Chola
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September 28, 2023

The National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Symbol: CHOLAFIN EQ

BSE Limited
Department of Corporate Services
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Security code no.: 511243

Sub: Approval of special purpose unaudited condensed consolidated and standalone interim financial statements as at June 30, 2023 and June 30, 2022

Dear Sir/ Madam,

We wish to inform you that pursuant to the approval accorded by the board of directors of the Company (the "**Board**"), at its meeting held on August 1, 2023 and the special resolution passed by way of postal ballot on September 7, 2023 by the members of the Company, the QIP Committee of the board of directors of the Company ("**Committee**") has approved today the special purpose unaudited condensed consolidated and standalone interim financial statements as at June 30, 2023 and June 30, 2022 as set out in **Annexure A**.

Thanking you,

Yours faithfully,
For Cholamandalam Investment and Finance Company Limited

PANGURA YIRATH SUJATHA
Digitally signed by PANGURAYIRATH SUJATHA
Date: 2023.09.28 17:07:53 +05'30'

P. Sujatha
Company Secretary

Encl: As above

M/s. Sundaram & Srinivasan
Chartered Accountants
23, C. P. Ramaswamy Iyer Road,
Alwarpet, Chennai – 600 018

Price Waterhouse LLP
Chartered Accountants
7th and 10th Floor, Menon Eternity,
165, St. Mary's Road, Alwarpet,
Chennai - 600 018

Review Report

The Board of Directors
Cholamandalam Investment and Finance Company Limited
"Chola Crest", C54-55 & Super B-4,
Thiru-Vi-Ka Industrial Estate, Guindy,
Chennai – 600032.

1. This report is issued in accordance with the terms of our agreement dated September 12, 2023.

2. We have jointly reviewed the accompanying Special Purpose Unaudited Condensed Standalone Interim Financial Statements of Cholamandalam Investment and Finance Company Limited (the "Company"), comprising its Condensed Standalone Balance Sheet as at June 30, 2023 and June 30, 2022, the Condensed Standalone Statement of Profit and Loss, the Condensed Standalone Statement of Changes in Equity, Condensed Standalone Statement of Cash Flows and selected explanatory notes for the three months ended June 30, 2023 and June 30, 2022 (herein after referred to as the "Special Purpose Unaudited Condensed Standalone Interim Financial Statements") prepared by the Management of the Company for the purpose of inclusion in the Preliminary Placement Document and the Placement Document (hereinafter collectively referred to as the "Placement Documents") in connection with the proposed Qualified Institutional Placement of the equity shares and compulsorily convertible debentures of the Company. We have signed the attached Special Purpose Unaudited Condensed Standalone Interim Financial Statements for identification purposes only.

Management's Responsibilities for the Special Purpose Unaudited Condensed Standalone Interim Financial Statements

3. The preparation of the Special Purpose Unaudited Condensed Standalone Interim Financial Statements in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') and other accounting principles generally accepted in India, is the responsibility of the Management of the Company, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Special Purpose Unaudited Condensed Standalone Interim Financial Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibilities

4. Our responsibility is to express a conclusion on the Special Purpose Unaudited Condensed Standalone Interim Financial Statements based on our review. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 'Review of Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India.

M/s. Sundaram & Srinivasan
Chartered Accountants
23, C. P. Ramaswamy Iyer Road,
Alwarpet, Chennai – 600 018

Price Waterhouse LLP
Chartered Accountants
7th and 10th Floor, Menon Eternity,
165, St. Mary's Road, Alwarpet,
Chennai - 600 018

5. A review consists of making inquiries primarily of Company personnel responsible for financial and accounting matters, and applying analytical and other review procedures to financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing, the objective of which is the expression of an opinion on the truth and fairness of the financial statements taken as a whole, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Unaudited Condensed Standalone Interim Financial Statements of the Company has not been prepared, in all material respects in accordance with the recognition and measurement principles of Ind AS 34, "Interim Financial Reporting"prescribed under the Companies (Indian Accounting Standards) Rules, 2015(as amended) notified under Section 133 of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') and other accounting principles generally accepted in India, or that it contains any material misstatement.

Emphasis of Matter

7. We draw attention to Note 2.1 to the Special Purpose Unaudited Condensed Standalone Interim Financial Statements, which describes the Basis of Preparation that these Special Purpose Unaudited Condensed Standalone Interim Financial Statements are prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Special Purpose Unaudited Condensed Standalone Interim Financial Statements for the purposes for which those have been prepared.

   These Special Purpose Unaudited Condensed Standalone Interim Financial Statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of the Special Purpose Unaudited Condensed Standalone Interim Financial Statements for the purposes for which those have been prepared.

   Our opinion is not modified in respect of these matters.

Restriction on use

8. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.

SUNDARAM & SRINIVASAN
New No: 4, Old No: 23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

Price Waterhouse LLP
LLPIN AAS-3673
Chartered Accountants
FRN 301112E/E300264
Chennai

M/s. Sundaram & Srinivasan **Chartered Accountants** **23, C. P. Ramaswamy Iyer Road,** **Alwarpet, Chennai – 600 018**	**Price Waterhouse LLP** **Chartered Accountants** **7th and 10th Floor, Menon Eternity,** **165, St. Mary's Road, Alwarpet,** **Chennai - 600 018**

9. This report is addressed to the Board of Directors of the Company and has been prepared solely for the purposes of including it in the Placement Documents, to be filed by the Company with the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and the Registrar of the Companies in Chennai, in connection with the proposed Qualified Institutional Placement of the equity shares and compulsorily convertible debentures of the Company. This report should not be otherwise used or shown to or distributed or otherwise made available to any party or used for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Sundaram and Srinivasan Chartered Accountants Firm Registration Number – 004207S	**For Price Waterhouse LLP** Chartered Accountants Firm Registration Number – 3001112E/E300264
S. Usha **Partner** Membership Number: 211785 UDIN: 23211785BGWDCE1316 Place: Chennai Date: September 28, 2023	**A. J. Shaikh** Partner Membership Number: 203637 UDIN: 23203637BGXPCE1052 Place: Bangalore Date: September 28, 2023

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS *
New No:4,
Old No:23,
CPR ROAD,
CHENNAI
600 018.

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Un-audited Interim Special Purpose Condensed Standalone Balance Sheet as at June 30, 2023

₹ in crores

	Note No.	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
ASSETS				
Financial Assets				
Cash and Cash Equivalents	5	2,899.35	910.29	1,322.71
Bank Balances other than Cash and Cash Equivalents	6	2,644.59	2,051.13	2,527.56
Derivative financial instruments	7	259.38	272.86	206.01
Receivables	8			
I) Trade Receivables		65.36	77.18	46.72
II) Other Receivables		161.39	113.88	77.22
Loans	9	1,13,232.21	1,04,748.32	79,475.18
Investments	10	3,698.01	3,620.02	2,284.14
Other Financial Assets	11	251.41	273.77	295.55
		1,23,211.70	1,12,067.45	86,235.09
Non- Financial Assets				
Current Tax Assets(Net)		241.58	267.06	151.47
Deferred Tax Assets (Net)		644.22	608.50	711.10
Investment Property	12	0.13	0.13	0.13
Property, Plant and Equipment	13	371.72	372.17	268.41
Capital Work in Progress		43.64	35.74	23.03
Intangible Assets Under Development		28.07	24.60	17.62
Other Intangible Assets	14	22.86	26.43	16.37
Other Non-Financial Assets	15	135.38	105.43	100.96
		1,487.60	1,440.06	1,289.09
Asset held for sale - Investment	10	-	8.00	-
TOTAL ASSETS		1,24,699.30	1,13,515.51	87,524.18
LIABILITIES AND EQUITY				
Financial Liabilities				
Derivative financial instruments	7	164.50	134.27	134.19
Payables				
(I) Trade Payables				
i) Total outstanding dues of micro and small enterprises		-	3.40	-
ii) Total outstanding dues of creditors other than micro and small enterprises		18.22	119.93	52.12
(II) Other Payables				
i) Total outstanding dues of micro and small enterprises		-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		831.46	1,064.69	548.37
Debt Securities	16	22,230.98	19,682.41	17,198.71
Borrowings(Other than Debt Securities)	17	80,837.32	73,186.19	52,789.22
Subordinated Liabilities	18	5,071.79	4,487.46	3,941.10
Other Financial Liabilities	19	306.12	354.11	346.16
		1,09,460.39	99,032.46	75,009.87
Non-Financial Liabilities				
Current Tax Liabilities(Net)		-	-	-
Provisions	20	146.09	140.88	124.03
Other Non-Financial Liabilities	21	66.05	46.12	74.27
		212.14	187.00	198.30
Equity				
Equity Share Capital	22A	164.51	164.48	164.37
Other Equity	22B	14,862.26	14,131.57	12,151.64
		15,026.77	14,296.05	12,316.01
TOTAL LIABILITIES AND EQUITY		1,24,699.30	1,13,515.51	87,524.18

The accompanying notes are integral part of the Standalone financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. 301112E/ E300264

AJ shaikh
Partner
Membership No: 203637

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. 004207S

S.Usha
Partner
Membership Number: 211785

For and on behalf of QIP Committee of Cholamandalam Investment and Finance Company Limited

Ravindra Kumar Kundu
Executive Director

D Arul Selvan
President &Chief Financial Officer

Date : September 28, 2023
Place Chennai

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Un-audited Interim Special Purpose Condensed Standalone Statement of Profit and Loss for the period ended June 30, 2023

₹ in crores

	Note No.	Period ended June 30, 2023	Period ended June 30, 2022
Revenue from Operations			
Interest Income	23A	3,849.17	2,612.28
Fee Income	23B	141.81	103.54
Net gain on fair value change on financial instruments	23C	29.15	8.47
Sale of Services	23D	10.19	20.81
Total Revenue from operations (I)		4,030.32	2,745.10
Other Income (II)	24	103.30	25.83
Total Income (III) = (I) + (II)		4,133.62	2,770.93
Expenses			
Finance costs	25	2,007.09	1,130.87
Impairment of financial instruments (Net)	26	372.34	298.62
Employee benefits expense	27	327.86	246.09
Depreciation and amortisation expense	13, 14 & 15	38.01	26.97
Other expenses	28	420.79	306.65
Total Expenses (IV)		3,166.09	2,009.20
Profit before tax (V) = (III) - (IV)		967.53	761.73
Tax expense/(benefit)			
- Current tax		272.85	244.36
- Adjustment of tax relating to earlier periods			
- Deferred tax		(31.33)	(48.29)
Net tax expense (VI)		241.52	196.07
Profit for the period - A = (V) - (VI)		726.01	565.66
Other Comprehensive Income:			
i) Items that will not be reclassified to profit or loss:			
Re-measurement gains / (losses) of Post employment benefit Obligations (net)		(0.45)	3.91
Income tax impact		0.11	(0.98)
ii) Items that will be reclassified to profit or loss:			
Net Gain On Cashflow Hedge Reserve		(17.01)	30.36
Income tax impact		4.28	(7.64)
Other comprehensive income/(loss) net of tax for the period (B)		(13.07)	25.65
Total comprehensive income net of tax for the period (A + B)		712.94	591.31
Earnings per equity share of ₹ 2 each			
Basic (₹)		8.83	6.89
Diluted (₹)		8.81	6.88

The accompanying notes are integral part of the Standalone financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. 301112E/ E300264

AJ Shaikh
Partner
Membership No: 203637

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. 004207S

S.Usha
Partner
Membership Number: 211785

For and on behalf of QIP Committee of Cholamandalam Investment and Finance Company Limited

Ravindra Kumar Kundu
Executive Director

D Arul Selvan
President &Chief Financial Officer

Date : September 28, 2023
Place : Chennai

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Standalone Statement of Changes in Equity for the period ended June 30, 2023

A) Equity Share Capital

1. Current reporting period

₹ in crores

Balance as at March 31, 2023	Changes in Equity Share capital due to prior year errors	Restated Balance at the beginning of the current reporting period	Changes in Equity share capital during the current period	Balance as at June 30, 2023
164.48	-	164.48	0.03	164.51

B) Other Equity (Refer Note 23D)

₹ in crores

Particulars	Share application Money Pending for allotment	Reserve and Surplus										Total
		Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share Based Payments reserve	Debt Instruments through Other Comprehensive Income	Equity instruments through other comprehensive income	Effective portion of cashflow hedge	
Balance as at March 31, 2023	-	**0.04**	**2,912.99**	**33.00**	**5,739.13**	**2,754.31**	**2,560.46**	**83.39**	-	**(1.29)**	**49.54**	**14,131.57**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting year	-	0.04	2,912.99	33.00	5,739.13	2,754.31	2,560.46	83.39	-	(1.29)	49.54	14,131.57
Remeasurement of defined benefit plans	-	-	-	-	-	(0.34)	-	-	-	-	-	(0.34)
Total comprehensive income for the period, net of income tax	-	-	-	-	-	-	-	-	-	-	(12.73)	(12.73)
Dividend including tax	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	726.01	-	-	-			726.01
Changes during the period	0.90	-	4.32	-	-	-	-	12.53	-	-	-	17.75
Transfer to reserves from Retained earings during the period	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2023	**0.90**	**0.04**	**2,917.31**	**33.00**	**5,739.13**	**3,479.98**	**2,560.46**	**95.92**	-	**(1.29)**	**36.81**	**14,862.26**

Price Waterhouse LLP
LLPIN AAS-3673
Chartered Accountants
FRN 301112E/E300264
Chennai

SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

Cholamandalam Investment and Finance Company Limited

Standalone Statement of Changes in Equity for the period ended June 30, 2022

A) Equity Share Capital

1. Previous reporting period

Balance as on March 31, 2022	Changes in Equity Share capital due to prior year errors	Restated Balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance as on June 30, 2022
164.28	-	164.28	0.09	164.37

B) Other Equity (Refer Note 23B)

₹ in crores

Particulars	Share application Money Pending for allotment	Reserve and Surplus										Total
		Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share Based Payments reserve	Debt instruments through Other Comprehensive Income	Equity Instruments through other comprehensive income	Effective portion of cashflow hedge	
Balance as at March 31, 2022	-	8.04	2,888.92	33.00	4,739.13	1,792.81	2,030.46	54.93	-	(1.29)	15.39	11,543.40
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting year	-	8.04	2,888.92	33.00	4,739.13	1,792.81	2,030.46	54.93	-	(1.29)	15.39	11,543.40
Remeasurement of defined benefit plans	-	-	-	-	-	2.83	-	-	-	-	-	2.83
Total comprehensive income for the period, net of income tax	-	-	-	-	-	-		-	-	-	22.72	22.72
Dividend including tax	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	565.66	-	-	-	-	-	582.66
Changes during the period			9.43	-		-	-	7.50	-	-	-	16.93
Transfer to reserves from Retained earnings during the period	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2022	-	8.04	2,898.35	33.00	4,739.13	2,361.41	2,030.46	62.43	-	(1.29)	38.11	12,181.84

The accompanying notes are integral part of the Standalone financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. 301112E/E300264

AJ Shaikh
Partner
Membership Number: 203637

Date : September 28, 2023

Place : Chennai

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. 004207S

S.Usha
Partner
Membership Number: 211785

For and on behalf of QIP Committee of Cholamandalam Investment and Finance Company Limited

Ravindra Kumar Kundu
Executive Director

D Arul Selvan
President & Chief Financial Officer

Sundaram & Srinivasan New No: 4, Old No: 23, CPR Road, Chennai 600 018. Chartered Accountants

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Un-audited Interim Special Purpose Condensed Standalone Cash Flow Statement for the period ended June 30, 2023

