</p> <ul style="list-style-type: none"> i. At the end of 42 months; ii. At the end of 48 months; iii. At the end of 54 months; and iv. At the end of 60 months. <p>Option with the borrower to prepay the amount upto the date of pre-payment without any prepayment penalty/charges after giving 15 days' notice in advance.</p>
34.	Syndicate Bank	50,000.00	35,000.00	December 30, 2018	<p>To be repaid in 3 annual installment after a moratorium of 2 years from the date of first disbursement:</p> <ul style="list-style-type: none"> i. ₹ 15,000.00 at the end of third year; ii. ₹ 15,000.00 at the end of fourth year; and iii. ₹ 20,000 at the end of fifth year. <p>Prepayment charges to be waived upto 15 days from the revision of base rate. Otherwise, prepayment penalty of 1% to be collected on the prepayment amount.</p>
35.	UCO Bank	10,000.00	6,667.00	August 2, 2018	<p>To be repaid as follows from the date of drawdown:</p> <ul style="list-style-type: none"> i. ₹ 3,333.33 at the end of 3rd year; ii. ₹ 3,333.33 at the end of 4th year; and iii. ₹ 3,333.34 at the end of 5th year.

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
					Option with the borrower to prepay the amount without prepayment charges on revision of base rate by way of giving notice of 15 days.
36.	Union Bank of India	30,000.00	6,000.00	August 13, 2017	Repayment to be made half yearly starting at the end of 24 months as follows: i. ₹ 6,000.00 at the end of 24 months; ii. ₹ 6,000.00 at the end of 30 months; iii. ₹ 6,000.00 at the end of 36 months; iv. ₹ 6,000.00 at the end of 42 months; and v. ₹ 6,000.00 at the end of 48 months.
37.	Union Bank of India	50,000.00	10,000.00	September 30, 2017	Repayment to be made half yearly starting at the end of 24 months as follows: i. ₹ 10,000.00 at the end of 24 months; ii. ₹ 10,000.00 at the end of 30 months; iii. ₹ 10,000.00 at the end of 36 months; iv. ₹ 10,000.00 at the end of 42 months; and v. ₹ 10,000.00 at the end of 48 months. Option with the borrower to prepay the facility without any prepayment facility.
38.	Union Bank of India	50,000.00	50,000.00	December 31, 2020	Repayment to be made as below: i. ₹ 15,000.00 at the end of 36 months; ii. ₹ 15,000.00 at the end of 48 months; and iii. ₹ 20,000.00 at the end of 60 months.
39.	Vijaya Bank	25,000.00	25,000.00	August 2, 2017	Bullet payment at the end of four years from the date of first disbursement.
Total		12,46,468.00	8,28,834.10		

**secured by an exclusive charge of book debts and receivables of our Company*

Unsecured Term Loans from Bank:

(₹ in lakhs)

Sr. No.	Lender's Name	Amount Sanctioned	Amount Outstanding as on March 31, 2017	Final Maturity Date	Repayment Schedule and Pre-Payment Penalty, if any
1.	Axis Bank Limited	9,000.00	7,400.00	April 5, 2017	Repayable after 7 days

Restrictive Covenants under our Financing Arrangements:

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

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;
2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
3. to create or permit any charges or lien on any mortgaged properties;
4. to amend its MOA and AOA or alter its capital structure; and
5. to make any major investments by way of deposits, loans, share capital, etc. in any manner.

Working Capital Demand Loans from Banks*:

(₹ in lakhs)

Sr. No.	Lender's Name	Amount Sanctioned	Amount outstanding as on March 31, 2017	Maturity date	Repayment terms
1.	ICICI Bank Limited	10,000.00	8,500.00	April 15, 2017	Repayable after 30 days
2.	Axis Bank Limited	10,000.00	9,800.00	April 05, 2017	Repayable after 7 days
3.	Dena Bank	5,200.00	5,000.00	April 07, 2017	Repayable after 7 days
4.	Punjab National Bank	12,500.00	12,300.00	April 07, 2017	Repayable after 7 days
5.	State Bank of India	50,000.00	20,000.00	April 07, 2017	Repayable after 7 days
6.	Federal Bank	7,500.00	7,500.00	April 07, 2017	Repayable after 7 days
7.	Development Bank of Singapore	7,500.00	7,500.00	April 03, 2017	Repayable after 3 days
Total		1,02,700.00	70,600.00		

*secured by an exclusive charge of book debts and receivables of our Company

Our Company has issued secured^s redeemable non-convertible debenture of face value of ₹ 10,00,000 each on a private placement basis of which ₹ 14,20,710.00 lakhs is outstanding as on March 31, 2017, the details of which are set forth below. Redemption date represents actual maturity date and does not consider call/put option:

(₹ in lakhs)

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Final Redemption Date	Latest Credit Rating
1.	AA2013	4 years and 351 days	9.45%	700.00	January 3, 2013	December 20, 2017	CRISIL AA+
2.	AC2013	5 years and 89 days	9.339548 9%	1,850.00	January 11, 2013	April 10, 2018	CRISIL AA+

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Final Redemption Date	Latest Credit Rating
3.	AE2013	5 years	9.40%	2,500.00	January 15, 2013	January 15, 2018	CRISIL AA+
4.	AG2013	5 years	9.25%	500.00	February 7, 2013	February 7, 2018	CRISIL AA+ and IND AAA
5.	AH2013	5 years	9.40%	1,000.00	February 27, 2013	February 27, 2018	CRISIL AA+
6.	AM2013	4 years and 363 days	9.25%	16,500.00	April 22, 2013	April 20, 2018	CRISIL AA+
7.	AO2013	5 years	9.25%	1,500.00	April 25, 2013	April 25, 2018	CRISIL AA+
8.	AW2013	5 years	10.25%	7,500.00	October 8, 2013	October 8, 2018	CRISIL AA+
9.	AA2014	5 years	9.95%	1,000.00	January 15, 2014	January 15, 2019	CRISIL AA+
10.	AB2014	5 years	9.95%	5,500.00	January 16, 2014	January 16, 2019	CRISIL AA+
11.	AC2014	5 years	9.90%	500.00	January 17, 2014	January 17, 2019	CRISIL AA+
12.	AH2014#	3 years	Zero Coupon (XIRR: 9.36%)	5,000.00	August 1, 2014	August 1, 2017	IND AAA
13.	AJ2014#	5 years	Zero Coupon (XIRR: 9.45%)	4,000.00	August 20, 2014	August 20, 2019	IND AAA
14.	AK2014#	5 years	Zero Coupon (XIRR: 9.46%)	3,500.00	September 5, 2014	September 5, 2019	IND AAA
15.	AN2014	3 years and 19 days	9.45%	3,800.00	September 24, 2014	October 13, 2017	IND AAA
16.	AO2014	2 years and 364 days	9.35%	18,000.00	September 30, 2014	September 29, 2017	IND AAA
17.	AU2014#	3 years	9.05%	5,000.00	November 7, 2014	November 7, 2017	IND AAA
18.	AV2014#	4 years and 363 days	9.05%	25,000.00	November 10, 2014	November 8, 2019	IND AAA
19.	AW2014#	5 years	Zero Coupon (XIRR: 8.85%)	11,500.00	November 12, 2014	November 12, 2019	IND AAA
20.	AX2014	2 years and 361 days	8.8871%	4,000.00	November 20, 2014	November 16, 2017	IND AAA
21.	BA2014#	5 years	Zero Coupon (XIRR: 8.65%)	10,000.00	December 4, 2014	December 4, 2019	IND AAA
22.	BB2014	9 years and 364 days	8.95%	17,500.00	December 15, 2014	December 13, 2024	IND AAA and CARE AAA
23.	BC2014	4 years	Zero Coupon (XIRR: 8.85%)	5,000.00	December 17, 2014	December 17, 2018	IND AAA
24.	AA2015#	4 years and 361 days	Zero Coupon	17,500.00	January 20, 2015	January 16, 2020	IND AAA

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Final Redemption Date	Latest Credit Rating
			(XIRR: 8.92%)				
25.	AB2015	10 years	8.79%	25,000.00	January 23, 2015	January 23, 2025	IND AAA and CARE AAA
26.	AD2015	3 years and 47 days	Zero Coupon (XIRR: 8.85%)	3,260.00	February 24, 2015	April 12, 2018	IND AAA
27.	AF2015	3 years	8.82%	2,200.00	March 9, 2015	March 9, 2018	IND AAA
28.	AG2015	10 years	8.70%	5,500.00	March 10, 2015	March 10, 2025	IND AAA and CARE AAA
29.	AH2015	3 years and 15 days	8.7031%	2,500.00	March 13, 2015	March 28, 2018	IND AAA
30.	AI2015	3 years and 30 days	Zero Coupon (XIRR: 8.70%)	4,530.00	March 17, 2015	April 16, 2018	IND AAA
31.	AJ2015	10 years	8.72%	5,000.00	March 24, 2015	March 24, 2025	IND AAA and CARE AAA
32.	AK2015	3 years and 10 days	Zero Coupon (XIRR: 8.70%)	4,120.00	March 31, 2015	April 10, 2018	IND AAA
33.	AL2015	2 years and 362 days	Zero Coupon (XIRR: 8.70%)	4,500.00	April 8, 2015	April 5, 2018	IND AAA
34.	AM2015	3 years and 29 days	Zero Coupon (XIRR: 8.70%)	2,590.00	April 8, 2015	May 7, 2018	IND AAA
35.	AN2015	2 years and 361 days	8.70%	7,800.00	April 9, 2015	April 5, 2018	IND AAA
36.	AO2015	2 years and 360 days	8.70%	5,000.00	April 10, 2015	April 5, 2018	IND AAA
37.	AP2015	3 years and 19 days	8.7019%	1,600.00	April 13, 2015	May 2, 2018	IND AAA
38.	AQ2015	2 years and 360 days	8.7067%	7,860.00	April 15, 2015	April 10, 2018	IND AAA
39.	AR2015	3 years and 3 days	8.7072%	2,000.00	April 16, 2015	April 19, 2018	IND AAA
40.	AS2015	3 years and 2 days	8.6075%	2,230.00	April 17, 2015	April 19, 2018	IND AAA
41.	AT2015	10 years	9%	50,000.00	April 22, 2015	April 22, 2025	IND AAA and CARE AAA
42.	AU2015	1 year and 333 days	8.69%	650.00	May 13, 2015	April 11, 2017	IND AAA
43.	AW2015	1 year and 348 days	8.8043%	5,000.00	May 19, 2015	May 2, 2017	IND AAA
44.	AY2015	1 year and 316 days	8.77%	3,800.00	May 22, 2015	April 3, 2017	IND AAA
45.	BA2015	1 year and 353 days	8.8075%	10,000.00	May 27, 2015	May 15, 2017	IND AAA
46.	BD2015	2 years and 56 days	Zero Coupon	3,600.00	May 29, 2015	July 24, 2017	IND AAA

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Final Redemption Date	Latest Credit Rating
			(XIRR: 8.80%)				
47.	BF2015	2 years	8.80%	3,000.00	June 2, 2015	June 2, 2017	IND AAA
48.	BG2015	2 years and 353 days	8.7044%	2,000.00	June 3, 2015	May 22, 2018	IND AAA
49.	BH2015	1 year and 363 days	8.7114%	1,000.00	June 3, 2015	June 1, 2017	IND AAA
50.	BI2015	2 years and 212 days	8.6743%	1,140.00	June 4, 2015	January 2, 2018	IND AAA
51.	BJ2015	3 years and 1 day	8.758%	2,210.00	June 11, 2015	June 12, 2018	IND AAA
52.	BL2015	2 years and 361 days	8.757%	2,000.00	June 16, 2015	June 12, 2018	IND AAA
53.	BN2015	2 years	8.8126%	3,100.00	June 19, 2015	June 19, 2017	IND AAA
54.	BO2015	2 years and 362 days	8.7774%	3,000.00	June 22, 2015	June 19, 2018	IND AAA
55.	BP2015	10 years	9.00%	50,000.00	June 24, 2015	June 24, 2025	IND AAA and CARE AAA
56.	BQ2015	7 years	8.95%	9,700.00	June 29, 2015	June 29, 2022	IND AAA and CARE AAA
57.	BR2015	9 years and 363 days	8.95%	1,500.00	June 29, 2015	June 27, 2025	IND AAA and CARE AAA
58.	BT2015	1 year and 352 days	8.8062%	1,200.00	July 3, 2015	June 20, 2017	IND AAA
59.	BU2015	1 year and 358 days	8.8091%	1,500.00	July 3, 2015	June 26, 2017	IND AAA
60.	BV2015	1 year and 360 days	8.8101%	1,200.00	July 3, 2015	June 28, 2017	IND AAA
61.	BW2015	1 year and 281 days	8.7763%	1,400.00	July 3, 2015	April 10, 2017	IND AAA
62.	BX2015	1 year and 357 days	8.8086%	2,850.00	July 6, 2015	June 28, 2017	IND AAA
63.	BZ2015	2 years and 88 days	8.6799%	500.00	July 8, 2015	October 4, 2017	IND AAA
64.	CA2015	1 year and 364 days	8.7119%	1,200.00	July 13, 2015	July 12, 2017	IND AAA
65.	CB2015	1 year and 357 days	8.7086%	2,000.00	July 14, 2015	July 6, 2017	IND AAA
66.	CD2015	3 years and 10 days	8.8248%	6,600.00	July 16, 2015	July 26, 2018	IND AAA
67.	CE2015	2 years and 361 days	8.8271%	2,100.00	July 16, 2015	July 12, 2018	IND AAA
68.	CF2015	3 years and 31 days	8.8181%	2,000.00	July 21, 2015	August 21, 2018	IND AAA
69.	CG2015	2 years and 363 days	8.8077%	3,000.00	July 21, 2015	July 19, 2018	IND AAA
70.	CH2015#	2 years and 335 days	8.6967%	30,000.00	July 27, 2015	June 27, 2018	IND AAA
71.	CI2015	3 years and 226 days	8.782%	10,000.00	July 30, 2015	March 13, 2019	IND AAA
72.	CJ2015	3 years and 17 days	8.8025%	6,000.00	July 30, 2015	August 16, 2018	IND AAA
73.	CK2015	2 years	8.75%	30,000.00	July 31, 2015	July 31, 2017	IND AAA
74.	CL2015	1 year and 364 days	8.75%	5,000.00	August 5, 2015	August 4, 2017	IND AAA

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Final Redemption Date	Latest Credit Rating
75.	CM2015	5 years	8.80%	12,500.00	August 6, 2015	August 6, 2020	IND AAA
76.	CN2015	2 years and 350 days	8.7535%	800.00	August 10, 2015	July 26, 2018	IND AAA
77.	CO2015	2 years and 265 days	8.7317%	400.00	August 10, 2015	May 2, 2018	IND AAA
78.	CP2015	2 years and 359 days	8.6663%	4,800.00	August 26, 2015	August 20, 2018	IND AAA
79.	CS2015	10 years	8.75%	25,000.00	October 9, 2015	October 9, 2025	IND AAA and CARE AAA
80.	CT2015	3 years and 363 days	8.61%	10,000.00	October 13, 2015	October 11, 2019	IND AAA
81.	CU2015	2 years and 352 days	8.5941%	2,500.00	October 14, 2015	October 1, 2018	IND AAA
82.	CV2015	2 years	8.53%	2,500.00	October 20, 2015	October 20, 2017	IND AAA
83.	CW2015	1 year and 364 days	8.51%	15,000.00	October 21, 2015	October 20, 2017	IND AAA
84.	CX2015@	2 years	8.54%	20,000.00	October 23, 2015	October 23, 2017	IND AAA
85.	CY2015#	5 years	8.48%	25,000.00	October 30, 2015	October 30, 2020	IND AAA and CARE AAA
86.	CZ2015	1 year and 363 days	8.48%	2,500.00	November 5, 2015	November 3, 2017	CARE AAA
87.	DA2015	2 years and 16 days	8.48%	350.00	November 5, 2015	November 21, 2017	CARE AAA
88.	DB2015	3 years and 95 days	Zero Coupon (XIRR: 8.58%)	5,000.00	December 7, 2015	March 12, 2019	IND AAA
89.	DC2015	3 years and 104 days	Zero Coupon (XIRR: 8.60%)	4,000.00	December 15, 2015	March 29, 2019	IND AAA
90.	AA2016	3 years and 43 days	8.7949%	1,800.00	February 11, 2016	March 26, 2019	IND AAA
91.	AB2016	3 years and 100 days	8.7840%	1,250.00	February 11, 2016	May 22, 2019	IND AAA
92.	AC2016	3 years and 89 days	8.80%	10,000.00	February 15, 2016	May 15, 2019	IND AAA
93.	AD2016	3 years and 52 days	8.7927%	1,400.00	February 16, 2016	April 09, 2019	IND AAA
94.	AE2016	3 years and 39 days	8.8377%	1,400.00	March 04, 2016	April 12, 2019	IND AAA
95.	AF2016	3 years and 84 days	8.8283%	1,300.00	March 04, 2016	May 27, 2019	IND AAA
96.	AG2016	3 years	8.85%	2,500.00	March 08, 2016	March 08, 2019	IND AAA
97.	AH2016	3 years and 32 days	8.8396%	1,500.00	March 14, 2016	April 15, 2019	IND AAA
98.	AI2016	3 years and 82 days	8.8286%	1,000.00	March 14, 2016	June 04, 2019	IND AAA
99.	AJ2016	3 years and 31 days	8.8399%	1,000.00	March 15, 2016	April 15, 2019	IND AAA

