

**CHOLAMANDALAM
HOME FINANCE
LIMITED**

ANNUAL REPORT

2022 – 23

Cholamandalam Home Finance Limited

Board of Directors

Mr. M.A.M. Arunachalam (DIN: 00202958)
Mr. Ravindra Kumar Kundu (DIN: 07337155)
Mr. D Arulsevan (DIN: 00010065)

Auditors

M/s. N.C. Rajagopal & Co., Chartered Accountants

Company Secretary

P. Sujatha

Corporate Identity Number

U65100TN2000PLC045617

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

CONTENTS

Notice to Members	1
Board's Report.....	9
Independent Auditor's Report	33
Balance Sheet	44
Statement of Profit and Loss.....	45
Cash Flow Statement.....	46
Notes forming part of the Financial Statements	47

Cholamandalam Home Finance Limited

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

Phone No.: 044 4090 7172; Fax No.: 044 25346464 CIN - U65100TN2000PLC045617

NOTICE TO MEMBERS

NOTICE is hereby given that the twenty third annual general meeting of the members of Cholamandalam Home Finance Limited will be held at 5.30 p.m. on Friday, the 28th July, 2023 at the Registered Office of the company at "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001 to transact the following businesses:

ORDINARY BUSINESS:

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

RESOLVED THAT the board's report, the statement of profit and loss, the cash flow statement for the year ended 31 March, 2023 and the balance sheet as at that date together with the independent auditors' report thereon be and are hereby considered, approved and adopted.

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

RESOLVED THAT Mr. D Arulselvan (DIN: 00010065) who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director of the company liable to retire by rotation.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and Articles of Association of the company, approval of the members of the company be and is hereby granted for the remuneration payable to Mr. M A M Arunachalam, non-executive chairman by way of commission, a sum of Rs.200 lakhs (Rupees two hundred lakhs only) for the financial year ended 31 March, 2023.

RESOLVED FURTHER THAT the board of directors be and is hereby authorised to take all steps, as may be necessary, desirable or expedient to give effect to the aforesaid resolution.

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

RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association of the company and subject to such approvals as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors to lend / make investments upto an amount not exceeding Rs.75 crores to any person including bodies corporate and to give any guarantees or to provide security in connection with a loan made by any other person to, or to any other person by, bodies corporate including Cholamandalam Investment and Finance Company Limited, the holding company and Cholamandalam Securities Limited, the fellow subsidiary from time to time in one or more tranches in any form including by way of inter-corporate deposits, loans / investments, advances, secured or unsecured, on such terms and conditions as may be deemed

fit by the Board of Directors, notwithstanding that the loans / investments are beyond the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Ravindra Kumar Kundu and Mr. D Arulselvan, Directors and Chief Financial Officer, be and hereby severally authorised to negotiate / finalise the terms and conditions of the loan(s) / ICDs / investments to take such steps as may be considered necessary for obtaining approval, statutory, contractual or otherwise, in relation to the inter-corporate deposits and investments and to sign and execute all deeds, applications, documents and writings that may be required on behalf of the company in connection with the inter-corporate deposits and investments and generally to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient or incidental for the said purpose from time to time for giving effect to the aforesaid resolution.

5. To consider and if thought fit, to pass the following as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and rules made there under, Mr. C B Venkata Ramana Babu be and is hereby appointed as the Manager of the Company for a term of 3 years with effect from 1st May, 2023 and be paid remuneration by way of salary, allowances, perquisites and commission subject to an overall limit of 5% of the net profits of the Company for each financial year computed in the manner prescribed under section 198 of the Act and in the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Mr. C B Venkata Ramana Babu be paid in accordance with section II of part II of Schedule V of the Companies Act, 2013.

a. Salary

Rs.1,88,410/- per month.

Increments to be decided by the Board.

b. Allowances / Perquisites/ Commission

House Rent Allowance	Rs.94,205/- p.m.
Special Allowances	Rs.59,790/- p.m.
Leave Travel allowance	Rs.2,93,925/- p.a.

Incentive:

Annual incentive not exceeding Rs.9,75,000/- at 100% levels. The actual amount to be determined by the board for each financial year in accordance with the Incentive Scheme of the Company.

Retirement benefits:

- i. Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Fund / Scheme in force from time to time.
- ii. Encashment of leave as per rules of the Company in force from time to time.

General:

- i. In the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Mr. C B Venkata Ramana

Babu as may be determined by the board, shall be paid in accordance with section II of part II of Schedule V of the Companies Act, 2013.

- ii. Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be valued as per income tax rules.
- iii. Mr. C B Venkata Ramana Babu will be subject to all other service conditions as applicable to any other employee of the Company

By Order of the Board

Place: Chennai
Date : April 28, 2023

P. Sujatha
Company Secretary

NOTES:

- 1. A member entitled to attend and vote at the annual general meeting (AGM) may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the company. Proxy to be valid shall be deposited at the registered office of the company at least forty eight hours before the time for holding the meeting. A person shall not act as a proxy for more than fifty members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A person holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. Members are requested to inform immediately any change in their address to the registered office of the company.
3. The explanatory statement pursuant to section 102 of the Companies Act, 2013 ("the Act") and the secretarial standards setting out all material facts in respect of item nos. 3 to 5 are annexed.

By Order of the Board

Place: Chennai
Date : April 28, 2023

P. Sujatha
Company Secretary

ANNEXURE TO THE NOTICE

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

Item No.3 - Approval for commission payable to Mr. M A M Arunachalam, non-executive chairman for financial year ended 31 March, 2023:

Mr. M A M Arunachalam, non-executive chairman of the board had been spending considerable amount of time with the Company management and operations since his induction on the board in January, 2021. During the year, he had made significant contributions to the Company *inter alia* in reviewing the composite corporate agency business strategy, reviewing the business performance of the Company on a periodic basis, giving strategic directions to the management and advising them as and when necessary. Considering the enhanced role being played by Mr. M A M Arunachalam, non-executive chairman of the company, it is proposed that a commission of Rs.200 lakhs (Rupees two hundred lakhs only) be paid to Mr. M A M Arunachalam for the financial year ended 31 March, 2023.

The board believes that the remuneration proposed to Mr. M A M Arunachalam commensurate with his contributions and the time spent by him on matters concerning the company. Accordingly, the board recommends the payment of remuneration by way of commission to Mr. M A M Arunachalam for FY 23 for the approval of members and the same is being placed before the members for their approval.

Except Mr. M A M Arunachalam, none of the directors or key managerial personnel of the company or their relatives is concerned or interested in the resolution set forth in item no.3 of the notice.

Item No. 4: Approval of Inter-corporate Loans and Investments:

Pursuant to the provisions of Section 186 of the Companies Act, 2013, approval of the members by way of a special resolution is required for enabling the Board of Directors to make loans and investments exceeding sixty percent of paid-up share capital, free reserves and securities premium account or one hundred percent of the free reserves and securities premium account of the company, whichever is more.

The company proposes to lend / investment its surplus funds up to an amount not exceeding Rs.75 crores by way of inter corporate deposits, loans, advances, secured or unsecured.

As the proposed lending / investments together with the existing investments exceed the limits specified under Section 186 of the Companies Act, 2013, the approval of the members is sought for making such lending / investments.

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

Item No. 5: Appointment of Mr. C B Venkata Ramana Babu as Manager of the Company and fixing his remuneration:

The board of Directors at their meeting held on 28th April, 2023 had appointed Mr. C B Venkata Ramana Babu in place of Ms. A Kavitha as Manager of the company for a period of three years effective 1st May, 2023 subject to the approval of shareholders.

The board recommends the appointment of Mr. Venkata Ramana Babu as Manager for such terms as specified in the resolution as set out in item no.5 of the notice.

Except Mr. Venkata Ramana Babu, none of the directors or key managerial personnel of the company or their relatives is concerned or interested in the resolution set forth in item no. 5 of the notice.

A. Disclosure as per Part II, Schedule V of the Companies Act, 2013

S No.	Particulars	
I. General Information:		
1	Nature of industry	Financial Services – corporate agency
2	Date or expected date of commencement of commercial production	The Company is in business since August 2000
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4	Financial performance based on given indicators (FY 2023)	Profit Before Tax – Rs. 7.66 Crores Profit After Tax – Rs. 5.56 Crores
5	Foreign investments or collaborations, if any	NIL
II. Information about the appointee:		
1	Background details	Mr. C B Venkata Ramana Babu is a qualified Cost Accountant and has over 17 years of experience in financial services industry. Mr. Babu has been associated with the group since 2006.
2	Past remuneration	CTC – Rs.60,93,235/-per annum
3	Recognition or awards	Nil
4	Job profile and his/her suitability	Associate Vice President
5	Remuneration proposed	The proposed remuneration would comprise of monthly basic salary, allowances and all perquisites as mentioned in the proposed Item no.5 of this Annual General Meeting Notice.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is at par with the industry, keeping in view the profile and position of the appointee and the size of operations of the Company.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Venkata Ramana Babu is not related to any managerial personnel of the Company. He does not have any pecuniary relationship directly or indirectly with the Company, other than drawing his remuneration in the capacity of Manager.
III. Other information:		
8	Reasons of loss or inadequate profits	Lower business volumes
9	Steps taken or proposed to be taken for improvement	Increased volumes and higher productivity
10	Expected increase in productivity and profits in measurable terms.	With increase in productivity the profits are expected to increase

B. DISCLOSURE REQUIREMENTS UNDER SECRETARIAL STANDARDS ON GENERAL MEETINGS

Name of the Director	Mr. D Arulselvan
DIN	00010065
Date of Birth	4 th June, 1963
Date of Appointment (Initial appointment)	28 th January, 2021 - Appointed as an additional director of the company
Qualification	Fellow Member of the Institute of Chartered Accountants of India and hold Masters in Business Administration from the Open University, UK.
Expertise in specific functional areas	He has over 31 years of experience in Finance and Management and having spent more than 27 years in the Murugappa Group. He currently heads the Finance and Treasury functions of Cholamandalam Investment and Finance Company Limited.
Number of meetings of the board attended during the year	Attended all 4 out of 4 meetings of the board held during the year.
Directorships in other companies	1. Payswiff Technologies Private Limited 2. Payswiff Services Private Limited 3. Payswiff Solutions Private Limited 4. Finance Industry Development Council (Sec.8 company)
Memberships in board committees of other companies (includes membership details of all committees)	Nil
No. of shares held in the company	Holds 1 equity share of Rs.10/- for which Cholamandalam Investment and Finance Company Limited is the Beneficial Owner
Inter-se relationship with any other directors or KMP of the company	Nil
Details of remuneration sought to be paid	Nil
Details of remuneration last drawn	Nil