₹ in crores

Particulars	Period ended June 30, 2023		Period ended June 30, 2022	
Cash Flow from Operating Activities				
Profit Before Tax		967.53		761.73
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	38.01		26.97	
Impairment of financial instruments	372.34		298.62	
Finance Costs	2,007.09		1,130.87	
Gain on sale of investment	(32.23)		-	
Loss on Sale of Property plant and equipment (Net)	0.36		0.25	
Net gain on fair value change in financial instrument	(29.15)		(8.47)	
Interest Income on bank deposits and other investments	(91.16)		(53.68)	
Share based payment expense	12.21	2,277.47	7.56	1,402.12
Operating Profit Before Working Capital Changes		3,245.00		2,163.85
Adjustments for				
(Increase)/Decrease in operating Assets				
Loans	(8,856.23)		(5,624.59)	
Trade receivables	(35.40)		4.07	
Other Financial Assets	22.36		25.33	
Other Non Financial Assets	(29.95)	(8,899.22)	(32.17)	(5,627.36)
Increase/(Decrease) in operating liabilities and provisions				
Payables	(351.00)		(198.46)	
Other Financial liabilities	(32.91)		(4.82)	
Provisions	5.21		5.76	
Other Non Financial liabilities	19.93	(358.77)	16.16	(181.36)
Cash Flow used in Operations		(6,012.99)		(3,644.87)
Finance Costs paid	(1,952.86)		(964.66)	
Interest Received on Bank Deposits and other investments	88.87	(1,863.99)	53.55	(911.11)
		(7,876.98)		(4,555.98)
Income tax paid (Net of refunds)		(247.37)		(145.12)
Net Cash Used in Operating Activities (A)		(8,124.35)		(4,701.10)
Cash Flow from Investing Activities				
Purchase of Property, plant and Equipment and Intangible Assets	(38.53)		(33.14)	
Capital Work in Progress	(7.90)		-	
Proceeds from Sale of Property, plant and equipment	0.72		0.55	
Purchase of Mutual Funds Units	(43,972.80)		(25,038.72)	
Redemption of Mutual Funds Units	44,001.95		25,047.19	
Proceeds from Sale of Government Securities	(12.38)		(12.41)	
Investment in Treasury Bill	(25.38)		(195.57)	
Investment in Bank Fixed Deposits (net of withdrawals)	(591.17)		(965.22)	
Net Cash Used in Investing Activities (B)		(645.49)		(1,197.32)
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		5.25		9.52
Payment of Lease liabilities		(18.39)		(13.81)
Proceeds from issue of Debt securities	7,935.85		5,830.00	
Redemption of Debt securities	(5,375.00)		(2,023.76)	
Proceeds from Borrowing other than debt securities	13,919.18		14,596.13	
Repayment of Borrowings other than debt securities	(6,237.99)		(13,879.83)	
Proceeds from issue of subordinated liabilities	530.00	10,772.04	45.00	4,567.54
Dividends Paid		-		-
Net Cash From Financing Activities (C)		10,758.90		4,563.25
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		1,989.06		(1,335.17)
Cash and Cash Equivalents at the Beginning of the year/period		910.29		2,657.88
Cash and Cash Equivalents at the End of the year/period		2,899.35		1,322.71

The accompanying notes are integral part of the Standalone financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. 301112E/ E300264

A. Shaikh
Partner
Membership No: 203637

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. 004207S

S.Usha
Partner
Membership Number:211785

For and on behalf of QIP Committee of Cholamandalam Investment and Finance

Ravindra Kumar Kundu
Executive Director

D Arul Selvan
President &Chief Financial Officer

Date : September 28, 2023
Place : Chennai

Notes forming part of the Condensed Standalone Financial statements for the period ended June 30, 2023

1. Corporate information

Cholamandalam Investment and Finance Company Limited ("the Company") (CIN L65993TN1978PLC007576) is a public limited Company domiciled in India. The Company is listed on Bombay Stock Exchange and National Stock Exchange. The Company is one of the premier diversified non-banking finance companies in India, engaged in providing vehicle finance, home loans, Loan against property, SME loans and Unsecured Loans.

The standalone financial statements are presented in INR which is also functional currency of the Company.

2.1 Basis of preparation

These Special Purpose Unaudited Condensed Standalone Interim Financial Statements which comprise the Unaudited Special Purpose Condensed Standalone Balance Sheet as at June 30,2023 and June 30, 2022, the Unaudited Special Purpose Condensed Standalone Statement of Profit and Loss, the Unaudited Special Purpose Condensed Standalone Statement of Changes in Equity, the Unaudited Special Purpose Condensed Standalone Statement of Cash Flows, a summary of the significant accounting policies and notes and supplementary schedules and other explanatory information as of June 30, 2023 and June 30, 2022 and for the three months ended June 30, 2023 and June 30, 2022 (together hereinafter referred to as "Special Purpose Unaudited Condensed Standalone Interim Financial Statements") have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34,"Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended)notified under Section 133 of the Companies Act, 2013 and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Special Purpose Unaudited Condensed Standalone Interim Financial Statements for the purposes for which those have been prepared. These Special Purpose Unaudited Condensed Standalone Interim Financial Statements have been prepared by the Company to be included in the Preliminary Placement Document ("PDD") and Placement Document ("PD"), to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE")and the Registrar of Companies (the "ROC") in Chennai, in connection with proposed offering of the equity shares and compulsorily convertible debentures (collectively, the "Securities") by the Company pursuant to a Qualified Institutions Placement in India.

The accounting policies adopted in the preparation of the Special Purpose Unaudited Condensed Standalone Interim Financial Statements are consistent with those followed in the preparation of the annual financial statements for the year ended March 31, 2023. Further, certain explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the financial position and performance since the last annua financial statements.

The Special Purpose Unaudited Condensed Standalone Interim Financial Statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, fair value through Profit and Loss (FVTPL) instruments, derivative financial instruments and certain other financial assets and financial liabilities measured at FairValue (refer accounting policy regarding financial instruments).

The Special Purpose Unaudited Condensed Standalone Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual Ind AS financial statements.

In the preparation of the financial statements, Management makes estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these

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judgements, assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

The Special Purpose Unaudited Condensed Standalone Interim Financial Statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated

2.2 Presentation of financial statements

Financial assets and financial liabilities are generally reported on a gross basis in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

3 Significant accounting policies

3.1 Financial instruments – initial recognition

3.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and 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. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Company (as per the terms of the agreement with the borrowers) or when the Company assumes unconditional obligations to release the disbursement amount to third party on the direction of the borrower, whichever is earlier. The Company recognises debt securities and borrowings when funds reach the Company.

3.1.2 Initial measurement of financial instruments

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 adjusted for transaction costs/fees which are directly attributable to acquisition of financial assets or financial liabilities, except in the case of financial assets and financial liabilities recorded at FVTPL in which case transaction costs/fees are recognised immediately in statement of profit and loss

3.1.3 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets and financial liabilities based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair Value through Profit and Loss ("FVTPL")
- Fair Value through Other Comprehensive Income ("FVOCI")

3.2 Financial assets and liabilities

3.2.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

3.2.1.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages Company's financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3.2.1.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Contractual terms that introduce exposure to risk or volatility in contractual cashflow that are unrelated to a basic lending arrangement do not give to contractual cashflows that are SPPI, such financial assets are either classified as FVTPL /FVOCI

3.2.2 Investment in Mutual funds and Convertible note

The Company recognises the investment in mutual funds on trade date and is classified and measured, at fair value through profit or loss. Any gain/losses on disposal or subsequent re-measurement is recognised in the statement of Profit and Loss.

Investment in Convertible Notes are classified and measured in accordance with the requirements of Ind AS 109 through FVTPL.

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3.2.3 Equity instruments

Investment in Subsidiaries and Joint Ventures are carried at Cost in the Separate Financial Statements as permitted under Ind AS 27.

The Company subsequently measures all equity investments other than investment in subsidiaries and associates, Joint Ventures,x` at fair value through profit or loss, unless the Company 's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI (Other Comprehensive Income).Equity instruments at FVOCI are not subject to an impairment assessment.

3.2.4 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate ("EIR").

3.2.5 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the Expected Credit Losses ("ECL") requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these commitments together with the corresponding ECLs are disclosed in notes.

3.3 Modification and Derecognition of financial assets and liabilities

3.4.1 Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Modification of loan terms is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment). When a financial asset is modified the company assesses whether this modification results in derecognition. In accordance with the company's policy, a modification results in derecognition when it gives rise to substantially different terms. Where a modification does not lead to derecognition, the company calculates the modification gain/loss comparing the gross carrying amount before and after the modification and accounts for the same in the Statement of Profit and Loss.

3.4.1A Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset

  Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

  Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee issued by the Originator over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised at FVTPL and re-assessed at the end of every reporting period.

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3.4.2. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 a 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 Statement of Profit or Loss.

3.5 Impairment of financial assets

3.5.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all financial assets other than FVTPL, together with loan commitments. Equity instruments are not subject to impairment.

Loans

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Notes.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:

When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3:

Loans considered credit-impaired. The Company records an allowance for the LTECLs.

3.5.2 The calculation of ECLs

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL are summarised below:

Probability of Default ("PD"):

The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure At Default ("EAD"):

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The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

Loss Given Default ("LGD"):

The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1:

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Other Financial assets:

The Company follows 'simplified approach' for recognition of impairment loss allowance on other financial assets. The application of simplified approach does not require the Company to track changes in credit risk and calculated on case-by-case approach, taking into consideration different recovery scenarios.

3.5.3 Forward looking information

The Company considers a broad range of forward-looking information with reference to external forecasts of economic parameters such as GDP growth, unemployment rates etc., as considered relevant so as to determine the impact of macro-economic factors on the Company's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates

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used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably

3.6 Collateral repossessed

The Company generally does not use the assets repossessed for internal operations. The underlying loans in respect of which collaterals have been repossessed with an intention to realize by way of sale are considered as Stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

3.7 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. Where the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

3.8 Restructured, rescheduled and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans such as changing the instalment value or changing the tenor of the loan, as a response to the borrower's request. The Company considers the modification of the loan only before the loans gets credit impaired.

When the loan has been renegotiated or modified but not derecognised, the Company also reassesses whether there has been a significant increase in credit risk. The Company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as restructured, it will remain restructured for a period of 1 year from the date on which it has been restructured.

Loans which have been renegotiated or modified in accordance with RBI Notifications (including extensions granted) - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21- Resolution Framework for COVID-19 related Stress and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21- Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, have been classified as Stage 2 due to significant increase in credit risk.

3.9 Derivative and Hedge accounting

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVTPL.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in Statement of Profit or Loss immediately unless the derivative is designated and is effective as a hedging instrument , in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk

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management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

3.10 Recognition of interest income

3.10.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost. The EIR is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

3.10.2 Interest Income

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account the fees and costs that are an integral part of the EIR. For credit-impaired financial assets interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e: the gross carrying amount less the allowance for expected credit losses).

3.11 Taxes

3.11.1 Current tax

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act,1961 and any adjustment to tax payable or receivable in respect of prior years.

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.

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Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously.

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.

3.11.2 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.

Deferred tax liabilities are recognised for all taxable temporary differences. 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.

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 and intends to settle on net basis.

3.12 Investment Property

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 60 years based on the Company's estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Sch II to the Companies Act 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

3.13 Property, plant and equipment

Property plant and equipment is stated at cost (net of tax/duty credits availed) excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Cost includes professional fees/charges related to acquisition of property plant and

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equipment. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure incurred, is capitalised only if it results in economic useful life beyond the original estimate.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

Useful life of assets as per Schedule II:

Asset description	Estimated Useful Life
Buildings	60 years
Computer Equipment	3 years
Other Equipment	5 years
Leasehold improvements	Lease period or 5 years whichever is lower

Useful life of assets based on Management's estimation and which are different from those specified in schedule II:

Asset description	Estimated Useful Life
Furniture and Fixtures*	5 years
Vehicles*	5 years
Server	3 years

*The Company, based on technical assessment made by technical expert and management estimate, depreciates Furniture & Fixtures and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of acquisition

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.

3.14 Intangible assets

The Company's intangible assets mainly include the value of computer software.

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. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

3.15 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is

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required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.16 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The company operates the following post-employment schemes:

(a) defined contribution plans such as provident fund

(b) defined benefit plans such as gratuity, pension.

Defined Contribution Scheme

Employees' 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

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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.

Employees' State Insurance: The Company contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Superannuation: The Company contributes a sum equivalent to 15% of eligible employees' salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India ("LIC"). The Company has no liability for future Superannuation Fund benefits other than its contribution and recognizes such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

b) Defined Benefit Scheme

Gratuity: The Company makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by an independent actuary using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

(iii) Other employee benefits

Compensated Absences : The Company treats its liability for compensated absences based on actuarial valuation as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur and not deferred.

3.17 Share Based Payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled

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transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or Credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. On cancellation or lapse of options granted to employees, the compensation charged to statement of profit and loss is credited with corresponding decrease in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

3.18 Provisions and Contingent liabilities

Provisions are recognised only 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.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed

Contingent liability is disclosed in case of present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations and the present obligation arising from past events, when no reliable estimate is possible.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.20 Determination of Fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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 economic best 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.

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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.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments**–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- **Level 3 financial instruments** –Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period.

3.21 Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at transaction price of the consideration received or receivable.

The Company recognises revenue from contracts with customers based on a five-step model as set out in "Ind As "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: Recognise revenue when (or as) the Company satisfies a performance obligation.

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3.21.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

3.21.2 Fee Income and Sale of Service

a) Fee income from loans are recognised at point in time upon satisfaction of following:

i) Completion of service

ii) and realisation of the fee income.

b) Servicing and collections fees on assignment are recognised upon completion of service.

c) Advertising income is recognised over the contract period as and when related services are rendered.

3.22 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established and it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders of the investee company approve the dividend.

3.23 Input Tax credit (Goods and Service Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service / supply received is accounted to the extent permitted as per the applicable regulatory laws and when there is no uncertainty in availing / utilising the same. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

3.24 Foreign Currency transactions

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Foreign exchange differences are regarded as an adjustment to borrowing cost are presented in the statement of profit and loss within finance cost.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

3.25 Earnings Per Share

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

Earnings considered for Earnings per share is the net profit for the period after deducting preference dividend, if any, and attributable tax thereto for the period

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, 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.

3.26 Segment Information

An operating segment is a component of the Company that engages in the business activities from which it may earn revenues and incur expenses ,whose operating results are regularly reviewed by Company's Chief operating decision maker.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

3.27 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management of the Company.

3.28 Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.29 Leases

The Company's lease asset consists of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-to-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-to-use asset is initially recognised at cost which comprises of the initial amount of lease liability adjusted for lease payments made or prior to commencement date plus any direct cost i.e. lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment loss if any.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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Right-to-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term. Right to use assets are evaluated for recoverability whenever events or changes in the circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates in the country of domicile of the leases. The Company has used single discount rate to a portfolio of leases with similar characteristics. Lease liabilities are remeasured with a corresponding adjustment to the related right to use asset if the Company changes its assessment if the whether it will exercise an extension or a termination option.

The Company has opted to presented the Right to use as a part of the block of asset to which the lease pertains to and consequently, the Right to use asset has been presented as a part of Property, plant and equipment under the Buildings block, whereas the lease liability is presented under Other Financial Liabilities in the Balance Sheet. Lease payments made by the Company are classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases of Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

4A. 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 amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as 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 period

In the process of applying the Company's accounting policies, management has made the following judgements/estimates, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. Business Model Assessment

The Company from time to time enters into direct bilateral assignment deals, which qualify for de-recognition under Ind AS 109. Accordingly, the assessment of the Company's business model for managing its financial assets becomes a critical judgment.

Further, the Company also made an investment in the Government securities in order to comply the liquidity ratio compliance as required by RBI pursuant to its master directions. The Company intends to hold these assets till maturity expects that any sale if any necessitated by requirements are likely to be infrequent and immaterial. Accordingly, the related assessment becomes a critical judgement to determine the business model for such financial assets under Ind AS.

Refer Note 3.2.1.1 for related details.

ii. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from

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observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Fair value note in accounting policy. Refer Note 3.20 for related details.

iii. Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward-looking information as economic inputs

The Company has considered the impact of Covid-19 pandemic and the moratorium given to borrowers pursuant to the Covid-19 regulatory package announced by Reserve Bank of India, in determination of impairment allowance for the previous year. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

iv. Leases

a. Determining the lease term of contracts with renewal and termination options – Company as 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.

b. Estimating the incremental borrowing rate

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 for its borrowings.

v. Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

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4B. New Standards and amendments effective on or after April 01, 2022

(i) Ind AS 16, Property, Plant and Equipment

Proceeds before intended use of property, plant and equipment

Paragraph 17(e) of Ind AS 16 has been amended to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(ii) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(iii) Ind AS 103, Business combinations

References to the conceptual framework
The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(iv) Ind AS 109, Financial Instruments

Fees included in the 10% test for derecognition of financial liabilities

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

(v) Ind AS 101, First-time adoption of Indian Accounting Standards

Subsidiary as a first-time adopter

Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

(vi) Ind AS 41, Agriculture

Taxation in fair value measurements
The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, *Fair Value Measurement*.

Based on the evaluation made by the Company, no impact is assessed in the financial statements of the Company on account of the above mentioned amendments in (i) to (vi).