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Final Redemption Date	Latest Credit Rating
100.	AK2016	3 years and 25 days	8.8417%	2,200.00	March 21, 2016	April 15, 2019	IND AAA
101.	AL2016	3 years and 116 days	8.8243%	400.00	March 21, 2016	July 15, 2019	IND AAA
102.	AM2016	3 years and 31 days	8.8399%	1,100.00	March 22, 2016	April 22, 2019	IND AAA
103.	AN2016	3 years and 83 days	8.825%	800.00	March 22, 2016	June 13, 2019	IND AAA
104.	AO2016	5 years	8.82%	27,100.00	March 29, 2016	March 29, 2021	IND AAA and CARE AAA
105.	AP2016	3 years and 31 days	8.75%	17,500.00	March 30, 2016	April 30, 2019	IND AAA and CARE AAA
106.	AQ2016	3 years and 66 days	8.8315%	15,000.00	March 31, 2016	June 05, 2019	IND AAA
107.	AR2016	3 years and 153 days	8.68%	10,000.00	04-Apr-16	04-Sep-19	IND AAA and CARE AAA
108.	AS2016	2 years and 355 days	8.6967%	6,000.00	05-Apr-16	26-Mar-19	IND AAA
109.	AT2016	3 years	8.70%	5,400.00	05-Apr-16	05-Apr-19	IND AAA
110.	AU2016	2 years and 354 days	8.6964%	6,500.00	06-Apr-16	26-Mar-19	IND AAA
111.	AV2016	3 years and 9 days	8.6969%	3,500.00	06-Apr-16	15-Apr-19	IND AAA
112.	AW2016	3 years	8.52%	2,000.00	12-Apr-16	12-Apr-19	IND AAA
113.	AX2016	2 years and 362 days	8.5990%	600.00	14-Jun-16	11-Jun-19	IND AAA
114.	AY2016	1 year and 181 days	8.5127%	2,500.00	16-Jun-16	14-Dec-17	IND AAA
115.	AZ2016	1 year and 183 days	8.5129%	10,000.00	20-Jun-16	20-Dec-17	IND AAA
116.	BA2016	1 year and 99 days	Zero Coupon (XIRR: 8.55%)	22,190.00	29-Jun-16	06-Oct-17	IND AAA
117.	BB2016	1 year and 362 days	8.60%	2,500.00	01-Jul-16	28-Jun-18	IND AAA
118.	BC2016	1 year and 363 days	8.60%	7,500.00	08-Jul-16	06-Jul-18	IND AAA
119.	BD2016	1 year and 338 days	8.51%	50,000.00	19-Jul-16	22-Jun-18	IND AAA
120.	BE2016	3 years and 334 days	8.48%	7,000.00	28-Jul-16	26-Jun-20	IND AAA
121.	BF2016	2 years and 151 days	Zero Coupon (XIRR: 8.30%)	10,000.00	29-Jul-16	27-Dec-18	IND AAA
122.	BG2016	1 years and 232 days	8.1555%	25,000.00	01-Aug-16	21-Mar-18	IND AAA
123.	BH2016	2 years	8.35%	20,000.00	02-Aug-16	02-Aug-18	IND AAA
124.	BI2016	2 years and 362 days	8.2991%	950.00	03-Aug-16	31-Jul-19	IND AAA
125.	BJ2016	3 years	8.25%	15,000.00	12-Aug-16	12-Aug-19	IND AAA
126.	BK2016	2 years	8.00%	20,000.00	16-Aug-16	16-Aug-18	IND AAA
127.	BL2016	1 year and 364 days	Zero Coupon	10,000.00	18-Aug-16	17-Aug-18	IND AAA

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date Allotment	Final Redemption Date	Latest Credit Rating
			(XIRR: 8.20%)				
128.	BM2016	3 years	8.25%	12,500.00	23-Aug-16	23-Aug-19	IND AAA
129.	BN2016	2 years and 364 days	8.25%	10,000.00	24-Aug-16	23-Aug-19	IND AAA
130.	BO2016	2 years	8.20%	10,000.00	31-Aug-16	31-Aug-18	IND AAA
131.	BP2016	2 years and 363 days	8.05%	5,000.00	01-Sep-16	30-Aug-19	CARE AAA
132.	BQ2016	3 years	8.05%	2,500.00	02-Sep-16	02-Sep-19	IND AAA
133.	BR2016	3 years and 152 days	7.9801%	5,000.00	08-Sep-16	07-Feb-20	IND AAA
134.	BS2016	2 years and 363 days	7.9494%	5,000.00	12-Sep-16	10-Sep-19	IND AAA
135.	BT2016	3 years and 1 days	Zero Coupon (XIRR: 7.95%)	12,500.00	15-Sep-16	16-Sep-19	CARE AAA
136.	BU2016	3 years and 175 days	7.9803%	12,500.00	20-Sep-16	13-Mar-20	IND AAA
137.	BV2016	3 years	7.95%	5,000.00	23-Sep-16	23-Sep-19	IND AAA
138.	BW2016	2 years and 181 days	7.87%	10,000.00	28-Sep-16	28-Mar-19	IND AAA
139.	BX2016^	2 years and 363 days	7.75%	25,000.00	29-Sep-16	27-Sep-19	IND AAA
140.	BY2016	3 years	7.81%	1,000.00	04-Oct-16	04-Oct-19	IND AAA
141.	BZ2016	2 years and 131 days	7.6314%	5,000.00	06-Oct-16	14-Feb-19	IND AAA
142.	CA2016	2 years and 137 days	7.6311%	10,000.00	07-Oct-16	21-Feb-19	IND AAA
143.	CB2016	2 years and 161 days	7.7678%	25,000.00	10-Oct-16	20-Mar-19	IND AAA
144.	CC2016	2 years and 61 days	7.6340%	25,000.00	13-Oct-16	13-Dec-18	IND AAA
145.	CD2016	2 years and 68 days	7.62%	30,000.00	14-Oct-16	21-Dec-18	IND AAA
146.	CE2016	2 years	7.53%	20,000.00	21-Nov-16	21-Nov-18	IND AAA
147.	CF2016	3 years and 121 days	7.53%	7,500.00	25-Nov-16	25-Mar-20	IND AAA
148.	CG2016	3 years	7.43%	10,000.00	28-Nov-16	28-Nov-19	IND AAA
149.	CH2016	5 years	7.50%	2,000.00	29-Nov-16	29-Nov-21	IND AAA and CARE AAA
150.	CI2016	5 years	7.50%	7,500.00	30-Nov-16	30-Nov-21	IND AAA
151.	CJ2016	2 years and 184 days	7.60%	50,000.00	01-Dec-16	03-Jun-19	IND AAA
152.	AA2017	1 year and 363 days	7.63%	2,500.00	06-Jan-17	04-Jan-19	IND AAA
153.	AB2017	1 year and 59 days	Zero Coupon (XIRR: 7.38%)	10,000.00	09-Jan-17	09-Mar-18	IND AAA
154.	AC2017	2 years	7.63%	5,000.00	10-Jan-17	10-Jan-19	IND AAA
155.	AD2017	2 years	7.63%	3,500.00	11-Jan-17	11-Jan-19	IND AAA
156.	AE2017	1 year and 30 days	7.4615%	10,000.00	17-Jan-17	16-Feb-18	IND AAA

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Final Redemption Date	Latest Credit Rating
157.	AF2017	1 year and 364 days	7.65%	2,500.00	19-Jan-17	18-Jan-19	CARE AAA
158.	AG2017	2 years	7.65%	2,500.00	23-Jan-17	23-Jan-19	IND AAA
159.	AH2017	1 year and 153 days	7.6225%	5,000.00	27-Jan-17	29-Jun-18	IND AAA
160.	AI2017	1 year and 150 days	7.6225%	5,000.00	30-Jan-17	29-Jun-18	IND AAA
161.	AJ2017	3 years and 196 days	7.69%	2,500.00	31-Jan-17	14-Aug-20	IND AAA
162.	AK2017	2 years and 364 days	7.72%	2,500.00	01-Feb-17	31-Jan-20	IND AAA
163.	AL2017	3 years and 322 days	7.8420%	40,000.00	03-Feb-17	21-Dec-20	IND AAA
164.	AM2017	3 years and 31 days	7.6940%	2,500.00	07-Feb-17	09-Mar-20	IND AAA
165.	AN2017	3 years and 46 days	7.6916%	8,000.00	10-Feb-17	27-Mar-20	IND AAA
166.	AO2017	1 year and 363 days	7.78%	2,500.00	17-Feb-17	15-Feb-19	IND AAA
167.	AP2017	2 years	7.78%	2,500.00	20-Feb-17	20-Feb-19	IND AAA
168.	AQ2017	3 years and 179 days	7.8312%	1,480.00	22-Feb-17	19-Aug-20	IND AAA
169.	AR2017	3 years and 180 days	7.85%	1,500.00	23-Feb-17	21-Aug-20	IND AAA
170.	AS2017	2 years and 15 days	7.63%	5,000.00	27-Feb-17	14-Mar-19	IND AAA
171.	AT2017	3 years and 109 days	7.90%	3,700.00	21-Mar-17	08-Jul-20	IND AAA
172.	AU2017	1 year and 364 days	7.80%	25,000.00	23-Mar-17	22-Mar-19	IND AAA
173.	AV2017	4 years and 363 days	7.85%	2,500.00	27-Mar-17	25-Mar-22	IND AAA and CARE AAA
Total				14,20,710.00			

[§]Security: *Pari passu* charges on Aurangabad branch office along with other Debenture holders and exclusive charge on receivables under Hire Purchase/Lease/Loan contracts, owned Assets and Book debts.

[#]Put option

[@]Put and call option

[^]Put option available. If put option not exercised coupon rate to be 7.90% for second year and third year

Our Company has outstanding unsecured redeemable subordinated non-convertible debenture aggregating to ₹ 2,18,410.00 lakhs as on March 31, 2017 the details of which are set forth below:

A. Our Company has issued unsecured redeemable subordinated non-convertible debenture of face value of ₹ 10,00,000 each on a private placement basis of which ₹ 98,410.00 lakhs is outstanding as on March 31, 2017 the details of which are set forth below. Redemption date represents actual maturity date:

(₹ in lakhs)

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Redemption Date	Latest Credit Rating
1.	III	10 years	12.00%	400.00	April 17, 2007	April 17, 2017	CRISIL AA+ and IND AAA
2.	HHH	10 years	12.00%	2,500.00	May 11, 2007	May 11, 2017	CRISIL AA+ and IND AAA

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Redemption Date	Latest Credit Rating
3.	JJJ	10 years	11.00%	1,480.00	June 13, 2007	June 13, 2017	CRISIL AA+ and IND AAA
4.	KKK	10 years	10.50%	2,500.00	July 26, 2007	July 26, 2017	CRISIL AA+ and IND AAA
5.	PPP	10 years	11.75%	980.00	October 17, 2008	October 17, 2018	CRISIL AA+ and IND AAA
6.	QQQ	10 years	9.85%	2,500.00	November 10, 2009	November 11, 2019	BWR AAA and IND AAA
7.	RRR	10 years	9.85%	7,500.00	November 20, 2009	November 20, 2019	BWR AAA and IND AAA
8.	TTT	10 years	10.05%	50.00	December 7, 2011	December 7, 2021	CRISIL AA+ and IND AAA
9.	UUU	10 years	10.50%	10,000.00	December 12, 2011	December 13, 2021	CRISIL AA+ and IND AAA
10.	VVV	10 years	10.15%	2,000.00	June 19, 2012	June 20, 2022	CRISIL AA+ and IND AAA
11.	WWW	10 years	10.15%	500.00	June 26, 2012	June 27, 2022	CRISIL AA+ and IND AAA
12.	XXX	10 years	10.02%	500.00	October 19, 2012	October 19, 2022	CRISIL AA+ and IND AAA
13.	YYY	7 years	10.02%	4,500.00	October 19, 2012	October 21, 2019	CRISIL AA+ and IND AAA
14.	ZZZ	10 years	9.80%	4,000.00	January 17, 2013	January 17, 2023	CRISIL AA+ and IND AAA
15.	AAA2013	7 years	9.70%	2,000.00	April 23, 2013	April 23, 2020	CRISIL AA+ and IND AAA
16.	BBB2013	10 years and 1 day	9.70%	8,000.00	April 23, 2013	April 24, 2023	CRISIL AA+ and IND AAA
17.	CCC2013	7 years and 1 day	9.50%	5,220.00	May 24, 2013	May 25, 2020	CRISIL AA+ and IND AAA
18.	DDD2013	10 years	9.50%	4,780.00	May 24, 2013	May 24, 2023	CRISIL AA+ and IND AAA
19.	AAA2014	10 years	9.60%	1,000.00	August 28, 2014	August 28, 2024	IND AAA and BWR AAA
20.	BBB2014	10 years	9.60%	500.00	September 3, 2014	September 3, 2024	IND AAA and BWR AAA

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Redemption Date	Latest Credit Rating
21.	CCC2014	9 years and 364 days	9.50%	10,000.00	November 17, 2014	November 15, 2024	IND AAA and CARE AAA
22.	AAA2015	9 years and 364 days	9.18%	10,000.00	February 2, 2015	January 31, 2025	IND AAA and CARE AAA
23.	BBB2015	10 years	9.10%	2,500.00	June 25, 2015	June 25, 2025	IND AAA and CARE AAA
24.	CCC2015	10 years	9.00%	2,500.00	August 14, 2015	August 14, 2025	IND AAA and CARE AAA
25.	DDD2015	10 years	9.00%	2,500.00	August 21, 2015	August 21, 2025	IND AAA and CARE AAA
26.	EEE 2015	10 years	8.90%	10,000.00	October 27, 2015	October 27, 2025	IND AAA and CARE AAA
Total				98,410.00			

- B. Our Company has issued unsecured redeemable subordinated non-convertible debenture of face value of ₹ 5,00,000 each on a private placement basis of which ₹ 20,000.00 lakhs is outstanding as on March 31, 2017 the details of which are set forth below. Redemption date represents actual maturity date:

(₹ in lakhs)

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Redemption Date	Latest Credit Rating
1.	SSS	10 years and 60 days	9.80%	20,000.00	November 26, 2010	January 25, 2021	CRISIL AA+ and BWR AAA
Total				20,000.00			

- C. Our Company has issued unsecured redeemable subordinated non-convertible debenture of face value of ₹ 1,000 each through public issue of which ₹ 1,00,000 lakhs is outstanding as on March 31, 2017 the details of which are set forth below. Redemption date represents actual maturity date:

(₹ in lakhs)

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Redemption Date	Latest Credit Rating
1.	1A	66 Months	8.34%	194.50	June 06, 2016	December 06, 2021	IND AAA and CARE AAA
2.	1B	66 Months	8.44%	708.66	June 06, 2016	December 06, 2021	IND AAA and CARE AAA
3.	2A	84 Months	8.44%	524.00	June 06, 2016	June 06, 2023	IND AAA and CARE AAA
4.	2B	84 Months	8.53%	129.59	June 06, 2016	June 06, 2023	IND AAA and CARE AAA
5.	3A	120 Months	8.53%	90.00	June 06, 2016	June 06, 2026	IND AAA and CARE AAA
6.	3B	120 Months	8.72%	2473.49	June 06, 2016	June 06, 2026	IND AAA and CARE AAA

Sr. No.	Description (Debt Series)	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Redemption Date	Latest Credit Rating
7.	4A	66 Months	8.60%	2855.35	June 06, 2016	December 06, 2021	IND AAA and CARE AAA
8.	4B	66 Months	8.70%	1338.85	June 06, 2016	December 06, 2021	IND AAA and CARE AAA
9.	5A	84 Months	8.70%	80.00	June 06, 2016	June 06, 2023	IND AAA and CARE AAA
10.	5B	84 Months	8.80%	363.75	June 06, 2016	June 06, 2023	IND AAA and CARE AAA
11.	6A	120 Months	8.80%	2783.00	June 06, 2016	June 06, 2026	IND AAA and CARE AAA
12.	6B	120 Months	9.00%	85233.08	June 06, 2016	June 06, 2026	IND AAA and CARE AAA
13.	7B	66 Months	#1	368.42	June 06, 2016	December 06, 2021	IND AAA and CARE AAA
14.	8B	84 Months	#2	136.38	June 06, 2016	June 06, 2023	IND AAA and CARE AAA
15.	9A	120 Months	#3	25.00	June 06, 2016	June 06, 2026	IND AAA and CARE AAA
16.	9B	120 Months	#4	2695.53	June 06, 2016	June 06, 2026	IND AAA and CARE AAA
Total				1,00,000.00			

#1 – Effective Yield – 8.70% p.a. – Accumulated interest, to be paid on maturity.

#2 – Effective Yield – 8.80% p.a. – Accumulated interest, to be paid on maturity.

#3 – Effective Yield – 8.80% p.a. – Accumulated interest, to be paid on maturity.

#4 – Effective Yield – 9.00% p.a. – Accumulated interest, to be paid on maturity.