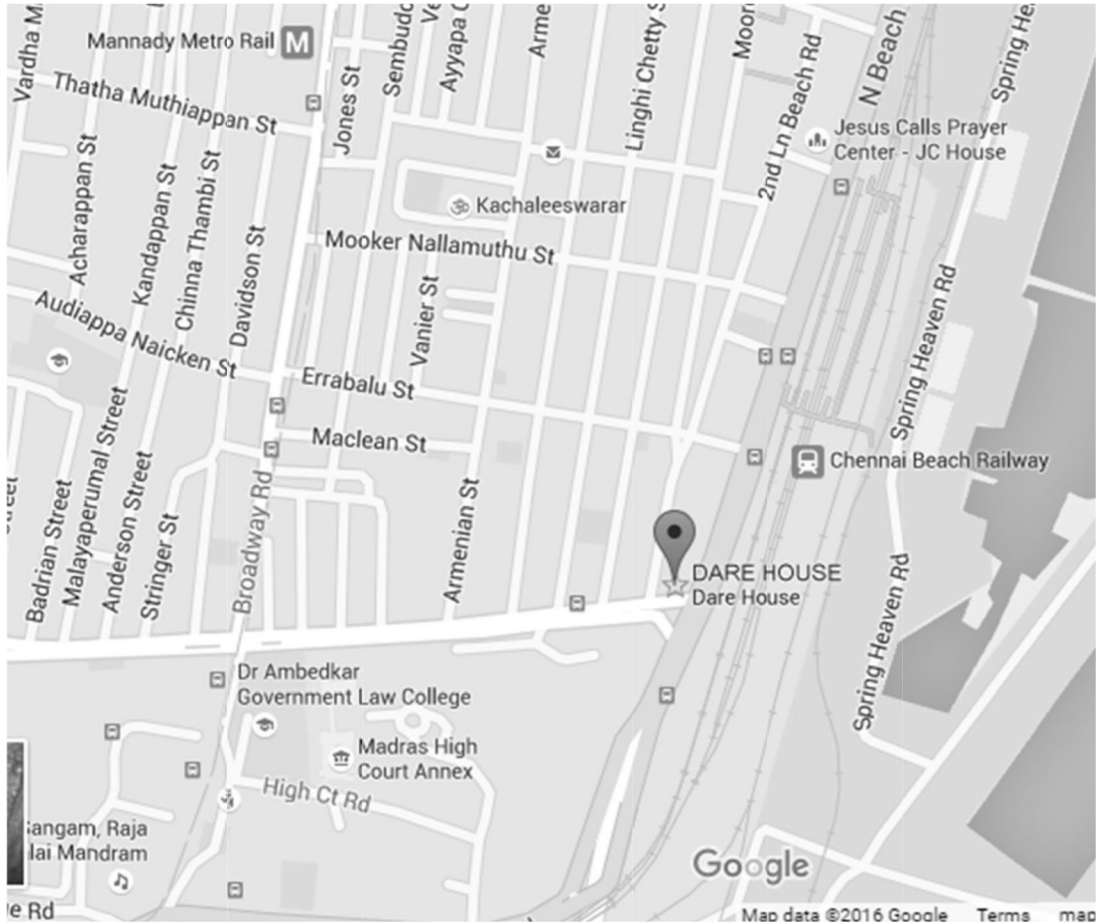
By Order of the Board

Place: Chennai
Date : April 28, 2023

*P. Sujatha
Company Secretary*

Route Map to the venue of the AGM

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



CHOLAMANDALAM HOME FINANCE LIMITED

CIN: U65100TN2000PLC045617

Registered Office: "DARE HOUSE", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001

Phone No.: 044 4090 7172; Fax No.: 044 2534 6464

ATTENDANCE SLIP

Folio No.:

Name & Address of Member:

I certify that I am a registered Shareholder of the Company and hold Shares.

I/we hereby record my / our presence at the 23rd AGM held at Dare House, No.2, N.S.C. Bose Road, Parrys, Chennai 600 001.

.....
Member's Folio No.

.....
Members / Proxy's name in Block letters

.....
Member's / Proxy's signature

Notes: 1. Shareholders / Proxy holders must bring the Attendance Slip to the meeting and hand over the same at the entrance duly signed.

2. Shareholders are requested to advise their change in address, if any, to the Company's Registered Office quoting folio numbers.

CHOLAMANDALAM HOME FINANCE LIMITED

CIN: U65100TN2000PLC045617

Registered Office: "DARE HOUSE", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001

Phone No.: 044 4090 7172; Fax No.: 044 2534 6464

PROXY FORM

Name and Address of the member:

E-mail ID:

Folio No.: No. of Shares:

I/We being the Member(s) of shares of the above named company, hereby appoint

1.Name.....Address.....E-mail id.....Signature..... or failing him/
her

2.Name.....Address.....E-mail id.....Signature..... or failing him/
her

3.Name.....Address.....E-mail id.....Signature..... as my/our
proxy to attend and vote for me/us and on my/our behalf at the Twenty Third Annual General Meeting of the Company, to held at 5.30 p.m. on Friday, 28 July, 2023 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional)#		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Financial Statements and Board's Report for the year ended 31 March 2023			
2.	Re-appointment of Mr. D Arulselvan, Director retiring by rotation			
Special Business				
3	Approval for commission payable to Mr. M A M Arunachalam, non-executive chairman for financial year ended 31 March, 2023			
4	Approval of Inter-corporate Loans and Investments			
5	Appointment of Mr. C B Venkata Ramana Babu as Manager of the Company and fixing his remuneration			

Signed thisday of....., 2023.

Signature of shareholder(s)..... Signature of Proxy holder(s).....

Affix Revenue
Stamp Re.1

Note:

1. The Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The Proxy need not be a Member of the Company.

#2. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

BOARD'S REPORT

Your directors have pleasure in presenting the twenty third annual report together with the audited accounts of the company for the year ended 31st March 2023.

FINANCIAL RESULTS

(Rs. in lakhs)

Particulars	2022-23	2021-22
Gross Income	8187	5637
Profit/(Loss) before tax	766	919
Profit/(Loss) after tax	556	679

DIVIDEND

The Company has not recommended any dividend for the year under review.

OPERATIONS

During the year, the company achieved an income of Rs.81.87 crores as against Rs.56.37 crores of previous year.

OUTLOOK

The Company will continue to focus on insurance distribution business.

CHANGE IN NATURE OF BUSINESS

During the year under review, there is no change in the nature of business of the company.

TRANSFER TO RESERVE

The Board of the company decided not to transfer any amount to the general reserve and retain entire amount of profit under retained earnings.

DIRECTORS

Mr. D Arulseivan, director is liable to retire by rotation at the ensuing annual general meeting of the Company and being eligible, has offered himself for re-appointment as a Director of the Company.

KEY MANAGERIAL PERSONNEL

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

1. Ms. A Kavitha - Chief Financial Officer & Manager
2. Ms. P Sujatha - Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

The directors' responsibility statement as required under sections 134(3)(c) of the Act, reporting the compliance with Indian accounting standards is attached and forms part of board's report.

FRAUDS REPORTED BY AUDITOR

There were no instances of frauds reported by the auditor under section 143(12) of the Act.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year under review, there were no material changes / commitments affecting the financial position of the company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary / associate or joint venture.

DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during FY 23.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

AUDITORS

Pursuant to the provisions of section 139 of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014, M/s. N.C. Rajagopal & Co., Chartered Accountants (Firm Registration No.003398S) were appointed as statutory auditors of the company at the twenty second Annual General Meeting (AGM) held on 28 July, 2022 for a period 5 years commencing from the conclusion of twenty second AGM till the conclusion of twenty seventh AGM of the Company. The statutory audit report is attached with financial statements and forms part of this report and does not contain any qualification, reservation or adverse remarks.

ANNUAL RETURN

In accordance with section 134(3)(a) of the Act, the annual return in form MGT-7 is attached and forms part of the Board's Report.

MAINTENANCE OF COST RECORDS

The Company was not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

During the year, pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company formulated CSR policy for undertaking CSR activities as specified under Schedule VII of the Act. As per the provisions of the Act, the company is required to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years. This amount aggregated to Rs.6.47 lakhs and the Company spent a total of Rs.6.55 lakhs towards CSR activities during FY 23, the details of which are annexed to and forms part of this report.

As the CSR spend of 2% of the average net profits of the Company does not exceed the limit of Rs.50 lakhs, the Company is exempted from the requirement of constituting the Corporate Social Responsibility Committee and the functions of CSR committee are discharged by the Board of Directors of the Company as per the provisions under the Act.

BOARD MEETINGS:

The schedule of board meetings for the calendar year is prepared and circulated in advance to the directors to enable maximum attendance from directors. During the year, the board met

times on 29 April 2022, 28 July 2022, 31 October 2022 and 27 January 2023.

REMUNERATION POLICY, CRITERIA FOR BOARD NOMINATION & SENIOR MANAGEMENT APPOINTMENT

Pursuant to the provisions of section 178 of the Act, the board of directors has framed a remuneration policy relating to the remuneration of the directors, key managerial personnel and other employees. Further, the criteria for board nomination and senior management appointment including determining qualifications, positive attributes and independence of a director were also formulated.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT

There were no adverse qualification / reservation or adverse remark or disclaimer made by the auditor in his report requiring explanation or comment of the Board.

FORMAL ANNUAL EVALUATION

In compliance with section 134(3)(p) of the Act and the rules made there under, the annual performance evaluation of the board was carried out during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loans, guarantees or investments have been made under section 186 of the Act except the loans availed by the holding Company as disclosed in the financials.

RELATED PARTY TRANSACTIONS

All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large. There are no contracts or arrangements entered into with related parties during the year to be disclosed under sections 188(1) and 134(h) of the Act in form AOC-2.

All transactions with related parties were placed before Board for approval at the beginning of the financial year. The transactions entered into pursuant to the approval so granted were placed before the Board for its review on a quarterly basis.

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

The company has no activity relating to consumption of energy or technology absorption. During the year, the company has not incurred any expenditure in foreign currency and does not have any foreign exchange earnings.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal control framework including clear delegation of authority and standard operating procedures are established and laid out across all businesses and functions. These are reviewed periodically at all levels. These measures have helped in ensuring the adequacy of internal financial controls commensurate with the scale of operations of the company.

RISK MANAGEMENT POLICY

RISK MANAGEMENT

The Enterprise Risk Management (ERM) team of the holding company, Cholamandam Investment and Finance Company Limited oversees the risk management framework of the company. The Risk Management team also maintains a Risk Policy and Risk Appetite Statement that clearly lay down the risk profile of the business and define acceptable thresholds and review mechanisms for risk metrics. The ERM team meets with the business and functional risk champion`s periodically to highlight market stimulants or business operations that may lead to inherent risks in the system, and to discuss solutions to effectively mitigate risks.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has established whistle blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimisation of directors / employees / customers who avail of the mechanism and also for appointment of an ombudsperson who deals with the complaints received.

INTERNAL COMPLAINTS COMMITTEE

The company has in place a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal complaints committee (ICC) has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy. During the calendar year 31 December 2022, there were no referrals received by ICC.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETING

The Company has complied with all the provisions of secretarial standards issued by the Institute of Company Secretaries of India in respect of meetings of the board of directors and general meetings held during the year.

ACKNOWLEDGEMENT

The directors wish to thank the customers, and other business partners for their support to the continued growth of your company`s operations.

The directors also thank the employees of the company for their contribution to the company`s operations during the year under review.

On behalf of the Board

Place : Chennai
Date : April 28, 2023

M A M Arunachalam
Chairman

DIRECTORS' RESPONSIBILITY STATEMENT

(Annexure to the Board's Report)

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

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

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

(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March, 2023 and of the profit of the company for the year ended on that date;

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

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

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended 31 March, 2023; and

(vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31 March, 2023

On behalf of the Board

Place : Chennai
Date : April 28, 2023

M A M Arunachalam
Chairman

Annual Report on Corporate Social Responsibility (CSR) Activities:

(Annexure to the Board's Report)

1. Brief outline on CSR Policy of the Company:

The Murugappa Group is known for its tradition of philanthropy and community service. The Group's philosophy is to reach out to the community by establishing service oriented philanthropic institutions in the field of education and healthcare as the core focus areas. The Company seeks to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing.

The Company's CSR activities cover majorly empowerment of disadvantaged sections by providing access to basic necessities.

The FY 22-23 became the year to assess the learning gap of Children caused in the wake of COVID-19 pandemic especially in Panchayat Union Middle Schools of Chennai. It became necessary to provide an additional focused support for the children and ensuring they can catch up the core skills for their grade by the end of the academic year. Therefore, the Company has tried to mend the gap and focused to impart life skill education to selected meritorious children from COVID affected families.

2. Constitution of CSR Committee:

As the CSR spend of 2% of the average net profits of the Company does not exceed the limit of Rs.50 lakhs, the Company is exempted from the requirement of constituting the Corporate Social Responsibility Committee and the functions of CSR committee are discharged by the Board of Directors of the Company as per the provisions under the Act.