4C New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. Below is a summary of such amendments:

(i) Disclosure of Accounting Policies- Amendments to Ind AS 1, Presentation of financial statements

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further

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clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

(j) Definition of Accounting Estimates- Amendments to Ind AS 8, Accounting policies, changes in accounting estimates and errors

The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

(ii) Deferred tax related to assets and liabilities arising from a single transaction- Amendments to Ind AS 12, Income taxes

The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

• right-of-use assets and lease liabilities, and

• decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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₹ in crores

Note : 5 CASH AND CASH EQUIVALENTS

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Cash on hand	28.88	11.00	28.56
Balances with banks			
- In Current Accounts	1,188.70	227.23	1,270.07
- In Deposit Accounts - Original maturity of 3 months or less	1,650.49	650.21	-
Cheques, drafts on hand	31.28	21.85	24.08
Total	**2,899.35**	**910.29**	**1,322.71**

Note 6 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
- In Deposit Accounts - Original maturity more than 3 months	1,080.14	1,017.21	2,095.49
- In earmarked accounts			
-Margin account for derivatives	52.27	52.27	37.80
- In Unpaid Dividend Accounts	0.76	0.76	0.71
- Deposits with Banks as collateral towards securitisation loan	1,510.99	980.36	393.24
- In Unclaimed Debenture Account	0.35	0.45	0.24
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	0.08	0.08	0.08
Total	**2,644.59**	**2,051.13**	**2,527.56**

₹ in crores

Note: 7 Derivative financial instruments

Part I	As at June 30, 2023			As at March 31, 2023			As at June 30, 2022		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
(i)Other derivatives - Cross Currency Interest Rate Swap	2,541.18	254.65	-	2,541.18	147.42	-	642.38	77.58	-
(ii)Interest rate Swaps	500.00	4.73	-	500	4.73	5.59	-	8.97	-
(iii) Forward Contracts	1,933.08	-	164.50	1,933.08	120.71	128.68	1,894.94	119.46	134.19
Total Derivative financial Instruments	**4,974.26**	**259.38**	**164.50**	**4,974.26**	**272.86**	**134.27**	**2,537.32**	**206.01**	**134.19**
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i)Cash flow hedging:									
Others - Cross currency Interest rate swap	2,541.18	254.65	-	2,541.18	147.42	-	642.38	77.580	-
(ii)Interest rate Swaps	500.00	4.73	-	500	4.73	5.59	-	8.97	-
(iii) Forward Contracts	1,933.08	-	164.50	1,933.08	120.71	128.68	1,894.94	119.46	134.19
Total Derivative financial Instruments	**4,974.26**	**259.38**	**164.50**	**4,974.26**	**272.86**	**134.27**	**2,537.32**	**206.01**	**134.19**

The Company has a Board approved policy for entering into derivative transactions. Derivative transaction comprises of Currency, Interest Rate Swaps and forward contracts. The Company undertakes such transactions for hedging interest / foreign exchange risk on borrowing. The Asset Liability Management Committee and Business Committee periodically monitors and reviews the risks involved.

The notional amount for interest rate swap represents the foreign currency borrowing on which Company has entered to hedge the variable interest rate.

Note: 8 Receivables (Unsecured)

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
(i)Trade Receivables			
Considered Good*	66.52	78.34	46.72
Less: Impairment Allowance	(1.16)	(1.16)	-
Total	**65.36**	**77.18**	**46.72**
(ii)Other Receivables			
Considered Good*	161.50	113.99	77.22
Less: Impairment Allowance	(0.11)	(0.11)	-
Total	**161.39**	**113.88**	**77.22**

*Includes dues from related parties
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

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CHARTERED ACCOUNTANTS

Cholamandalam Investment and Finance Company Limited

₹ in crores

Note : 9 LOANS
(At amortised cost)

Particulars		As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
(A)(i) Bills Discounted		924.60	926.85	526.90
(ii) Term loans		1,14,806.13	1,06,150.39	81,342.31
	Total (A) Gross	**1,15,730.73**	**1,07,077.24**	**81,869.21**
Less: Impairment Allowance for (i) & (ii)		(2,498.52)	(2,328.92)	(2,394.03)
	Total (A) Net	**1,13,232.21**	**1,04,748.32**	**79,475.18**
(B)(i) Secured by tangible assets		1,06,964.01	99,800.46	79,396.20
(ii) Unsecured		8,766.72	7,276.78	2,473.01
	Total (B) - Gross	**1,15,730.73**	**1,07,077.24**	**81,869.21**
Less: Impairment Allowance for (i) & (ii)		(2,498.52)	(2,328.92)	(2,394.03)
	Total (B) - Net	**1,13,232.21**	**1,04,748.32**	**79,475.18**
(C) (I) Loans In India				
(i) Public Sector				
(ii) Others		1,15,730.73	1,07,077.24	81,869.21
Less: Impairment Allowance		(2,498.52)	(2,328.92)	(2,394.03)
	Total (C)(I) - Net	**1,13,232.21**	**1,04,748.32**	**79,475.18**

All loans are in India and have been granted to individuals or entities other than public sector

Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or pledge of securities and / or equitable mortgage of property and / or equipment. It also includes loans where security creation is in process.

Term loans includes unsecured short term loans to a subsidiary and associate. These loans have been classified under Stage 1 Category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created. The details of the same are disclosed below:

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Loan - Outstanding Value			
Cholamandalam Securities Limited	26.00	12.50	11.00
White Data System India Private Limited	-	-	3.00
Impairment Allowance			
Cholamandalam Securities Limited	-	-	-
White Data System India Private Limited	-	-	-

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Cholamandalam Investment and Finance Company Limited

₹ in crores

Note : 9.1 LOANS
An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bill discounted								
Opening as on April 1, 2023	915.68	3.98	7.19	926.85	7.49	0.39	5.35	13.23
New assets originated / Increase in existing assets (Net)	873.82	0.31	-	874.13	6.99	0.03	-	7.02
Exposure de-recognised / matured / repaid	(871.25)	(3.06)	(2.33)	(876.64)	(7.12)	(0.09)	(0.71)	(7.92)
Transfer to Stage 1	0.02	(0.01)	(0.01)	-	-	-	-	-
Transfer to Stage 2	(3.23)	3.23	-	-	(0.03)	0.03	-	-
Transfer to Stage 3	(2.63)	(2.99)	5.62	-	(0.02)	(0.30)	0.32	-
Impact on account of exposures transferred during the period between	-	0.01	0.11	0.12	-	0.08	1.39	1.47
Impact of changes on items within the same stage	0.92	-	-	0.92	-	-	-	-
Write off	(0.37)	(0.07)	(0.29)	(0.73)	-	(0.01)	(0.04)	(0.05)
Closing as on June 30, 2023	912.97	1.40	10.29	924.65	7.31	0.13	6.31	13.75
Term loans								
Opening as on April 1, 2023	98,996.88	3,939.10	3,214.41	1,06,150.39	437.19	401.84	1,470.66	2,315.69
New assets originated / Increase in existing assets (Net)	18,562.11	5.06	32.99	18,600.16	87.56	1.05	1.22	89.83
Exposure de-recognised / matured / repaid	(9,523.64)	(518.01)	(326.40)	(10,368.85)	(99.09)	(44.05)	(96.30)	(239.44)
Transfer to Stage 1	475.97	(427.35)	(48.62)	-	50.52	(36.67)	(13.85)	-
Transfer to Stage 2	(1,629.93)	1,681.63	(51.70)	-	(10.38)	24.68	(14.30)	-
Transfer to Stage 3	(201.80)	(593.94)	795.74	-	(1.93)	(67.49)	69.42	-
Impact on account of exposures transferred during the period between stages	0.25	10.03	7.33	17.61	0.03	136.3	148.33	284.66
Impact of changes on items within the same stage	565.40	4.09	40.62	610.11	6.37	8.44	111.13	125.94
Write off	(32.60)	(41.70)	(128.99)	(203.29)	(0.74)	(12.34)	(78.83)	(91.91)
Closing as on June 30, 2023	1,07,212.84	4,058.91	3,535.38	1,14,806.13	469.53	411.76	1,603.48	2,484.77
Bill discounted								
Opening as on April 1, 2022	332.91	0.39	37.69	370.99	2.71	0.04	34.78	37.53
New assets originated / Increase in existing assets (Net)	915.77	3.98	2.58	922.33	7.48	0.40	0.75	8.63
Exposure de-recognised / matured / repaid	(332.37)	(0.15)	(0.64)	(333.16)	(2.69)	(0.02)	(0.01)	(2.72)
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	(0.63)	(0.24)	0.87	-	(0.01)	(0.03)	0.03	(0.01)
Impact on account of exposures transferred during the period between stages	-	-	-	-	-	-	0.21	0.21
Impact of changes on items within the same stage	-	-	-	-	-	-	2.90	2.90
Write off	-	-	(33.31)	(33.31)			(33.31)	(33.31)
Closing as on March 31, 2023	915.68	3.98	7.19	926.85	7.49	0.39	5.35	13.23
Term loans								
Opening as on April 1, 2022	66,984.70	5,817.08	3,305.12	76,106.90	340.20	659.58	1,291.37	2,291.15
New assets originated / Increase in existing assets (Net)	57,316.67	252.29	247.38	57,816.34	261.16	29.58	52.06	342.80
Exposure de-recognised / matured / repaid	(23,876.51)	(2,200.24)	(1,328.98)	(27,405.74)	(312.60)	(206.80)	(272.11)	(791.51)
Transfer to Stage 1	1,304.33	(1,195.29)	(109.04)	-	162.67	(128.33)	(34.34)	-
Transfer to Stage 2	(1,983.66)	2,084.21	(100.55)	-	(12.48)	43.3	(30.82)	-
Transfer to Stage 3	(780.63)	(665.16)	1,445.79	-	(5.15)	(80.55)	85.7	-
Impact on account of exposures transferred during the period between stages	1.32	4.09	39.45	44.86	0.01	138.85	330.69	469.55
Impact of changes on items within the same stage	272.18	21.58	98.50	392.26	8.36	5.51	319.76	333.63
Write off	(241.51)	(179.46)	(383.26)	(804.23)	(4.98)	(59.30)	(365.65)	(329.93)
Closing as on March 31, 2023	98,996.88	3,939.10	3,214.41	1,06,150.39	437.19	401.84	1,470.66	2,315.69

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Cholamandalam Investment and Finance Company Limited

₹ in crores

Note : 9.1 LOANS

An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bill discounted								
Opening as on April 1, 2022	332.91	0.39	37.69	370.99	2.71	0.04	34.78	37.53
New assets originated / Increase in existing assets (Net)	505.45	0.01	-	505.46	4.13	-	-	4.13
Exposure de-recognised / matured / repaid	(315.68)	(0.69)	-	(316.37)	(2.56)	(0.02)	-	(2.58)
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	(0.54)	0.54	-	-	-	-	-	-
Transfer to Stage 3	(10.00)	(0.24)	10.24	-	(0.08)	(0.03)	0.11	-
Impact on account of exposures transferred during the period between stages	-	-	-	-	-	-	3.08	3.08
Impact of changes on items within the same stage	0.13	-	-	0.13	-	-	2.90	2.90
Write off	-	-	(33.31)	(33.31)			(33.31)	(33.31)
Closing as on June 30, 2022	512.27	0.01	14.62	526.90	4.19	(0.01)	7.56	11.75
Term loans								
Opening as on April 1, 2022	66,984.70	5,817.08	3,305.12	76,106.90	340.20	659.58	1,291.37	2,291.15
New assets originated / Increase in existing assets (Net)	12,799.65	3.55	3.82	12,807.02	70.15	0.66	0.67	71.48
Exposure de-recognised / matured / repaid	(6,809.86)	(632.75)	(323.60)	(7,766.21)	(116.26)	(85.95)	(93.36)	(295.57)
Transfer to Stage 1	621.72	(533.38)	(88.34)	-	83.35	(55.61)	(27.74)	-
Transfer to Stage 2	(1,535.99)	1,629.96	(93.97)	-	(9.98)	39.5	(29.52)	-
Transfer to Stage 3	(135.70)	(502.15)	637.85	-	(1.44)	(65.02)	66.46	-
Impact on account of exposures transferred during the period between stages	0.68	10.56	8.95	20.19	0.03	131.81	132.23	264.07
Impact of changes on items within the same stage	300.28	17.30	51.13	368.71	11.39	18.24	121.12	150.75
Write off	(30.48)	(56.25)	(107.57)	(194.30)	(0.64)	(16.81)	(82.15)	(99.60)
Closing as on June 30, 2022	72,196.00	5,753.92	3,393.39	81,342.31	378.40	626.40	3,378.09	4,382.78

ECL across stages have been computed on collective basis.
The Company uses Days past due of the customer to determine the credit quality of loans

*Total write off includes Loss on disposal of repossessed vehicles - Rs. 117. 15 crores for the period ended June 30, 2023 (Rs 566.57 crores -March 31, 2023, Rs 148 52 crores)

Note 9.2 Overdue greater than 90 days

No. of Cases	Principal outstanding	Overdue Instalments*
As on June 30, 2023		
1,21,414	2,238.26	1,403.62
As on March 31, 2023		
1,22,022	2,117.71	1,258.70
As on June 30, 2022		
97,025	2,060.53	1,482.58

*Overdue instalments includes principal amount overdue and interest overdue

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Notes forming part of the Condensed Standalone Financial Statements for the period ended June 30, 2023

₹ in crores

Note : 10 INVESTMENTS

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Investment in Equity Instruments*-Unquoted			
a) Subsidiaries at cost			
Cholamandalam Home Finance Limited 4,24,00,000 Equity shares of ₹ 10 each fully paid up	42.40	42.40	42.40
Cholamandalam Securities Limited 2,25,00,014 Equity shares of ₹ 10 each fully paid up	22.50	22.50	22.50
b) Joint Venture			
Payswiff Technologies Private Limited 28,16,117 Equity shares of ₹ 10 each fully paid up	456.82	456.82	450.01
c) Associate at cost			
White Data System India Private Limited 12,75,917 Equity shares of ₹ 10 each fully paid up (Refer Note-1)	-	-	8.00
Vishvakarma Payments Private Limited 2,100 Equity shares of ₹ 10 each fully paid up#	-	-	-
Paytail commerce Private limited 27,482 Equity shares of ₹ 10 each fully paid up	9.75	9.75	9.75
d) Investment in CCPS -FVTPL	40.23	-	-
e) Others - Unquoted - FVOCI **			
Amaravathi Sri Venkatesa Paper Mills Limited 2,93,272 Equity shares of ₹ 10 each fully paid up#	1.29	1.29	1.29
Provision for Dimunition in Value of Investment	(1.29)	(1.29)	(1.29)
Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up#	-	-	-
The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up#	-	-	-
Chola Insurance Distribution Services Private Limited 19,133 Equity shares of ₹10 each fully paid up	0.02	0.02	0.02
Abhishek Co-operative Housing Society 5 shares of ₹ 50 each : Cost ₹ 250 only	-	-	-
Chennai Willingdon Corporate Foundation 5 shares of ₹ 10 each fully paid up	-	-	-
f)Investment in Indian Government Securities - amortised cost (Issued by Government of India)	1,553.72	1,541.34	1,555.89
g)Investment in Treasury Bill	1,561.65	1,536.27	195.57
h)Investment in Convertible Note of Paytail commerce Private Limited (Associate) (Refer Note-2) -FVTPL	10.92	10.92	-
Total	**3,698.01**	**3,620.02**	**2,284.14**

*Investments are made in India
**The Company has designated certain unquoted equity instruments as FVOCI on the basis that these are not held for trading.

Asset held for sale - Investment	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
White Data System India Private Limited 12,75,917 Equity shares of ₹ 10 each fully paid up (Refer Note-1)	-	8.00	-
Total	-	8.00	-

\# represents amount less than Rs 1 crores

Note-1: The Company entered into a share swap agreement on March 28, 2023, with TVS Supply Chain Solutions Limited (TVSSCSL), White Data Systems India PrivateLimited (WDSI) and other shareholders of WDSI for the transfer of the entire equity shares held by the Company in WDSI to TVSSCSL. As consideration for transfer of WDSI shares, TVSSCSL has allotted 22,35,265 Compulsory Convertible Preference Shares (CCPS) of TVSSCSL to the company on Apr 20,2023 in accordance with Ind As 105 "Non -current Assets Held for Sale and Discontinued Operations", WDSI has ceased to be an Associate of the Group effective March 28,2023 and has been classified as Asset held for Sale as at March 31,2023.

Note -2: The Principal amount of Convertible note (10 crores)shall be Converted into full paid equity shares in accordance with the convertible note agreement. If the conversion of the note does not occur on or prior to 25 November 2027 , the note shall be redeemed at the principal amount along with interest @9% p.a.