List of Top 10 Debenture Holders[^] (secured and unsecured) as on March 31, 2017:

(₹ in lakhs)

Sr. No.	Name of Debenture Holders	Amount
1.	Reliance Capital Trustee Co Ltd	1,69,690
2.	Kotak Mahindra Trustee Company Limited	1,17,100
3.	Employees' Provident Fund Organization	1,00,010
4.	ICICI Prudential Asset Management Company Ltd	73,100
5.	WIPRO Limited	69,690
6.	Postal Life Insurance Fund	51,500
7.	State Bank of India	50,000
8.	Punjab National Bank	47,500
9.	Birla Sun Life Trustee Company Private Limited	47,500
10.	IDFC Asset Management Company Ltd	43,000
Total		7,69,090

[^]On the basis of PAN of the Debenture holder, consolidating their holdings under different schemes, where applicable.

As on March 31, 2017, the amount of corporate guarantee issued by our Company in favour of its Subsidiaries, Joint Venture entity, group company, etc. is NIL.

The total face value of Commercial Papers Outstanding as on March 31, 2017:

(₹ in lakhs)

Maturity Date	Amount Outstanding
April 28, 2017	40,000.00
May 02, 2017	30,000.00
May 05, 2017	50,000.00
May 16, 2017	50,000.00
May 24, 2017	40,000.00
June 28, 2017	12,500.00
July 06, 2017	10,000.00
August 24, 2017	42,500.00
September 04, 2017	20,000.00
September 28, 2017	20,000.00
February 09, 2018	15,000.00
March 01, 2018	15,500.00
March 07, 2018	20,000.00
Total	3,65,500.00

Details of Rest of the borrowing (if any, including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on March 31, 2017:

(₹ in lakhs)

Party Name (in case of Facility)/ Instrument Name	Type of Facility/ Instrument	Amount Sanctioned/ Issued	Principal Amount Outstanding	Repayment Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
-----NA-----							

As on the date of this Shelf Prospectus, there has been no rescheduling, default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by our Company, in the past 5 years.

There are no outstanding borrowings taken/ debt securities issued where taken/ issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option as on March 31, 2017.

A portion of our funding requirements is met through short-term funding sources, being, bank loans, working capital demand loans, cash credit, short term loans and commercial papers. Further, a large portion of our loan assets mature over a medium term, while comparatively some of our liabilities in connection with the credit facilities obtained by us are for a relatively shorter periods of time. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely manner or at all, may lead to mismatches between our assets and liabilities.

The total amount of cash credit from banks outstanding as of March 31, 2017 as per books of accounts of our Company is ₹ 62,090.05 lakhs under the consortium agreement dated September 22, 2016

The total amount of loans and advances from related parties (ICDs) outstanding as of March 31, 2017 is ₹ 55,200.00 lakhs. Details are as follows:

(₹ in lakhs)

Sr. No.	Name of the Parties	Amount
1.	MIBL	200
2.	M&M	25,000
3.	Tech Mahindra Limited	30,000
	Total	55,200

Fixed Deposit Scheme of our Company:

Our Company has launched an unsecured fixed deposit programme called the Samruddhi Fixed Deposits (“**FD Programme**”). The FD Programme has a CRISIL rating of 'FAAA', which indicates a highest level of safety. Our Company offers cumulative as well as non-cumulative options. The tenure of fixed deposits accepted by our Company are in the range of 12 to 60 months and present rate of interest is in the range of 7.30% to 7.55%. Senior citizens and all Mahindra group employees and employee’s relatives are entitled to an additional rate of 0.25% and 0.35%, respectively. As on March 31, 2017, our Company’s outstanding fixed deposits amount to ₹ 4,38,296.14 lakhs.

Medium Term Note Programme

Our Company has established a medium term note programme of rupee denominated bonds overseas on December 22, 2016 for an issuance of ₹ 5,00,000.00 lakhs to overseas investors. However, as on the date of this Shelf Prospectus no bonds have been issued under the said programme.

SECTION VI - OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers, past employees and other parties. These legal proceedings are primarily in the nature of (a) consumer complaints, (b) tax disputes, (c) petitions pending before appellate authorities, (d) criminal complaints, and (e) civil suits. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India.

As on the date of the Shelf Prospectus, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits, and arrears on cumulative preference shares, etc., by our Company.

Effective from 1 December 2015, the Board of Directors of our Company has adopted policy for determination of materiality for disclosure of events or information (“Materiality Policy”). With respect to litigations / disputes / regulatory actions with impact, the Materiality Policy sets thresholds which are determined on the basis of consolidated financial statements of last audited Fiscal.

Save as disclosed below, there are no:

1. litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of our Company during the last five years immediately preceding the year of the issue of the Shelf Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
2. litigation involving our Company, Promoter, Directors, Subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of our Company;
3. pending proceedings initiated against our Company for economic offences and default; and
4. inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of issue of this Shelf Prospectus against our Company and our Subsidiary.

Litigations against our Company

Criminal

Our Company and our employees are party to certain criminal cases pending before various courts across India. These cases have been filed on the grounds, *inter alia*, cheating, fraud, defamation, illegal repossession of the vehicles, theft, insurance claims by our customers. There are several cases wherein applications have been filed for quashing of complaints and FIRs. We have been also named as a party being a financier where the vehicle financed by us is used for carrying illegal goods. Some cases of assault, kidnapping and abduction have been filed against the employees of our Company while repossession of vehicles.

Civil

There are various civil proceedings instituted against our Company from time to time, mostly arising in the ordinary course of its business. None of the pending civil proceedings against our Company involve an amount more than 5% of the consolidated profit after tax for the Fiscal 2017.

Litigations by our Company

Criminal

1. Our Company has filed numerous complaints, FIRs and cases of fraud and cheating against customers on account of loan defaults, cash misappropriation, cheating, forgery, assault on employees of our Company. In certain cases, our Company has also filed cases under section 420 of the Code of Criminal Procedure, 1973 (“Cr PC”) for the criminal breach of trust and misappropriation of property. We have also filed applications for custody of vehicles of our Company under section 451 and 457 of Cr PC. Our

Company has filed numerous applications under section 156 of the Cr PC for quashing of complaints across different high courts and magistrate courts. Our Company has also initiated certain complaints for matters including missing vehicles, theft and defamation.

2. Our Company has filed numerous cases under section 138 of the Negotiable Instruments Act, 1881, against our customers for dishonour of cheques which were presented to our Company. These cases are pending across different courts in India. Further, in some of the cases, our customers have filed appeal against our Company.

Civil

There are various civil proceedings instituted by our Company from time to time, mostly arising in the ordinary course of its business. None of the pending civil proceedings instituted by our Company involve an amount more than 5% of the consolidated profit after tax for the Fiscal 2017.

Litigations against our Promoter

Litigation or legal action pending or taken by any ministry or department of the Government of India or a statutory authority against any Promoter of our Company during the last five years immediately preceding the year of the issue of the Shelf Prospectus and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action:

1. M&M received a show cause notice bearing reference A/530/2015 dated July 13, 2015 under the Factories Act, 1948 (“Factories Act”) from the Deputy Chief Inspector of Factories, Hyderabad (Rural) (“Authority”) directing M&M to show cause why no action should be taken against the manager for non-compliance of various provisions of the Factories Act read with the A.P. Factories Rules, 1950 (“AP Factories Rules”). M&M was required to show cause for non-compliance of (i) section 7A (2) read with section 32(b) and section 41 and rule 61-F (3); (ii) section 40-B and rule 61-A; section 7A (2) read with section 111-A and section 41 and rule 61-F (3); (iii) section 7A (2) read with section 41 and rule 61-F (3); and (iv) section 51, section 54 and section 65 read with section 7A (2) of the Factories Act. M&M filed its reply dated August 12, 2015 to the show cause notice denying all the allegations and confirming that there is no violation of the Factories Act and the AP Factories Rules. No further communication has been received by M&M in this matter.
2. The Maharashtra Pollution Control Board, Regional Office, Mumbai (“Board”) issued a show cause notice bearing reference MPCB/ROM/SCN/TB-5277 dated June 20, 2015 (“Notice”) against M&M. The notice alleged that M&M failed to obtain consent to establish and consent to operate with respect to Free Basin, Shed No. 03, Near Nariman, Bhavan, MbPT, Mazgaon, Mumbai. factory thereby violating the provisions of Section 25 and Section 21 of the Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”) and Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”) respectively, and directing M&M to show cause why legal action shall not be initiated against M&M under the provisions of the Water Act, the Air Act and the Environment Impact Assessment Notification 2004. M&M has filed its interim reply to the show cause notice dated August 8, 2015 setting out the factual position and submitted an application to establish and operate. M&M had received consent to operate from the Maharashtra Pollution Control Board dated December 17, 2015 which is valid till December 31, 2017. Hence the matter is closed.
3. M&M received a show cause notice bearing reference 110 dated October 13, 2014 under the Legal Metrology Act (“**Metrology Act**”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (“Rules”) from the Legal Metrology Inspector, Amroha, Uttar Pradesh (“Authority”). The notice alleged that M&M published an advertisement in dainik newspaper dated October 2, 2014 mentioning the unit ‘inch’ for the size of alloy wheels and infotainment screen, thereby violating section 11 of the Metrology Act read with rule 29 of the Rules. M&M filed its interim reply dated November 24, 2014 to the show cause notice denying all the allegations and contended that M&M has not violated any provision of the Metrology Act and the Rules. No further communication has been received by M&M in this matter.
4. M&M received a notice bearing reference number A3 dated April 30, 2015 from the Inspector of Legal Metrology, Shahjanpur (“Authority”) under the Metrology Act. The notice alleged that the advertisement dated April 30, 2015 in dainik newspaper mentioned the mileage of Maxximo as ‘KM/L’, thereby violating section 11 and section 29 of the Metrology Act and Rule 7(3) of the Legal Metrology (Packaged Commodities) Rules, 2011 (“Rules”). M&M filed its reply dated May 7, 2015 to the notice denying

violation of the Metrology Act and the Rules. No further communication has been received by M&M in this matter.

5. M&M received a notice bearing reference number MEMO/V.N.V.M.V.-Notice/2015 dated July 11, 2015 from the Legal Metrology Inspector, Lucknow (the "Inspector") under the Metrology Act. The notice alleged that the advertisement in daikin newspaper by M&M on July 11, 2015 was in violation of section 11 and section 29 of the Metrology Act since the advertisement mentioned (i) the mileage of XUV-500 as 'KMPL' instead of km/l or km/L; (ii) size and touch screen of touch screen and alloy wheels as 'CM' instead of cm; and (iii) for wrongly mentioning 'INCH'. M&M filed a final reply dated August 14, 2015 intending to compound the alleged contravention and pay the compounding amount. The matter has been compounded and closed whereby M&M has paid a compounding amount of ₹ 1.2 lakhs on September 4, 2015.
6. M&M received a show cause notice bearing reference no. MH/51100/PF/ENF-EXM/SRO/NSK/2497 dated November 5, 2007 by Regional Provident Fund Commissioner, Nasik ("PF Authority") under Section 7A of Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("EPF Act") towards (i) failure to produce the contractors records; (ii) payment of Provident Fund Contribution ("Contribution") of trainee employees; (iii) failure to produce the transporter contractors records. M&M vide its reply dated December 12, 2007 *inter alia* stated that it has directed the relevant contractors to submit the record of contractors at the office of the PF Authority. M&M received another notice dated April 16, 2008 bearing reference no. MH/51100/PF/ENF/SRO/NSK/91 by the PF Authority directing M&M to file its response. M&M filed its reply dated September 26, 2008 before the PF Authority. The PF Authority passed an adverse order bearing no. MH/51100 (SRO Nasik)/PF/CC-I/NGP/46 dated August 7, 2008. Aggrieved by the order of the PF Authority, M&M filed an appeal before the Employees' Provident Funds Appellate Tribunal, New Delhi ("EPF Tribunal"). The appeal was dismissed by the EPF Tribunal by an order dated October 13, 2010. M&M filed an appeal bearing no. WP/435/2011 before the High Court at Bombay (the "High Court") challenging the order of the EPF Tribunal. The matter is pending before the High Court.
7. M&M received a notice bearing no. 564 dated February 17, 2014 under the Insecticides Act, 1968 ("Insecticides Act") from the Chief Agricultural Officer, Ferozepur ("Authority") alleging that the insecticides ("Product") manufactured by Acme Organic Pvt. Ltd. (the "Manufacturer") violated the provisions of the Insecticides Act by misbranding the Product (which also carried a label indicating M&M as the marketers of the Product). M&M filed its reply dated March 20, 2014 denying all the allegations contending that M&M is not involved in manufacturing, labelling or tampering the Product in any manner and hence, is not liable for contravention of any of the provisions of the Insecticides Act or the Insecticides Rules, 1971. M&M has not received a reply from the Authority. Since the limitation period of 3 years prescribed under law have elapsed from the date of notice, the matter is being treated as closed.
8. M&M received a notice bearing no. 1055-59 dated March 16, 2015 under the Insecticides Act, 1968 ("Insecticides Act") from the Chief Agricultural Officer, Punjab ("Authority") alleging that the insecticides ("Product") manufactured by Acme Organic Pvt. Ltd. (the "Manufacturer") violated the provisions of the Insecticides Act by misbranding the Product (which also carried a label indicating M&M as the marketers of the Product). M&M in its reply denied all the allegations and contended that M&M is not involved in manufacturing, labelling or tampering the Product in any manner and hence, is not liable for contravention of any of the provisions of the Insecticides Act or the Insecticides Rules, 1971. M&M has not received a reply from the Authority. The matter is currently pending.
9. M&M received a notice bearing reference no. 1376 dated June 1, 2015 under the Essential Commodities Act, 1955 ("Act") and the Fertilizer (Order) Control, 1985 ("Order") from the Chief Agricultural Officer, Ludhiana ("Authority") alleging that the insecticides ("Product") manufactured by Mitul Industries Ltd. ("Manufacturer") violated the provisions of the Act. The sulphur content in the Product seized was found to be only 81.70% instead of 90% as mentioned in the package (which carries a label indicating M&M as the marketer of the Product). M&M filed its reply dated June 18, 2015 denying all the allegations and requested retesting of the sample of the Product. The matter is closed.
10. M&M received a show cause notice bearing reference LCPP/ADO-2015/3261-3266 dated December 7, 2015 under the Insecticides Act, 1968 ("Insecticides Act") from the Deputy Director (LC & PP)-cum-Licensing Authority, Chandigarh ("Authority") in respect of lambda Cyhalothrin 4.9% CS ("Product")

manufactured by B R Agrotech Limited Samba (“Manufacturer”) and marketed by M&M. The notice alleged that the Product violated the provisions of the Insecticides Act and the Insecticides Rules, 1971 (“Insecticides Rules”). The active ingredient content of the Insecticide was found 4.22% against 4.9%. M&M filed its reply to the notice dated December 23, 2015 denying all allegations and contended that M&M is only a marketer of the Product and not involved in manufacturing or labelling. Hence, M&M is not liable under the Insecticides Act and the Insecticides Rules. M&M further requested for re-testing of the sample of the Product. However, the Authority has cancelled the M&M license bearing no. LCPP/ADO-04/433 vide order bearing no. LCPP/ADO-2016/1185-1190 dated April 6, 2016. The order alleged that M&M did not submit any valid reply and violated the provisions of Section 3 (k) (i), 17, 18, 29 & 33 of the Insecticides Act. The license of M&M has been reinstated by Joint Director of Agriculture vide its order dated May 24, 2016.