3. Website link disclosing CSR policy: Nil

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – **Not Applicable**

5. (a) Average net profit of the company as per section 135(5) - Rs.300.59 lakhs
 (b) Two percent of average net profit of the company as per section 135(5) – Rs.6.47 lakhs
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil
 (d) Amount required to be set off for the financial year, if any - Nil
 (e) Total CSR obligation for the financial year (5b+5c-5d) – Rs.6.47 lakhs
6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project) – Rs.6.55 lakhs
 (b) Amount spent in Administrative Overheads – Nil
 (c) Amount spent on Impact Assessment, if applicable – Nil
 (d) Total amount spent for the Financial Year (6a+6b+6c) – Rs.6.55 lakhs
 (e) CSR amount spent or unspent for the financial year

Total Amount spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
Rs.6.55 lakhs	NIL				

(f) Excess amount for set off, if any

SN	Particulars	Amount (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	6.47 lakhs
(ii)	Total amount spent for the Financial Year	6.55 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years: Nil

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year – (Yes / No) - No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not applicable

On behalf of the Board

Place: Chennai
Date: April 28, 2023

M A M Arunachalam
Chairman

FORM NO. MGT-7

[Pursuant to sub-Section(1) of section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11of the Companies (Management and Administration) Rules, 2014]



सत्यमेव जयते

Annual Return (other than OPCs and Small Companies)

Form language English Hindi

Refer the instruction kit for filing the form.

I. REGISTRATION AND OTHER DETAILS

- (i) * Corporate Identification Number (CIN) of the company
- Global Location Number (GLN) of the company
- * Permanent Account Number (PAN) of the company
- (ii) (a) Name of the company
- (b) Registered office address
- (c) *e-mail ID of the company
- (d) *Telephone number with STD code
- (e) Website
- (iii) Date of Incorporation
- (iv)

Type of the Company	Category of the Company	Sub-category of the Company
Public Company	Company limited by shares	Indian Non-Government company
- (v) Whether company is having share capital Yes No
- (vi) *Whether shares listed on recognized Stock Exchange(s) Yes No

(b) CIN of the Registrar and Transfer Agent

Name of the Registrar and Transfer Agent

Registered office address of the Registrar and Transfer Agents

(vii) *Financial year From date (DD/MM/YYYY) To date (DD/MM/YYYY)(viii) *Whether Annual general meeting (AGM) held Yes No(a) If yes, date of AGM (b) Due date of AGM (c) Whether any extension for AGM granted Yes No**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY***Number of business activities

S.No	Main Activity group code	Description of Main Activity group	Business Activity Code	Description of Business Activity	% of turnover of the company
1	K	Financial and insurance Service	K7	Financial Advisory, brokerage and Consultancy Services	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)*No. of Companies for which information is to be given

S.No	Name of the company	CIN / FCRN	Holding/ Subsidiary/Associate/ Joint Venture	% of shares held
1	CHOLAMANDALAM INVESTME +	L65993TN1978PLC007576	Holding	100

IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY**(i) *SHARE CAPITAL****(a) Equity share capital**

Particulars	Authorised capital	Issued capital	Subscribed capital	Paid up capital
Total number of equity shares	142,500,000	42,400,000	42,400,000	42,400,000
Total amount of equity shares (in Rupees)	1,425,000,000	424,000,000	424,000,000	424,000,000

Number of classes

Class of Shares	Authorised capital	Issued capital	Subscribed capital	Paid up capital
Number of equity shares	142,500,000	42,400,000	42,400,000	42,400,000
Nominal value per share (in rupees)	10	10	10	10
Total amount of equity shares (in rupees)	1,425,000,000	424,000,000	424,000,000	424,000,000

(b) Preference share capital

Particulars	Authorised capital	Issued capital	Subscribed capital	Paid-up capital
Total number of preference shares	0	0	0	0
Total amount of preference shares (in rupees)	0	0	0	0

Number of classes

0

Class of shares	Authorised capital	Issued capital	Subscribed capital	Paid up capital
Number of preference shares				
Nominal value per share (in rupees)				
Total amount of preference shares (in rupees)				

(c) Unclassified share capital

Particulars	Authorised Capital
Total amount of unclassified shares	0

(d) Break-up of paid-up share capital

Class of shares	Number of shares			Total nominal amount	Total Paid-up amount	Total premium
	Physical	DEMAT	Total			
Equity shares						
At the beginning of the year	42,400,000	0	42400000	424,000,000	424,000,000	
Increase during the year	0	0	0	0	0	0
i. Public Issues	0	0	0	0	0	0
ii. Rights issue	0	0	0	0	0	0
iii. Bonus issue	0	0	0	0	0	0
iv. Private Placement/ Preferential allotment	0	0	0	0	0	0

v. ESOPs	0	0	0	0	0	0
vi. Sweat equity shares allotted	0	0	0	0	0	0
vii. Conversion of Preference share	0	0	0	0	0	0
viii. Conversion of Debentures	0	0	0	0	0	0
ix. GDRs/ADRs	0	0	0	0	0	0
x. Others, specify <input type="text"/>						
Decrease during the year	0	0	0	0	0	0
i. Buy-back of shares	0	0	0	0	0	0
ii. Shares forfeited	0	0	0	0	0	0
iii. Reduction of share capital	0	0	0	0	0	0
iv. Others, specify <input type="text"/>						
At the end of the year	42,400,000	0	42400000	424,000,000	424,000,000	
Preference shares						
At the beginning of the year	0	0	0	0	0	
Increase during the year	0	0	0	0	0	0
i. Issues of shares	0	0	0	0	0	0
ii. Re-issue of forfeited shares	0	0	0	0	0	0
iii. Others, specify <input type="text"/>						
Decrease during the year	0	0	0	0	0	0
i. Redemption of shares	0	0	0	0	0	0
ii. Shares forfeited	0	0	0	0	0	0
iii. Reduction of share capital	0	0	0	0	0	0
iv. Others, specify <input type="text"/>						
At the end of the year	0	0	0	0	0	

ISIN of the equity shares of the company

(ii) Details of stock split/consolidation during the year (for each class of shares)

0

Class of shares		(i)	(ii)	(iii)
Before split / Consolidation	Number of shares			
	Face value per share			
After split / Consolidation	Number of shares			
	Face value per share			

(iii) Details of shares/Debentures Transfers since closure date of last financial year (or in the case of the first return at any time since the incorporation of the company) *

Nil

[Details being provided in a CD/Digital Media]

Yes

No

Not Applicable

Separate sheet attached for details of transfers

Yes

No

Note: In case list of transfer exceeds 10, option for submission as a separate sheet attachment or submission in a CD/Digital Media may be shown.

Date of the previous annual general meeting		<input type="text"/>	
Date of registration of transfer (Date Month Year)		<input type="text"/>	
Type of transfer	<input type="text"/>	1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock	
Number of Shares/ Debentures/ Units Transferred	<input type="text"/>	Amount per Share/ Debenture/Unit (in Rs.)	<input type="text"/>
Ledger Folio of Transferor		<input type="text"/>	
Transferor's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name
Ledger Folio of Transferee		<input type="text"/>	

Transferee's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name

Date of registration of transfer (Date Month Year)

Type of transfer	<input type="text"/>	1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock
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Number of Shares/ Debentures/ Units Transferred	<input type="text"/>	Amount per Share/ Debenture/Unit (in Rs.)	<input type="text"/>
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Ledger Folio of Transferor

Transferor's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name

Ledger Folio of Transferee

Transferee's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name

(iv) *Debentures (Outstanding as at the end of financial year)

Particulars	Number of units	Nominal value per unit	Total value
Non-convertible debentures	0	0	0
Partly convertible debentures	0	0	0
Fully convertible debentures	0	0	0
Total			0

Details of debentures

Class of debentures	Outstanding as at the beginning of the year	Increase during the year	Decrease during the year	Outstanding as at the end of the year
Non-convertible debentures	0	0	0	0
Partly convertible debentures	0	0	0	0
Fully convertible debentures	0	0	0	0

(v) Securities (other than shares and debentures)

0

Type of Securities	Number of Securities	Nominal Value of each Unit	Total Nominal Value	Paid up Value of each Unit	Total Paid up Value
Total					

V. *Turnover and net worth of the company (as defined in the Companies Act, 2013)

(i) Turnover

782,255,322

(ii) Net worth of the Company

666,082,628

VI. (a) *SHARE HOLDING PATTERN - Promoters

S. No.	Category	Equity		Preference	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	6	0	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	

6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	42,399,993	100	0	
10.	Others	0	0	0	
	Total	42,399,999	100	0	0

Total number of shareholders (promoters)

6

(b) *SHARE HOLDING PATTERN - Public/Other than promoters

S. No.	Category	Equity		Preference	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	1	0	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	0	0	0	
10.	Others	0	0	0	

	Total	1	0	0	0
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Total number of shareholders (other than promoters)

1

**Total number of shareholders (Promoters+Public/
Other than promoters)**

7

**VII. *NUMBER OF PROMOTERS, MEMBERS, DEBENTURE HOLDERS
(Details, Promoters, Members (other than promoters), Debenture holders)**

Details	At the beginning of the year	At the end of the year
Promoters	6	6
Members (other than promoters)	1	1
Debenture holders	0	0

VIII. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) *Composition of Board of Directors

Category	Number of directors at the beginning of the year		Number of directors at the end of the year		Percentage of shares held by directors as at the end of year	
	Executive	Non-executive	Executive	Non-executive	Executive	Non-executive
A. Promoter	0	1	0	1	0	0
B. Non-Promoter	0	2	0	2	0	0
(i) Non-Independent	0	2	0	2	0	0
(ii) Independent	0	0	0	0	0	0
C. Nominee Directors representing	0	0	0	0	0	0
(i) Banks & FIs	0	0	0	0	0	0
(ii) Investing institutions	0	0	0	0	0	0
(iii) Government	0	0	0	0	0	0
(iv) Small share holders	0	0	0	0	0	0
(v) Others	0	0	0	0	0	0
Total	0	3	0	3	0	0

Number of Directors and Key managerial personnel (who is not director) as on the financial year end date

6

(B) (i) *Details of directors and Key managerial personnel as on the closure of financial year

Name	DIN/PAN	Designation	Number of equity share(s) held	Date of cessation (after closure of financial year : If any)
M A M Arunachalam	00202958	Director	0	
Ravindra Kumar Kundu	07337155	Director	0	
D ArulSelvan	00010065	Director	1	
A Kavitha	AHZPK1744M	Manager	0	01/05/2023
A Kavitha	AHZPK1744M	CFO	0	01/05/2023
P Sujatha	AQGPS0895K	Company Secretar	0	

(ii) Particulars of change in director(s) and Key managerial personnel during the year

1

Name	DIN/PAN	Designation at the beginning / during the financial year	Date of appointment/ change in designation/ cessation	Nature of change (Appointment/ Change in designation/ Cessation)
Ravindra Kumar Kundu	07337155	Additional director	11/05/2022	Change in designation - Appointed as

IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS**A. MEMBERS/CLASS /REQUISITIONED/NCLT/COURT CONVENED MEETINGS**

Number of meetings held

1

Type of meeting	Date of meeting	Total Number of Members entitled to attend meeting	Attendance	
			Number of members attended	% of total shareholding
AGM	28/07/2022	5	5	100

B. BOARD MEETINGS

*Number of meetings held

4

S. No.	Date of meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	29/04/2022	3	3	100
2	28/07/2022	3	3	100
3	31/10/2022	3	3	100

S. No.	Date of meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
4	27/01/2023	3	3	100

C. COMMITTEE MEETINGS

Number of meetings held

S. No.	Type of meeting	Date of meeting	Total Number of Members as on the date of the meeting	Attendance	
				Number of members attended	% of attendance
1					