Note :11 OTHER FINANCIAL ASSET

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Unsecured - considered good			
At amortised cost			
Security deposits	43.86	38.14	28.07
Other advances	1.30	17.39	12.24
Interest only strip receivable	206.31	218.30	255.24
Gross Total	251.47	273.83	295.55
Less: Impairment Allowance	(0.06)	(0.06)	-
Net Total	251.41	273.77	295.55

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Cholamandalam Investment and Finance Company Limited

Note 12 INVESTMENT PROPERTY ₹ in crores

Particulars	
Gross carrying amount as at March 31, 2022	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2023	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at June 30, 2023	**0.14**
Accumulated depreciation and impairment	
Balance as at April 1, 2022	0
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2023**	0.01
Depreciation for the period	-
Depreciation on disposals	-
Balance as at June 31, 2023**	**0.01**
Net Carrying amount	
As at March 31, 2023	**0.13**
As at June 30, 2023	**0.13**
Useful Life of the asset (In Years)	60
Method of depreciation	Straight line method

Particulars	
Gross carrying amount as at March 31, 2022	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at June 30, 2022	**0.14**
Accumulated depreciation and impairment	
Balance as at March 31, 2022**	0.01
Depreciation for the period	-
Depreciation on disposals	-
Balance as at June 30, 2022**	**0.01**
Net Carrying amount	
As at June 30, 2022	**0.13**
Useful Life of the asset (In Years)	60
Method of depreciation	Straight line

The Company's investment property consists of 4 properties and has let out one property as at June 30, 2023.
* Addition represents transfer from Property, plant and equipments.
** represents amount less than Rs 1,00,00000

Income earned and expense incurred in connection with investment property ₹ in crores

Particulars	**Period ended June 30, 2023**	**Period ended June 30, 2022**
Rental Income	0.01	0.01
Direct Operating expense from property that generated rental income		
Direct Operating expense from property that did not generate the rental income	-	-

ii) Contractual obligations
There are no contractual obligations to purchase, construct or develop investment property.

iii) Leasing Arrangements
Certain investment properties are leased out to tenants under cancellable operating lease.

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CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Notes forming part of the Condensed Standalone Financial Statements for the period ended June 30, 2023

Note 13 - PROPERTY, PLANT AND EQUIPMENT

₹ in crores

Particulars	Freehold Land	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Buildings (Refer Note below)		Total
							Owned Assets	Pending Right Of Use Assets	
Gross carrying amount as at April 1, 2022	39.56	128.15	31.48	26.62	53.45	22.25	23.05	230.92	555.48
Additions	-	51.37	5.27	2.60	10.86	70.51	-	105.82	246.43
Disposals	-	6.61	2.48	2.63	4.62	9.47	-	2.61	29.42
Gross carrying amount as at March 31, 2023	39.56	172.91	34.27	26.59	59.69	83.29	23.05	334.13	773.49
Additions	-	11.10	1.36	0.90	-	21.70	-	0.01	35.07
Disposals	-	-	1.02	1.06	1.44	2.71	-	-	6.23
Gross carrying amount as at June 30, 2023	39.56	184.01	34.61	26.43	58.25	102.28	23.05	334.14	802.33
Accumulated depreciation / amortisation and impairment									
Balance as at April 1, 2022	-	85.57	23.95	22.86	41.19	8.37	2.07	131.58	315.59
Depreciation for the year	-	28.73	4.52	3.56	8.19	6.98	0.43	55.41	107.82
Depreciation on disposals	-	6.58	2.44	2.62	4.60	5.80	-	0.05	22.09
Balance as at March 31, 2023	-	107.72	26.03	23.80	44.78	9.55	2.50	186.94	401.32
Depreciation for the period	-	8.75	1.16	1.31	1.84	5.10	0.11	16.17	34.44
Depreciation on disposals	-	-	0.99	1.06	1.44	1.66	-	-	5.15
Balance as at June 30, 2023	-	116.47	26.20	24.05	45.18	12.99	2.61	203.11	430.61
Net Carrying amount									
As at March 31, 2023	39.56	65.19	8.24	2.79	14.91	73.74	20.55	147.19	372.17
As at June 30, 2023	39.56	67.54	8.41	2.38	13.07	89.29	20.44	131.03	371.72
Useful Life of the asset (In Years)		3	5	5	upto 5	5	60	upto 5	
Method of depreciation		Straight-line method							

Particulars	Freehold Land	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Buildings (Refer Note below)		Total
							Owned Assets	Right Of Use Assets	
Gross carrying amount as at March 31, 2022	39.56	128.15	31.48	26.62	53.45	22.25	23.05	230.92	555.48
Additions	-	18.31	0.65	0.49	0.58	5.08	-	29.18	54.29
Disposals	-	0.01	0.07	0.03	0.07	2.10	-	0.52	2.80
Gross carrying amount as at June 30, 2022	39.56	146.45	32.06	27.08	53.96	25.23	23.05	259.58	606.97
Accumulated depreciation / amortisation and impairment									
Balance as at March 31, 2022	-	85.57	23.95	22.86	41.19	8.37	2.07	131.58	315.59
Depreciation for the period	-	6.54	1.12	0.90	1.95	1.23	0.11	12.58	24.43
Depreciation on disposals	-	0.01	0.06	0.03	0.05	1.31	-	-	1.46
Balance as at June 30, 2022	-	92.10	25.01	23.73	43.09	8.29	2.18	144.16	338.56
Net Carrying amount									
As at June 30, 2022	39.56	54.35	7.05	3.35	10.87	16.94	20.87	115.42	268.41
Useful Life of the asset (In Years)		3	5	5	5	5	60	upto 5	
Method of depreciation		Straight-line method							

Note

1. Details of Immovable properties of land and buildings (Owned Assets), whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security, has been explained in Note 17.1

2. The Company has elected to include ROU assets pertaining to lease of buildings as part of the Property, plant and equipment as permitted under paragraph 47 of Ind AS 116.
3. The Title Deeds of the Immovable Properties mentioned above are in the name of the company.
4. Company has not carried out any revaluation of property, plant and equipment during the three months ended June 2023

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Notes forming part of the Condensed Standalone Financial Statements for the period ended June 30, 2023

Note 14 INTANGIBLE ASSETS ₹ in crores

Particulars	Computer Software
Gross carrying amount as at April 1, 2022	**84.34**
Additions	22.94
Disposals	-
Gross carrying amount as at March 31, 2023	**107.28**
Additions	-
Disposals	-
Gross carrying amount as at June 30, 2023	**107.28**
Accumulated Amortization and impairment	
Balance as at April 1, 2022	**69.79**
Amortization for the year	11.06
Amortization on disposals	-
Balance as at March 31, 2023	**80.85**
Amortization for the period	3.57
Amortization on disposals	-
Balance as at June 30, 2023	**84.42**
Net Carrying amount	
As at March 31, 2023	**26.43**
As at June 30, 2023	**22.86**
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

Particulars	Computer Software
Gross carrying amount as at March 31, 2022	**84.34**
Additions	4.36
Disposals	-
Gross carrying amount as at June 30, 2022	**88.70**
Accumulated Amortization and impairment	
Balance as at March 31, 2022	**69.79**
Amortization for the period	2.54
Amortization on disposals	-
Balance as at June 30, 2022	**72.33**
Net Carrying amount	
As at June 30, 2022	**16.37**
Useful Life of the asset (In Years)	3
Method of depreciation,	Straight line method

Note: 15 OTHER NON FINANCIAL ASSETS ₹ in crores

Particulars	**As at June 30, 2023**	**As at March 31, 2023**	**As at June 30, 2022**
Prepaid expenses	35.42	30.59	27.17
Capital advances	28.95	21.12	8.51
GST Input Credit	28.80	12.00	23.13
Others	42.21	41.72	42.15
Total	**135.38**	**105.43**	**100.96**

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₹ in crores

Note : 16 DEBT SECURITIES (at amortised cost)

Particulars	**As at June 30, 2023**	**As at March 31, 2023**	**As at June 30, 2022**
Redeemable Non-Convertible Debentures			
Medium-Term - Secured	15,803.71	15,340.63	12,332.05
Medium-Term - Unsecured	25.00	25.00	25.00
Commercial Papers - Unsecured	6,402.27	4,316.78	4,841.66
Total	**22,230.98**	**19,682.41**	**17,198.71**

All debt securities have been contracted in India

17.1 Security

(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge on assets under hypothecation relating to Vehicle Finance, Loan against property, Bills discounted and other loans and *pari passu* charge on immovable property which are owned assets of the Company situated at Chennai.

(ii) The Company has not defaulted in the repayment of dues to its lenders.

₹ in crores

Note : 17 BORROWINGS (Other than Debt Securities) at amortised cost

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
A)Term Loans			
i) (a) From Banks - Secured			
- Rupee Loans	53,190.55	52,660.23	42,985.97
- Foreign currency Loans	827.09	827.99	641.13
- External Commercial Borrowings	1,465.39	1,525.88	603.55
(b)From Banks - Unsecured			
- Short term loans	-	200	-
ii) From Other Parties - Secured			
- Financial Institutions - Rupee Loans			
- Rupee Loans	4,556.72	4,307.15	1,403.39
- External Commercial Borrowings	1,276.71	1,276.71	1,442.85
- Securitisation - Rupee Loans	16,678.64	9,982.57	4,165.91
B) Loan from related parties - Unsecured from subsidiaries - Rupee Loans	-	-	39.44
C) Loan repayable on demand - Secured from Banks - Rupee Loans (Refer Note 6) - Unsecured	2,842.22	2,405.66	1,506.98
Total	**80,837.32**	**73,186.19**	**52,789.22**
Borrowings within India	78,095.22	70,383.60	50,742.82
Borrowings Outside India	2,742.10	2,802.59	2,046.40

18.1 Security

(i) Secured term loans from banks and financial institution are secured by way of specific /*pari passu* charge on assets under hypothecation relating to automobile financing and loans against immovable property.

(ii) Loan repayable on demand is in the nature of Cash Credit from banks and is secured by way of floating charge on assets under hypothecation and other assets.

(iii) The Company has not defaulted in the repayment of dues to its lenders.

(iv) Securitisation rupee loan represents the net outstanding value (Net of Investment in Pass-through Certificates) of the proceeds received by the Company from securitisation trust in respect of loan assets transferred by the Company pursuant to Deed of Assignment. The Company has provided Credit enhancement to the trust by way of cash collateral and Bank guarantee.

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₹ in crores

Note : 18 SUBORDINATED LIABILITIES (at amortised cost)

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Perpetual Debt - Unsecured	1,770.18	1,527.96	1,392.48
Subordinated Debt - Unsecured			
a) Rupee Denominated Bonds	418.28	407.94	417.16
b) Other Subordinated Debts	2,883.33	2,551.56	2,131.46
Total	**5,071.79**	**4,487.46**	**3,941.10**

i) All Subordinated liabilities have been contracted in India except for Rupee denominated bonds.
ii) The Company has not defaulted in the repayment of dues to its lenders.

Note : 19 OTHER FINANCIAL LIABILITIES

Unpaid dividend	0.76	0.76	0.71
Advance from customers	41.65	37.53	27.98
Security deposits received	4.72	4.83	3.83
Collections towards derecognised assets pending remittance	66.31	111.00	158.75
Lease liability (Refer note 48)	151.81	166.89	127.53
Other liabilities	40.87	33.10	27.36
Total	**306.12**	**354.11**	**346.16**

₹ in crores

Note : 20 PROVISIONS

Particulars	**As at June 30, 2023**	**As at March 31, 2023**	**As at June 30, 2022**
Provision for Employee Benefits			
- Compensated absences	96.10	89.55	77.63
	96.10	**89.55**	**77.63**
Other Provisions			
Provision for contingencies and service tax claims (Refer note 39)	39.54	39.54	39.54
Provision for expected credit loss towards undrawn commitments (Refer Note 39)	10.45	11.79	6.86
	49.99	**51.33**	**46.40**
Total	**146.09**	**140.88**	**124.03**

Note : 21 OTHER NON FINANCIAL LIABILITIES

Particulars	**As at June 30, 2023**	**As at March 31, 2023**	**As at June 30, 2022**
Income received in advance	2.31	2.95	4.67
Statutory liabilities	59.66	38.66	63.65
Others	4.08	4.51	5.95
Total	**66.05**	**46.12**	**74.27**

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Notes forming part of the Condensed Standalone Financial Statements for the period ended June 30, 2023

₹ in crores

NOTE 22A*: EQUITY SHARE CAPITAL	As at June 30, 2023		As at March 31, 2023		As at June 30, 2022	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
AUTHORISED						
Equity Shares of ₹ 2 each with voting rights	1,20,00,00,000	240.00	1,20,00,00,000	240.00	1,20,00,00,000	240.00
Preference Shares of ₹ 100 each	5,00,00,000	500.00	5,00,00,000	500.00	5,00,00,000	500.00
		740.0		740.00		740.00
ISSUED						
Equity Shares of ₹ 2 each with voting rights	82,29,03,456	164.58	82,27,24,126	164.54	82,21,80,721	164.44
		164.58		164.54		164.44
SUBSCRIBED AND FULLY PAID UP						
Equity Shares of ₹ 2 each with voting rights	82,22,19,686	164.44	82,20,40,356	164.41	82,14,96,951	164.30
Add : Forfeited Shares	6,54,500	0.07	6,54,500	0.07	6,54,500	0.07
		164.51		164.48		164.37
		164.51		164.48		164.37

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

₹ in crores

	As at June 30, 2023		As at March 31, 2023		As at June 30, 2022	
Equity Shares	Nos.	Amount	Nos.	Amount	Nos.	Amount
At the beginning of the period/year (₹2/- each)	82,20,40,356	164.41	82,10,71,821	164.21	82,10,71,821	164.21
Issued during the year						
Employees Stock Option (ESOP) Scheme	1,79,330	0.03	9,68,535	0.20	4,25,130	0.09
Outstanding at the end of the period/ year - ₹2/- each	82,22,19,686	164.44	82,20,40,356	164.41	82,14,96,951	164.30
Forfeited shares						
Equity Shares - Amount originally paid up	6,54,500	0.07	6,54,500	0.07	6,54,500	0.07

i)Terms/rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹ 2 (March 2019 -₹10)per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend.

Repayment of capital will be in proportion to the number of equity shares held.

b) Equity Shares held by Holding Company	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Cholamandalam Financial Holdings Limited - Holding Company	37,28,85,889	37,28,85,889	37,28,85,889

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

	As at June 30, 2023		As at March 31, 2023		As at June 30, 2022	
Equity Shares	Nos.	% holding in the class	Nos.	% holding in the class	Nos.	% holding in the class
Cholamandalam Financial Holdings Limited - Holding Company	37,28,85,889	45.35	37,28,85,889	45.36	37,28,85,889	45.39

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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₹ in crores

NOTE 22B: OTHER EQUITY	As at June 30,2023	As at March 31,2023	As at June 30,2022
Statutory Reserve (Refer Note a)			
Balance at the beginning of the year	2,560.46	2,020.46	2,020.46
Add: Amount transferred from retained earnings	-	540.00	-
Closing balance at the end of the period/ year	2,560.46	2,560.46	2,020.46
Capital Reserve (Refer Note b)			
Balance at the beginning of the year	0.04	0.04	0.04
Add: Changes during the year	-	-	-
Closing balance at the end of the period/ year	0.04	0.04	0.04
Capital Redemption Reserve (Refer Note c)			
Balance at the beginning of the year	33.00	33.00	33.00
Add: Changes during the period	-	-	-
Closing balance at the end of the period/ year	33.00	33.00	33.00
Securities Premium Account (Refer Note d)			
Balance at the beginning of the year	2,912.99	2,888.92	2,888.92
Add: Premium on ESOPs exercised	4.32	24.07	9.43
Closing balance at the end of the period/ year	2,917.31	2,912.99	2,898.35
General Reserve (Refer Note e)			
Balance at the beginning of the year	5,739.13	4,739.13	4,739.13
Add: Amount transferred from retained earnings	-	1,000.00	-
Closing balance at the end of the period/ year	5,739.13	5,739.13	4,739.13
Share Based Payments Reserve (Refer Note f)			
Balance at the beginning of the year	83.39	54.93	54.93
Addition during the period	12.53	28.46	7.50
Transfer to General reserve	-	-	
Closing balance at the end of the period/ year	95.89	83.39	62.43
Retained Earnings (Refer Note g)			
Balance at the beginning of the year	2,754.31	1,792.82	1,792.82
Profit for the period /year	726.01	2,666.20	565.66
Less:			
Dividend			
Equity for previous year	-	-	-
Equity - Final	-	(57.51)	-
Equity - Interim	-	(106.85)	-
Transfer to Statutory Reserve	-	(540.00)	-
Transfer to General Reserve	-	(1,000.00)	-
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	(0.34)	(0.35)	2.93
Closing balance at the end of the period/ year	3,480.01	2,754.31	2,361.41
Cash flow hedge reserve (Refer Note h)			
Balance at the beginning of the year	49.54	15.39	15.39
Addition	(12.73)	34.15	22.72
Deduction	-	-	-
Closing balance at the end of the period/ year	36.81	49.54	38.11
FVOCI Reserve (Refer Note i)			
Balance at the beginning of the year	(1.29)	(1.29)	(1.29)
Addition	-	-	-
Closing balance at the end of the period/ year	(1.29)	(1.29)	(1.29)
Share Application Money pending Allotment at the end of the year	0.90	-	-
Total Other Equity	14,862.26	14,131.57	12,151.64

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a) Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit annually as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

b) Capital reserve represents the reserve created on account of amalgamation of Chola Factoring Limited in the year 2013-14.

c) Capital redemption reserve represents the amount equal to the nominal value of shares that were redeemed during the prior years. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

d) Securities premium reserve is used to record the premium on issue of shares. The premium received during the year represents the premium received towards allotment of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the provisions of the Companies Act, 2013.

e) The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with specific requirement of Companies Act, 2013.

f) Under IND AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service. Share based payment reserve represents the among of reserve created for recognition of employee compensation cost at grant date and fair value of options vested and but not excersied by the employess and unvested options are recoginised in statement of profit and loss account

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

h) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

i) FVOCI Reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income.