11. M&M received a show cause notice bearing no. 330 dated September 23, 2015 (“Notice”) under the Metrology Act and the Legal Metrology (Packaged Commodities) Rules, 2011 (“Rules”) from the Legal Metrology Inspector, Mahanagar Lucknow, Uttar Pradesh (“Authority”) alleging that M&M in an advertisement published in dainik samachar newspaper on September 23, 2015 mentioned Mahindra Yuvraj 215 NVT’s top speed by using the unit ‘KMPH’ instead of ‘km/h’, thereby violating Rule 11 of the Rules. M&M filed a reply dated December 7, 2015 stating that it has not received the Notice and requested the Inspector to not initiate any legal proceeding against M&M. The matter has been compounded and closed. On December 19, 2015, M&M paid a compounding penalty of ₹ 1.1 lakhs.
12. M&M received a notice bearing reference no. 166/PC/14-15 dated February 5, 2015 by the Legal Metrology Inspector, Warangal, Telangana (“Authority”) stating that the Authority seized 30 retail packages of alleged swaraj genuine parts, bearing part no.34.027.03.0, 1 in quantity and having a maximum retail price of ₹ 118.50 (inclusive of all taxes) on January 25, 2015 from the trading premises of Sony Automobiles and manufactured by M&M. The seized packages did not bear the name and address of the manufacturer, name of commodity contained in the package, the retail sale price, the month and year of the package and the consumer care telephone number of the contact person or the office. Thereby violating Section 18 read with section 49 of the Metrology Act; rule 4 read with rule 6(1)(a)(b)(e)(d) and rule 6(2) of the Legal Metrology (Packaged Commodities) Rules, 2011 (“Rules”). Hence M&M was punishable under Section 36 of the Act. M&M in its reply to the notice dated April 11, 2015 denied ownership of the packages and stated that (i) the packages are counterfeit/spurious; and (ii) Sony Automobiles is not M&M’s authorized dealer/distributor. No further communication has been received by M&M in this matter.
13. M&M received a show cause notice bearing no. 99 dated August 20, 2015 (“Notice”) under the Metrology Act from the Legal Metrology Inspector, Aligarh, Uttar Pradesh (“Authority”) alleging that M&M in an advertisement published in amar ujala mentioned the non-metric unit ‘Foot’, thereby violating Section 11(1) of the Metrology Act. On October 23, 2015, M&M filed a reply intending to compound the alleged contravention and paid the compounding penalty of ₹ 1.2 lakhs. The matter is closed.
14. M&M received a notice bearing no. January 16, 2015 dated January 16, 2015 (“Notice”) under the Metrology Act from the Inspector of Legal Metrology, Nakodar, Punjab (“Authority”) alleging that M&M in an advertisement pertaining to vehicle (Scorpio) played on Life OK channel had used the unit ‘inch’ for the size of alloy wheels thereby violating section 11 of the Metrology Act. M&M has filed a reply dated January 23, 2015 stating that the provisions of the Metrology Act and any of its rules are not applicable to the vehicles manufactured and distributed by M&M. The matter is currently pending.
15. M&M received a summon dated June 03, 2015 (“Summon”) under section 61 of the Code of Criminal Procedure (“Cr.P.C”) from the Metropolitan Magistrate, Hyderabad at Kukatpally (“Magistrate”). The Summon alleged violation of section 18 and 36 of the Metrology Act, Rule 6(1)(e), 6(3) and 18 of Legal Metrology (Packaged Commodities) Rules, 2011 (“the Rules”) and Rule 32 of Andhra Pradesh Legal Metrology (Enforcement) rules 2011. The matter is closed by an order of the Metropolitan Magistrate bearing no. STC 4/2015 dated January 27, 2016.
16. M&M received a notice bearing no. 249 dated October 29, 2015 (“Notice”) under the Metrology Act from the Legal Metrology Inspector, Shahjanpur, Uttar Pradesh. The notice alleged that M&M in an advertisement dated October 27, 2015 published in dainik jagran newspaper mentioned mileage as ‘LTR/HR’, thereby violating section 11 of the Metrology Act. M&M filed an interim reply dated

November 09, 2015 for seeking 30 days' time for assimilating the information. On January 11, 2016, M&M filed a final reply intending to compound the alleged contravention and paid the compounding amount of ₹ 1.1 lakhs.

17. M&M received a notice bearing no. ILM/JOR-52(IA)(PC)2015- 16/31 dated April 06, 2015 ("Notice") under the Metrology Act from the Inspector of Legal Metrology, Jorhat, Assam. The notice alleged that packages seized from the trading premises of M/s. Vintage Automobile had 'MRP' mentioned on it by putting an additional yellow sticker over the original declaration, thereby violating provisions of section 18(1) of the Metrology Act read with Rule 6 and Rule 18 of the Legal Metrology (Packaged Commodities) Rules, 2011 ("Rules") Rules. M&M filed an interim reply dated April 30, 2015 seeking 30 days' time for assimilating the information. On June 22, 2015, M&M filed a final reply stating that the additional sticker over the original MRP has not been affixed by M&M and no authorized supplies were made to M/s Vintage Automobile. The matter is currently pending.
18. M&M received a notice bearing no. LMO/PC/CN/0661003/15-16 dated January 05, 2016 ("Notice") from the Assistant Controller of Legal Metrology Flying squad-2, Bangalore ("Authority") under the Metrology Act. The notice alleged that retail sale price marked on seized packages was not as per rule 2(m) of the Legal Metrology (Packaged Commodities) Rules, 2011 ("Rules"), thereby violating section 18 of the Metrology Act. M&M filed an interim reply dated January 08, 2016 stating that the label on the product seized as mentioned in the Notice does not match with the label on product manufactured by M&M and asked for 30 days' time to revert with detailed reply. On inspection, it was noted that the packages were counterfeit. M&M vide its reply dated March 31, 2016 stated that the product seized did not match with the product manufactured by M&M. M&M received another notice dated May 23, 2016 alleging that the retail sales price on the seized products were in violation of rule 2(m) of the Rules and section 18 of the Metrology Act. M&M vide its reply dated May 30, 2016 stated that the product seized did not match with the product manufactured. A further reply was filed by M&M dated June 9, 2016 reiterating the same. The matter is currently pending.
19. M&M received a notice bearing no. ILM/KHAMGAON/2015/381 dated December 08, 2015 ("Notice") from the Inspector of Legal Metrology, Khamgaon, District Buldana (M.S) under the Metrology Act. The notice alleged that on inspection of the trading premises of M/s. Madhu Auto Agencies, Khamgaon it was found that declaration of Retail Sale Price on the packages of piston for thinner rings and pin assy cbs part no. 006012906891 did not mention the declaration of retail price, and also there was no mentioning of 'inclusive of all taxes' on the packages manufactured by M&M, thereby violating Section 18(1) and Rule 2(m) of the Legal Metrology (Packaged Commodities) Rules, 2011. M&M filed an interim reply dated January 08, 2016 seeking 30 days' time for assimilating the information. The matter has been compounded and closed, whereby M&M has paid a compounding amount of ₹ 3,00,000.
20. M&M received a notice bearing no. ILM/Sakoli/Pros/2012/741 dated January 05, 2012 ("Notice") from the Inspector of Legal Metrology, Bhandara ("Inspector") under the Metrology Act alleging that on inspection of the trading premises of M/s Shahare Oil Shop, Gondia (the "Manufacturer"), it was found that the label on seized packages of oil filters bearing genuine part number 006001920AR91 and 005557147R91 (the "Product") did not mention the customer care cell no. and the month of manufacturing, thereby violating section 18(1) of the Metrology Act read with rule 6(1)(c), 6(1)(d) and 6(2) of the Legal Metrology (Packaged Commodities) Rules, 2011 (the "Rules"). On January 12, 2012 M&M filed an interim reply seeking 30 days' time for assimilating the information. On February 21, 2012 M&M filed a detailed reply stating that the seized packages were counterfeit and not genuine and were not manufactured by M&M. M&M also sent a legal notice to the Manufacturer dated March 1, 2012 to disclose the source of the seized Product so as to assimilate the relevant facts. However, the Inspector proceeded and filed a complaint no. 152/12 dated October 10, 2012 before the Magistrate Court, Morgaon Arjuni. On January 11, 2013, M&M filed a criminal application (quashing petition) before Bombay High Court (Nagpur Bench). On August 20, 2013 the petition was admitted and the interim stay was granted. The matter is currently pending.
21. M&M received a notice bearing no. ILM/JN/PCR/101/2014-15 dated March 23, 2015 ("Notice") from the Office of the Inspector of Legal Metrology, Bengaluru under the Metrology Act. The notice alleged that on inspection of the pre-packaged pushpin ("Commodity") from the trading premises of Sireesh Auto Private Limited, it was found that the Maximum Retail Price ("MRP"), date of packing and consumer care number were not declared, thereby violating the provisions of section 18 read with section 36 of Metrology Act and read with Rule 4, 6 and 18(1) of the Legal Metrology (Packaged Commodities)

Rules, 2011. On April 15, 2015, M&M filed a detailed reply stating that the commodities seized cannot be treated as pre-packaged commodity and the provisions of Metrology Act and the Rules do not apply to vehicles manufactured by M&M. The matter is currently pending.

22. M&M received a notice bearing no. 16/PC/ILM-MAR/15/530 dated August 03, 2015 (“Notice no.1”) under the Metrology Act from the Inspector of Legal Metrology, Margoa, Goa (“Authority”) alleging that packages of Mahindra spares and Mahindra screen (“Package”) were seized and detained from M/s Muktar Automobile Pvt. Ltd. since the same did not bear MRP and the month and year of manufacturing thereby violating the provisions of Metrology Act and Legal Metrology (Packaged Commodities) Rules, 2011 (“Rules”). Also the notice no.1 requested M&M to furnish purchase bills/ invoices of the seized articles and name and address of the directors of M&M. On August 17, 2015 M&M sent detailed reply stating that it has not violated any provisions of Metrology Act and the Rules framed thereunder. On November 09, 2015, M&M received a notice no.16/PC/132/CLM-15/622/2657 (“Notice no.2”) from Controller, Legal Metrology, Goa (“Controller”) stating that M&M has violated section 1(1) of the Metrology Act and rule 6(1)(d), 6(1)(e), 18(1) of the Rules and to compound the violation by paying ₹ 0.15 lakhs failing which it may proceed to prosecute M&M in the court of law. M&M has filed an appeal under section 50 of the Metrology Act before the Secretary, Metrology, Government of Goa against the order of the Controller. Meanwhile, the Authority has filed a criminal case bearing no. 74/OA/LMA/2016/E before the Judicial Magistrate of First Class, Margoa (“Magistrate Court”). Quashing petition was filed before the Bombay High Court on May 5, 2016. On October 4, 2016, the Bombay High Court granted interim stay after hearing the parties. The matter is currently pending.
23. M&M received a notice bearing no. ILM/MEH/PCR/91/12 dated February 27, 2012 (“Notice no. 1”) from the Inspector of Legal Metrology, Mehkar Division, Buldhana (“Inspector”) under the Metrology Act alleging that De Sc- Air Filter having Mahindra package (“Package”) seized from the shop of M/s Shobha Automobiles (“Manufacturer”) did not contain the date of packing and customer care number. On March 12, 2012, M&M filed an interim reply seeking 30 days’ time for assimilating the information. On April 09, 2012, M&M filed a detailed reply stating that on inspection of the Package by executive of M&M, it was found that they were counterfeit products and not manufactured by M&M. M&M sent a legal notice bearing number dated April 9, 2012 to the Manufacturer to disclose the source of the seized product and full particulars of the supplier of counterfeit packages and also filed a police complaint against the Manufacturer on October 23, 2012. On August 07, 2012, M&M received notice from the Inspector bearing no. ILM/Court/Meh/401/2012 (“Notice no. 2”) intimating M&M that a complaint has been filed before the Court of the First Class Judicial Magistrate, Mehakar, District Buldhana (“Magistrate Court”), requiring presence of M&M’s representative on August 14, 2012. Aggrieved by Notice no. 2, M&M filed an appeal bearing no. 48 of 2012 dated November 9, 2012 before the Controller of Legal Metrology, Mumbai (“Controller”) praying that Notice no. 1 and Notice no. 2 be quashed and set aside and filed its written submission on February 4, 2013 before the Controller. M&M further prayed for the stay of implementation/ action/ prosecution etc. However, the Controller disposed of the appeal as pre-mature. M&M also filed a complaint against the Manufacturer under the provisions of the Indian Penal Code, 1860 and The Trade Marks Act, 1999. On July 30, 2013, M&M filed a criminal application (quashing petition) bearing no. 459 of 2013 before Bombay High Court (Nagpur Bench). On August 20, 2013 the petition was admitted and the interim stay was granted. The matter is currently pending.
24. M&M received a show cause notice bearing no. J.N./kh.A./Notice/116-17/15 (“Notice”) dated March 27, 2015 from the Agricultural Officer, Rajkot (“Authority”) under the Insecticide Act, 1968 (the Insecticide Act”). The notice alleged that the sample of sarvodaya seeds (“Product”) manufactured by Acme Organics Pvt. Ltd. (the “Manufacturer”) contains 32.90% of Profenophos instead of 40%, thereby violating the provisions of the Insecticide Act for misbranding, and to show cause why no action shall be instituted against M&M. M&M replied to the notice denying all allegations and contended that they are not the manufacturers of the Product and hence cannot be held liable under the Pesticides Act. M&M has not received a reply from the Authority. The matter is currently pending.
25. An order dated August 25, 2014 (“Order”) was passed by the Competition Commission (“Commission”) of India based upon information filed by Mr. Shamsher Kataria against 17 automobile manufacturers, including M&M, for non-availability of automobile spare parts in open market, thereby violating the provisions of the Competition Act, 2002 (“Competition Act”). The Commission passed the Order against 14 automobile manufactures including M&M, imposed a penalty of ₹ 29,225 lakhs on M&M and issued directions for compliance of the provisions of the Act. Aggrieved by the Order, M&M filed a writ of mandamus on September 22, 2014, before the Delhi High Court, inter alia, challenging section 22(3),

section 27 (b) of the Competition Act and regulation 48 (1) of the Competition Commission of India (General) Regulations, 2009 as ultra vires. The High Court (“High Court”) of Delhi stayed the Order. The final hearings of the matter is complete and the High Court had reserved its judgment on the matter. The matter is currently pending.

26. A summon bearing no. MH/51100/PF/SRO/NSK/Comp-Exm/2894/19 dated November 23, 2011 was issued to M&M by Regional Provident Fund Commissioner, Nasik (“RPFC, Nasik”) under section 7A of the Employee Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”). The summon alleged that M&M did not extend provident fund benefits to contractor’s employees and transport contractor’s employees for the period July, 2006 to March, 2009 in respect of its establishment located at 89, MIDC, Satpur, Nasik (“Establishment”). The summon directed M&M to appear in person or through an authorized representative before the office of the RPFC, Nasik. M&M filed its reply dated January 4, 2016 to the summon contending that their main office situated at Automotive Sector, Akurli Road, Kandivali (E), Mumbai (“Main Office”) maintains the Mahindra & Mahindra Limited Employees Provident Fund Trust (“MMEPF Trust”) wherein all contribution towards the employee provident fund of the Establishment is made and necessary compliance audit is done by the Regional Provident Fund Commissioner, Kandivali (“RPFC, Kandivali”). M&M filed its written statement on January 04, 2016 before the RPFC, Nasik. The hearing of the matter was over on December 16, 2016 and the RPFC, Nasik vide its order dated January 9, 2017 closed the matter directing that if a complaint is received under the provisions of the EPF Act, the matter is to be examined under the relevant provisions of the EPF Act and M&M to comply with the same.
27. M&M received a notice bearing no. 187 dated October 4, 2014 (“Notice”) from the Legal Metrology Inspector, Ghaziabad under the Legal Metrology Act (“Metrology Act”). The notice alleged that M&M published an advertisement in an english newspaper dated October 2, 2014 mentioning the unit ‘inch’ (new stunning 17” alloy wheels and new 6” touch screen infotainment), thereby violating section 11 of the Metrology Act read with rule 29 of the Legal Metrology Rules, 2011 (“Rules”). M&M filed its interim reply dated October 25, 2014 to the notice seeking an additional 30 days for assimilating the relevant information. M&M filed a final reply dated March 11, 2015 intending to compound the alleged contravention and pay the compounding amount. The matter has been compounded and closed whereby M&M has paid a compounding amount of ₹ 1.2 lakhs on March 11, 2015.
28. A notification number CLA-08/2011/CR194/Lab-10 dated December 9, 2011 (“Notification”) was issued by the Government of Maharashtra prohibiting employment of contract labor for cleaning, maintenance, gardening, material supply, electrical maintenance, fabrication, internal transport, security, machine repairing and other technical works in the tractor division of M&M, Nagpur Plant. M&M by a petition bearing no. 503/2012 dated January 17, 2012 challenged the Notification before the Nagpur bench of the Bombay High Court (the “High Court”). The High Court by an order dated December 24, 2013, dismissed the notification and directed the Contract Labor Advisory Board (“Advisory Board”) to decide the matter. Subsequently, the Government of Maharashtra passed an order dated September 18, 2014 withdrawing the notification for one year, subject to submission of an undertaking from M&M. M&M submitted an undertaking dated November 14, 2014 to the Advisory Board undertaking to, inter alia, (i) ensure that if the contractor changes, the laborers will not be changed; (ii) enhance wages of the laborers and improve their service conditions through wage agreements; (iii) giving preference to contract labor in case of vacancy in permanent workmen. Last meeting of the Advisory Board was called on November 23, 2016, but was adjourned and no date was fixed for further hearing. Since there is no notice alleging violation of any statute, the matter is being treated as closed.
29. M&M received a notice bearing no. 1671203 dated March 17, 2016 (“Notice”) under the Metrology Act from the Legal Metrology Inspector, Shimoga. The notice alleged that on inspection of the trading premises of Mahant Motors, Sagar Road, Near Alkola, Shivmogga it was found that declaration of Retail Sale Price on the 4 packages of Mahindra tank Unit did not mention on the packages manufactured by M&M, thereby violating Section 18 of the Metrology Act and Rule 6 (1) (e) of the Legal Metrology (Packaged Commodities) Rules, 2011. M&M filed an interim reply dated April 11, 2016 for seeking 30 days’ time for assimilating the information. The matter has been compounded and closed *vide* closure letter dated June 4, 2016, whereby M&M has paid a compounding amount of ₹ 50,000.