D. *ATTENDANCE OF DIRECTORS

S. No.	Name of the director	Board Meetings			Committee Meetings			Whether attended AGM held on
		Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	
		(Y/N/NA)						
1	M A M Arunac	4	4	100	0	0	0	
2	Ravindra Kum	3	3	100	0	0	0	
3	D ArulSelvan	4	4	100	0	0	0	

X. *REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Nil

Number of Managing Director, Whole-time Directors and/or Manager whose remuneration details to be entered

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/Sweat equity	Others	Total Amount
1	A Kavitha	Manager	5,613,845	0	487,200	0	6,101,045
	Total		5,613,845	0	487,200	0	6,101,045

Number of CEO, CFO and Company secretary whose remuneration details to be entered

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/Sweat equity	Others	Total Amount
1	A Kavitha	Manager	5,613,845	0	487,200	0	6,101,045
2	P Sujatha	Company Secre	0	26	0	0	0

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
	Total		5,613,845	0	487,200	0	6,101,045

Number of other directors whose remuneration details to be entered

1

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1	M A M Arunachalan	Director	0	20,000,000	0	80,000	20,080,000
	Total		0	20,000,000	0	80,000	20,080,000

XI. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES AND DISCLOSURES

* A. Whether the company has made compliances and disclosures in respect of applicable provisions of the Companies Act, 2013 during the year Yes No

B. If No, give reasons/observations

XII. PENALTY AND PUNISHMENT - DETAILS THEREOF

(A) DETAILS OF PENALTIES / PUNISHMENT IMPOSED ON COMPANY/DIRECTORS /OFFICERS Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the Act and section under which penalised / punished	Details of penalty/ punishment	Details of appeal (if any) including present status

(B) DETAILS OF COMPOUNDING OF OFFENCES Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the Act and section under which offence committed	Particulars of offence	Amount of compounding (in Rupees)

XIII. Whether complete list of shareholders, debenture holders has been enclosed as an attachment

Yes No

XIV. COMPLIANCE OF SUB-SECTION (2) OF SECTION 92, IN CASE OF LISTED COMPANIES

In case of a listed company or a company having paid up share capital of Ten Crore rupees or more or turnover of Fifty Crore rupees or more, details of company secretary in whole time practice certifying the annual return in Form MGT-8.

Name

R Sridharan & Associates

Whether associate or fellow

Associate Fellow

Certificate of practice number

3239

I/We certify that:

(a) The return states the facts, as they stood on the date of the closure of the financial year aforesaid correctly and adequately.

(b) Unless otherwise expressly stated to the contrary elsewhere in this Return, the Company has complied with all the provisions of the Act during the financial year.

Declaration

I am Authorised by the Board of Directors of the company vide resolution no. ... dated

(DD/MM/YYYY) to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

1. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company.
2. All the required attachments have been completely and legibly attached to this form.

Note: Attention is also drawn to the provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively.

To be digitally signed by

Director

DIN of the director

00010065

To be digitally signed by

Company Secretary

Company secretary in practice

Membership number

11547

Certificate of practice number

Attachments

- 1. List of share holders, debenture holders
- 2. Approval letter for extension of AGM;
- 3. Copy of MGT-8;
- 4. Optional Attachment(s), if any

Attach
Attach
Attach
Attach

List of attachments

--

Remove attachment

Modify

Check Form

Prescrutiny

Submit

This eForm has been taken on file maintained by the Registrar of Companies through electronic mode and on the basis of statement of correctness given by the company

Form No. MGT-8

[Pursuant to Section 92(2) of the Companies Act, 2013 and Rule 11(2) of Companies
(Management and Administration) Rules, 2014]

CERTIFICATE

We have examined the registers, records, books and papers of **CHOLAMANDALAM HOME FINANCE LIMITED** (hereinafter referred as "the Company") bearing CIN: U65100TN2000PLC045617 having its Registered office at "Dare House" No.2, NSC Bose Road, Parrys, Chennai – 600001 as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended 31st March, 2023.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that:

A. the Annual Return states the facts as at the close of the aforesaid financial year correctly and adequately.

B. during the aforesaid financial year the Company has complied with provisions of the Act & Rules made there under in respect of:

1. its status as Unlisted Public Company under the Act;
2. maintenance of registers/ records & making entries therein within the time prescribed therefor;
3. a) filing of forms and returns with the Registrar of Companies within the prescribed time;
b) filing of forms and returns with Regional Director, Central Government, the Tribunal, Court or other authorities (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
4. a) calling/ convening/ holding meetings of Board of Directors and the meeting of the members of the company on due dates as stated in the annual return in respect of which meetings, proper notices were given and the proceedings including circular resolutions have been properly recorded in the Minute Book maintained for the purpose and the same have been signed;
b) resolutions passed by postal ballot (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);

5. closure of Register of members and Register of other security holders (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
6. advances/ loans to its directors and/or persons or firms or companies referred in Section 185 of the Act (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
7. contracts/arrangements with related parties as specified in the provisions of Section 188 of the Act;
8. issue or allotment or transfer or transmission or buy back of securities/ redemption of preference shares or debentures/ alteration or reduction of share capital/ conversion of shares/ securities and issue of security certificates in such instances (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
9. keeping in abeyance the rights to dividend, rights shares, and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
10. declaration / payment of dividend, transfer of unpaid/ unclaimed dividend/other amounts as applicable to the Investor Education and Protection Fund in accordance with Section 125 of the Act (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
11. signing of audited financial statement as per the provisions of Section 134 of the Act and report of directors is as per sub - sections (3), (4) and (5) thereof;
- 12 a) constitution/ appointment/ re-appointment/ retirement/ disclosures of the Directors and Key Managerial Personnel and the remuneration paid to them;
b) filling up casual vacancies of the Directors and Key Managerial Personnel (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
13. a) re-appointment of auditors as per the provisions of Section 139 of the Act;
b) appointment/ filling up casual vacancies of auditors as per the provisions of Section 139 of the Act (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
14. approval required to be taken from the Court, Central Government, Tribunal, Regional Director, Registrar or such other authorities under the various provisions of the Act (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
15. acceptance/ renewal / repayment of deposits (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);

16. borrowings from its directors, members, public financial institutions, banks and others and creation/ modification/ satisfaction of charges in that respect wherever applicable (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
17. loans and investments or guarantees given or provided securities to other bodies corporate or persons falling under the provisions of Section 186 of the Act (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);
18. alteration of the provisions of Memorandum and/ or Articles of Association of the Company (NOT APPLICABLE DURING THE YEAR UNDER REVIEW);

**For SRINIDHI SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES**

**PLACE : CHENNAI
DATE :**

**CS SRINIDHI SRIDHARAN
CP No.: 17990
FCS No.: 12510
PR.No.655/2020
UIN: S2017TN472300
UDIN:**

Partners:

G.N. GOPALARATHNAM, B.Sc., F.C.A., DISA
V. ANANTHARAMAN, B.Com., F.C.A.
M.V. RENGARAJAN, N.D.COM., F.C.A.
SUMITHRA RAVICHANDRAN, B.Sc., F.C.A.



V. CHANDRASEKARAN, B.Com., F.C.A.
N. SUNDAR, B.Sc., F.C.A., DISA
N.C. VIJAYKUMAR, B.Com., F.C.A., DISA
ARJUN. S. B.Com., F.C.A.

Ref :

Date: 28-Apr-2023

INDEPENDENT AUDITORS REPORT

To the Members of

Cholamandalam Home Finance Limited

Report on the Audit of Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS Financial Statements of Cholamandalam Home Finance Limited (the "Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. Basis of opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS Financial Statements.



3. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Director's Report but does not include the Ind AS Financial Statements and auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information, and in doing so, consider whether such information is materially inconsistent with the Ind AS Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

4. Responsibility of Management for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Other Matter

The comparative financial information of the Company for the year ended March 31, 2022 included in these Ind AS Financial Statements, including but not limited to groupings and disclosures, are based on the previously issued Ind AS Financial Statements prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 audited by the predecessor auditor whose report for the year ended March 31, 2022 dated April 29, 2022 expressed an unmodified opinion on those Standalone Financial Statements.

7. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143(3) of the Act, we report that:



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

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

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS Financial Statements comply with the [Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

(g) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act, read with the provisions of Schedule V to the Act.

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

i. The Company does not have any pending litigations which would impact its financial position:

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

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

iv.

(a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46(v) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this Audit Report, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes 46(vi) to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under



sub-clauses (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and hence our reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as to whether the Company has used such accounting software is not furnished.

For **N.C. Rajagopal & Co.,**
Chartered Accountants
(Firm Regn No.: 003398S)



Arjun S
Partner

(Membership No.: 230448)
UDIN: 23230448BGTWBR5000

Place: Chennai
Date: 28.04.2023

ANNEXURE 1 TO THE AUDITOR'S REPORT
[Referred to in Para 7(I) of our report of even date]

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) We have been informed that the Property, plant and equipment have been physically verified by the management during the year at reasonable intervals, and no material discrepancies were identified on such verification.
- (c) The Company does not own any immovable property and hence, reporting under Clause (i) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
- (e) Based on the information and explanations given to us, there have been no proceedings initiated against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits at any point of time of the year. Hence, reporting under Clause (ii) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (iii) (a) Based on the information and explanations given to us, the company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties, except in the case of Inter Corporate Deposits granted to Companies:

	Guarantees	Security	Loans	Advances in Nature of Loans
Aggregate amount granted/ provided during the year	Nil	Nil	87,00,00,000	Nil
Subsidiaries	Nil	Nil	Nil	Nil
Joint Ventures	Nil	Nil	Nil	Nil
Associates	Nil	Nil	Nil	Nil
Others:				Nil
Holding Company	Nil	Nil	39,50,00,000	
Fellow Subsidiary			47,50,00,000	
Balance outstanding as at balance sheet date in respect advance given in the nature of Loan to others	Nil	Nil	47,50,00,000	Nil



(b) Based on our verification of the relevant records, the grant of loans is not prejudicial to the company's interest.

(c) Based on the information and explanations given to us, the schedule of repayment of principal and payment of interest has been stipulated and the receipts are regular.

(d) As per the information given to us, the loans granted are not overdue. Hence, reporting under Clause (iii)(d) of the Companies (Auditor's Report) Order, 2020 does not arise.

(e) According to the information and explanations given to us, no loan or advance in the nature of loan which has fallen due during the year has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanation given to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause (iii)(f) of the Companies (Auditor's Report) Order, 2020 does not arise.

(iv) There are no guarantees or security given or investments made by the Company under the provisions of Section 185 and 186 of Companies Act, 2013. In respect of loans given, the provisions of Section 186 of the Companies Act, 2013 have been complied with.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under or under the directives of the Reserve Bank of India. Hence, reporting under clause (v) of the Companies (Auditor's Report) Order, 2020 does not arise.

(vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013.

(vii) (a) As per our verification of the records of the Company, in our opinion, the company is generally regular in depositing undisputed statutory dues including Income Tax, Goods and Services Tax, and other statutory dues applicable to it and there are no statutory dues outstanding for a period of more than six months from the date they become payable as on the last day of the financial year.

(b) According to the information and explanations given to us, there are no dues of Income tax, Goods and Services Tax, cess and any other statutory dues which have not been deposited on account of any dispute.

(viii) As per the records of the Company, there have been no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year and no tax assessments under the Income Tax Act, 1961 (43 of 1961) have been received during the year.

(ix) (a) The company did not have any loans or other borrowings during the year. Hence, reporting under clause (ix) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.

(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

(c) The Company did not have any term loans during the year. Hence, reporting under clause (ix) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.

(d) The Company has not raised any funds on a short term basis. Hence, reporting under clause (ix) (d) of the Companies (Auditor's Report) Order, 2020 does not arise.

(e) The Company does not have any subsidiaries, associates or joint ventures. Hence, reporting under clauses (ix) (e) and (f) of the Companies (Auditor's Report) Order, 2020 does not arise.