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₹ in crores

Revenue from Operations	Period ended June 30, 2023	Period ended June 30, 2022
Note :23A		
(i) Interest - on financial assets measured at amortised cost		
(a) Loans		
-Bills Discounting	24.64	10.54
-Term loans	3,733.37	2,548.06
	-	-
	-	-
(b) Term Deposits With Banks	-	-
- under lien	17.31	4.07
- free of lien	24.74	25.00
	-	-
(C) Others	-	-
- Deposits with Financial Institutions	-	-
- Investment in Government Securities	23.73	23.77
- Investment in Treasury Bill	25.38	0.84
Total (A)	**3,849.17**	**2,612.28**
Note :23B		
(i) Fee Income*		
-Term loans	141.81	103.54
Total (B)	**141.81**	**103.54**
*Services are rendered at a point in time		
Note :23C		
Net gain on fair value changes on FVTPL - Realised		
Investment in mutual funds	29.15	8.47
Net gain on fair value changes on FVTPL - Un-realised		
Convertible Note	-	-
Total (C)	**29.15**	**8.47**
Note :23D		
(i)Sale of Services		
(a) Servicing and Collection fee on Assignment	0.69	0.91
(b) Other Service Income	9.50	19.90
Total (D)	**10.19**	**20.81**
Note: Timing of revenue recognition		
Services rendered at a point in time	4.19	19.31
Services rendered over a time	6.00	1.50
Total	**10.19**	**20.81**

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₹ in crores

Note : 24 OTHER INCOME

Particulars	Period ended June 30,2023	Period ended June 30,2022
Recovery of Bad debts	70.95	25.70
Profit on sale of Investments	32.23	-
Interest on Income tax refund	-	-
Rent	0.12	0.13
Total	**103.30**	**25.83**

Note : 25 FINANCE COST

Particulars	Period ended June 30,2023	Period ended June 30,2022
Interest on financial liabilities measured at amortised cost		
- Debt securities	415.51	242.45
- Borrowings other than debt securities	1,476.74	789.39
- Subordinated liabilities	107.37	92.83
Others		
- Bank charges	4.17	3.50
- Interest on lease liability	3.30	2.70
- Interest on income tax	-	-
Total	**2,007.09**	**1,130.87**

Note : 26 IMPAIRMENT OF FINANCIAL INSTRUMENTS

Particulars	Period ended June 30,2023	Period ended June 30,2022
Impairment provision		
- Loans - measured at amortised cost	372.34	298.62
- Receivable and other Financial assets - measured at amortised cost	-	-
Loss on sale of Investments	-	-
Total	**372.34**	**298.62**

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₹ in crores

Note : 27 EMPLOYEE BENEFITS EXPENSE

Particulars	Period ended June 30,2023	Period ended June 30,2022
Salaries, bonus and commission	288.57	219.37
Contribution to provident and other funds	-	-
-Employees' provident fund	14.26	10.20
-Superannuation fund	1.19	1.08
Share based payment Expense	12.21	7.56
Gratuity expense	4.10	3.61
Staff welfare expenses	7.53	4.27
Total	**327.86**	**246.09**

Note : 28 OTHER EXPENSES

Particulars	Period ended June 30,2023	Period ended June 30,2022
Rent and facility charges	4.77	4.48
Rates and taxes	10.90	11.45
Energy cost	4.70	3.25
Repairs and maintenance	1.53	1.97
Communication costs	9.96	9.41
Printing and stationery	5.36	6.07
Advertisement and publicity expenses	3.09	3.05
Directors fees, allowances and expenses	0.17	0.14
Auditors' remuneration	0.06	0.07
Legal and professional charges	35.90	29.20
Insurance	9.22	7.86
Travelling and conveyance	35.04	19.20
Information technology expenses	18.82	14.23
Loss on sale of property, plant and equipment(Net)	0.36	0.25
Recovery charges	158.64	128.37
Corporate social responsibility expenditure	7.36	1.55
Outsource cost	108.00	60.21
Miscellaneous expenses	7.33	6.25
	421.21	307.01
Less : Expenses recovered	(0.42)	(0.36)
Total	**420.79**	**306.65**

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29.

a) Earnings Per Share

Particulars	**Period ended June 30, 2023**	**Year ended March 31, 2023**	**Period ended June 30, 2022**
Profit After Tax Attributable to Equity Shareholders **(₹ in Crore)**	726.01	2,666.20	565.66
Weighted Average Number of Equity Shares (Basic)	82,20,71,847	82,15,85,050	82,11,79,773
Add: Dilutive effect relating to ESOP	18,62,315	13,24,177	13,99,867
Weighted Average Number of Equity Shares (Diluted)	82,39,34,162	82,29,09227	82,25,79,640
Earnings per Share - Basic (₹)	8.83	32.45	6.89
Earnings per Share - Diluted (₹)	8.81	32.40	6.88
Face Value Per Share (₹)	2	2	2

Note:
Earnings per Share calculations are done in accordance with Ind AS 33 "Earnings per Share".

30.Segment Information

The Company is primarily engaged in the business of financing. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India

During year ending March 31, 2023 For management purposes, the Company has been organised into the following operating segments based on products and services, as follows

Vehicle Finance Loans - Loans to customers against purchase of new/used vehicles, tractors, construction equipment and loan to automobile dealers.

Loan against property - Loans to customer against immovable property
Home Loans - Loans given for acquisition of residential property and loan against residential property

Other Loans - This includes, SME loans and other secured and unsecured loans

The Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. However, income taxes are managed on an entity as a whole basis and are not allocated to operating segments.

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Chartered Accountants

Cholamandalam Investment and Finance Company Limited

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Standalone Financial statements for the period ended June 30, 2023

Note 30: Segment Information

₹ in crores

	Period ended June 30, 2023					
Particulars	**Vehicle finance**	**Loan against property**	**Home Loans**	**Others**	**Unallocable**	**Total**
Revenue from Operations						
- Interest Income	2,341.67	646.55	326.22	443.32	91.41	**3,849.17**
- Fee Income	111.28	21.12	4.45	4.90	0.06	**141.81**
- Net gain on Fair value change on financial	-	-	-	-	29.15	**29.15**
- Sale of Services	8.40	0.89	0.08	0.82		**10.19**
- Others	-	-	-	-	-	
Segment revenue from Operations (I)	**2,461.35**	**668.56**	**330.75**	**449.04**	**120.62**	**4,030.32**
Other Income (II)	30.09	3.16	0.46	37.23	32.36	**103.30**
Total Segment Income - (I) + (II)	**2,491.44**	**671.72**	**331.21**	**486.27**	**152.98**	**4,133.62**
Expenses						
- Finance costs	1,254.44	383.94	162.29	220.01	-13.59	**2,007.09**
- Impairment of Financial Instruments	249.59	-7.14	-1.82	84.57	47.14	**372.34**
- Employee benefits expense	189.74	35.01	31.76	56.83	14.52	**327.86**
- Depreciation and amortisation expense	26.77	4.32	3.33	3.56	0.03	**38.01**
- Other expenses	272.21	40.39	52.59	52.72	2.88	**420.79**
Segment Expenses	**1,992.75**	**456.52**	**248.15**	**417.69**	**50.98**	**3,166.09**
Segment Profit / (loss) before taxation	**498.69**	**215.20**	**83.06**	**68.58**	**102.00**	**967.53**
Tax expense						**241.52**
Profit for the year						**726.01**

	Year ended March 31, 2023					
Particulars	**Vehicle finance**	**Loan against property**	**Home Loans**	**Others**	**Unallocable**	**Total**
Revenue from Operations						
- Interest Income	8,073.59	2,073.95	885.58	773.25	275.81	**12,082.18**
- Fee Income	435.60	66.48	12.73	9.36	0.20	**524.37**
- Net gain on Fair value change on financial instrument					69.40	**69.40**
- Sale of Services	68.97	5.69	3.14	3.29		**81.09**
- Others						
Segment revenue from Operations (I)	**8,578.16**	**2,146.12**	**901.45**	**785.90**	**345.41**	**12,757.04**
Other Income (II)	208.14	6.18	5.84	0.25	0.53	**220.94**
Total Segment Income - (I) + (II)	**8,786.30**	**2,152.30**	**907.29**	**786.15**	**345.94**	**12,977.98**
Expenses						
- Finance costs	3,870.46	1,134.21	395.06	349.02		**5,748.75**
- Impairment of Financial Instruments	722.88	25.45	22.99	77.96	0.40	**849.68**
- Employee benefits expense	830.63	148.69	103.53	179.39	3.44	**1,265.68**
- Depreciation and amortisation expense	88.37	13.47	8.60	8.41	0.03	**118.88**
- Other expenses	1,030.95	101.69	81.09	122.75	58.82	**1,395.30**
Segment Expenses	**6,543.29**	**1,423.51**	**611.27**	**737.53**	**62.69**	**9,378.29**
Segment Profit / (loss) before taxation	**2,243.01**	**728.79**	**296.02**	**48.62**	**283.25**	**3,599.69**
Tax expense						**933.49**
Profit for the year						**2,666.20**

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Chartered Accountants

Cholamandalam Investment and Finance Company Limited

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Standalone Financial statements for the period ended June 30, 2023

Note 30: Segment Information

	Period ended June 30, 2022					
Particulars	**Vehicle finance**	**Loan against property**	**Home Loans**	**Others**	**Unallocable**	**Total**
Revenue from Operations						
- Interest Income	1,866.77	433.66	181.56	76.47	53.82	2,612.28
- Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-	
- Fee Income	84.74	15.13	2.44	1.17	0.06	103.54
- Net gain on Fair value change on financial instrument					8.47	8.47
- Sale of Services	17.71	1.49	0.79	0.82	-	20.81
Segment revenue from Operations (I)	**1,969.22**	**450.28**	**184.79**	**78.46**	**62.35**	**2,745.10**
- Other income (II)	22.82	2.77	0.02	0.09	0.13	25.83
Total Segment Income - (I) + (II)	**1,992.04**	**453.05**	**184.81**	**78.55**	**62.48**	**2,770.93**
Expenses						
- Finance costs	797.70	226.69	74.01	31.62	0.85	1,130.87
- Impairment of Financial Instruments	279.80	-3.56	5.40	16.78	0.20	298.62
- Employee benefits expense	176.61	25.67	14.77	28.28	0.76	246.09
- Depreciation and amortisation expense	21.12	2.73	1.65	1.46	0.01	26.97
- Other expenses	244.62	21.05	13.91	20.02	7.05	306.65
Segment Expenses	**1,519.85**	**272.58**	**109.74**	**98.16**	**8.87**	**2,009.20**
Segment Profit / (loss) before taxation	**472.19**	**180.47**	**75.07**	**-19.61**	**53.61**	**761.73**
Tax expense						**196.07**
Profit for the year						**565.66**

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Cholamandalam Investment and Finance Company Limited

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Standalone Financial statements for the period ended June 30, 2023

Note 30: Segment Information

₹ in crores

Particulars	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
As on Jun 30, 2023						
Segment Assets	70,918.06	21,836.02	9,115.06	11,337.16		**1,13,206.30**
Unallocable Assets					11,493.00	**11,493.00**
Total Assets						**1,24,699.30**
Segment Liabilities	62,372.15	19,204.69	8,016.66	9,970.99		**99,564.49**
Unallocable Liabilities					10,108.04	**10,108.04**
Total Liabilities						**1,09,672.53**
As on March 31, 2023						
Segment Assets	66,722.81	20,473.73	8,018.01	9,521.30		**1,04,735.85**
Unallocable Assets					8,779.66	**8,779.66**
Total Assets						**1,13,515.51**
Segment Liabilities	58,319.79	17,895.29	7,008.23	8,322.20		**91,545.51**
Unallocable Liabilities					7,673.95	**7,673.95**
Total Liabilities						**99,219.46**
As on Jun 30, 2022						
Segment Assets	54,828.78	16,257.18	5,438.37	2,936.86		**79,461.19**
Unallocable Assets					8,062.99	**8,062.99**
Total Assets						**87,524.18**
Segment Liabilities	47,113.52	13,969.54	4,673.11	2,523.59		**68,279.76**
Unallocable Liabilities					6,928.41	**6,928.41**
Total Liabilities						**75,208.17**

In computing the segment information, certain estimates and assumptions have been made by the management, which have been relied upon.

As the assets are allocated to segment based on certain assumptions, hence additions to the Property, plant and equipment have not been disclosed separately for each specific segment.

There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Company's total revenue in the Current year and Previous year.

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31.Related Party Disclosures

List of Related Parties:

- **Holding Company:** Cholamandalam Financial holdings limited
- **Entity having significant influence over holding Company:** Ambadi Investments Limited
- **Subsidiaries of the entity which has significant influence over holding Company:** Parry Enterprises Limited and Parry Agro Limited.
- **Fellow Subsidiaries:** Cholamandalam MS General Insurance Company Limited
- **Joint Venture of Holding Company:** Cholamandalam MS Risk services Limited
- **Subsidiaries**: Cholamandalam Securities Limited, Cholamandalam Home Finance Limited
- **Joint Venture** :Payswiff Technologies Private Limited and its subsidiaries(from 8th February 2022)
- **Associate** : White Data Systems India Private Limited, Vishvakarma Payments Private Limited, Paytail Commerce Private Limited
- **Promoter** : Coromandel International Limited, EID Parry India Limited, Tube Investments of India Limited
- **Promoter Group** : Chola Business Services Limited, Coromandel Engineering Company Limited, Murugappa Morgan Thermal Ceramics Limited, Net access India Limited, Murugappa Management services Limited, AR Lakshmi Archi Trust, M A Murugappan Holdings LLP, AMM Foundation
- **Key Managerial Personnel** (KMP):
    a. Mr. D. Arulselvan, Chief Financial Officer
    b. Ms. P.Sujatha, Company Secretary
    c. Mr. Ravindra Kumar Kundu, Executive Director
- **Non-Executive Directors**
    a) Mr. Ashok Kumar Barat(upto 30th October 2022)
    b) Mr. N Ramesh Rajan
    c) Mr. Rohan Verma
    d) Ms. Bhama Krishnamurthy
    e) Mr. Vellayan Subbiah
    f) Mr. M A M Arunachalam
    g) Mr. Anand Kumar
    h) Mr. Bharath Vasudevan (upto 31st March 2023)

- **Private companies in which a director or manager or his relative is a member or director:** Cherry Tin Online Private Limited, Zetwork Manufacturing Business Private Limited, Finance Industry Development Council

- **Firm, in which a director, manager or his relative is a partner:** Kadamane Estates Co

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Cholamandalam Investment and Finance Company Limited

a) Transactions during the year

₹ in crore

Particulars	Period ended June 30, 2023	Year ended March 31, 2023	Period ended June 30, 2022
Dividend Payments (Equity Shares)			
a) Cholamandalam Financial Holdings Limited	-	74.58	-
b) Ambadi Investments Limited	-	6.74	-
c) Parry Enterprises India Limited	-	*	-
d) AR Lakshmi Archi Trust **	-	0.10	-
e) M A Murugappan Holdings LLP**	-	0.02	-
f) Kadamane Estates Co#	-	0.07	-
g) Promoter and Promoter Group	-	3.00	-
Amount received towards Reimbursement of expenses			
a) Cholamandalam Financial Holdings Limited	0.34	1.31	0.30
b) Cholamandalam Securities Limited	1.17	4.19	0.87
c) Cholamandalam Home Finance Limited	42.55	83.63	16.84
d) Cholamandalam MS General Insurance Company Limited	0.01	0.05	0.01
e) Parry enterprises India Limited	-	0.01	0*
f) Murugappa Morgan Thermal Ceramics Limited **	0.01	0.03	0.01
Expenses – Reimbursed			
a) Cholamandalam Home Finance Limited	0.35	1.41	0.33
b)White Data Systems India Private Limited	-	0.01	-
c)Cherry Tin Online Private Limited#	-	-	-
d) Cholamandalam Securities Limited	-	0.06	-