30. M&M received a notice bearing no. 58 dated March 22, 2017 (“Notice”) under the Metrology Act from the Legal Metrology Inspector, Raebareli. The notice alleged that a tractor advertisement which was published in Dainik Jagaran mentioned the lifting capacity as 1640 ‘kgs’ which is non-standard. The matter has been compounded and closed vide closure letter dated April 21, 2017 whereby M&M has paid a compounding amount of ₹ 1,10,000.
31. M&M received a notice bearing no. 84 dated March 22, 2017 (“Notice”) under the Metrology Act from the Legal Metrology Inspector, Lucknow. The notice alleged that a tractor advertisement which was published in Dainik Jagaran mentioned the lifting capacity as 1640 ‘kgs’ which is non-standard. The matter has been compounded and closed whereby M&M has paid a compounding amount of ₹ 1,10,000 on April 27, 2017.
32. M&M received a notice bearing no. 30/17 dated January 30, 2017 (“Notice”) under the Metrology Act from the Legal Metrology Inspector, Wani (Yavatmal), Maharashtra, regarding spare seized by him during inspection at retailer M/s Sanjay Tractors located at Wani. The seized spare did not have the declaration “inclusive of all taxes” printed alongside the maximum retail price. M&M filed a reply dated April 6, 2017 expressing its intention to compound the matter. The matter is currently pending.
33. M&M received a show cause notice dated August 10, 2016 from Inspector, Security Guard Board (“Board”) alleging non-compliance of Section 25 of Obligations of Registered Principal Employers (“Scheme”). M&M filed a reply dated September 15, 2016 stating that there is no non-compliance since the Gateway Building is a separate establishment and is not registered with the Board as it sources security guards from an agency which has applied for exemption from the Scheme as per law. The relevant documents were provided to the Board. The matter is currently pending.
34. M&M received a notice dated July 11, 2016 giving reference of notices issued earlier on behalf of M/s. Sell Ads (authorized contractor appointed by Amravati Municipal Corporation for collection of advertisement tax) demanding advertisement tax of ₹ 7,93,844 for the period February 2013 to March 2017. Earlier they had issued separate notices for the financial years 2013-14, 2014-2015 and 2015-2016 separately. M&M has replied to the notice denying any liability. The matter is currently pending.
35. M&M received a notice bearing no. 15 dated June 20, 2017 (“Notice”) under the Metrology Act from the Legal Metrology Inspector, Kanpur. The notice alleged that a tractor advertisement which was published in Ujala newspaper mentioned the back tyres as 13.6” x 28” which is non-standard. The matter is currently pending.

Details of acts of material frauds committed against our Company in the last five years, if any, and if so, the action taken by our Company

There have been instances of fraud, which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company in the last five Fiscals. The total amount involved in all acts of fraud committed against our Company in the last five Fiscals is set forth below:

(₹ in lakhs)

Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
176 cases of frauds aggregating to ₹ 397.06 lakhs	150 cases of frauds aggregating to ₹ 559.99 lakhs	119 cases of frauds aggregating to ₹ 354 lakhs	77 cases of fraud aggregating to ₹ 560.32 lakhs mainly in the nature of misappropriation of assets	28 cases of fraud aggregating to ₹ 450.18 lakhs

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on October 25, 2016, the Directors approved the issue of NCDs to the public in one or more tranches, upto an amount not exceeding ₹ 200,000 lakhs. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' *vide* their resolution dated June 15, 2017.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

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

Disclaimer Clause of SEBI

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

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, AXIS BANK LIMITED, A. K. CAPITAL SERVICES LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND YES SECURITIES (INDIA) LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 29, 2017 WHICH READS AS FOLLOWS:

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN**

ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

- 3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED.**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED JUNE 19, 2017 FILED WITH BSE LIMITED, ALSO BEING THE DESIGNATED STOCK EXCHANGE.

Disclaimer Clause of the BSE

BSE LIMITED (“THE EXCHANGE”) HAS GIVEN VIDE ITS LETTER DATED JUNE 28, 2017, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE’S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY’S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

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

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

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED SEPTEMBER 4, 1998 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
Axis Bank Limited	www.axisbank.com
A.K. Capital Services Limited	www.akcapindia.com
Trust Investment Advisors Private Limited	www.trustgroup.in
YES Securities (India) Limited	http://yesinvest.in/YES/aboutus.jsp

Listing

An application has been made to the BSE for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Shelf Prospectus and the relevant Tranche Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 12 Working Days from the date of closure of the relevant Issue.

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

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer (c) Consortium Members in respective Tranche Prospectus (d) Lead Managers; (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee (i) Chief Financial Officer (j) Bankers to the Issue in respective tranche, (k) CRISIL to act in their respective capacities, have been obtained and the same will be filed along with a copy of this Shelf Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, namely B.K. Khare & Co. for (a) inclusion of their name as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements in the form and context in which they appear in this Shelf Prospectus have been obtained and has not withdrawn such consent and the same will be filed with the BSE and the RoC, along with a copy of the Shelf Prospectus.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Shelf Prospectus:

1. Our Company has received consent from its Statutory Auditors namely, B. K. Khare & Co., Chartered Accountants to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as "Expert" as defined under Section 2(38) of the Companies Act, 2013 in this Shelf Prospectus in respect of the examination reports of the Auditor dated June 19, 2017 and statement of tax benefits dated June 19, 2017 included in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "Expert" as defined under the U.S Securities Act, 1933.
2. Our Company has received consent from BWR to act as the credit rating agency to the Issue and an expert as defined under Section 2(38) of the Companies Act, 2013 *vide* its letter dated June 12, 2017.
3. Our Company has received consent from India Ratings to act as the credit rating agency to the Issue and an expert as defined under Section 2(38) of the Companies Act, 2013 *vide* its letter dated June 7, 2017.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

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

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus was filed with the BSE in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their website.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-1A of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The above mentioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of that year.

Issue Related Expenses

The expenses of this Issue include, *inter alia*, lead management fees and selling commission to the lead managers, lead-brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses shall be as specified in the relevant Tranche Prospectus.

Reservation

No portion of this Issue has been reserved

Public / Rights Issues

Public / Rights Issues by our Company during last 5 (five) years from the date of the Shelf Prospectus

Our Company undertook a public issue of unsecured, redeemable, subordinated non-convertible debentures of face value of ₹1,000 each in Fiscal 2017. The particulars of which have been set forth below:

Date of Opening	May 25, 2016
Date of Closing	May 26, 2016
Total Issue Size	₹1,00,000 lakhs
Date of Allotment	June 6, 2016
Date of Refunds	June 6, 2016
Date of Listing	June 9, 2016

Public / Rights Issues by our group companies during last 5 (five) years from the date of the Shelf Prospectus

Nil

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on March 31, 2017 our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details see "**Financial Indebtedness**" on page 158 of this Shelf Prospectus.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The following table details the dividend declared by our Company on the Equity Shares for the Fiscals 2017, 2016, 2015, 2014 and 2013.

Particulars	For the year ended March 31				
	2017*	2016	2015	2014	2013
Interim Dividend	-	-	-	-	-
Rate of Dividend	-	-	-	-	-
Dividend per share (in ₹)	-	-	-	-	-
Amount of Interim Dividend (excluding dividend distribution tax)	-	-	-	-	-
Final Dividend for the previous year	-	-	-	-	-
Rate of Dividend	120%	200%	200%	190%	180%
Dividend per share (in ₹)	2.40	4.00	4.00	3.80	3.60
Amount of Dividend (excluding dividend distribution tax) (₹ in lakhs)	13,650.36	22,750.60	22,750.60	21,613.07	20,475.54
Dividend Distribution Tax	2,446.94	4,376.27	4,424.02	3,544.75	3,411.84

*Recommended by Board of Directors on April 25, 2017, subject to approval of shareholders.

Revaluation of assets

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

Mechanism for redressal of investor grievances

The Registrar Agreement dated June 12, 2017 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda, Gachibowli,
Hyderabad – 500 032
Tel: 91 40-6716 2222
Fax: 91 40-2300 1153
Email: einward.ris@karvy.com
Investor Grievance Email: mahindrafinance.ncdipo2@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Registration Number: INR000000221
CIN: U74140TG2003PTC041636

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Arnavaz M. Pardiwalla
Company Secretary and Compliance Officer
Mahindra and Mahindra Financial Services Limited
Mahindra Towers, 4th Floor, Dr. G M. Bhosale Marg,
P K. Kurne Chowk, Worli, Mumbai –400 018
Tel: +91 22 22 6652 6000 (Board) / 6652 6017
Fax: +91 22 24984170/71
Email: investorhelpline_mmfs@mahindra.com
Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application amount etc.

Change in Auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) Fiscals preceding the date of this Shelf Prospectus.

Auditor Remarks

There are no reservations or qualifications or adverse remarks of auditors in respect of our Financial Statements in the last five financial years from the date of this Shelf Prospectus.

Details of overall lending by the Company as of March 31, 2017

1. Classification of loans/advances

a. Type of loans (₹ in lakhs)

Sr. No.	Type of loans	Amount	(%)
1.	Secured	40,23,745.88	95.55%
2.	Unsecured	1,87,344.21	4.45%
Total asset under management (AUM)		42,11,090.09	100%

b. Sectoral Exposure

Sr. No.	Segment	Percentage of AUM
1	Agriculture & allied activities/Auto	89.7%
2	MSME/Corporate borrowers	10.2%
3	Unsecured personal loans	0.0%
4	Other loans	0.0%
Total		100%

c. Denomination of loans outstanding by ticket size :

Sr. No.	Ticket Size	Percentage of AUM (%)
1.	Up to ₹ 2 Lakhs	8%
2.	₹ 2 to ₹ 5 Lakhs	46%
3.	₹ 5 to ₹ 10 Lakhs	30%
4.	₹10 to ₹ 25 Lakhs	9%
5.	₹ 25 to ₹ 50 Lakhs	2%
6.	Above ₹ 50 Lakhs	5%
Total		100%

d. Denomination of loan outstanding by LTV*:

(₹ in lakhs)

Sr. No.	LTV	Percentage of AUM (%)
1.	Up to 40%	1%
2.	40%-50%	2%
3.	50%-60%	5%
4.	60%-70%	11%
5.	70%-80%	26%
6.	80%-90%	38%
7.	Above 90%	17%
Total		100%

*LTV at the time of sanctioning

e. Geographical classification of borrowers

S. No	Top 5 states	Percentage of AUM
1.	Maharashtra	15%
2.	Uttar Pradesh	10%
3.	Madhya Pradesh	7%
4.	Bihar	6%
5.	Rajasthan	6%
Total		44%

f. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines

(i) Movement of Gross NPAs

Sr. No.	Particulars	Amount (in ₹ lakhs)
1.	Opening balance as of April 1, 2016	3,22,416.98
2.	Additions during the year	2,41,101.36
3.	Reductions during the year	1,45,251.93
4.	Closing balance as of March 31, 2017	4,18,266.41

(ii) Movement of provisions for NPAs (excluding provisions on standard assets)

Sr. No.	Particulars	Amount (in ₹ lakhs)
1.	Opening balance as of April 1, 2016	1,49,213.18
2.	Provisions made during the year	1,04,248.99
3.	Write-off / write back of excess provisions	60,015.54
4.	Closing balance as of March 31, 2017	1,93,446.63

g. Segment-wise gross NPA

Sr. No.	Sector	Percentage (%) of NPAs to Total Advances in that sector
1.	Agriculture & allied activities/Auto	10.4%
2.	MSME/Corporate borrowers	4.4%
3.	Unsecured personal loans	17.9%
4.	Other loans	0.0%

2. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (As of March 31, 2017)

(₹ in lakhs)

Particulars	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Deposits	17433.22	17319.05	21467.65	68664.62	90771.50	191168.19	31748.25	-	438572.48
Advances	299238.93	170423.06	164879.04	403218.09	675874.67	1751899.76	392398.33	1336.61	3859268.49
Reserves and surplus	-	-	-	-	-	-	-	636423.64	636423.64
Investments	27700.00	-	-	-	22500.00	4193.09	21001.32	113553.99	188948.40
Borrowings	76935.02	190000.00	63187.14	301157.14	313383.57	1412984.67	252182.45	342514.78	2952344.77
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	4863.75	14741.65	4863.75	-	27629.93	47460.87	-	-	99559.95

3. Concentration of Exposure and NPA as of March 31, 2017

Particulars	Amount (in ₹ lakhs)
Concentration of Exposures	
Total Exposure to twenty largest borrowers / customers	1,22,204.95
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	2.9%
Concentration of NPAs	
Total Exposure to top four NPA accounts	6122.71

Others

- a. Lending policy: For details on lending policy please see “Our Business – Our Operations – Lending Policy” on page 95 of this Shelf Prospectus.

- b. Classification of loans/advances given to associates, entities/person relating to the board, senior management, Promoter: Nil
- c. Our Company has not provided any loans/advances to “Group” entities.
- d. There has been no change in Promoter’s holding in the Issuer in the last financial year beyond the threshold prescribed by RBI, which as on the date of this Shelf Prospectus is 26%.

SECTION VII- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in “*Terms of the Issue*” on page 201 of this Shelf Prospectus.

The key common terms and conditions of the NCDs are as follows:

Issuer	Mahindra & Mahindra Financial Services Limited
Type of instrument/ Name of the security	Unsecured Subordinated Redeemable Non-Convertible Debentures
Nature of the instrument	Unsecured Subordinated Redeemable Non-Convertible Debenture
Nature of Indebtedness and Ranking / Seniority	Subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, the NCDs will be in the nature of subordinated debt and will be eligible for Tier II capital.
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, Axis Bank Limited, A. K. Capital Services Limited, Trust Investment Advisors Private Limited and Yes Securities (India) Limited
Debenture Trustee	Axis Trustee Services Limited
Depositories	NSDL and CDSL
Registrar	Karvy Computershare Private Limited
Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Total Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible investors	See the section titled “ <i>Issue Procedure – Who are eligible to apply for NCDs?</i> ” on page 215 of this Shelf Prospectus
Objects of the Issue	Please see “ <i>Objects of the Issue</i> ” on page 58 of this Shelf Prospectus
Details of utilization of the proceeds	See the section titled “ <i>Objects of the Issue</i> ” on page 58 of this Shelf Prospectus.
Interest rate	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issuance mode of the instrument	Demat
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual/ Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	The principal amount on the NCDs along with interest accrued on them as on the Redemption Date
Redemption premium/ discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Price (in ₹)	₹ 1,000 per NCD

Discount at which security is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put notification time.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face value	₹ 1,000 per NCD
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot/ Trading Lot	One
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The NCDs proposed to be issued under this Issue have been rated 'IND AAA'/ Outlook Stable' for an amount of ₹ 2,00,000 lakhs, by India Ratings <i>vide</i> their letters dated June 6, 2017 and June 27, 2017 and "BWR AAA, Outlook: Stable" for an amount of ₹ 2,00,000 lakhs, by BWR <i>vide</i> their letters dated June 7, 2017 and June 27, 2017. The rating of NCDs by India Ratings and BWR indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rationale for these ratings, see <i>Annexure A & B</i> of this Shelf Prospectus.
Listing	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closing Date.
Issue size	As specified in the respective Tranche Prospectuses
Modes of payment	Please see the section titled " <i>Issue Procedure – Terms of Payment</i> " on page 228 of this Shelf Prospectus.
Trading	In dematerialised form only
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date**	As specified in the relevant Tranche Prospectus for each Tranche Issue ** <i>The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or Bond Issue Committee thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by BSE.</i>
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the Redemption Date. In the event the Record Date falls on a Sunday or holidays of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date.
Issue documents	The Draft Shelf Prospectus, this Shelf Prospectus, the Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, Application Form, Abridged Prospectus and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Escrow Agreement, the Registrar Agreement, the Agreement with the Lead Managers and the Consortium Agreement. For further details please refer to " <i>Material Contracts and Documents for Inspection</i> " on page 246 of this Shelf Prospectus

Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
Events of default / cross default	See the section titled “ <i>Terms of the Issue – Events of Default</i> ” on page 202 of this Shelf Prospectus
Deemed date of Allotment	The date on which the Board of Directors or Bond Issue Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or duly authorised committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debentureholders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	See the section titled “ <i>Terms of the Issue – Trustee for the NCD holders</i> ” on page 201 of this Shelf Prospectus
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively
Working day convention	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.

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

*** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board or the Bond Issue Committee of the Board constituted by resolution of the Board dated October 25, 2016. In the event of such early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE.*

SPECIFIC TERMS FOR EACH SERIES OF NCDs

As specified in the relevant Tranche Prospectus.

Terms of payment

The entire face value per NCDs is payable on application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with the terms of the respective Tranche Prospectus.

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

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

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

For further details, see the section titled “*Issue Procedure*” on page 214 of this Shelf Prospectus.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on October 25, 2016. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' *vide* their resolution dated June 15, 2017.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, this Shelf Prospectus, Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute unsecured and subordinated obligations of our Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the NCD holders shall be subordinated to those of the other creditors of our Company, subject to applicable statutory and/or regulatory requirements. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the NCDs as Tier II capital.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-1A of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the outstanding value of the NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

Face Value

The face value of each NCD shall be ₹ 1,000

Trustees for the NCD Holders

We have appointed Axis Trustee Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers,

authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

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

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

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

Rights of NCD Holders

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

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, this Shelf Prospectus, the respective Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory

requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. A register of NCD Holders holding NCDs in physical form (“**Register of NCD Holders**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
6. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of the Draft Shelf Prospectus, this Shelf Prospectus, the respective Tranche Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

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

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

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

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

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

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

NCDs being issued through this Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Companies Act, 2013 shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

Please see “*Issue Structure – Interest*” on page 197 of this Shelf Prospectus for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

For NCDs held in electronic form:

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

In case the transferee does not have a DP account, the transferor can re-materialise the NCDs and thereby convert his dematerialized holding into physical holding and then transfer alongwith securities transfer form.

In case the recipient of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Title

In case of:

- (i) the NCDs held in the dematerialized form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and
- (ii) the NCDs held in physical form, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company’s shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

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

Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any requirements of the RBI and/or as provided in our Articles of Association. Please refer to the section titled “*Main Provisions of the Articles of Association of our Company*” on page 241 of this Shelf Prospectus.