- (x) (a) The Company has not raised moneys by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year. Hence, reporting under clause (x) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under clause (x) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (xi) (a) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year;
- (b) No report under section 143 (12) of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanation given to us, there have been no whistle blower complaints received by the Company during the year. Hence, reporting under clause (xi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (xii) The Company is not a Nidhi company. Hence, reporting under clauses (xii) (a) to (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company.
- (xiv) (a) Based on the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of the Internal Auditor for the period under Audit were considered by us.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Hence, reporting under Clause (xv) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (xvi) (a) According to the information and explanations given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) Based on the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion, the Company is not a Core Investment Company (CIC) and hence, reporting under Clause (xvi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- (d) According to the information and explanations given to us, the Group has 2 Core Investment Companies.
- (xvii) The company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Hence, reporting under Clause (xviii) of the Companies (Auditor's Report) Order, 2020 does not arise. However, there was a change in the



Statutory Auditors during the year. As informed, there have been no material issues, objections or concerns raised by the previous Auditor

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) Based on our examination of the records of the Company, the company did not have any unspent amount to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 under the second proviso to section 135 (5) of the said Act.
- (b) As per our verification, the company did not have any amount unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project.
- (xxi) In our opinion, the company does not have to prepare consolidated financial statements. Hence, reporting under Clause (xxi) of the Companies (Auditor's Report) Order, 2020 does not arise.

For **N.C. Rajagopal & Co.,**
Chartered Accountants
(Firm Regn No.: 003398S)



Arjun S
Partner

(Membership No.: 230448)
UDIN: 23230448BGTWBR5000

Place: Chennai
Date: 28.04.2023

**ANNEXURE 2 TO THE AUDITORS' REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER
CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of Cholamandalam Home Finance Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N.C. Rajagopal & Co.,**

Chartered Accountants

(Firm Regn No.: 003398S)



Partner



(Membership No.: 230448)

UDIN: 23230448BGTWBR5000

Place: Chennai
Date: 28.04.2023

CHOLAMANDALAM HOME FINANCE LIMITED

CIN: U65100TN2000PLC045617

Balance Sheet as at 31-Mar-2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-2023	As at 31-Mar-2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	59.36	141.04
Intangible Assets	5	48.41	99.18
Intangible Assets Under Development	5	-	-
Financial Assets			
(a) Investments	6	1,327.10	1,442.42
(b) Other Financial Assets	7	-	5.04
Deferred Tax Assets (net)	8	265.05	347.84
Other Non-Current Assets	9	165.66	4.10
		1,865.58	2,039.62
Current Assets			
Financial Assets			
(a) Trade Receivables	10	1,056.35	697.12
(b) Cash and Cash Equivalents	11	60.72	3,943.37
(c) Investment	12	50.00	-
(d) Other Financial Assets	13	4,752.81	2.16
Other Current Assets	14	48.66	196.26
		5,968.54	4,838.91
Total Assets		7,834.12	6,878.53
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	4,240.00	4,240.00
Other Equity	16	2,420.83	1,982.96
Total Equity		6,660.83	6,222.96
Non - Current Liabilities			
Financial Liabilities			
- Lease Liabilities	17	-	18.88
Current Liabilities			
Financial Liabilities			
(a) Trade Payables			
- Total Outstanding dues to Micro and Small Enterprises	18	-	-
- Total Outstanding dues of Creditors other than Micro and Small Enterprises	18	909.40	549.98
(b) Other Financial Liabilities	19	200.00	11.87
(c) Lease Liabilities	17	-	19.38
Provisions	20	5.30	5.30
Other Current Liabilities	21	58.59	50.16
		1,173.29	655.57
TOTAL EQUITY AND LIABILITIES		7,834.12	6,878.53
Summary of Significant Accounting Policies	3		

The accompanying notes are an integral part of these financial statements

As per our report of even date
For N.C.Rajagopal & Co
Chartered Accountants
Firm Regn No.03398

Arjun S
Partner
Membership No: 230448



Place: Chennai
Date : 28-Apr-2023

For and on behalf of the Board of Directors
Cholamandalam Home Finance Limited

M.A.M. Arunachalam
Chairman
DIN 00202958

Arul Selvan D
Director
DIN 00010065

Kayitha A
Chief Financial Officer

Sujatha P
Company Secretary
Membership No: 11547

CHOLAMANDALAM HOME FINANCE LIMITED
Statement of Profit and Loss for the Year Ended Mar 31, 2023
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	Notes	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Revenue			
Revenue from Contract with Customers	22	7,822.55	4,976.49
Other Income	23	364.52	660.43
Total Income		8,187.07	5,636.92
Expenses			
Employee Benefits Expense	24	0.00	33.08
Deputation Charges	25	7,081.98	4,405.49
Finance Costs	26	0.20	13.53
Depreciation and Amortisation Expense	28	110.14	240.35
Other Expenses	27	228.70	25.90
Total Expense		7,421.02	4,718.35
Profit/ (Loss) Before Tax		766.05	918.57
Income Tax			
- Current Year		158.87	153.33
- Prior Years		0.04	-
- Deferred Tax (Net)		51.81	198.56
MAT Credit Entitlement			
- Current Year		-	(112.33)
- Prior Years		(0.04)	-
		210.68	239.56
Profit / (Loss) for the year (I)		555.37	679.01
Other Comprehensive income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
Net (loss)/gain on Equity Instruments through Other Comprehensive Income	29	(117.50)	167.51
Income Tax Effect of above item		-	-
		(117.50)	167.51
Other comprehensive income/(loss) for the year, net of tax (II)		(117.50)	167.51
Total comprehensive income/ (loss) for the year, net of tax (I + II)		437.87	846.52
Earnings per Equity Share of Rs. 10 each			
Basic		1.31	1.60
Diluted		1.31	1.60
	33		
Total No of Shares (Basic)		4,24,00,000	4,24,00,000
Total No of Shares (Diluted)		4,24,00,000	4,24,00,000

Summary of Significant Accounting Policies 3
The accompanying notes are an integral part of these financial statements

As per our report of even date

For N.C.Rajagopal & Co
Chartered Accountants
Firm Regn No.033985

Arjun S
Partner
Membership No: 230448



Place: Chennai
Date : 28-Apr-2023

For and on behalf of the Board of Directors
Cholamandalam Home Finance Limited

M.A.M. Arunachalam
Chairman
DIN 00202958

Arul Selvan D
Director
DIN 00010065

Kavitha A
Chief Financial Officer

Sujatha P
Company Secretary
Membership No: 11547

CHOLAMANDALAM HOME FINANCE LIMITED
U65100TN2000PLC045617
Statement of Cash Flow for the year ended March 31, 2023
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
A. Cash Flow from Operating Activities:		
Profit Before Tax	766.05	918.57
Adjustments for :		
Depreciation on Tangible assets & ROU Assets & Amortisation of Intangible assets	110.15	240.35
Gain on Termination of Leases	(5.26)	(33.35)
Finance Cost	0.20	13.53
(Profit) / Loss on Sale of Property plant & equipment	1.72	-
Fair Value gain on financial instrument at fair value through profit and loss	(30.31)	(311.78)
Realised (Profit)/Loss on sale of Financial Instruments	(8.27)	-
Profit on Sale of Current Investments	(3.95)	-
Interest Income	(190.25)	(142.76)
Dividend income	(5.68)	(3.39)
Operating Profit before Working Capital / Other Changes	634.40	681.17
Adjustments for :		
Increase / (Decrease) in Short term provisions	-	1.64
Increase / (Decrease) in trade payable and other financial and non financial liabilities	555.98	239.62
Decrease / (Increase) in Other financial and current assets (Short term)	151.99	163.24
Decrease / (Increase) in trade and other receivables	(359.24)	(196.73)
Cash Generated From Operations	983.13	888.94
Net Income tax (Paid)/Refund Received	(289.40)	(140.16)
Cash Generated From / (used in) Operations	693.73	748.78
B. Cash Flow from Investing Activities:		
Purchase of Property, plant and Equipment and Intangible Assets (Including Capital Work In Progress)	(11.65)	(57.29)
Purchase of Current investment	(450.00)	-
Proceeds from sale of Current Investment	400.00	-
Investments in Inter Corporate Deposits	(8,700.00)	(6,850.00)
Proceeds from redemption of Inter Corporate Deposits	3,950.00	6,850.00
Proceeds from sale of Financial Instruments	3.95	-
Investment in Non Current Investment	-	-
Proceeds from sale of Non-Current Investment	36.38	-
Interest Income	190.25	142.76
Dividend income	5.68	3.39
Net Cash flow from/ (used in) Investing Activities	(4,575.39)	88.86
C. Cash Flow from Financing Activities:		
Lease payments during the year	(0.99)	(55.02)
Net Cash flow from/ (used in) Financing Activities	(0.99)	(55.02)
Net Increase/ (decrease) in Cash and Cash Equivalents [A+B+C]	(3,882.65)	782.62
Cash and Cash Equivalents at the Beginning of the Year	3,943.37	3,160.75
Cash and Cash Equivalents as at End of the Year	60.72	3,943.37

Summary of Significant Accounting Policies - Note 3

The accompanying notes are an integral part of these financial statements

As per our report of even date
For N.C.Rajagopal & Co
Chartered Accountants
Firm Regn No.03398S



Arjun S
Partner
Membership No: 2306

Place: Chennai
Date : 28-Apr-2023

For and on behalf of the Board of Directors
Cholamandalam Home Finance Limited

M.A.M.
M A M Arunachalam
Chairman
DIN 00202958

A. Selvan
Arul Selvan D
Director
DIN 00010065

Kavitha A
Kavitha A
Chief Financial Officer

Sujatha P
Sujatha P
Company Secretary
Membership No: 11547

CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Statement of Changes in Equity for the Year Ended Mar 31, 2023

A. Equity Share Capital

As at 1st April 2022	4,240
Changes in Equity share Capital	-
As at 31st March 2023	4,240

B Other Equity

Particulars	Retained Earnings (in Rs.)	Other Comprehensive Income		Total Equity attributable to Equity holders of the Company (in Rs.)
		Changes in Fair Value of Investment (in Rs.)	Re-measurement gains and (losses) on defined benefit obligations (net)	
Balance as on 1st April, 2021	965.96	174.76	(4.28)	1,136.44
Profit for the year	679.01	-	-	679.01
Changes in Fair Value of Long Term Investment	-	167.51	-	167.51
Movement of Reserves due to reclassification of Investments from FVTOCI to FVTPL	-	-	-	-
Remeasurement of the defined benefit obligation	-	-	-	-
Transfer to retained earnings from Re-measurements gains and (losses) on defined benefit obligations (net)	(4.28)	-	4.28	0.00
Balance as on 31st March 2022	1,640.69	342.27	-	1,982.96
Profit for the year	555.37	-	-	555.37
Changes in Fair Value of Long Term Investment	-	(117.50)	-	(117.50)
Transfer to retained earnings from Re-measurements gains and (losses) on defined benefit obligations (net)	-	-	-	-
Balance as on 31st March 2023	2,196.06	224.77	-	2,420.83



CHOLAMANDALAM HOME FINANCE LIMITED
Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

1. Corporate Information

Cholamandalam Home Finance Limited (formerly known as Cholamandalam Distribution Services Limited) ('the Company') is a subsidiary of Cholamandalam Investment and Finance Company Limited ("CIFCL") domiciled in India. The registered office of the Company is located at Chennai, Tamil Nadu. The Company is a corporate agent registered with Insurance Regulatory and Development Authority (IRDA) for general and life insurance business.

2. Basis of Preparation

The Financial Statements of the company have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Financial Statements have been prepared on a historical cost Basis, except for certain financial assets which are carried either at Fair value through Other comprehensive Income (FVOCI) or Profit and Loss Statement (FVTPL). The Financial Statements are presented in Lakhs of Indian Rupees (INR).