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Cholamandalam Investment and Finance Company Limited

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Standalone Financial statements for the period ended June 30, 2023

Services Received			
a) Cholamandalam Securities Limited	0.46	2.01	0.05
b) White Data Systems India Private Limited	-	0.19	0.05
c) Parry Enterprises India Limited	3.20	7.55	2.34
d) Cholamandalam MS General Insurance Company Limited	1.03	3.85	0.37
e) Cholamandalam MS Risk Services Limited	-	-	-
f) Chola Business Services Limited **	271.02	791.02	163.68
g) Coromandel Engineering Company Limited**	0.27	2.01	1.06
h) Murugappa Management services Private Limited**	0.05	1.34	0.34
i) Net access India Limited **	2.18	14.67	4.95
j) Payswiff Solutions Private limited	0.20	0.17	0*
k) Paytail Commerce Private Limited	-	9.42	0.27
l) Tube Investments of India Limited **	0.02	0.18	0.03
Amount received towards other Reimbursements			
a) Cholamandalam Securities Limited	-	-	-
Rental Income			
a) Cholamandalam Securities Limited	0.01	0.05	0.01
b) Coromandel International Limited **	0.11	0.44	0.11
Rental Expense			
a) Cholamandalam Home Finance Limited	-	0.01	0.01
Loans given			
a) Cholamandalam Securities Limited	33.00	176.00	12.00
b) White Data Systems India Private Limited	-	-	-
c) Payswiff Solutions Private Limited	-	-	-
d)Zetwerk Manufacturing Business Private Limited #	1.27	2.48	-
Loans recovered			
a) Cholamandalam Securities Limited	19.50	168.00	5.50
b) White Data Systems India Private Limited	-	3.00	-
c) Payswiff Solutions Private Limited	-	-	-

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Cholamandalam Investment and Finance Company Limited

d)Zetwerk Manufacturing Business Private Limited #	-	2.48	-
Interest Income Received			
a) Cholamandalam Securities Limited	0.24	1.81	0.09
b) White Data Systems India Private Limited	-	0.16	0.05
c) Payswiff Solutions Private Limited	-	-	-
Loans availed			
a) Cholamandalam Home Finance Limited	-	39.50	39.00
Loans repaid			
a) Cholamandalam Home Finance Limited	-	39.50	-
Interest Expense			
a) Cholamandalam Home Finance Limited	-	0.89	0.49
b)Cholamandalam MS General Insurance Company Limited	6.44	14.21	3.08
Subscriptions/Advertisement Expenses			
a) Finance Industry Development Council#	-	0.01	0.01
Services Rendered			
a)Chola Business Services Limited **	11.21	86.83	21.71
Contribution to CSR activity			
a) AMM Foundation **	-	15.25	-
Interest earned on Loan			
a) Murugappa Management services Private Limited **	-	0*	0*
b) Zetwerk Manufacturing Businesses Private Limited #	0.01	0.06	-

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Cholamandalam Investment and Finance Company Limited

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Standalone Financial statements for the period ended June 30, 2023

Investment in Convertible Notes **a)** Paytail Commerce Private Limited	-	10.00	-
Invocation of performance security on deliquent loans a) Paytail Commerce Private Limited	-	6.12	0.02
Purchase of Goods a)Parry Agro Industries Limited	-	0.54	-
Rent & Maintenance *a)* EID Parry India Limited **	1.39	5.94	1.57
Sale of Fixed Asset *a)* Chola Business Services Limited **	-	1.00	-
Debenture Interest paid to promotors/Promotor group	1.08	0.32	0.10
Commission and Sitting fees to non-executive Directors	0.16	3.11	0.13

b) Balances Outstanding at the year end

₹ in crore

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Loans - Receivable			
a) Cholamandalam Securities Limited	26.00	12.50	11.00
b) White Data Systems India Private Limited	-	-	3
c) Medall Healthcare Private Limited#	-	12.95	16.30
Debt Securities – Payable			
a) Cholamandalam MS General Insurance Company Limited	(338.46)	(319.21)	(143.09)
b) Debentures held by promoter and promoter group	(239.55)	(59.16)	(16.66)
Other Receivable / (Payable)			
a) Cholamandalam Financial Holdings Limited	-	-	-
b) Paytail Commerce Private Limited	-	0.28	(0.26)
c) Cholamandalam Securities Limited	0.48	(0.33)	1.00
d) Cholamandalam Home Finance Limited	24.84	10.62	5.27
e) Cholamandalam MS General Insurance Company Limited	(0.02)	0.01	0.01
f) White Data Systems India Private Limited	-	-	-
g) Parry Enterprises India Limited	(2.81)	(0.26)	(1.44)

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Standalone Financial statements for the period ended June 30, 2023

h) Cholamandalam MS Risk Services Limited	-	-	-
i) Coromandel International Limited **	0.08	0.02	0.11
j) Chola Business Services Limited **	(58.25)	(50.97)	(34.07)
k) Payswiff Solutions Private Limited	(0.20)	(0.09)	-
l) Murugappa Management services Private Limited**	(0.05)	(0.11)	(0.34)
m) EID Parry India Limited **	(0.36)	(0.77)	(0.48)
n) Net access India Limited **	(3.02)	(4.75)	(3.04)
o) Murugappa Morgan Thermal Ceramics Limited	0*	-	0*

c) Remuneration & other transactions with Key Managerial Personnel (KMP)

₹ in crore

Nature of Transaction	Period ended June 30, 2023	Year ended March 31, 2023	Period ended June 30, 2022
Gross Salary Including Perquisites	2.49	7.18	1.91
Other – Contribution to funds	0.21	0.82	0.18
Dividend Payments	-	0.11	-
Share based payments	1.34	4.09	0.62
Sale of Vehicle(s)	-	-	-
Sale of Asset	-	-	-
Dividend payments to Relatives of KMP & Directors	-	0.11	-

1.* Represents amounts less than ₹ 1 crore.
2. # Represents entities/parties included as per Companies Act , 2013
3.** Represents entities/parties identified as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended Jun 30, 2023 and year ended March 31, 2023.

32. Contingent Liabilities and Commitments

(a) Contested Claims not provided for:

₹ in crore

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Income tax and Interest on Tax issues where the Company has gone on appeal	65.26	65.26	55.62
Decided in the Company's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	0.28	0.28	6.34
Sales Tax issues pending before Appellate Authorities in respect of which the Company is on appeal.	27.55	27.55	27.54
Decided in the Company's favour by Appellate Authorities and for which the Department is on further appeal with respect to Sales Tax	1.02	1.02	1.02

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Service Tax & GST issues pending before Appellate Authorities in respect of which the Company is on appeal.	60.61	199.92	199.92
Disputed claims against the Company lodged by various parties under litigation (to the extent quantifiable)	125.84	133.54	157.51

i) The Company is of the opinion that for the above demands, based on the management estimate no significant liabilities are expected to arise.

ii) It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) The Company does not expect any reimbursement in respect of the above contingent liabilities.

iv)Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(a) Commitments

₹ in crore

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Capital commitments	50.26	42.10	10.15
Disbursements - Undrawn lines	2,848.84	2,820.44	1,633.14

33.Changes in Provisions

₹ in crore

Particulars	As at March 31, 2023	Additional Provision	Utilization/ Reversal	As at June 30, 2023
Provision for Contingencies and Service Tax claims	39.54	-	-	39.54
Provision for Undrawn commitments	11.79	4.54	(5.88)	10.45

Particulars	As at March 31, 2022	Additional Provision	Utilization/ Reversal	As at March 31, 2023
Provision for Contingencies and Service Tax claims	39.53	0.01	-	39.54
Provision for Undrawn commitments	1.20	11.06	(0.47)	11.79

Particulars	As at March 31, 2022	Additional Provision	Utilization/ Reversal	As at June 30, 2022
Provision for Contingencies and Service Tax claims	39.53	0.01	-	39.54
Provision for Undrawn commitments	1.20	6.09	(0.43)	6.86

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CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Standalone Financial statements for the period ended June 30, 2023

Undrawn loan commitments are commitments under which the Company is required to provide a loan under pre-sanctioned terms to the customer.

The undrawn commitments provided by the Company represents limits provided for automobile dealers, bill discounting customers and partly disbursed loans for other loans. The undrawn loan commitments amount outstanding as at June 30, 2023 is ₹ 2,848.84 Crore (March 31, 2023 is ₹ 2,820.44 Crore and June 30, 2022 is 1,633.14 Crore).

The Company creates expected credit loss provision on the undrawn commitments outstanding as at the end of the reporting period and the related expected credit loss on these commitments as at June 30, 2023 is ₹ 10.45 crore (March 31, 2023 is ₹ 11.79 crore and June 30, 2022 is ₹ 6.86 crore)

For Price Waterhouse LLP

Chartered Accountants
ICAI Firm Regn No. **301112E/E300264**

A.J. Shaikh

Partner

Membership No: 203637

For and on behalf of QIP Committee of Cholamandalam Investment and Finance Company Limited

Ravindra Kumar Kundu

Executive Director

D Arul Selvan

President & Chief Financial Officer

For Sundaram & Srinivasan

Chartered Accountants
ICAI Firm Regn No. **004207S**

S.Usha

Partner

Membership No: 211785
Date : September 28, 2023
Place : Chennai

M/s. Sundaram & Srinivasan
Chartered Accountants
23, C. P. Ramaswamy Iyer Road,
Alwarpet, Chennai – 600 018

Price Waterhouse LLP
Chartered Accountants
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Chennai - 600 018

Review Report

The Board of Directors
Cholamandalam Investment and Finance Company Limited
"Chola Crest", C54-55 & Super B-4,
Thiru-Vi-Ka Industrial Estate, Guindy,
Chennai – 600032.

1. This report is issued in accordance with the terms of our agreement dated September 12, 2023.

2. We have jointly reviewed the accompanying Special Purpose Unaudited Condensed Consolidated Interim Financial Statements of Cholamandalam Investment and Finance Company Limited (the "Company"), its subsidiaries (hereinafter referred to as the "Group"), joint venture and associate companies (refer note 3A to the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements) comprising its Condensed Consolidated Balance Sheet as at June 30, 2023 and June 30, 2022, the Condensed Consolidated Statement of Profit and Loss, the Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and selected explanatory notes for the three months ended June 30, 2023 and June 30, 2022 (herein after referred to as the "Special Purpose Unaudited Condensed Consolidated Interim Financial Statements") prepared by the Management of the Group for the purpose of inclusion in the Preliminary Placement Document and the Placement Document (hereinafter collectively referred to as the "Placement Documents") in connection with the proposed Qualified Institutional Placement of the equity shares and compulsorily convertible debentures of the Company. We have signed the attached Special Purpose Unaudited Condensed Consolidated Interim Financial Statements for identification purposes only.

Management's Responsibilities for the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements

3. The preparation of the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') and other accounting principles generally accepted in India, is the responsibility of the Management of the Group, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibilities

4. Our responsibility is to express a conclusion on the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements based on our review. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 'Review of Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India.

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

Price Waterhouse LLP * LLPIN AAS-3577 * Chartered Accountants * FRN 301112E/E300264

5. A review consists of making inquiries primarily of Company personnel responsible for financial and accounting matters, and applying analytical and other review procedures to financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing, the objective of which is the expression of an opinion on the truth and fairness of the financial statements taken as a whole, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Unaudited Condensed Consolidated Interim Financial Statements of the Company has not been prepared, in all material respects in accordance with the recognition and measurement principles of Ind AS 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') and other accounting principles generally accepted in India, or that it contains any material misstatement.

Emphasis of Matter – Basis of Preparation

7. We draw attention to Note 2.1 to the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements, which describes the Basis of Preparation that these Special Purpose Unaudited Condensed Consolidated Interim Financial Statements are prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements for the purposes for which those have been prepared.

   These Special Purpose Unaudited Condensed Consolidated Interim Financial Statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements for the purposes for which those have been prepared.

   Our opinion is not modified in respect of these matters.

Other Matters

8. (a) We did not review the interim financial statements of one subsidiary included in the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements, whose interim financial statements reflect total revenues Rs. 39.26 Crores and Rs. 9.44 Crores, total profit after tax of Rs. 1.97 Crores and 0.32 Crores and total comprehensive income of Rs. 4.56 Crores and Rs. (5.94) for the three months ended June 30, 2023 and June 30, 2022 respectively, as considered in the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements. These interim financial statements have been reviewed by other auditor whose reports have been furnished to us by the Management and our conclusion on the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraphs 4 and 5 above.

Sundaram & Srinivasan Chartered Accountants New No: 4, Old No: 23, CPR Road, Chennai 600 018.

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Chennai

(b) One of the subsidiary company whose interim financial statements reflects total revenue of Rs. 15.35 Crores and Rs. 16.47 Crores and total net profit after tax of Rs. 0.38 Crores and Rs. 1.34 Crores and total comprehensive income of Rs.3.49 Crores and Rs. 0.31 Crores for the three months ended June 30, 2023 and June 30, 2022 respectively, as considered in the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements and Group's share of net loss after tax of Rs. 2.79 Crores and Rs. 4.73 Crores in respect of one joint venture for the three months ended June 30, 2023 and June 30, 2022 respectively, as considered in the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements has been reviewed by Sundaram & Srinivasan, one of the joint auditors of the Company. Accordingly, conclusion of Price Waterhouse LLP, the other joint auditor of the Company, insofar as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture, is based solely on the review reports issued by Sundaram & Srinivasan for the subsidiary and joint venture and the procedures performed in paragraphs 4 and 5 above.

Our conclusion on the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements is not modified in respect of the above matters.

9. The Special Purpose Unaudited Condensed Consolidated Interim Financial Statements also include the Group's share of net loss after tax of Rs.0.64 Crores and Rs. 0.53 Crores in respect of two associates and three associates for the three months ended June 30, 2023 and June 30, 2022 respectively, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our conclusion on the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements is not modified in respect of the above matter.

Restriction on use

10. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.

SUNDARAM & SRINIVASAN New No:4, Old No:23, C.P.RAMASWAMY ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264

11. This report is addressed to the Board of Directors of the Company and has been prepared solely for the purposes of including it in the Placement Documents, to be filed by the Company with the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and the Registrar of the Companies in Chennai, in connection with the proposed Qualified Institutional Placement of the equity shares and compulsorily convertible debentures of the Company. This report should not be otherwise used or shown to or distributed or otherwise made available to any party or used for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Sundaram and Srinivasan
Chartered Accountants
Firm Registration Number – 004207S

S. Usha
Partner
Membership Number: 211785
UDIN: 23211785BGWDCF9660
Place: Chennai
Date: September 28, 2023

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number – 3001112E/E300264

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 23203637BGXPCF9899
Place: Bangalore
Date: September 28, 2023

SUNDARAM & SRINIVASAN
New No:4,
Old No:23,
CPR ROAD,
CHENNAI
600 018.
CHARTERED ACCOUNTANTS

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Un-audited Interim Special Purpose Condensed Consolidated Balance Sheet as at June 30, 2023

₹ in crores

	Note No.	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
ASSETS				
Financial Assets				
Cash and cash equivalents	7	2,900.40	911.85	1,324.92
Bank balances other than cash and cash equivalents	8	2,681.00	2,095.25	2,574.30
Derivative financial instruments	9	259.38	272.86	206.01
Receivables	10			
i) Trade receivables		107.35	99.13	93.65
ii) Other receivables		136.97	103.21	70.94
Loans	11	1,13,246.84	1,04,809.65	79,464.15
Investments				
i) Associate		7.22	7.64	32.49
ii) Others	12	3,195.22	3,110.82	1,776.80
iii) Joint Venture		440.61	443.41	440.86
Other financial assets	13	353.45	298.62	301.76
		1,23,328.44	**1,12,152.44**	**86,285.88**
Non- Financial Assets				
Current tax assets		245.67	270.10	153.76
Deferred tax assets (Net)		646.61	611.49	714.41
Investment property	14	0.13	0.13	0.13
Property, plant and equipment	15	374.70	374.69	270.15
Capital Work in Progress		43.64	35.74	23.03
Intangible assets under development		28.28	24.76	18.14
Other intangible assets	16	24.11	27.86	17.81
Other non-financial assets	17	136.74	107.12	104.08
		1,499.88	**1,451.89**	**1,301.51**
Asset classified as held for sale (Investment)		-	**22.57**	-
TOTAL ASSETS		**1,24,828.32**	**1,13,626.90**	**87,587.39**
LIABILITIES AND EQUITY				
Financial Liabilities				
Derivative financial instruments	9	164.50	134.27	134.19
Payables				
(I) Trade payables				
i) Total outstanding dues of micro and small enterprises		-	3.40	-
ii) Total outstanding dues of creditors other than micro and small enterprises		90.45	168.21	96.45
(II) Other payables				
i) Total outstanding dues of micro and small enterprises		-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		832.92	1,064.21	548.40
Debt securities	18	22,230.98	19,682.41	17,198.71
Borrowings(Other than Debt securities)	19	80,837.33	73,186.19	52,749.78
Subordinated liabilities	20	5,072.18	4,488.90	3,941.10
Other financial liabilities	21	316.77	363.41	351.56
		1,09,545.13	**99,091.00**	**75,020.19**
Non-Financial Liabilities				
Deferred tax Liabilities (Net)		-	-	0.22
Provisions	22	147.42	142.22	125.52
Other non-financial liabilities	23	69.35	47.58	75.06
		216.77	**189.80**	**200.80**
Equity				
Equity share capital	24	164.51	164.48	164.37
Other equity	25	14,901.91	14,181.62	12,202.03
Total Equity		**15,066.42**	**14,346.10**	**12,366.40**
TOTAL LIABILITIES AND EQUITY		**1,24,828.32**	**1,13,626.90**	**87,587.39**

The accompanying notes are an integral part of the Consolidated financial statements

This is the Consolidated Balance Sheet referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. 301112E/E300264

A.J.Shaikh
Partner
Membership No: 203637

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. 004207S

S.Usha
Partner
Membership Number: 211785

For and on behalf of QIP Committee of Cholamandalam Investment and Finance Company Limited

Ravindra Kumar Kundu
Executive Director

D Arul Selvan
President & Chief Financial Officer

Date : September 28, 2023
Place : Chennai

New No: 4, Old No: 23, CPR ROAD, CHENNAI 600 018.