Period of Subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium or the Trading Members of the Stock Exchange, as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Consortium or the Trading Members of the Stock Exchange, as the case maybe, only at the Selected Cities. On the Issue Closing Date Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m

(Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Consortium or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

Interest

As specified in the relevant Tranche Prospectus.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

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

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated on page 5 of this Shelf Prospectus, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention:

Interest shall be computed on an actual / actual basis on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments:

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

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

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

Interest on Application Amount

Interest on application amounts received which are used towards allotment of NCDs:

Our Company shall pay interest on application amount on the amount allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicants to whom NCDs are allotted pursuant Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment at the rate as specified in the relevant Tranche Prospectus. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the BSE upto one day prior to the Deemed Date of Allotment.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment/ NCD Certificates at the sole risk of the Applicant, to the sole/first Applicant.

The rate of interest on application amounts received which are used towards allotment of NCDs is as specified in the relevant Tranche Prospectus.

Interest on application amounts received which are liable to be refunded:

Our Company shall pay interest on application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicants to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment at the rate as specified in the relevant Tranche Prospectus. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts which are liable to be refunded from three Working Days from the date of upload of each Application on the electronic Application platform of the BSE upto one day prior to the Deemed Date of Allotment, at the rate as specified in the relevant Tranche Prospectus. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

The rate of interest on application amounts received which are liable to be refunded is as specified in the relevant Tranche Prospectus(es).

In the event our Company does not receive a minimum subscription, as specified in the relevant Tranche Prospectus on the date of closure of the Issue, our Company shall pay interest on application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) or 3 (three) days from the date of receipt of the application (being the date of upload of each application on the electronic platform of the Stock Exchange) whichever is later and

upto the date of closure of the Issue at the rate of 15% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) to the account of the Applicants, other than ASBA Applicants, as mentioned in the depository records along with the Letter(s) of Refund at the sole risk of the applicant, to the sole/first applicant

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please refer to “**Rejection of Application**” at page 233 of this Shelf Prospectus.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Put / Call Option

As specified in the relevant Tranche Prospectus.

Application Size

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) as specified in the relevant Tranche Prospectus.

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

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Shelf Prospectus. For further details please refer to the paragraph on “**Interest on Application Amount**” on page 207 of this Shelf Prospectus.

Manner of Payment of Interest / Refund

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

For NCDs applied / held in electronic form:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant’s sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

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

1. **Direct Credit:** Investors having their bank account with the Refund Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.
2. **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a

cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. **RTGS:** Applicants having a bank account with a participating bank and whose interest payment / refund / redemption amount exceeds ₹ 2 lakhs, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.
4. **NEFT:** Payment of interest / refund / redemption shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/refund/redemption will be made to the Applicants through this method.
5. **Registered Post/Speed Post:** For all other Applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor's sole risk. Bank charges, if any, for cashing such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of NCDs. Applicants who have applied for Allotment of NCDs in dematerialized form, the Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received from the Depositories. The Demographic Details would be used for mailing of the physical refund orders. Investors who have applied for NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of refund to the investors at their sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the investors.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any

loans against the security of its NCDs.

Buy Back of NCDs

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

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para “*Payment on Redemption*” given below.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form:

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

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

Our liability to holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from

the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

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

NCDs held in electronic form:

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

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

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

Issue of Duplicate NCD Certificate(s)

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

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

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

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

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and

conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the relevant Tranche Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Tranche Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

In terms of the SEBI circular dated June 17, 2014, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date, the entire subscription amount shall be refunded to the Applicants within 12 Days from the date of closure of the Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Utilisation of Application Amount

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

Utilisation of Issue Proceeds

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

monies have been invested.

- d) We shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; and (ii) receipt of listing and trading approval from BSE.
- e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

Events of Default

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

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

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of this Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the relevant Tranche Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Listing

The NCDs offered through this Shelf Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated June 28, 2017. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 12 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

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

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants should note that the ASBA process involves application procedures which may be different from the procedures applicable to Applicants who apply for NCDs through any of the other channels, and accordingly should carefully read the provisions applicable to ASBA Applications hereunder. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the Designated Branches of the SCSBs.

ASBA Applicants should note that they may submit their ASBA Applications to the Consortium or Lead Managers, or Trading Members of the Stock Exchange only in the Specified Cities or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Lead Manager, Consortium or Trading Members of the Stock Exchange at the centres mentioned in the Application Form. For further information, please refer to “Submission of Completed Application Forms” on page 230 of this Shelf Prospectus.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Shelf Prospectus.

Please note that this section has been prepared based on the Debt Application Circular issued by SEBI. The following Issue procedure is subject to the functioning and operations of the necessary systems and infrastructure put in place by the Stock Exchange for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Direct Online Applications through the online platform and online payment facility to be offered by the Stock Exchange and is also subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE.

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

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

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

Please note that there is a single Application Form for ASBA Applicants as well as Non-ASBA Applicants who are Persons Resident in India.

Physical copies of the abridged Shelf Prospectus containing the salient features of the Shelf Prospectus, the respective Tranche Prospectus together with Application Forms may be obtained from:

- (a) Our Company’s Registered Office and Corporate Office;
- (b) Offices of the Lead Managers;
- (c) Trading Members; and
- (d) Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number (“UAN”) will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Shelf Prospectus, the respective Tranche Prospectus and Application Form can be obtained from our Company’s Registered and Corporate Office, as well as offices of the Lead Managers. Electronic copies of the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus will be available on the websites of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

Who are eligible to apply for NCDs?

The following categories of persons are eligible to apply in the Issue:

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Net-worth Individual, (“HNIs”), Investors	Retail Individual Investors
<ul style="list-style-type: none"> • Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Venture Capital Funds/ Alternative Investment Fund 	<ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and Regional Rural Banks; • Public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which 	<ul style="list-style-type: none"> Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10.00 lakhs across all series of NCDs in Issue 	<ul style="list-style-type: none"> Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10.00 lakhs across all series of NCDs in Issue

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Net-worth Individual, (“HNIs”), Investors	Retail Individual Investors
<ul style="list-style-type: none"> registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual Funds registered with SEBI. 	<ul style="list-style-type: none"> are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons 		

Note: All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNIs and Retail Individual Investors who are eligible under applicable laws to hold the NCDs are collectively referred to as “Individuals”.

All categories of entities, associations, organizations, societies, trusts, funds, partnership firms, Limited Liability Partnerships, bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors are collectively referred to as “Non Individuals”.

Please note that it is clarified that Persons Resident Outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- c) Persons resident outside India and other foreign entities;
- d) Foreign Institutional Investors;
- e) Foreign Portfolio Investors;
- f) Foreign Venture Capital Investors;
- g) Qualified Foreign Investors;
- h) Overseas Corporate Bodies; and
- i) Persons ineligible to contract under applicable statutory/regulatory requirements.

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

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

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

No offer to the public (as defined under Directive 2003/71/EC, together with any amendments and implementing measures thereto, the “**Prospectus Directive**”) has been or will be made in respect of the Issue or otherwise in respect of the NCDs, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a “**Relevant Member State**”) except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the NCDs.

Please refer to “**Rejection of Applications**” on page 233 of this Shelf Prospectus for information on rejection of Applications.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

- (a) ASBA Applications through the Consortium or Lead Managers, or the Trading Members of the Stock

Exchange only in the Specified Cities (namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) (“**Syndicate ASBA**”). For further details please refer to “**Submission of ASBA Applications**” on page 221 of this Shelf Prospectus;

- (b) ASBA Applications through the Designated Branches of the SCSBs. For further details please refer to “**Submission of ASBA Applications**” on page 221 of this Shelf Prospectus; and
- (c) Non-ASBA Applications through the Consortium or Lead Managers or the Trading Members of the Stock Exchange at the centres mentioned in Application Form. For further details please refer to “**Submission of Non-ASBA Applications (other than Direct Online Applications)**” on page 222 of this Shelf Prospectus.

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI Circular 2016, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

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

Application by Systemically Important Non- Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

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

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

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

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

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

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions; (iv) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its**

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

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as non-ASBA Applications) online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of ASBA Applications

Applicants can also apply for NCDs using the ASBA facility. ASBA Applications can be submitted through either of the following modes:

- a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.
- b) Physically through the Consortium, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Upon receipt of the Application Form by the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public

Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Tranche Prospectus is made available on their websites.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to “**General Information – Issue Programme**” on page 49 of this Shelf Prospectus.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. **Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.**

Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Non-ASBA Applications (Other than Direct Online Applications)

Applicants must use the specified Application Form, which will be serially numbered, bearing the stamp of the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, at the centers mentioned in the Application Form along with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.** The Stock Exchange may also provide Application Forms for being downloaded and filled. Accordingly the investors may download Application Forms and submit the completed Application Forms together with cheques/ demand drafts to the Lead Managers, Consortium Members or Trading Member of the Stock Exchange at the centers mentioned in the Application Form. On submission of the complete Application Form, the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, will upload the Application Form on the electronic system provided by the Stock Exchange, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft shall be forwarded to the Escrow Collection Banks for realization and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with:

- (a) any cancellation/ withdrawal of their Application;
- (b) queries in connection with allotment and/ or refund(s) of NCDs; and/or
- (c) all investor grievances/ complaints in connection with the Issue.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, this Shelf Prospectus the abridged Tranche Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms

by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.

- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- All Applicants are required to tick the relevant box of the “Mode of Application” in the Application Form choosing either ASBA or Non-ASBA mechanism.
- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Lead Managers, Trading Member of the Stock Exchange, Escrow Collection Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

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

B. Applicant’s Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant’s name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition (“MICR”) Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants’ sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. **Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead**

Managers, Trading Members of the Stock Exchange, Escrow Collection Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

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

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of ₹ 10,000 (10 NCDs) and in multiples of ₹ 1,000 (1 NCD) thereafter as specified in the relevant Tranche Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 lakhs shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two

or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
5. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Lead Manager or Trading Members of the Stock Exchange, as the case may be, for Applications other than ASBA Applications.
6. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
7. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
8. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
9. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
10. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
11. Ensure that the Applications are submitted to the Lead Managers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "**General Information – Issue Programme**" on page 49 of this Shelf Prospectus.
12. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
13. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
14. **Permanent Account Number:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
16. Applicants (other than ASBA Applicants) are requested to write their names and Application serial number on the reverse of the instruments by which the payments are made;

17. All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form; and
18. Tick the series of NCDs in the Application Form that you wish to apply for.

The RBI has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and non-CTS 2010 instruments in the three CTS grid locations.

SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 stipulating the time between closure of the Issue and listing at 12 Working Days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest;
3. Do not send Application Forms by post; instead submit the same to the Consortium, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without the full Application Amount;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
13. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases; and
14. Do not make an application of the NCD on multiple copies taken of a single form.

Additional Instructions Specific to ASBA Applicants

Do's:

1. Check if you are eligible to Apply under ASBA;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that you tick the ASBA option in the Application Form and give the correct details of your ASBA Account including bank account number/ bank name and branch;
4. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
5. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>);
6. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised

- solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.
7. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
 8. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;
 9. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
 10. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Manager or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.

Don'ts:

1. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
2. Do not submit the Application Form to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
3. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
4. Do not submit more than five Application Forms per ASBA Account.

Kindly note that ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Please refer to “*Rejection of Applications*” on page 233 of this Shelf Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

Payment mechanism for ASBA Applicants

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically

enabled mechanism for application and blocking of funds in the ASBA Account.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allocable to the successful ASBA Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open an Escrow Account with each of the Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall draw the cheque or demand draft in respect of his or her Application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account(s). All cheques/ bank drafts accompanying the Application should be crossed "A/c Payee only" for eligible Applicants must be made payable to the account details as specified in the relevant Tranche Prospectus. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.**

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement and this Shelf Prospectus.

The Escrow Collection Banks will act in terms of the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s) provided that our Company will have access to such funds only after receipt of minimum subscription as described in relevant Tranche Prospectus, receipt of final listing and trading approval from the Stock Exchange and execution of the Debenture Trust Deed.

The balance amount after transfer to the Public Issue Account(s) shall be transferred to the Refund Account. Payments of refund to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement, this Shelf Prospectus and the relevant Tranche Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Applicants.

Each Applicant shall draw a cheque or demand draft mechanism for the entire Application Amount as per the following terms:

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.
2. The Applicants shall, with the submission of the Application Form, draw a payment instrument for the

Application Amount in favour of the Escrow Accounts and submit the same along with their Application. If the payment is not made favouring the Escrow Accounts along with the Application Form, the Application is liable to be rejected by the Escrow Collection Banks. Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn as specified in the relevant Tranche Prospectus.
4. The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) till the Designated Date.
5. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s) with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.
6. Payments should be made by cheque or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques, post dated cheques and cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/ money orders/ postal orders will not be accepted. Please note that cheques without the nine digit Magnetic Ink Character Recognition ("MICR") code are liable to be rejected.
7. Applicants are advised to provide the Application Form number on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.
8. Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using <u>physical Application Form</u> , (a) to the Lead Managers or Trading Members of the Stock Exchange only at the Specified Cities (" Syndicate ASBA "), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using <u>electronic Application Form</u> , to the SCSBs, electronically through internet banking facility, if available.
Non-ASBA Applications	The Lead Managers or Trading Members of the Stock Exchange at the centres mentioned in the Application Form.

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Consortium / Trading Members of Stock Exchange will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Consortium or Trading Members of the Stock Exchange only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

For information on the Issue programme and timings for submission of Application Forms, please refer to “**General Information – Issue Programme**” on page 49 of this Shelf Prospectus.

Applicants other than ASBA Applicants are advised not to submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Electronic Registration of Applications

- (a) The Consortium, Trading Members of the Stock Exchange and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange. **The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Consortium, Trading Members of the Stock Exchange, Escrow Collection Banks or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Consortium, Trading Members of the Stock Exchange and the SCSBs during the Issue Period. The Lead Managers and Trading Members of the Stock Exchange can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to “**General Information – Issue Programme**” on page 49 of this Shelf Prospectus.
- (c) At the time of registering each Application, other than ASBA Applications and Direct Online Applications, the Consortium, or Trading Members of the Stock Exchange shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number

- PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Application amount
 - Cheque number
- (d) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- (e) With respect to ASBA Applications submitted to the Consortium, or Trading Members of the Stock Exchange only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location of Specified City
 - Application amount
- (f) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (g) Applications can be rejected on the technical grounds listed on page 233 of this Shelf Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (h) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance

with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

- (i) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment. The Consortium, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Consortium, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed on page 233 of this Shelf Prospectus below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

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

- i. Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- ii. Applications submitted without payment of the Application Amount;
- iii. Number of NCDs applied for being less than the minimum Application size;
- iv. Application Amount paid being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- v. Applications where a registered address in India is not provided for the Applicant;
- vi. In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a Limited Liability Partnership firm can apply in its own name;
- vii. Investor Category in the Application Form not being ticked;
- viii. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants;
- ix. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- x. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- xi. DP ID and Client ID not mentioned in the Application Form;
- xii. GIR number furnished in the Application Form instead of PAN;
- xiii. Applications by OCBs;
- xiv. Applications for an amount below the minimum application size;
- xv. Submission of more than five ASBA Forms per ASBA Account;
- xvi. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- xvii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- xviii. Applications accompanied by Stockinvest/ money order/ postal order/ cash;
- xix. Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- xx. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- xxi. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application

- Form.
- xxii. ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
 - xxiii. Application Forms submitted to the Lead Managers, or Trading Members of the Stock Exchange does not bear the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Lead Managers, or Trading Members of the Stock Exchange, as the case may be;
 - xxiv. ASBA Applications not having details of the ASBA Account to be blocked;
 - xxv. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
 - xxvi. For Applications for Allotment in dematerialised form, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
 - xxvii. With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
 - xxviii. SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
 - xxix. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
 - xxx. Applications where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
 - xxxi. Authorization to the SCSB for blocking funds in the ASBA Account not provided;
 - xxxii. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
 - xxxiii. Applications by any person outside India;
 - xxxiv. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
 - xxxv. Applications not uploaded on the online platform of the Stock Exchange;
 - xxxvi. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
 - xxxvii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Shelf Prospectus and as per the instructions in the Application Form, this Shelf Prospectus and the relevant Tranche Prospectus;
 - xxxviii. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
 - xxxix. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
 - xl. ASBA Applications submitted to the Consortium, or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
 - xli. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number;
 - xlii. Applications tendered to the Trading Members of the Stock Exchange at centers other than the centers mentioned in the Application Form;
 - xliii. Investor Category not ticked; and/or
 - xliv. Application Form accompanied with more than one cheque.
 - xlv. In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
 - xlvi. Forms not uploaded on the electronic software of the Stock Exchange.
 - xlvii. ASBA Application submitted directly to escrow banks who aren't SCSBs.
 - xlviii. Payment made through non CTS cheques may be liable to be rejected due to any clearing delays to avoid any delay in the timelines in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011.
 - xliv. Applications for the allotment of NCDs in dematerialized form providing an inoperative demat account

number.

1. Non-ASBA Applications accompanied by more than one payment instrument.

Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please refer to “*Information for Applicants*” on page 235 of this Shelf Prospectus.

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Lead Managers, and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar’s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications, the basis of allotment will be based on the Registrar’s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

As specified in the relevant Tranche Prospectus.