2.1 Presentation of financial statements

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

- a) It is expected to be realized in, or is intended for sale or consumption in, the company's normal Operating cycle.
- b) It is expected to be realised within twelve months after the reporting period; or
- c) It is cash or Cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- a) It is expected to be settled in the company's normal operating cycle.
- b) It is due to be settled within twelve months after the reporting period.
- c) The company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting period.

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

3. Significant Accounting Policies

3.1. Use of Estimates

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods and if material, their effects are disclosed in the notes to the financial statements

3.2 Cash and Cash Equivalents

Cash comprises cash on hand and Term deposits with banks. Cash and cash equivalents includes cash, balance with scheduled banks, deposits held at call with banks and other short-term highly liquid investments including deposits with original maturities of three months or less which are subject to an insignificant risk of change in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

3.3 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any.

Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the property plant and equipment and borrowing cost if capitalisation criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

3.4 Intangible Assets:

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows: Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.



3.5 Depreciation and Amortisation

The Company depreciates property plant and equipment over the year estimated useful lives using the straight line methods. The estimated useful lives of the assets are as follows:

Description of Assets	Useful life and Basis of Depreciation / Amortisation
Computers	3 Years
Office Equipment	5 Years
Vehicles *	5 Years
Computer Software *	3 Years
Furniture and Fittings *	5 Years

* The assets mentioned above are depreciated based on the Company's estimate of their useful lives taking into consideration the durability based on useful life. Hence the useful lives of these assets is different from the estimated useful lives prescribed under Schedule II of the Companies Act 2013.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Improvement to Leasehold premises are amortised over a period of 5 years which is as per management estimates.

Individual Fixed Assets whose actual cost does not exceed Rs 5000/- are fully depreciated in the year of acquisition considering the nature and usage pattern of these assets, depreciation is provided pro-rata from the date of Capitalisation.

3.6 Impairment of Non Financial Assets

The Company determines whether there is any indication of impairment of the carrying amount of the Company's assets. The recoverable amount of such assets is estimated and if any indication of impairment exists, impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount.

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

3.7 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,
- Level 2 — inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 — inputs that are unobservable for the asset or liability

3.8 Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at Fair Value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS. The company recognizes revenue from contracts with customers based on a five step model as set out in Ind 115:

- Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5: Recognize revenue when (or as) the company satisfies a performance obligation.

The Company's performance obligation is to distribute for the insurance products of the other party. The Company satisfies the performance obligation by distributing the insurance products. On satisfying the performance obligation the company receives revenue by way of commission.

Interest income from a financial asset is recognised using effective interest rate method.

Dividend income is accounted for when the right to receive it is established, which is generally when shareholders approve the dividend.



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

3.9 Lease

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of a consideration.

Company as a Lessee

The company applies a single recognition and measurement approach for all leases, except for short term leases. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The company recognises the right-of-use assets at the commencement date of the lease (i.e., the date of the underlying asset is available for use). Right-of-use assets are measured at cost, less of any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets. Right-of-use assets mainly consists of Buildings having a lease term of maximum of 60 months.

b) Lease Liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, an amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate.

In calculating the present value of the lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.10 Employee Benefits

a) Defined Contribution Plans

Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Other - Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

3.11 Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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



(iii) Minimum Alternative Tax (MAT)

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income-tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the "Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(iv) Goods and Service Tax (GST) Input Credit

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.12 Provisions and Contingencies

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

3.13 Earnings Per Share

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

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

3.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition

Financial assets and liabilities, with the exception of borrowings are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. The company recognises borrowings when funds reach the company.

A. Financial assets

i. Initial recognition and measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the company accounts for the Day 1 profit or loss, as described below.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a. Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on the specified date to the cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial Assets measured at Fair Value Through Other Comprehensive Income

A financial assets is measured at FVTOCI if it is held within a business model whose objective is to achieved by both collecting contractual cash flows and selling financials assets and the contractual terms of the financial assets give raise on the specified date to the cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

1. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
2. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Impairment of Financial Assets and Trade Receivables

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Financial liabilities

i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

ii. Subsequent measurement

Financial liabilities are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

iii. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.15 Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

3.16 Segment Information

The Company's main business is insurance corporate agency for General and Life insurance products. All other activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segment.

3.17 Standards Issued but not yet effective

Ministry of Corporate Affairs has issued Companies (Indian Accounting Standards) Amendment Rules, 2022 on March 23, 2022, which contains various amendments to Ind AS.

Management has evaluated these and have concluded that there is no material impact on the Company's financial statements.



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 4. Property Plant and Equipment

Particulars	Computer	Office Equipment	Furniture & Fixtures	Improvement to Lease Hold Premises	Vehicles	Right on use of underlying Asset (Refer Note 32)	Total
Cost							
At 1 April 2021	109.47	62.79	74.72	159.91	-	473.58	880.47
Additions	0.56	-	-	-	11.53	-	12.09
Disposals/Transfers	-	-	-	-	-	(402.13)	(402.13)
At 31 March 2022	110.03	62.79	74.72	159.91	11.53	71.45	490.43
Additions	-	-	-	-	-	-	-
Disposals	(0.14)	(0.52)	(0.30)	(2.61)	-	(108.34)	(111.91)
Transfer/Adjustments	0.76	3.59	0.44	(0.13)	-	36.89	41.55
At 31 March 2023	110.65	65.86	74.86	157.17	11.53	-	420.07
Depreciation & Amortisation							
At 1 April 2021	78.25	31.84	52.00	72.52	-	160.33	394.94
Depreciation for the Year	30.83	9.78	7.50	27.08	1.16	44.22	120.57
Disposals / Written off	-	-	-	-	-	(166.12)	(166.12)
At 31 March 2022	109.08	41.62	59.50	99.60	1.16	38.43	349.39
Depreciation for the year	0.77	9.65	7.47	26.76	2.31	0.76	47.72
Disposals	(0.07)	(0.27)	(0.16)	(1.36)	-	(39.19)	(41.05)
Transfer/Adjustments	0.76	3.59	0.44	(0.13)	-	-	4.66
At 31 March 2023	110.54	54.59	67.25	124.87	3.47	0.00	360.72
Net book value							
At 31 March 2023	0.11	11.27	7.61	32.30	8.06	0.00	59.35
At 31 March 2022	0.95	21.17	15.22	60.31	10.37	33.02	141.04

Note 5. Intangible Assets

Computer Software	Intangible Assets Under Development
456.58	9.28
54.46	0.93
-	(10.21)
511.04	-
11.65	6.65
-	-
(8.63)	(6.65)
514.06	-
292.09	-
119.78	-
-	-
411.87	-
62.41	-
-	-
(8.63)	-
465.65	-
48.41	-
99.18	-

Intangible assets under development Ageing Schedule

At 31 Mar 2023

Intangible assets under development:	Amount				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

At 31 March 2022

Intangible assets under development:	Amount				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 6. Financial Assets - Investments

Particulars	Face Value per Unit	Number of Units/Shares		In Rupees Lakhs	
		As at 31-Mar-2023	As at 31-Mar-2022	As at 31-Mar-2023	As at 31-Mar-2022
Investments at Fair Value Through Profit & Loss Statement (FVTPL):					
Unquoted Investments					
18,225 Units (As at Mar 31, 2022 - 21,662 Units) of Face Value Rs.1,000 each in Faering Capital India Evolving Fund	1,000	18,225	21,662	602.07	599.88
Total FVTPL investments				602.07	599.88
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
Quoted Investments - Equity Shares (Fully Paid)					
2,500,100 Equity Shares (As at Mar 31, 2022 - 2,500,100) of Face Value Rs.10 each in Coromandel Engineering Company Limited.	10	25,00,100	25,00,100	725.03	842.54
Total FVTOCI investments				725.03	842.54
Total Investments				1,327.10	1,442.42
Investments at fair valued through OCI reflect investment in quoted and unquoted equity securities.					
i) Investments in India				1,327.10	1,442.42
ii) Investments Outside India				-	-
Total Investments				1,327.10	1,442.42



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Note 7. Other Financial Assets - Amortised Cost		
Security Deposits	-	5.04
	<u>-</u>	<u>5.04</u>
Note 8. Deferred Tax Asset (net)		
	265.05	347.84
	<u>265.05</u>	<u>347.84</u>
-Difference between depreciation as per books of accounts and the Income Tax Act, 1961	59.41	54.90
-Impact of lease liability adjustments	-	1.46
-Impact of Disallowances under the Income Tax Act, 1961	16.69	-
Total (A)	<u>76.10</u>	<u>56.36</u>
- MAT Credit entitlement	278.72	309.71
- Losses available for offsetting against future taxable income	-	65.14
Total (B)	<u>278.72</u>	<u>374.85</u>
Deferred Tax (A+B)	<u>354.82</u>	<u>431.21</u>
Tax effect on Investment Fair Value / Remeasurement of defined benefit obligation	(89.78)	(83.37)
MAT Credit Entitlement	278.72	309.71
Deferred Tax Assets (Net)	<u>265.05</u>	<u>347.84</u>
Reconciliation of Deferred tax Asset (Net)		
Opening balance	347.84	422.28
Tax Income/(Expense) during the period recognised in Profit and Loss	(51.81)	(198.56)
MAT Credit / Utilised	(30.98)	124.12
Tax Income/(Expense) during the period recognised in OCI		
Closing balance	<u>265.05</u>	<u>347.84</u>
Note 9. Non Current Assets		
Tax Deducted at Source /Advance tax (Net of Provision for Taxation)	165.66	4.10
	<u>165.66</u>	<u>4.10</u>
Note 10. Trade Receivables		
Receivable from Others		
Trade Receivables considered good - Unsecured	1.33	1.20
Total receivables from others	<u>1.33</u>	<u>1.20</u>
Receivable from Related Parties		
Trade Receivables considered good - Unsecured	1,055.02	695.92
	<u>1,056.35</u>	<u>697.12</u>

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,055.63	-	0.72	-	-	1,056.35
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade receivables - Credit Impaired	-	-	-	-	-	-

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	696.38	0.74	-	-	-	697.12
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade receivables - Credit Impaired	-	-	-	-	-	-



CHOLAMANDALAM HOME FINANCE LIMITED**Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023***(All amounts are in Lakhs of Indian rupees unless otherwise stated)*

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Note 11. Cash and Cash Equivalents		
Cash on hand	0.15	0.15
Balances with banks:		
– On current accounts	60.57	42.21
– On Deposit Account - Maturity less than 3 months	-	3,901.01
	60.72	3,943.37
Note 12. Financial Assets - Investments		
Quoted securities		
Mutual Fund Investment		
(As at Mar'23 Aditya Birla Sunlife Money Manager fund Growth - 15,972.203 units @ Rs. 313.0282 each)	50.00	-
	50.00	-
Note 13. Other Financial Assets		
Intercorporate Deposit	4,750.00	-
Interest Receivable on ICD	2.81	-
Security Deposits	-	2.16
	4,752.81	2.16
Note 14. Other current assets		
Advances and Claims Recoverable	-	0.04
Balances with Govt Authorities (GST)	43.30	192.21
Prepaid expenses	5.36	4.01
	48.66	196.26



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note - 15. Equity Share Capital

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Authorised Capital		
14,25,00,000 Equity Shares of Rs. 10 each	14,250	14,250
(March 31, 2022: 14,25,00,000 Equity Shares of Rs. 10 each)		
Issued, Subscribed and Paid-up Capital		
42,400,000 Equity Shares of Rs.10/ each	4,240	4,240
(March 31, 2022: 42,400,000 Equity Shares of Rs.10/ each)		
	4,240	4,240

a) The Reconciliation of shares capital is given below:

	As at 31-Mar-2023	As at 31-Mar-2022
	No. of Shares	No. of Shares
At the beginning of the year	4,24,00,000	4,24,00,000
Shares Issued during the year	-	-
At the end of the year	4,24,00,000	4,24,00,000

b) Terms/Rights attached to class of shares

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10 each. The holders of Equity Shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shareholder(s) holding more than 5 percent of Equity Shares in the Company

	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Cholamandalam Investment and Finance Company Limited (Including Beneficial Shareholding)	4,24,00,000	100.00%	4,24,00,000	100.00%

d) Details of shares held by promoters**As at 31 March 2023**

Promoter Name	No of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
Cholamandalam Investment and Finance Company Limited	4,24,00,000	-	4,24,00,000	-	0.00%

As at 31 March 2022

Promoter Name	No of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
Cholamandalam Investment and Finance Company Limited	4,24,00,000	-	4,24,00,000	-	0.00%



CHOLAMANDALAM HOME FINANCE LIMITED
Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Note 16. Other Equity		
Retained earnings	2,196.06	1,640.69
FVOCI reserve	224.77	342.27
	<u>2,420.83</u>	<u>1,982.96</u>

Nature and Purpose of reserve

16(a) Retained Earnings Movement

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balance as at the beginning of the year	1,640.69	961.68
Profit / (Loss) for the year	555.37	679.01
	<u>2,196.06</u>	<u>1,640.69</u>

16(b) FVTOCI Equity Investments

The Company has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity.