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Un-audited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss for the period ended June 30, 2023

₹ in crores

	Note No.	Period ended June 30, 2023	Period ended June 30, 2022
Revenue from Operations			
Interest income	26A	3,850.84	2,612.50
Fee & commission income	26B	191.88	128.04
Net gain on fair value change on financial Instrument	26C	29.15	8.67
Sale of services	26D	10.19	20.81
Total Revenue from operations (I)		4,082.06	2,770.02
Other income (II)	27	88.73	25.89
Total Income (III) = (I) + (II)		4,170.79	2,795.91
Expenses			
Finance costs	28	2,006.20	1,130.43
Impairment of financial instruments	29	372.36	298.65
Employee benefits expense	30	371.14	265.54
Depreciation and amortisation expense	15, 16 & 17	38.58	27.53
Other expenses	31	426.70	309.73
Total Expenses (IV)		3,214.98	2,031.88
Profit before tax (V) = (III) - (IV)		**955.81**	**764.03**
Tax expense/(benefit)			
Current tax			
Pertaining to profit for the current period		273.92	244.60
Adjustment of tax relating to earlier periods		-	-
Deferred tax		(31.49)	(47.85)
Net tax expense (VI)		242.43	196.75
Profit for the year - A = (V) - (VI)		713.38	567.28
Share of loss from Associates (net of tax)		(0.64)	(0.54)
Share of loss from Joint Venture (net of tax)		(2.80)	(4.73)
Profit for the year		709.94	562.01
Other Comprehensive income:			
i)Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit obligations (net)		(0.40)	3.90
Income tax impact		0.10	(0.98)
Net (Loss) / gain on equity instruments designated at FVOCI for the period		6.05	(7.81)
Income tax impact		(0.39)	0.53
ii)Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cashflow Hedge Reserve		(17.01)	30.36
Income tax impact		4.28	(7.64)
Other comprehensive income/(loss) net of tax for the year (B)		**(7.37)**	**18.36**
Total Comprehensive Income net of tax (A) + (B)		**702.57**	**580.37**

Price Waterhouse LLP
LLPIN AAS-3673
Chartered Accountants
FRN 301112E/E300264
Chennai

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR ROAD, CHENNAI
CHARTERED ACCOUNTANTS

Cholamandalam Investment and Finance Company Limited

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Un-audited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss for the period ended June 30, 2023

₹ in crores

	Note No.	Period ended June 30, 2023	Period ended June 30, 2022
Profit for the period attributable to :			
Equity holders of the Parent Company		709.94	562.01
Non-Controlling Interest		-	-
Other Comprehensive Income (net of tax) for the period attributable to :			
Equity holders of the Parent Company		(7.37)	18.36
Non-Controlling Interest		-	-
Total Comprehensive Income for the period attributable to :			
Equity holders of the Parent Company		702.57	580.37
Non-Controlling Interest		-	-
Earnings per equity share of ₹ 2 each	33		
Basic (₹)		8.64	6.84
Diluted (₹)		8.62	6.83

The accompanying notes are an integral part of the Consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. 301112E/E300264

AJ Shaikh
Partner
Membership No: 203637

Date : September 28, 2023
Place : Chennai

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. 004207S

S.Usha
Partner
Membership Number:211785

SUNDARAM & SRINIVASAN
New No: 4, Old No: 23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

For and on behalf of QIP Committee of Cholamandalam Investment and Finance Company Limited

Ravindra Kumar Kundu
Executive Director

D Arul Selvan
President & Chief Financial Officer

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Consolidated Statement of Changes in Equity for the period ended June 30, 2023

1. Current reporting year

A) Equity Share Capital

Balance as on March 31, 2023	Changes in Equity Share capital due to prior period errors	Restated Balance at the beginning of the current reporting year	Changes in Equity share capital during the current year	Balance as on June 30, 2023
164.48	0.00	164.48	0.03	164.51

B) Other Equity

₹ in crores

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve and Surplus: Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share Based Payments reserve	Debt Instruments through Other Comprehensive Income	Equity Instruments through other comprehensive income	Effective portion of cashflow hedge	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign	Other items of Other Comprehensive Income	Money received against share warrants	Total
Balance as on March 31, 2023	-	-	0.04	2,912.99	33.00	5,761.03	2,771.05	2,560.46	83.38	-	9.95	49.72	-	-	-	-	14,181.62
Changes in accounting policy/prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	-	-	0.04	2,912.99	33.00	5,761.03	2,771.05	2,560.46	83.38	-	9.95	49.72	-	-	-	-	14,181.62
Profit for the year							709.94										709.94
Remeasurement of defined benefit plans	-	-	-	-	-	-	(0.30)		-		-	-	-	-	-	-	(0.30)
Total comprehensive income for the period, net of income tax	-		-	-	-	-			-		5.66	(12.73)	-	-	-	-	(7.07)
Dividend including tax	-		-	-	-	-	-		-		-	-	-	-	-	-	-
Share premium received on allotment of equity shares under ESOP				4.32													4.32
Recognition of share based payments	-		-	-	-	-	-		12.50		-	-	-	-	-	-	12.50
Changes during the year	0.90																0.90
Transfer to Reserves from retained earnings during the	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on June 30, 2023	0.90	-	0.04	2,917.31	33.00	5,761.03	3,480.69	2,560.46	95.88	-	15.61	36.99	-	-	-	-	14,901.91

Price Waterhouse LLP
LLPIN AAS-3673
Chartered Accountants
FRN 301112E/E300264
Chennai

SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

Cholamandalam Investment and Finance Company Limited

2. Previous reporting year

A) Equity Share Capital

₹ in crores

Balance as on March 31, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance at the beginning of the current reporting year	Changes in Equity share capital during the current year	Balance as on June 30, 2022
164.12	-	164.12	0.09	164.21

B) Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve and Surplus: Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share Based Payments reserve	Debt Instruments through Other Comprehensive Income	Equity Instruments through other comprehensive income	Effective portion of cashflow hedge	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrants	Total
Balance as on March 31, 2022	-	-	0.04	2,888.92	33.00	4,761.03	1,810.77	2,020.46	54.92	-	20.01	15.57	-	-	-	-	11,604.72
Changes in accounting policy/prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	-	-	0.04	2,888.92	33.00	4,761.03	1,810.77	2,020.46	54.92	-	20.01	15.57	-	-	-	-	11,604.72
Profit for the year							562.01										562.01
Remeasurement of defined benefit plans	-	-	-	-	-	-	2.92		-		-	-					2.92
Total comprehensive income for the period, net of income tax	-		-	-	-	-	-		-		(7.27)	22.72					15.45
Dividend including tax	-		-	-	-	-	-		-		-						-
Share premium received on allotment of equity shares under ESOP				9.43													9.43
Recognition of share based payments	-		-	-	-	-	-		7.50		-						7.50
Transfer to Reserves from retained earnings during the						-	-	-									-
Balance as on June 30, 2022		-	0.04	2,898.35	33.00	4,761.03	2,375.70	2,020.46	62.42	-	12.74	38.29	-	-	-	-	12,202.03

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Registration No: 301112E/E300264

A.J. Shaikh
Partner
Membership No: 203637

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No: 004207S

S.Usha
Partner
Membership Number: 211785

Date : September 28, 2023
Place : Chennai

For and on behalf of QIP Committee of Cholamandalam Investment and Finance Company Limited

Ravindra Kumar Kundu
Executive Director

D Arul Selvan
President & Chief Financial Officer

SUNDARAM & SRINIVASAN New No: 4, Old No: 23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Un-audited Interim Special Purpose Condensed Consolidated Cash Flow Statement for the period ended June 30, 2023

₹ in crores

Particulars	Period ended June 30,2023		Period ended June 30,2022	
Cash Flow from Operating Activities				
Profit Before Tax		**955.81**		**764.03**
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	39.59		27.53	
Impairment of financial instruments	372.36		298.65	
Finance Costs	2,006.20		1,130.43	
Loss on Sale of Property plant and equipment (Net)	0.36		0.25	
Net gain on fair value change in financial instruments	(29.15)		(8.67)	
Interest Income on bank deposits and other investments	(94.01)		(53.99)	
Gain on sale of investment	(17.66)		-	
Share based payment expense	12.50	2,289.18	7.62	1,401.82
Operating Profit Before Working Capital Changes		**3,244.99**		**2,165.85**
Adjustments for :-				
<u>(Increase)/Decrease in operating Assets</u>				
Loans	(8,809.55)		(5,618.09)	
Trade Receivables	(41.98)		(3.64)	
Other Financial Assets	(54.83)		33.46	
Other Non Financial Assets	(29.62)	(8,935.98)	(32.56)	(5,620.83)
<u>Increase/(Decrease) in operating liabilities & Provisions</u>				
Payables	(325.35)		(196.84)	
Other Financial liabilities	(31.56)		(5.13)	
Provisions	5.20		5.84	
Other NonFinancial liabilities	21.77	(329.94)	16.07	(182.06)
Cash Flow used in Operations		(6,020.93)		(3,637.04)
Finance Costs paid	(1,354.09)		(964.80)	
Interest Received on Bank Deposits and Other Investments	94.31	(1,859.78)	53.86	(910.94)
		(7,880.71)		(4,547.98)
Income tax paid (Net of refunds)		(249.78)		(146.36)
Net Cash Used in Operating Activities (A)		**(8,130.49)**		**(4,694.34)**
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment and Intangible Assets	(39.84)		(33.55)	
Capital Work in Progress	(7.90)		-	
Proceeds from Sale of Property, Plant and Equipment	0.71		0.55	
Investment in Bank Fixed Deposits (Net of withdrawals)	(591.17)		(971.17)	
Purchase of Mutual Funds Units	(43,972.80)		(25,038.75)	
Redemption of Mutual Funds Units	44,001.95		25,047.19	
Proceeds from Sale of Government Securities	(12.38)		(12.41)	
Investment in Treasury Bill	(25.38)		(195.57)	
Net Cash Used in Investing Activities (B)		**(646.81)**		**(1,203.71)**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		5.25		9.52
Payment of Lease liabilities		(18.38)		(13.81)
Proceeds from issue of debt securities	7,935.85		5,830.00	
Redemption of Debt securities	(5,375.00)		(2,023.76)	
Proceeds from Borrowing other than debt securities	13,926.11		14,557.01	
Repayment of borrowing - Other than debt securities	(6,237.98)		(13,879.83)	
Proceeds from issue of subordinated liabilities	530.00	10,778.98	45.00	4,528.42
Net Cash Flow From Financing Activities (C)		**10,765.85**		**4,524.13**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**1,988.55**		**(1,373.92)**
Cash and Cash Equivalents at the Beginning of the Year		911.85		2,698.84
<u>Cash and Cash Equivalents at the End of the Year</u>		**2,900.40**		**1,324.92**

The components of cash and cash equivalents can be referred in Note 7.
This is the Consolidated Cash Flow Statement referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. 301112E/E300264

A.J. Shaikh
Partner
Membership No: 203637

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. 004207S

S.Usha
Partner
Membership Number: 211785

For and on behalf of QIP Committee of Cholamandalam Investment and Finance Company Limited

Ravindra Kumar Kundu
Executive Director

D Arul Selvan
President &Chief Financial Officer

Date September 28, 2023
Place Chennai

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Consolidated Financial statements for the period ended June 30, 2023

1. Corporate Information

Cholamandalam Investment and Finance Company Limited ("the Company") (CIN L65993TN1978PLC007576) is a public limited Company domiciled in India and the equity shares of the Company is listed on Bombay Stock Exchange and National Stock Exchange. The Company and its subsidiaries viz. Cholamandalam Securities Limited and Cholamandalam Home Finance Limited (together hereinafter referred to as "Group"). The Group is one of the premier diversified financial services companies in India, engaged in providing vehicle finance, home loans, Loan against property, SME loans, unsecured loans, business of broking and distribution of financial products.

The Consolidated financial statements are presented in INR which is also functional currency of the Group.

2.1 Basis of Consolidation

These Special Purpose Unaudited Condensed Consolidated Interim Financial Statements which comprise the Unaudited Special Purpose Condensed Consolidated Balance Sheet as at June 30, 2023 and June 30, 2022, the Unaudited Special Purpose Condensed Consolidated Statement of Profit and Loss, the Unaudited Special Purpose Condensed Consolidated Statement of Changes in Equity, the Unaudited Special Purpose Condensed Consolidated Statement of Cash Flows, a summary of the significant accounting policies and notes and supplementary schedules and other explanatory information as of June 30, 2023 and June 30, 2022 and for the three months ended June 30, 2023 and June 30, 2022 (together hereinafter referred to as "Special Purpose Unaudited Condensed Consolidated Interim Financial Statements") have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements for the purposes for which those have been prepared. These Special Purpose Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Group to be included in the Preliminary Placement Document ("PDD") and Placement Document ("PD"), to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and the Registrar of Companies (the "ROC") in Chennai, in connection with proposed offering of the equity shares and compulsorily convertible debentures (collectively, the "Securities") by the Company pursuant to a Qualified Institutions Placement in India.

The accounting policies adopted in the preparation of the Special Purpose Unaudited Condensed Consolidated Interim Financial Statements are consistent with those followed in the preparation of the annual financial statements for the year ended March 31, 2023. Further, certain explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the financial position and performance since the last annual financial statements.

The Special Purpose Unaudited Condensed Consolidated Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual Ind AS financial statements.

The Special Purpose Unaudited Condensed Consolidated Interim Financial Statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, fair value through Profit and Loss (FVTPL) instruments, derivative financial instruments and certain other financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments).

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All amounts included in these Special Purpose Unaudited Condensed Consolidated Interim Financial Statements are reported in crores of Indian Rupees (Rs. In Crores) except earnings per share information and unless stated otherwise.

The Special Purpose Unaudited Condensed Consolidated Interim Financial Statements comprise the financial statements of the Company, its subsidiaries (being the entity that it controls) and its Associates and Joint Venture as at March 31, 2023. Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31,2023.

Consolidation procedure for subsidiaries:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that

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requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

3A Particulars of consolidation

The financial statements of the following subsidiaries/associates/joint venture (all incorporated in India) have been considered for consolidation:

Name of the Company	Percentage of voting Power as on		
	June 30, 2023	March 31, 2023	June 30, 2022
Cholamandalam Securities Limited (CSEC)	100.00%	100.00%	100.00%
Cholamandalam Home Finance Limited (CHFL)	100.00%	100.00%	100.00%
White Data Systems India Private Limited *	-	30.93%	30.87%
Vishvakarma Payments Private Limited	21.00%	21.00%	-
Paytail Commerce Private Limited	16.29%	16.29%	-
Payswiff Technologies Private Limited**	74.70%	74.70%	-

*The Company entered into a share swap agreement on Mar 28, 2023, with TVS Supply Chain Solutions Limited (TVSSCSL), White Data Systems India Private Limited (WDSI) and other shareholders of WDSI for the entire equity shares held by the Company in WDSI to TVSSCSL. As consideration for sale of WDSI shares, the Company is to be issued 22,35,265 Compulsory Convertible Preference Shares (CCPS) of TVSSCSL. Accordingly, the company received allotment of CCPS on Apr 20, 2023, on sale of WDSI equity shares and WDSI ceased to be an Associate.