Allocation Ratio

Reservations shall be made for each of the Portions as specified relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/ give instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/ Allotment of NCDs.

The Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds.

For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses of Applicants, as per the Demographic Details received from the Depositories.

The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
2. NACH – Payment of refund would be done through NACH for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2 lakhs, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (IFSC). Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post or Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

With respect to Applicants other than ASBA Applicants, our Company shall (i) ensure dispatch of Allotment Advice/ intimation within 12 Working Days of the Issue Closing Date, and (ii) give instructions for credit of NCDs to the beneficiary account with Depository Participants, for successful Applicants who have been allotted NCDs in dematerialized form, within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants who have been allotted NCDs in dematerialized form will be mailed to their addresses as per the Demographic Details received from the Depositories.

With respect to the ASBA Applicants, our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful ASBA Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 12 Working Days from the Issue Closing Date.

Allotment Advices shall be issued or Application Amount shall be refunded within fifteen days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period

Our Company will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their ASBA Applications during the Issue Period by submitting a request for the same to the Consortium, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Lead Manager, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications (other than Direct Online Applications)

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Consortium, or Trading Member of the Stock Exchange, as the case may be, through whom the Application had been placed. Upon receipt of the request for withdrawal from the Applicant, the relevant Lead Manager, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn Non-ASBA Application Form from the electronic system of the Stock Exchange.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Revision of Applications

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

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

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

- i. Agreement dated December 16, 2005 between us, the Registrar to the Issue and NSDL, and dated December 5, 2005, between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the investors.
- ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- vi. It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.
- vii. Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- viii. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form only.

Please also refer to "*Instructions for filling up the Application Form - Applicant's Beneficiary Account and Bank Account Details*" on page 223 of this Shelf Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL

BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

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

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchange or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on application amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

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

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilized.
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Shelf Prospectus and on receipt of the minimum subscription of 75% of the Base Issue Size and receipt of listing and trading approval from the Stock Exchange.
- (f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (g) Undertaking by our Company for execution of Debenture Trust Deed.

Other Undertakings by our Company

Our Company undertakes that:

- (a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
 - (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
 - (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date;
 - (d) Funds required for dispatch of refund orders/Allotment Advice/NCD Certificates will be made available by our Company to the Registrar to the Issue;
 - (e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
 - (f) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;
- and
- (g) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Shelf Prospectus and the relevant Tranche Prospectus.

SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

The main provisions of the AOA relating to the issue and allotment of debentures and matters incidental thereto have been set out below. Please note that each provision herein below is numbered as per the corresponding article number in the AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term “Article” hereunder means the corresponding article contained in the AOA.

Clause (2) of Article 6 provides that the Company shall be entitled to issue, offer and allot fresh and further shares, Debentures and other Securities in dematerialised form pursuant to and in accordance with the provisions under the Depositories Act and it shall also be entitled to dematerialise its existing shares, debentures and other Securities, subject to the provisions of the Companies Act, 2013. In this connection, the Company shall comply with all the applicable provisions of the Depositories Act.

Article 9 provides that the Company by a Resolution in General Meeting may from time to time, increase its Share Capital by the creation of further Shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Companies Act, 2013, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given as the Board shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company, and with a right of voting at General Meetings of the Company.

Article 15 provides that notwithstanding anything contained in the AOA but subject to the provisions of Section 68 and 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other securities.

Article 16 provides that the Company may, subject to the provisions of Sections 52, 55 and 66 and other applicable provisions (if any) of the Act, from time to time by Special Resolution reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power that the Company would have, if it were omitted.

Nothing in this article shall apply to Buy-Back of its own securities by the Company under Section 68 of the Act.

Article 17 provides that subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time:

Clause (a) of Article 17 Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;

Clause (b) of Article 17 Sub-divide its shares, or any of them into shares of smaller amount so however, that in the sub-division the proportion between amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived;

Clause (c) of Article 17 Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

Article 20 provides that subject to the provisions of the Act, the Board shall have the power to issue or re-issue equity shares with differential rights as to dividend, voting or otherwise in accordance with the provisions of the Act and Rules made thereunder.

Article 22 provides that the Company shall cause to be kept a register and index of Members, debenture holders and other security holders (if any) in the form and manner provided under Section 88 of the Act and Rules made pursuant thereto and also a Register of Renewed and Duplicate Certificates. It shall give inspection of the Registers, Indexes, returns and copies of certificates and other documents referred to in Section 94 of the Act and furnish a copy thereof as provided in the said Section. The Company may keep in any State or Country outside India a “foreign register” of Members or debenture holders, other security holders resident in that State or Country. The provisions of Section 88 of the Act shall apply thereto.

Clause (a) of Article 26 provides that subject to the applicable provisions of Section 56 of Act, and in case of fresh issue of shares subject to applicable provisions of Section 29 of the Act, the Company shall, keep ready for

delivery, the Certificates of all shares, the debentures and debenture stock allotted or transferred, within prescribed time, under the applicable law, after the allotment of any of its shares, debentures or debenture stock, or after the application for the registration of the transfer or transmission of any such shares, debentures, or debenture stock, the certificate of all shares, debentures, and or debenture stock as the case may.

Clause (e) of Article 26 provides that every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with the Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required certificates of the securities.

Clause (f) of Article 26 provides that if a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, on receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.

Article 27 provides that a certificate may be renewed or a duplicate of a certificate may be issued by the Company if such certificate (a) is proved to have been lost or destroyed or (b) having been defaced or mutilated or torn is surrendered to the Company. The Company shall comply with the rules as may be prescribed regarding the manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate (original or renewed) or of a duplicate thereof, the particulars to be entered in the Register of Members or in the Register of Renewed or Duplicate Certificates, the form of such Registers, the fee on payment of which, the terms and conditions, if any, (including terms and conditions as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the company in investigating evidence) on which a certificate may be renewed or a duplicate thereof may be issued.

Article 30 provides that the Company shall not give whether directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company, save as provided by Section 67 of the Act.

Article 36 provides that the Board may, from time to time, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call (in accordance with Section 49 of the Act) as it may think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Article 59 provides that the Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that Article 29 hereof is to have full effect and such lien shall extend to all dividends/interests and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

Article 66 provides that subject to the provision of the Act, and these Articles, no transfer of shares in, or debentures of the Company shall be registered, unless a proper instrument of transfer duly stamped and in the form as prescribed under the rules made under sub-section (1) of Section 56 of the Act and has been delivered to the Company along with the Certificate relating to the shares or debentures or if no such certificate is in existence, along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in the respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

Article 67 provides that in the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

Article 68 provides that the instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 of the Act and any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and of the registration thereof. However, the provisions relating to instrument of transfer shall not apply to the shares/debentures of the Company which have been dematerialised.

Provided that in respect of shares held in dematerialised form, the Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of shares on behalf of the Beneficial Owner.

Article 69 provides that no fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

Clause (1) of Article 70 provides that the Board may, subject to the right of appeal conferred by Section 58 of the Act, and Section 22A of Securities Contracts (Regulation) Act, 1956 at its own, absolute and uncontrolled discretion and by giving reason(s), decline to register or acknowledge any transfer of any shares, or interest of a Member in, or debentures in the Company to any person of whom it does not approve and in particular, if any arrangement or contract between two or more persons in respect of transfer of securities is found not enforceable may so decline in any case in which the Company has lien upon the shares or any of them. The registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee but so far only as regards the share or shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the Board from declining to register any subsequent or other transfer or other shares applied for in the name of such transferee.

Article 75 provides that the Board may after giving not less than seven days previous notice by advertisement in some newspaper circulating in Mumbai as required by Section 91 of the Act, close the Register of Transfer and Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45 (forty-five) days in each year, but not exceeding 30 days at any one time.

Article 76 provides that in the case of death of any one or more of the persons named in the Register of Members as joint shareholders of any share, the survivor(s) shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estates of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

Article 77 provides that the heir, executor or administrator of a deceased shareholder shall be the only person recognised by the Company as having any title to his shares and the Company shall not be bound to recognise such heir, executor or administrator unless shall have first obtained probate or letters of administration or succession certificate.

Article 78 provides that subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of death, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him, and approved by the Board, registered as such holder provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

Article 79 provides that the Board shall, subject to the provisions of Article 70 hereof, have the same right to refuse to register a person entitled by transmission to any share, or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

Article 82 provides that the certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures.

Article 89 provides that subject to the provisions of Section 179, 180 and 181 of the Act, the Board may, from time to time at its discretion accept deposits from Members or from the public, either in advance of calls or

otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves, the Board shall not borrow such money's without the consent of the Company in General Meeting.

Article 90 provides that subject to the provisions of the previous Article the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a Resolution passed at a meeting of the Board (and not by a circular resolution) including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and debenture-stock and other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

Article 91 provides that any issue of debentures, debenture stock, bonds or other securities shall be governed by Section 71 of the Act. This Article and Article 90 shall be subject to the said provisions. In the case of the Company giving a charge on any of its property, the provisions of Sections 2(16), 77 to 87 of the Act shall apply thereto. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

Article 92 provides that the Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of the mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirement of Sections 71, 77 and 79 to 85 (both inclusive) of the Act in that behalf to be duly complied with.

Article 93 provides that the Company shall, if at any time issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India a branch of Register of Debenture holders resident in that state or country.

Article 146 states that if it is provided by the trust deed securing or otherwise in connection with any issue of Debentures of the company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be bound to hold any qualification shares. A Debenture Director shall not be liable to retire by rotation.

Clause (1) of Article 163 provides that the Company may by ordinary resolution remove a Director not being a Nominee Director or a Debenture Director and not being a Director appointed by the Central Government in pursuance of the Act before the expiry of his period of office.

Clause (c) of Article 175 provides that the Board shall not, except with the consent of the Company in general meeting borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose provided further that the powers specified in Section 180 of the Act, shall subject to these Articles be exercised only at meeting of the Board unless the same be delegated to the extent stated.

Clause (3) of Article 177 provides that without prejudice to the general powers conferred by Article 174 and the other powers conferred by these Articles and Section 179 of the Act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the power at its discretion and subject to the provisions of the Act, to pay for any property, right or privileges, acquired by or for services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, debenture stock or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the

property of the Company including its uncalled capital or not so charged.

Clause (19) of Article 177 provides that without prejudice to the general powers conferred by Article 174 and the other powers conferred by these Articles and Section 179 of the Act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the power before recommending any dividend, to set aside out of the profits of the Company such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in clause 17 and 18 of Article 177) as the Board of Directors may in its absolute discretion think conducive to the interest of the Company, and subject to the Act to invest the several sums so set aside or so much thereof as is required to be invested upon such investments (other than shares of the Company) as it may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board of Directors, in its absolute discretion thinks conducive to the interests of the Company, notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the general reserve fund into such special funds as the Board may decide to transfer the whole or any portion of the reserve fund or division of a reserve fund to another reserve fund and with full power to employ the assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds interest at such rates as the Board of Directors may think proper.

Clause (1) Article 211 provides that a copy of every such Financial Statement so audited (including the auditor's report and every other document required by the Act to be annexed or attached to the balance sheet) shall at least twenty one days before the meeting at which the same are to be laid before the Members be sent to the Members of the Company, to the trustees for the holders of Debentures and to all persons entitled to receive notice of general meetings of the Company.

Clause (2) Article 211 provides that if and as long as the Company's shares are listed on a recognised stock exchange and subject to the provisions of Section 136 of the Act, it shall be sufficient compliance with clause (1) of this Article if the copies of documents referred to in Clause (1) are made available for inspection at the Company's registered office during working hours for a period of twenty-one days before the date the meeting and a statement containing the salient features of such documents in the prescribed form or copies may deem fit, is or are sent, not less than twenty-one days before the date of the meeting to every Member of the Company and to every trustee for the holders of Debentures issued by the Company.

SECTION IX- MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Corporate Office of our Company situated at 4th Floor, Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400018, Maharashtra between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under the respective Tranche Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated June 19, 2017 between our Company and the Lead Managers.
2. Registrar Agreement dated June 12, 2017 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated June 13, 2017 executed between our Company and the Debenture Trustee.
4. Undertaking by our Company dated June 19, 2017 for execution of Debenture Trust Deed.
5. Tripartite agreement dated December 5, 2005 among our Company, the Registrar and CDSL.
6. Tripartite agreement dated December 16, 2005 among our Company, the Registrar and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated January 1, 1991, issued by Registrar of Companies, Mumbai.
3. Certificate of Registration as an NBFC from the RBI dated September 4, 1998 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934.
4. Copy of shareholders resolution dated June 15, 2017, under section 180 (1) (c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated October 25, 2016, approving the issue of NCDs.
6. Copy of the resolution passed by Bond Issue Committee at its meeting held on dated June 19, 2017 approving the Draft Shelf Prospectus.
7. Copy of the resolution passed by Bond Issue Committee at its meeting held on dated June 29, 2017 approving the Shelf Prospectus.
8. Letters dated June 7, 2017 and June 27, 2017 by BWR assigning a rating of 'BWR AAA, Outlook: Stable' to the long term borrowing programme of our Company.
9. Letters dated June 6, 2017 and June 27, 2017 by India Ratings assigning a rating of 'IND AAA'/ Stable Outlook to the long term borrowing of our Company.
10. Consents of the Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Lead Managers, Legal Advisor to the Issue, Registrar to the Issue, the Debenture Trustee for the NCDs, CRISIL and Credit Rating Agencies to include their names in this Shelf Prospectus, in their respective capacities.
11. Consent of the Statutory Auditors of our Company, for inclusion of their name and the report on the Reformatted Financial Statements in the form and context in which they appear in this Shelf Prospectus and their statement on tax benefits mentioned herein.
12. The examination report dated June 19, 2017 in relation to the Reformatted Financial Statements included therein.
13. Statement of tax benefits dated June 19, 2017 issued by our Statutory Auditors.
14. Annual Report of our Company for the last five Fiscals.
15. In-principle listing approval from BSE by its letter no. DCM/BM/PI-BOND/1/17-18 dated June 28, 2017.
16. Due Diligence Certificate dated June 29, 2017 filed by the Lead Managers with SEBI.
17. ESOP Schemes.

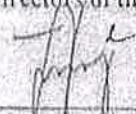
Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debentureholders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify & declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 1956 as amended, relevant provisions of Companies Act, 2013, as amended and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Shelf Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Shelf Prospectus.

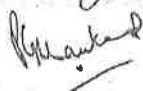
We further certify that all the disclosures and statements in this Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and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

Signed by the Board of Directors of the Company

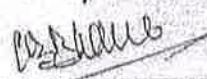

Mr. Dhunanjay Narendra Mungale, Chairman & Independent Director



Mr. Ramesh Iyer, Vice-Chairman & Managing Director



Mr. Manohar Gopal Bhide, Independent Director

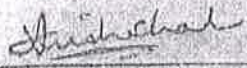

Mr. Piyush Gunwantrao Mankad, Independent Director


Ms. Rama Bijapurkar, Independent Director


Mr. Chandrashekhar Bhawe, Independent Director


Mr. V S Parthasarathy, Non-Executive Director


Mr. Ravi Venkatraman, Executive Director & Chief Financial Officer


Dr. Anish Shah, Non-Executive Director

Mr. Dinesh Prajapati

VP - Treasury & Corporate Affairs,
Mahindra & Mahindra Financial Services Limited,
4th Floor, Mahindra Towers,
Dr. G.M. Bhosale Marg, Worli,
Mumbai -400018

June 6, 2017

Dear Mr. Prajapati,

Re: Mahindra & Mahindra Financial Services Limited (MMFSL)

India Ratings (see definition below) assigns the following rating of MMFSL:-

INR30bn (enhanced from INR10bn) retail subordinated debt: 'IND AAA'/ Outlook Stable

Out of the above rated amount, INR10bn of retail subordinated debt is outstanding.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the

website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

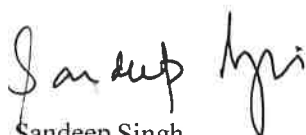
Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at 91 22 4000 1700.

Sincerely,

India Ratings



Sandeep Singh
Senior Director



Abhishek Bhattacharya
Director

India Ratings Assigns Mahindra & Mahindra Financial Services' Additional Retail Subordinated Debt 'IND AAA'; Outlook Stable

29

By [Pankaj Naik](#)

MAY 2017

India Ratings and Research (Ind-Ra) has assigned Mahindra and Mahindra Financial Services Limited's (MMFSL) additional retail subordinated debt ratings as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Retail subordinated debt	-	-	-	INR20,000	IND AAA/Stable	Assigned

KEY RATING DRIVERS

Core to Parent's Business: The ratings reflect the credit strength of MMFSL's parent Mahindra & Mahindra Limited (M&M; '[IND AAA/Stable](#)'; holds a 51.2% stake) and factors in Ind-Ra's expectation of strong, timely financial support to MMFSL from M&M, if required. Ind-Ra considers MMFSL to be core to M&M's operations, as it supports a substantial proportion of the parent's business. M&M has articulated that MMFSL's business remains aligned with that of the parent, and that it remains committed to providing support, if required.