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	342.27	174.76
Fair Valuation of FVTOCI Investments	(117.50)	167.51
Balance at the end of the year	<u>224.77</u>	<u>342.27</u>

Note 17. Lease Liability

Current	-	19.38
Non Current	-	18.88
	<u>-</u>	<u>38.26</u>

Note 18. Trade Payables

Trade Payables

-Due to Micro and Small Enterprises	-	-
-Due to creditors other than Micro and Small Enterprises	909.40	549.98
	<u>909.40</u>	<u>549.98</u>
- Amount Payable to Related Party	901.60	536.79
- Others	7.80	13.19
	<u>909.40</u>	<u>549.98</u>

As at 31st March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	909.40	-	-	-	909.40
(ii) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(iii) Disputed dues of creditors other than micro enterprises and small enterprise	-	-	-	-	-
(iv) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-

As at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	549.98	-	-	-	549.98
(ii) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(iii) Disputed dues of creditors other than micro enterprises and small enterprise	-	-	-	-	-
(iv) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-

Note 19. Other Financial Liabilities

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Capital Creditors	-	11.87
Commission Payable	200.00	-
	<u>200.00</u>	<u>11.87</u>

Note 20. Provisions

Short Term

Provision for Compensated Absences	1.99	1.99
Provision for Gratuity	3.31	3.31
	<u>5.30</u>	<u>5.30</u>

Particulars	Provision for Compensated Absences	Provision for Gratuity
As at 1 April 2022	1.99	3.31
Arising during the year	-	-
Utilised	-	-
As at 31 March 2023	<u>1.99</u>	<u>3.31</u>

Note 21. Other current liabilities

Statutory liabilities	36.40	27.97
Advances received from Part Sales of units held in Faering Capital India Evolving Fund	22.19	22.19
	<u>58.59</u>	<u>50.16</u>



CHOLAMANDALAM HOME FINANCE LIMITED**Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023***(All amounts are in Lakhs of Indian rupees unless otherwise stated)*

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Note 22. Revenue from Contract with Customers		
Commission Income	7,822.55	4,976.49
	7,822.55	4,976.49

Revenue from Contracts with Customers**(a) Services**

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Type of Services		
Commission income	7,822.55	4,976.49
Total Revenue from contracts with customers	7,822.55	4,976.49

Timing of Revenue Recognition:

Services transferred at a point in time	7,822.55	4,976.49
Total Revenue from contracts with customers	7,822.55	4,976.49

(b) Contract Balances

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Trade Receivables	1,033.13	661.84

(c) Information about the Company's performance obligation

Commission income - The performance obligation in regards of commission on insurance policies is based on the commencement of the risk start date of the insurance policies. The group has used practical expedient and have not disclosed the amount of remaining performance obligations, since the contracts with customers have duration of less than one year.

The revenue as per the statement of Profit and Loss that has been earned by the Company during the year is equal to the contract price as per the principles of Ind AS 115 (Revenue from contract with customers). Hence, there are no reconciling items in this regard.

The Company has only one stream of revenue viz. Insurance Corporate Agency business and hence there is no further disaggregation of the revenue on contract with customers.

Note 23. Other Income

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Interest Income on:		
- Intercompany Deposits	92.39	140.05
- Fixed Deposits	97.86	2.70
- Income Tax Refund	-	1.23
Profit on Sale of Current Investment	3.95	-
Fair Value gain on financial instruments at fair value through profit or loss	30.31	311.78
Dividend Income from FVTPL Investment	5.68	3.39
Profit on sale of Non current Investment	8.27	-
Recovery of Other Expenses	119.85	165.15
Liabilities no longer required written back	0.95	2.78
Gain on termination of Lease contracts	5.26	33.35
	364.52	660.43

Note 24. Employee Benefits Expense

Salaries, Wages and Bonus	-	30.48
Contribution to Provident and Other Funds	-	1.70
Gratuity Expenses	-	0.84
Staff Welfare Expenses	-	0.06
	-	33.08



CHOLAMANDALAM HOME FINANCE LIMITED**Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023***(All amounts are in Lakhs of Indian rupees unless otherwise stated)*

Particulars	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Note 25. Deputation Charges		
Deputation Charges	7,081.98	4,405.49
	7,081.98	4,405.49
Deputation Charges represents the cost reimbursed to the holding company based on the agreement entered with it in relation to the operations of the Company.		
Note 26. Finance Costs		
Interest on Lease Liability	0.20	13.53
	0.20	13.53
Note 27. Other Expense		
Professional Charges	2.66	2.99
Repairs and maintenance	-	0.02
Insurance	6.65	6.18
Rates and Taxes	0.34	6.15
Travelling and Conveyance	-	0.33
Commission to Directors	200.00	-
Printing and Stationery	-	0.07
Payments to Auditors:		
Audit fee	6.01	6.00
Tax audit fee	0.75	0.75
Other Services	2.25	2.25
Out of Pocket Expenses	-	-
Other Certification	-	-
Loss on Sale of Own Assets	1.72	-
Information Technology Expenses	0.80	0.23
Corporate Social Responsibility(Refer CSR Note Below)	6.55	-
Other Expenses	0.97	0.93
	228.70	25.90
Note on CSR Expenditure:		
a) Gross amount required to be spent during the year	6.55	-
(b) Amount Spent during the year:		
(i) Education	6.55	-
(ii) Others	-	-
(c) Shortfall at the end of the year	-	-
(d) Total of previous year shortfall	-	-
(e) Reason for Shortfall	-	-
(f) Details of Related party Transactions	-	-
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	-	-
Total	6.55	-
Note 28. Depreciation and Amortization Expense		
Depreciation of tangible assets	46.96	76.35
Amortisation of intangible assets	62.41	119.78
Depreciation of right to use asset	0.76	44.22
	110.14	240.35
Note 29. Other Comprehensive Income		
Fair Value of Equity Instruments		
(i) Unrealised Gain/(Loss)	(117.50)	167.51
Total	(117.50)	167.51



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 30. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial Statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of Non Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model.

Taxes

Deferred Tax Assets are recognised for unused tax losses which has been incurred by the Company during the current and the previous years as per the provisions of Income Tax Act, 1961. These Deferred Tax Assets have been recognised to the extent that it is probable that taxable profits will be available in the future against which such losses can be utilised. Significant Management judgement through the future period taxable profitability analysis is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, Credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

Leases - Determining the Lease term of contracts with renewal and termination options - Company as a Lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow.

Refer Note 32 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	Year Ended 31-Mar-2023	Year Ended March 31, 2022
Note 31. Tax Expense		
Profit/Loss Section		
Current Tax	158.87	153.33
Adjustments for Current tax of prior period	0.04	-
Total	158.91	153.33
Deferred Tax (Net)	51.81	198.56
MAT Credit Adjustments		
- Current Year	-	(112.33)
- Prior Years	(0.04)	-
Total	51.77	86.23
Income Tax expense reported in the statement of profit and loss	210.68	239.56
Other Comprehensive Income (OCI) section		
Remeasurement of Fair value in Equity Instruments	-	-
Income tax Charged in OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	Year Ended 31-Mar-2023	Year Ended March 31, 2022
Profit/(Loss) before Income Tax Expense	766.04	918.57
Profit before income tax multiplied by applicable tax rate of 27.82% (A)	213.11	255.55
1. Effect of Taxes on items of income at differential rate and related set-off adjustments	(4.33)	(17.03)
2. Effect of expenses which are not allowable in nature for Income Tax	0.84	(9.28)
3. Others	1.06	10.31
Total	210.68	239.56

The Company continues to pay income tax under older tax regime and have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering the accumulated MAT credit, losses and other benefits under the Income Tax Act, 1961. The Company plans to opt for lower tax regime once these benefits are utilised which is expected by financial year ending 2026.



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 32. Leases

The Company had lease contracts for Buildings used for its operations as branches of the Company. Leases of such assets generally had a tenure of 77 months. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Leases were terminated during the year.

The carrying amounts of right-of-use assets recognised is explained in Note No 4 and the movements during the year in carrying value of Right of Use Assets and Lease Liability and disclosures are as given below

(i) Movement in the carrying value of the Right to Use Asset for the year ended March 31, 2023

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	33.02	313.25
Additions during the year	-	-
Adjustment/Deletion	(32.26)	(236.01)
Depreciation charge for the year	(0.76)	(44.22)
Closing Balance	0.00	33.02

(ii) Classification of current and non current liabilities of the lease liabilities as at March 31, 2023

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current liabilities	0.00	19.38
Non Current Liabilities	0.00	18.88
Total Lease liabilities	0.00	38.26

(iii) Movement in the carrying value of the Lease Liability for the year ended March 31, 2023

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	38.26	349.11
Additions during the year	-	-
Interest Expense	0.20	13.53
Adjustment/Deletion	(37.50)	(269.36)
Lease Payments [Total Cash Outflow]	(0.96)	(55.02)
Closing Balance	0.00	38.26

(iv) Contractual Maturities of Lease liability outstanding as at March 31, 2023

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Less than one year	-	19.65
One to five Years	-	23.01
More than Five years	-	-
Total	-	42.66

(v) The Following amounts are recognised in the Statement of Profit & Loss

Depreciation charge for the year	0.76	44.22
Interest expense on Lease Liabilities	0.20	13.53
Gain on termination of Lease contracts*	5.26	33.35
Income from Right-of-use assets (Included in Other Income - recovery of Other expenses)	(0.96)	(55.02)
Total	5.26	36.08

*During the current financial year, the Company had terminated 3 branches (FY22 - 25 Branches) and transferred those leases to its holding company resulting in derecognition of Lease liability and ROU asset. The difference between the carrying values of lease liability and ROU asset being Rs. 5.26 lakhs (FY22 - Rs 33.35L) is recognised as the gain on termination of lease contracts.



CHOLAMANDALAM HOME FINANCE LIMITED
Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 33. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares Outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	31-Mar-23	31-Mar-22
Profit after tax	555.37	679.01
Weighted average number of equity shares outstanding during the year (Nos.)		
- Basic	4,24,00,000	4,24,00,000
- Diluted	4,24,00,000	4,24,00,000
Earnings per equity share		
- Basic	1.31	1.60
- Diluted	1.31	1.60

Note 34. Segment information

The principal business of the Company is acting as an Corporate agency of insurance products. All other activities of the Company revolve around its main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segment. The Chief Operating Decision Maker (CODM) evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. CODM have concluded that there is only one operating reportable segment as defined by Ind AS 108, i.e. agency service of insurance related products. All non-current assets of the Company are located in India.

Customers contributing to revenue more than 10%		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Cholamandalam MS General Insurance Company Limited	7,812.88	4,966.36



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 35 - Related Party Disclosures

Related Parties under IND AS 24

Ultimate Holding Company (Entity having significant control over the Holding Company)	Cholamandalam Financial Holdings Limited
Entity having significant influence over Ultimate Holding Company	Ambali Investments Limited
Holding Company	Cholamandalam Investment and Finance Company Limited
Holding Company's Fellow Subsidiary	(i) Cholamandalam MS General Insurance Company Limited
Joint Venture of Ultimate Holding Company	(i) Cholamandalam MS Risk Services Limited
Fellow Subsidiary	(i) Cholamandalam Securities Limited
Joint Venture of Holding Company	(i) Payswiff Technologies Private Limited (effective from February 8, 2022)
Subsidiaries of Joint Venture of Holding Company	i. Payswiff Solutions Private Limited ii. Payswiff Services Private Limited
Associate of Holding Company	(i) White Data System India Private Limited (ii) Vishwakarma Payments Private Limited (iii) Paytal Commerce Private Limited (effective from February 8, 2022)
Key Managerial Personnel	(i) Kavitha A - Chief Finance Officer and Manager (ii) M A M Arunachalam - Director & Chairman (iii) Arul Selvan D - Director (iv) Shaji Varghese (Till May 11, 2022) (v) Ravindra Kumar Kundu (From May 11, 2022) (vi) Sujatha P - Company Secretary

Related party relationships are as identified by the Management and relied upon by the auditors.

A. Details of Related Party Transactions

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

Particulars	Related Party	Year ended March 31, 2023	Year ended March 31, 2022
Services Received			
Interest Income	Cholamandalam Investment and Finance Company Limited	89.27	140.05
	Cholamandalam Securities Limited	3.12	-
Commission Income	Cholamandalam MS General Insurance Company Limited	7,812.88	4,966.36
Amount received towards other Reimbursements			
Recovery of Other Expenses	Cholamandalam Investment and Finance Company Limited	119.85	165.15
Expenses reimbursed			
Recovery of Other Expenses	Cholamandalam Investment and Finance Company Limited	0.18	12.24
Expenditure			
Insurance Premium Paid	Cholamandalam MS General Insurance Company Limited	0.33	0.14
Deputation Cost (Reimbursement)	Cholamandalam Investment and Finance Company Limited	7,087.11	4,414.06
Others			
Advances / Deposits Given	Cholamandalam Investment and Finance Company Limited	3,950.00	6,850.00
Advances / Deposits Recovered	Cholamandalam Investment and Finance Company Limited	3,950.00	6,850.00
Advances / Deposits Given	Cholamandalam Securities Limited	4,750.00	-
Advances / Deposits Recovered	Cholamandalam Securities Limited	-	-
Assets & Liabilities			
Intercompany Deposit Given	Cholamandalam Securities Limited	4,750.00	-
	Cholamandalam Investment and Finance Company Limited	23.22	35.27
Receivable	Cholamandalam MS General Insurance Company Limited	1,031.80	660.63
	Cholamandalam Securities Limited	2.81	-
Payable	Cholamandalam Investment and Finance Company Limited	901.60	536.78
	Cholamandalam Securities Limited	-	0.01

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: INR Nil).

B. Key Managerial Personnel

Sitting Fees & Commission

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
M A M Arunachalam - Director & Chairman - Sitting Fees	0.80	1.00
M A M Arunachalam - Director & Chairman - Commission	200.00	-
Payable		
M A M Arunachalam - Director & Chairman - Commission Payable	200.00	-

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Key Managerial Personnel Remuneration		
Company Secretary - Ms. Sujatha P *	-	-
Chief Financial Officer - Ms. Kavitha A (Included in the "Deputation Cost" as given above)	56.13	50.85

* Company Secretary of Holding Company is also the Company Secretary for the Company. Hence no remuneration is paid by the Company.

Note A : Breakup of Employee benefit compensation :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short term benefits	56.13	50.85
Post employment benefits	-	-
Other Long term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	56.13	50.85



CHOLAMANDALAM HOME FINANCE LIMITED

(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 36 - Ratio Analysis

Sl No.	Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% change	Reason for Variance
(i)	Current ratio	Current Assets	Current Liabilities	5.09	7.38	-31%	Increase in current Liabilities
(ii)	Debt Equity ratio	Total debt	Share holder's Equity	-	-	0%	
(iii)	Debt Service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	0%	
(iv)	Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.09	0.12	-26%	Decrease in Net profits
(v)	Trade Receivable - Turnover ratio	Net Credit Sales	Average Trade Receivable	8.92	8.31	7%	
(vi)	Trade Payable - Turnover ratio	Net credit purchases	Average Trade Payables	10.02	10.12	+1%	
(vii)	Net capital - Turnover ratio	Net sales	Working capital = Current assets - Current liabilities	1.74	1.33	31%	Due to Increase in revenue
(viii)	Net Profit ratio	Net Profit	Net sales	0.10	0.18	-47%	Due to increase in revenue
(ix)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.12	0.15	-23%	
(x)	Return on Investment	Interest (Finance Income)	Investment	0.10	0.04	144%	Primarily due to higher amount being deposited during the current period



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 37. Fair Value Measurements

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

Particulars	Carrying Value		Fair Value	
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022
Financial assets				
(i) Investments#	1,377.10	1,442.42	1,377.10	1,442.42
(ii) Trade receivables*	1,056.35	697.12	1,056.35	697.12
(iii) Cash and Cash Equivalents*	60.72	3,943.37	60.72	3,943.37
(iv) Other financial assets*	4,752.81	7.20	4,752.81	7.20
Financial Assets	7,246.99	6,090.11	7,246.99	6,090.11
Financial liabilities				
(i) Trade Payables*	909.40	549.97	909.40	549.98
(ii) Other Financial Liabilities*	200.00	11.87	200.00	11.87
(iii) Lease Liability*	-	38.26	-	38.26
Total Financial Liabilities	1,109.40	600.10	1,109.40	600.11

*The management assessed that cash and cash equivalents, trade receivables, other financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investments includes FVTPL Unquoted Equity Investment and FVTOCI Quoted Equity Investment. FVTPL Investment has been valued under Level 3 and FVTOCI Equity Investment as been valued using Level 1 hierarchy.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Level 1: This hierarchy includes financial instruments measured using quoted prices or realisable price as on the date of reporting. This includes listed equity instruments that have realisable price as agreed in the share purchase agreement.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

This note provides information about how the Company determines fair value of Investments. Fair value of the Company's financial assets that are measured at fair value on a recurring basis. Some of the Company's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used)

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation Techniques & key inputs used
	Year Ended 31-Mar-2023	Year Ended 31-Mar-2022		
Asset measured at fair value:				
- FVTPL Equity Investments				
Unquoted Investments	602.07	599.88	Level 3	As per valuation report*
- FVOCI Equity Investments				
Quoted Investments	725.03	842.53	Level 1	Quoted bid price in an active market

* Valuation report has been obtained from Faering Capital for the valuation of units held in the fund. The fund has both quoted and unquoted investments. With respect to quoted investments which are held by the fund, the valuation is based on Quoted bid price in an active market of such investments (Level 1). With respect to unquoted investments held by the fund, the fund has obtained discounted cash flow valuation reports from such underlying investments (Level 3).



CHOLAMANDALAM HOME FINANCE LIMITED
Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 38. Financial Risk Management Objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Item	Primarily affected by	Risk management policies
Market risk - other price risk	Decline in value of equity instruments	Monitoring forecasts of cash flows; diversification of portfolio
Credit risk	Counterparties to financial instruments to meet contractual obligations	Counterparty credit policies and limits; arrangements with financial institutions
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cashflows; cash management policies

38.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the following market risk:

38.1.1 Price Risks

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Further, management ensures that the investments in securities are placed in highly rated / stable securities. The Company's Board of Directors reviews and approves all long term investment decisions.

38.2 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its financing activities, including deposits with banks.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The credit risk on Trade Receivables is minimum because there is no due by debtors beyond the credit period.

38.2.1 Trade Receivables

Customer credit risk is managed by the Company based on its established policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any exposure to major customers are generally covered by advance from customers. An impairment analysis is performed at each reporting date on an individual basis for the customers.

38.2.2 Cash and Bank Balances

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on a periodic basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

38.3 Liquidity Risk Management

The Company monitors its risk of a shortage of funds on a daily basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings from banking channels and Inter Corporate funding. The Company has access to a sufficient variety of sources of funding and is generally mitigated through funding from intercorporate loans from parent Company.



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

*(All amounts are in Lakhs of Indian rupees unless otherwise stated)***Note 39. Analysis of Financial Liabilities by remaining contractual maturities****As at 31st March 2023**

Particulars	Upto 1 month	1 to 3 months	3 to 12 months	> 1 Year	Total
Financial liabilities					
(i) Trade Payables	909.35	-	0.05	-	909.40
(ii) Other Financial Liabilities	-	-	200.00	-	200.00
(iii) Lease Liability	-	-	-	-	-
Total Financial Liabilities	909.35	-	200.05	-	1,109.40

As at 31st March 2022

Particulars	Upto 1 month	1 to 3 months	3 to 12 months	> 1 Year	Total
Financial liabilities					
(i) Trade Payables	546.98	2.99	-	-	549.98
(ii) Other Financial Liabilities	11.87	-	-	-	11.87
(iii) Lease Liability	1.57	3.14	10.54	23.01	38.26
Total Financial Liabilities	560.42	6.13	10.54	23.01	600.11



CHOLAMANDALAM HOME FINANCE LIMITED**Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023***(All amounts are in Lakhs of Indian rupees unless otherwise stated)***Note 40. Contingent Liabilities & Capital Commitments**

There are no pending litigations or claims against the company. The Company has capital commitments of Rs. Nil (Previous year – Rs. Nil) outstanding as at March 31, 2023

Note 41. Summary of Financial assets and liabilities which are recognised at amortised cost

Particulars	March 31,2023	March 31,2022
Financial assets		
(i) Trade receivables	1,056.35	697.12
(ii) Cash and Cash Equivalents	60.72	3,943.37
(iii) Other financial assets	4,752.81	7.20
Total Financial Assets	5,869.89	4,647.69
Financial liabilities		
(i) Trade Payables	909.40	549.98
(ii) Other Financial Liabilities	200.00	11.87
Total Financial Liabilities	1,109.40	561.85

Note 42. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise value to its holding Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's policy for capital management aims to enhance capital efficiency by the long-term improvement of its value through business growth, while maintaining a sound financial structure. Indicators for monitoring the capital management include total equity attributable to owners of the parent and ROE (ratio of net profit to total equity attributable to owners).

Particulars	March 31,2023	March 31,2022
Profit Before Tax	766.05	918.57
Less: Finance Income	-	-
Add: Finance costs	0.20	13.53
Earning Before Net Interest and Tax	766.25	932.10
Equity	4,240.00	4,240.00
Other Equity	2,420.83	1,982.96
Capital Employed	6,660.83	6,222.96
Return of Capital Employed	11.50	14.98

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.



CHOLAMANDALAM HOME FINANCE LIMITED

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2023

(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Note 43.

The code on Social Security, 2020 ('the code') relating to employee benefits during employment and post-employment benefits, received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders, which are under consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

Note 44. Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

Note 45. Prior period information

Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.

Note 46. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

In terms of our report attached
For N.C.Rajagopal & Co
Chartered Accountants
Firm Regn No.03398S


Arjun S
Partner
Membership No: 230448



Place: Chennai
Date : 28-Apr-2023

For and on behalf of the Board of Directors
Cholamandalam Home Finance Limited


M A M Arunachalam
Chairman
DIN 00202958


Arul Selvan D
Director
DIN 00010065


Kavitha A
Chief Financial Officer


P.Sujatha
Company Secretary
Membership No: 11547