MMFSL is the largest financier of M&M's vehicles, given it provides financing for about a quarter of M&M's total sales. MMFSL has high rural penetration and provides finance largely to customers with a weak credit profile that may not otherwise be targeted by other financiers. Therefore, in Ind-Ra's opinion, it is crucial to M&M's sales of rural and semi-urban products (tractors, pick-up vans and others). MMFSL shares its parent's brand name and has strong operational linkages with it. M&M's CFO is on the board of MMFSL, solidifying the linkages with the parent. The business plans of MMFSL are formulated after considering M&M's strategies and are in alignment with the latter's plans. Ind-Ra has factored in the possible support to MMFSL while arriving at M&M's ratings. M&M generally maintains sufficient liquidity to cover the debt obligations of both M&M and MMFSL payable over one quarter.

Comfortable Liquidity and Resource Profile: Asset liability tenors are well matched, although this has to be seen in the light of a significant part of loan portfolio being in overdue buckets. The company's borrowings are well-diversified among capital markets and banks, and it maintains reasonable amount of unutilised bank lines.

Asset Quality Under Pressure: The current delinquencies, although marginally improved continues to remain under pressure, partly on account of two consecutive droughts in FY15 and FY16. Loan portfolio grew 16% in FY17 higher than the growth exhibited in the past two years; however, the complete recovery in the environment is yet to be seen. Lack of economic revival in few states may continue to exert pressure on MMFSL's asset quality. The demonetisation event in 3QFY17 had an impact on cash collections. In 4QFY17, gross non-performing assets (120+ days past due) stood at 9.9% (FY16: 8.9%), credit cost remained at elevated levels of 3.3% (3.0%) and operating profit buffers were subdued at 1.4x (1.9x). With a focus on growing its used assets portfolio, yields are expected to improve; however, the ability to control credit cost would determine the profitability.

Although, an improvement in the cash levels and expected revival in rural economic activities, both on account of normal monsoon and increased government spend on rural activities (government has budgeted 24% increase in rural spending for FY18), should help in containing incremental delinquencies in FY18. However, the headline number is likely to remain elevated on account of a build-up of a large stock of stressed assets over the past few years, which will resolve gradually. In addition, the migration to 90 days past due non-performing asset recognition norms could add in about 300bp.

Weakened Capitalisation: MMFSL's capitalisation has weakened, as net non-performing loan-to-equity stood at 28% at end-March 2017 from 22% at end-March 2016 (Tier 1: 13.2% at end-March 2017). With a targeted growth of around 12-15% in FY18, capital infusion would be required to maintain the current level of cushion above the regulatory capital requirement.

RATING SENSITIVITIES

A negative rating action could result from any substantial decline in the proportion of M&M's revenue from MMFSL due to M&M's fast expansion in urban products and high-end products and/or with sharply increased participation from other financiers in M&M's sales, making it less dependent on MMFSL. The ratings would also be affected if MMFSL's operational linkages with M&M dilute significantly. Any weakening of M&M's credit profile or its ability to support MMFSL's increasing debt levels will also be negative for MMFSL's ratings.

COMPANY PROFILE

MMFSL is a large non-banking finance company and M&M is a leading Indian automobile manufacturer. Besides financing M&M's vehicles, MMFSL is the holding company of the group's other financial service forays, including rural housing finance.

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Outstanding Limits (million)	Rating	3 March 2017	20 November 2015	5 June 2014
Issuer rating	Long-term	-	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Non-convertible debentures	Long-term	INR150,000	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA
Subordinated debt	Long-term	INR44,500	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA
Commercial paper	Short-term	INR25,000	IND A1+	IND A1+	IND A1+	-

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

ABOUT INDIA RATINGS AND RESEARCH

India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies, structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has six branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad and Kolkata. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

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Applicable Criteria

[Financial Institutions Rating Criteria](#)
[Non-Bank Finance Companies Criteria](#)

Analyst Names

Primary Analyst

Pankaj Naik

Associate Director

India Ratings and Research Pvt Ltd Wockhardt Towers, 4th floor, West Wing Plot C-2, G Block. Bandra Kurla Complex Bandra (East), Mumbai 400051
022 40001700

Secondary Analyst

Harshal Patkar

Senior Analyst

+91 22 40001722

Committee Chairperson

Prakash Agarwal

Director and Co-Head Financial Institutions

+91 22 40001753

Media Relation

Mihir Mukherjee

Manager Corporate Communications and Investor Relations

+91 22 40356121

Mr. Dinesh Prajapati

VP - Treasury & Corporate Affairs,
Mahindra & Mahindra Financial Services Limited,
4th Floor, Mahindra Towers,
Dr. G.M. Bhosale Marg, Worli,
Mumbai -400018

June 27, 2017

Dear Mr. Prajapati,

Re: Mahindra & Mahindra Financial Services Limited (MMFSL)

India Ratings (see definition below) communicates the following rating of MMFSL:-

- INR20bn retail subordinated debt (part of INR30bn of rated retail subordinated debt): 'IND AAA'/
Outlook Stable

Out of the above rated amount of INR30bn, retail subordinated debt of INR10bn is outstanding.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

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India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the

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Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

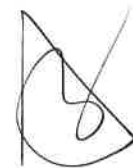
In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at 91 22 4000 1700.

Sincerely,

India Ratings


Sandeep Singh
Senior Director



Abhishek Bhattacharya
Director



SEBI Registered
RBI Accredited
NSIC Empanelled

BWR/NCD/HO/ERC/MM/0153/2017-18

June 07, 2017

Mr. Ramesh Iyer

Managing Director

Mahindra & Mahindra Financial Services Limited

4th Floor, Mahindra Towers

Dr. G. M. Bhosale Marg

P. K. Kurne Chowk, Worli

Mumbai – 400 018

Dear Sir,

Sub: Rating of proposed public issue of Long Term Unsecured Subordinated Non-Convertible Debentures (NCD) up to ₹ 2000 Crores of Mahindra & Mahindra Financial Services Limited

Ref: Your mandate dated May 25, 2017

Thank you for giving us an opportunity to undertake Rating of the proposed public issue of **Long Term Unsecured Subordinated NCD of Mahindra & Mahindra Financial Services Limited**. Based on the information and clarifications provided by your company, draft terms of issue shared with us, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **Mahindra & Mahindra Financial Services Limited's** proposed public issue of **Long Term Unsecured Subordinated NCD up to ₹ 2000 Crores** has been assigned the rating of **BWR AAA [BWR Triple A], Outlook: Stable**.

Instruments with this rating are considered to have the **highest degree** of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The Rating is valid for one year from the date of this letter subject to the terms and conditions that were agreed in your mandates referred above and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended below.



Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076

Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 | info@brickworkratings.com • www.BrickworkRatings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Guwahati • Hyderabad • Kolkata • Mumbai • New Delhi

CIN: U67190KA2007PTC043591

Mahindra & Mahindra Financial Services Limited

Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance of the above Rating within two days of the date of this letter. Kindly note that unless acceptance is received by us, the rating is not valid and should not be used for any purpose whatsoever.

Best Regards,


MSR/Manjunatha
Director-Ratings



Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.



Rating Rationale

Mahindra & Mahindra Financial Services Limited

12 June 2017

Brickwork Ratings assigns rating for the Proposed Unsecured Subordinated NCD issue up to ₹ 2000 Crores and reaffirms the existing ratings for the various Debt issues of Mahindra & Mahindra Financial Services Limited

Brickwork Ratings (BWR) assigns the rating for the proposed facility of Mahindra & Mahindra Financial Services Limited ('MMFSL' or 'the Company') as detailed below:

Issue	Limit (₹ Cr)	Tenure	Rating ¹
Proposed Unsecured Subordinated NCD	2000	Long Term	BWR AAA Outlook: Stable

It has also reaffirmed the **Ratings¹** for the various Debt issues as detailed below:

Issues [#]	Issue Size (₹ Cr)	O/S as of 24-Mar-2017	Tenure	Rating O/S (Mar 2016)	Rating Reaffirmed
Subordinated NCD	100	100	Long Term	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable
Subordinated NCD	200	200		BWR AAA Outlook: Stable	BWR AAA Outlook: Stable
Subordinated NCD	200*	15		BWR AAA Outlook: Stable	BWR AAA Outlook: Stable

¹ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Unutilized amount is ₹ 185 Cr

Details of this issue are provided below



Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results of the Company up to FY17, projections, publicly available information, and information/clarifications provided by the Company's management.

The rating has factored, *inter alia*, the strength and support of MMFSL's parent Mahindra & Mahindra (M&M) Limited to the company, its experienced & professional management, growing business profile, comfortable capital adequacy with diversified source of funding and adequate provision coverage for assets. The rating is however, constrained by the stressed asset quality, cyclical nature of the sectors catered to by MMFSL and the competitive landscape for NBFCs.

Rating Outlook: Stable

BWR believes MMFSL's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. Any major volatility in profitability or further deterioration in asset quality with impact on capitalization may lead to revision in the rating or the outlook.

About the Company

Mahindra & Mahindra Financial Services Limited (MMFSL) is an RBI registered systemically important deposit taking NBFC. It is a subsidiary of Mahindra and Mahindra Limited, one of India's leading tractor and utility vehicle manufacturers. MMFSL has its Corporate office in Mumbai and its operation is focused in the rural and semi-urban areas. MMFSL is of strategic importance to Mahindra & Mahindra as around 48% of MMFSL's Loans and Advances were from M&M's stable as of March 31, 2017. M&M has around 51.2% shareholding in MMFSL as of March 31, 2017. It is listed on NSE & BSE. MMFSL has subsidiaries which are into Insurance Broking, Rural Housing Finance, Asset management etc.

The Board consist of a total of nine Directors, out of which five are Independent Directors. The Chairman of the Board is Mr. Dhananjay Mungale, an Independent Director. Mr. Ramesh Iyer is the Vice-Chairman & Managing Director and Mr. V Ravi is the Executive Director & Chief Financial Officer of the Company. The company has a team of well-qualified and experienced professionals looking after credit, risk, marketing, audit and other support functions.



It is primarily in the business of financing purchase of new and pre-owned auto and utility vehicles, tractors, cars, commercial vehicles, construction equipment and SME financing. It has 1182 offices covering 27 states and 4 union territories in India, with over 4.71 million customer contracts since inception, as of March 31, 2017. The Company's Loans & Advances, at stand-alone level, has increased from ₹ 36,392 Crores as of March 31, 2016 to ₹ 42,149 Crores as of March 31, 2017, a y-o-y growth of 16%. Gross NPA of the Company stood at 9.9% as of March 31, 2017 (@120 dpd) up from 8.9% as of March 31, 2016 (@120 dpd), mainly contributed by Utility vehicle loans, Car loans and Tractor loans which aggregated around 73% of the Gross NPA. The Company follows a conservative provisioning policy and asset classification with NPA recognition reported in compliance with the 120 dpd recognition for FY17. Provision Coverage ratio stood at 61.8% as of March 31, 2017. Its capital adequacy in the form of CRAR stood at 17.2% (post considering dividend for FY17) as of March 31, 2017 which is above the RBI's minimum stipulated requirement of 15% with Tier I CRAR at 12.8%. The Company has a comfortable liquidity position both in the short and the long term.

Company's Financial Performance

On a standalone basis, Total Income from Operations stood at ₹ 6,173.9 Crores for FY17 compared to ₹ 5,853.2 Crores for FY16, a y-o-y growth of ~5%. Net Income from Operations (Total Income from Operations net of Finance Cost) for the Company stood at ₹ 3,316.5 Crores for FY17 compared to ₹ 3,213.9 Crores for FY16. Net Interest Margin reduced from 5.90% for FY16 to 4.81% for FY17. PAT has declined from ₹ 672.6 Crores for FY16 to ₹ 400.2 Crores for FY17 due to significant increase in loan provisioning & write offs. Return on Asset was at around 1.0% for FY17.

Rating History for the last three years:

Sl. No.	Instrument /Facility	Current Rating (Year 2017)		Rating History				
				2017	2016	2015	2014	
1	Proposed Subordinated NCD	Long Term	2000	BWR AAA Outlook: Stable	NA	NA	NA	NA
2	Subordinated NCD	Long Term	100	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable
3	Subordinated NCD	Long Term	200	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable
4	Subordinated NCD	Long Term	200	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable	BWR AAA Outlook: Stable



Instrument Details

Instrument	Issue Date	Amount (₹ Cr)	Coupon	Maturity Date	ISIN Particulars	Rating
Subordinated NCD	10-Nov-09	25.00	9.85%	11-Nov-19	INE774Do8JR6	BWR AAA
	20-Nov-09	75.00	9.85%	20-Nov-19	INE774Do8JS4	Outlook: Stable
Subordinated NCD	26-Nov-10	200.00	9.80%	25-Jan-21	INE774Do8KV6	BWR AAA Outlook: Stable
Subordinated NCD	28-Aug-14	10.00	9.60%	28-Aug-24	INE774Do8LH3	BWR AAA
	3-Sep-14	5.00	9.60%	3-Sep-24	INE774Do8LI1	Outlook: Stable

Hyperlink/Reference to applicable Criteria

- General Criteria
- Banks & Financial Institutions
- Rating based on Parent Support

Analytical Contacts	Media
MSR Manjunatha Director-Ratings analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.



DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.



BWR/NCD/HO/ERC/MM/0206/2017-18

CIN: U67190KA2007PTC043591

June 27, 2017

Mr. Ramesh Iyer

Managing Director

Mahindra & Mahindra Financial Services Limited

4th Floor, Mahindra Towers

Dr. G. M. Bhosale Marg

P. K. Kurne Chowk, Worli

Mumbai – 400 018

Dear Sir,

Sub: Validation of rating- public issue of Long Term Unsecured Subordinated Non-Convertible Debentures (NCD) up to ₹ 2000 Crores of Mahindra & Mahindra Financial Services Limited rated by Brickwork Ratings

Ref: Your email dated June 24, 2017

We wish to advise that your Company's Long Term Unsecured Subordinated NCD issue up to ₹ 2000 Crores carries the rating of **BWR AAA** with **Stable** Outlook rated by us vide letter BWR/NCD/HO/ERC/MM/0153/2017-18 dated June 07, 2017. This rating is valid up to June 06, 2018. We note that as of date, no amount has been raised under the said facility.

Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Please note that all terms and conditions of our letter referred above remains unchanged.

Please note to furnish complete details of borrowings under the said issues, as and when they are subscribed.

Best Regards,

A P Kamath

General Manager-Ratings



Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Brickwork Ratings India Pvt. Ltd.

Corporate Office: 3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076.

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To
Mahindra & Mahindra Financial Services Limited
 Gateway Building, Apollo Bunder
 Mumbai 400 001

Dear Sir/ Madam,

Sub: Proposed public issue ("Issue") of unsecured subordinated non-convertible debentures ("NCDs") by Mahindra & Mahindra Financial Services Limited ("Company")

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited ("**Stock Exchange**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus / Tranche Prospectus(es) to be filed with the Registrar of Companies, Maharashtra, Mumbai ("**RoC**"), Stock Exchange and to be forwarded to SEBI in respect of the Issue and in all related advertisements and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. The following details with respect to us may be disclosed:

Name	Axis Trustee Services Limited
Address	Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Mumbai - 400 025
Telephone Number	022-62260074/75
Fax Number	022 - 4325 3000
E-mail ID	debenturetrustee@axistrustee.com
Website	www.axistrustee.com
Contact person	Mr.Devraj Rao
Investor Grievance e-mail	debenturetrustee@axistrustee.com
SEBI Registration No.	IND000000494

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format as enclosed in **Annexure A**. We also certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the company in the form of a press release, (i) the nature and scope of this transaction; and (ii) Our knowledge of the proposed transaction of the Company.

Axis Trustee Services Limited (ATSL) consenting to act as Debenture Trustees is purely its business decision and not an indication on the Issuer Company's standing or on the Debenture Issue. By consenting to act as Debenture Trustees, ATSL does not make nor deems to have made any representation on the Issuer Company, its Operations, the details and projections about the Issuer Company or the Debentures under Offer made in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document. Applicants / Investors are advised to read carefully the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document and make their own enquiry carry out due diligence and analysis about the Issuer

AXIS TRUSTEE SERVICES LTD.
 (A wholly owned subsidiary of Axis Bank)

Corporate Identity Number (CIN): U74999MH2008PLC182264

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CORPORATE & REGISTERED OFFICE : Axis House, Ground Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

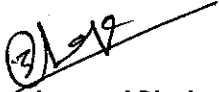
TEL : 022-6226 0054 / 6226 0050 Website: www.axistrustee.com

Company, its performance and profitability and details in the Shelf Prospectus/ Private Placement offer letter/ Information Memorandum / Offer Document before taking their investment decision. ATSL shall not be responsible for the investment decision and its consequence.

We also confirm that we are not disqualified to be appointed as Debentures Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

Sincerely,

For **Axis Trustee Services Limited**



Mangalagowri Bhat
Senior Manager

ANNEXURE – A

June 12, 2017

Mahindra & Mahindra Financial Services Limited

Gateway Building, Apollo Bunder
Mumbai 400 001

Dear Sir/ Madam,

Sub: Proposed public issue ("Issue") of unsecured subordinated non-convertible debentures ("NCDs") by Mahindra & Mahindra Financial Services Limited ("Company")

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000494
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	31st January, 2014
3.	Date of expiry of registration	Permanent
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	None
5.	Details of any pending inquiry/ investigation being conducted by SEBI	None
6.	Details of any penalty imposed by SEBI	None

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchanges.

Sincerely

For **Axis Trustee Services Limited**



Mangalagowri Bhat
Senior Manager