* *Even though, the Group holds 74.70% of the paid up equity capital of Payswiff Technologies Private Limited(Payswiff), however, in view of founder reserved matters and dispute resolution mechanism envisaged in the shareholder agreement executed between the Group and founders of Payswiff, the Group is considered to have joint control over the entity as per Ind AS 28 read with IND AS 110. Hence it is classified as investment in Joint venture

3B Investment in Associates/Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

A Joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group's investments in its associates & joint ventures are accounted for using the equity method. Under the equity method, the investment in associates& joint ventures is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates& joint ventures since the acquisition date. Goodwill relating to the associates & joint ventures is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associates & joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associates & joint ventures, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates & joint ventures.

If an entity's share of losses of an associates & joint ventures equal or exceeds its interest in the associates & joint ventures (which includes any long-term interest that, in substance, form part of the Group's net investment in the associates), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates. If the associates & joint ventures subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of associates & joint ventures is shown on the face of the statement of profit and loss.

The financial statements of the associates & joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates & joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates & joint ventures and its carrying value, and then recognises the impairment loss with respect to the Group's investment in associates& joint ventures.

Upon loss of significant influence over the associates, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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4. Presentation of financial statements

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

5. Significant accounting policies

5.1 Financial instruments – initial recognition
5.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Group (as per the terms of the agreement with the borrowers). The Group recognises debt securities and borrowings when funds reach the Group.

5.1.2 Initial measurement of financial instruments

All financial instruments are recognised initially at fair value, including transaction costs that are attributable to the acquisition of financial instrument, except in the case of financial instruments which are FVTPL (Fair value through profit and loss),where the transaction costs are charged to the statement of profit and loss.

5.1.3 Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVTPL
- FVOCI

5.1.4 Financial assets and liabilities

5.1.4.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

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5.1.4.1.1 Business model assessment

The Group determines its business model at the level that best reflects how it manages Group's of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

5.1.4.1.2 The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Contractual terms that introduce exposure to risk or volatility in contractual cashflow that are unrelated to a basic lending arrangement do not give to contractual cashflows that are SPPI, such financial assets are either classified as FVTPL /FVOCI.

5.1.5 Investment in Mutual funds and Convertible note

The Group recognises the investment on trade date and is classified and measured, at fair value through profit or loss. Any gain/losses on disposal or subsequent re-measurement is recognised in the statement of Profit and Loss.

Investment in Convertible Notes are classified and measured in accordance with the requirements of Ind AS 109 requirements through FVTPL.

5.1.6 Equity instruments

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity

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investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI (Other Comprehensive Income). Equity instruments at FVOCI are not subject to an impairment assessment.

5.1.7 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest rate(EIR).

5.1.8 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these commitments together with the corresponding ECLs are disclosed in notes.

5.1.9 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

5.2 Modification and Derecognition of financial assets and liabilities

5.2.1 Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Modification of loan terms is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment). When a financial asset is modified the company assesses whether this modification results in derecognition. In accordance with the company's policy, a modification results in derecognition when it gives rise to substantially different terms. Where a modification does not lead to derecognition, the company calculates the modification gain/loss comparing the gross carrying amount before and after the modification and accounts for the same in the Statement of Profit and Loss.

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5.2.1 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

  Or

  It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

  Or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is

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recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised at FVTPL re-assessed at the end of every reporting period.

5.2.2. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 a 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.

5.3 Impairment of financial assets

5.3.1 Overview of the ECL principles

The Group records allowance for expected credit losses for all financial assets other than FVTPL, together with loan commitments. Equity instruments are not subject to impairment.

Loans

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Notes.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:

When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3:

Loans considered credit-impaired. The Group records an allowance for the LTECLs

The calculation of ECLs

The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are

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due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL are summarised below:

Probability of Default ("PD"):

The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure At Default ("EAD"):

The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

Loss Given Default ("LGD"):

The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1:

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

5.3.2 Forward looking information

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, unemployment rates etc., as considered relevant so as to determine the impact of macro-economic factors on the Group's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably

5.4 Collateral repossessed

In connection with recovery of outstanding dues from borrowers, the Group from time to time and in the normal course of business, resorts to regular repossession of collateral provided against vehicle loans and in certain cases, also exercises its right over property through legal procedures which include seizure of property (wherever applicable). Such assets repossessed are not used for the internal operations. As per the Group's accounting policy, repossessed assets are not recorded in the balance sheet, and instead their estimated realisable value is considered in determining the ECL allowance for the related Stage 3 financial assets.

5.5 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument in the Consolidated statement of profit and loss.

5.6 Restructured, rescheduled and modified loans

The Group sometimes makes concessions or modifications to the original terms of loans such as changing the instalment value or changing the tenor of the loan, as a response to the borrower's request. The Group considers the modification of the loan only before the loans gets credit impaired.

When the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured.

Loans which have been renegotiated or modified in accordance with RBI Notifications - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21- Resolution Framework for COVID-19 related Stress and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21- Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances have been classified as Stage 2 due to significant increase in credit risk.

5.7 Derivative and Hedge accounting

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated and is effective as a hedging instrument ,in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

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5.8 Recognition of interest income

5.8.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost. The EIR is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Interest Income

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account the fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the life of the loan. For credit-impaired financial assets interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

5.9 Taxes

5.9.1 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 Group 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.

5.9.2 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.

Deferred tax liabilities are recognised for all taxable temporary differences. 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.

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 and intends to settle on net basis.

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5.10 Investment Property

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 60 years based on the Group's estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Sch II to the Companies Act 2013.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

5.11 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is similar to those provided under Schedule II. Land is not depreciated.

Useful life of assets which is same as those prescribed as per Schedule II of the Companies Act, 2013:

Asset description	Estimated Useful Life
Buildings	60 years
Computer Equipment	3 years
Other Equipment	5 years
Leasehold improvements	Lease period or 5 years whichever is lower

Useful life of assets based on Management's estimation and which are different from those specified in schedule II:

Asset description	Estimated Useful Life
Server*	3 years
Furniture and Fixtures *	5 years
Vehicles *	5 years

*The Group, based on technical assessment made by technical expert and management estimate, depreciates Furniture & Fixtures and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of acquisition.

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.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

5.12 Intangible assets

The Group's other intangible assets mainly include the value of computer software. 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 Group. Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight line basis over a 3 year period or the license period whichever is lower. The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

5.13 Impairment of non–financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

5.14 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined contribution plans such as provident fund

(b) defined benefit plans such as gratuity, pension

a) Defined Contribution Scheme

Employees' Provident Fund:Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group 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.

Employees' State Insurance: The Group contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Superannuation: The Group contributes a sum equivalent to 15% of eligible employees' salary to a Superannuation Fund administered by trustees and managed by Life Insurance

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Corporation of India ("LIC"). The Group has no liability for future Superannuation Fund benefits other than its contribution and recognizes such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

b)Defined Benefit Scheme

Gratuity:The Group makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The Group accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by an independent actuary using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment, and

The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated statement of profit and loss:

► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

► Net interest expense or income.

(iii) Other employee benefits

Compensated Absences : The Group treats its liability for compensated absences based on actuarial valuation as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur and not deferred.

5.15 Share Based Payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or Credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. On cancellation or lapse of options granted to employees, the compensation charged to statement of profit and loss is credited with corresponding decrease in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

5.16 Provisions and Contingent liabilities

Provisions are recognised when the Group 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 Group 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.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liability is disclosed in case of present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations and the present obligation arising from past events, when no reliable estimate is possible.

5.16.1Provision for Claw Back of Commission Income

The estimated liability for claw back of commission income is recorded in the period in which the underlying revenue is recognised. These estimates are established using historical information on the nature, frequency and expected average cost of claw back and management estimates regarding possible future incidence. The estimates used for accounting of claw back claims are reviewed periodically and revisions are made as required.

5.17 Dividends on ordinary shares

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

5.18 Determination of Fair value

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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 Group.

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 economic best interest.

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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 Group 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.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments**–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- **Level 3 financial instruments** –Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

5.19 Recognition of Income

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.

The Group recognises 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 Group 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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

5.19.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

5.19.2 Fee Income & Sale of Services

a) Fee income from loans are recognised upon satisfaction of following:
   i) Completion of service
   ii) and realisation of the fee income.
b) Servicing and collections fees on assignment are recognised upon completion of service.
c) Advertising income is recognised over the contract period as and when related services are rendered.
d) Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

5.20 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established and it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

5.21 Input Tax credit (Goods and Service Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service / supply received is accounted to the extent permitted as per the applicable regulatory laws and when there is no uncertainty in availing / utilising the same. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

5.22 Foreign Currency transactions

The Group's financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

5.23 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.

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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.

5.24 Segment Information

The accounting policies adopted for Segment reporting are in line with the accounting policies of the Group with the following additional policies:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Un-allocable".

5.25 Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

5.26 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management of the Group.

5.27 Leases

The Group's lease asset consists of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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Right-of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term. Right to use assets are evaluated for recoverability whenever events or changes in the circumstances indicate that their carrying amounts may not be recoverable.
The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right to use asset if the Group changes its assessment if the whether it will exercise an extension or a termination option.

ROU asset has been presented under Property, plant and equipment while lease liability is presented under Other Financial Liabilities in the Balance Sheet. Lease payments made by the Group are classified as financing cash flows.

The Group applies the short-term lease recognition exemption to its short-term leases of Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

5.28 Trade receivable

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group 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 Group 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.

6A. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as 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 period

In the process of applying the Group's accounting policies, management has made the following judgements/estimates, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

i. Business Model Assessment

The Group from time to time enters into direct bilateral assignment deals, which qualify for de-recognition under Ind AS 109. Accordingly, the assessment of the Group's business model for managing its financial assets becomes a critical judgment.

Further, the Group also made an investment in the Government securities in order to comply the liquidity ratio compliance as required by RBI pursuant to its master directions. The Group intends to hold these assets till maturity expects that any sale if any necessitated by requirements are likely to be infrequent and immaterial. Accordingly the related assessment becomes a critical judgement to determine the business model for such financial assets under Ind AS.

Refer Note 5.1.4.1.1 for related details.

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ii) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Fair value note in Accounting policy.Refer Note 5.18 for related details.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

The Group has considered the impact of Covid-19 pandemic and the moratorium given to borrowers pursuant to the Covid-19 regulatory package announced by Reserve Bank of India, in determination of impairment allowance for the year.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

iv) Leases

a. Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group 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 Group 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.

b. Estimating the incremental borrowing rate

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The Group 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 Group would have to pay to for its borrowings.

v) Provisions and other contingent liabilities

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

6B. New Standards and amendments effective on or after April 01, 2022

(i) Ind AS 16, Property, Plant and Equipment

Proceeds before intended use of property, plant and equipment

The amendment clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Carve out from IAS 16, *Property, plant equipment*:

In May, 2020, IASB amended IAS 16, Property, plant equipment to prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management.

The said amendments have not been made under Ind AS 16. Further, paragraph 17(e) of Ind AS 16 has been amended to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(ii) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(iii) Ind AS 103, Business combinations

References to the conceptual framework

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

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(iv) Ind AS 109, Financial Instruments

Fees included in the 10% test for derecognition of financial liabilities
The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

(v) Ind AS 101, First-time adoption of Indian Accounting Standards

Subsidiary as a first-time adopter

Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

(vi) Ind AS 41, *Agriculture*

Taxation in fair value measurements

The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.
Based on the evaluation made by the Group, no .impact is assessed in the financial statements of the Group on account of the above.

6C New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. Below is a summary of such amendments:

(i) Disclosure of Accounting Policies- Amendments to Ind AS 1, Presentation of financial statements

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

(j) Definition of Accounting Estimates- Amendments to Ind AS 8, Accounting policies, changes in accounting estimates and errors

The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

(ii) Deferred tax related to assets and liabilities arising from a single transaction- Amendments to Ind AS 12, Income taxes

The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

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The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable

temporary differences associated with:

• right-of-use assets and lease liabilities, and

• decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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₹ in crores

Note : 7 CASH AND CASH EQUIVALENTS

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Cash on hand	28.89	10.98	28.57
Balances with banks			
- In Current Accounts	1,189.74	228.96	1,272.27
- In Deposit Accounts - Original maturity 3 months or less	1,650.49	650.21	-
Cheques, drafts on hand	31.28	21.70	24.08
Total	2,900.40	911.85	1,324.92

Note 8 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
- In Deposit Accounts - Original maturity more than 3 months	1,080.14	1,017.21	2,095.49
- Non current bank balances	36.41	44.11	46.74
- In earmarked accounts			
-Margin account for derivatives	52.27	52.27	37.80
- In Unpaid Dividend Accounts	0.76	0.76	0.71
- Deposits with Banks as collateral towards securitisation loan	1,510.99	980.37	393.24
-Deposits with Banks as collateral towards Overdraft facility (Refer Note 20)	-	-	-
-Escrow account on unclaimed debentures	0.35	0.45	0.24
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	0.08	0.08	0.08
Total	2,681.00	2,095.25	2,574.30

Note 9 : DERIVATIVE FINANCIAL INSTRUMENTS

Part I	As at June 30,2023			As at March 31,2023			As at June 30,2023		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value -Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
(i)Other derivatives - Cross Currency Interest Rate Swap	2,541.18	254.65	-	2,541.18	147.42	-	642.38	77.58	-
(ii) Overnight Index Swaps	500	4.73	-	500.00	4.73	5.59	-	8.97	-
(iii) Forward Contracts	1,933.08	-	164.50	1,933.08	120.71	128.68	1,894.94	119.46	134.19
Total Derivative financial Instruments	4,974.26	259.38	164.50	4,974.26	272.86	134.27	2,537.32	206.01	134.19
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows									
(i)Cash flow hedging:									
Others - Cross currency interest rate swap	2,541.18	254.65	-	2,541.18	147.42	-	642.38	77.58	-
(ii) Overnight Index Swaps	500	4.73	-	500.00	4.73	5.59	-	8.97	-
(iii) Forward Contracts	1,933.08	-	164.50	1,933.08	120.71	128.68	1,894.94	119.46	134.19
Total Derivative financial Instruments	4,974.26	259.38	164.50	4,974.26	272.86	134.27	2,537.32	206.01	134.19

The Group has a Board approved policy for entering into derivative transactions. Derivative transaction represents Currency ,Interest Rate Swaps and forward contracts . The Group undertakes such transactions for hedging interest/foreign exchange risk on borrowings. The Asset Liability Management Committee and Business Committee periodically monitors and reviews the risks involved.
The notional amount for interest rate swap represents the foreign currency borrowing on which Company has entered to hedge the variable interest rate.

Note: 10 RECEIVABLES

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
(i)Trade Receivables			
Secured - Considered good*	13.25	8.25	38.80
Unsecured - Considered good	95.79	92.05	54.87
	109.04	100.30	93.67
Provision for Impairment on receivables	(1.69)	(1.17)	(0.02)
	107.35	99.13	93.65
Trade Receivables credit impaired	0.01	0.51	0.49
Provision for Impairment on receivables	(0.01)	(0.51)	(0.49)
Total Trade receivables			
Considered good	109.04	100.30	93.67
Trade Receivables credit impaired	0.01	0.51	0.49
Total	109.05	100.81	94.16
Provision for Impairment on receivables	(1.70)	(1.68)	(0.51)
Subtotal (i)	107.35	99.13	93.65
(ii)Other Receivables			
Considered Good*	136.97	103.21	70.94
Subtotal (ii)	136.97	103.21	70.94
Total (i)+(ii)	244.32	202.34	164.59

*Includes dues from related parties (Refer Note 39) and Refer Note 51 - Part 1 for ageing
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

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Notes forming part of the Condensed Consolidated financial statements for the period ended June 30, 2023

₹ in crores

Note : 11 LOANS
(At amortised cost)

Particulars		As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
(A)(i) Bills Discounted		924.60	926.85	526.90
(ii) Term loans		1,14,820.76	1,06,211.72	81,331.28
	Total (A) Gross	1,15,745.36	1,07,138.57	81,858.18
Less: Impairment Allowance for (i) & (ii)		(2,498.52)	(2,328.92)	(2,394.03)
	Total (A) Net	1,13,246.84	1,04,809.65	79,464.15
(B)(i) Secured		1,07,052.13	99,861.79	79,385.17
(ii) Unsecured		8,693.23	7,276.78	2,473.01
	Total (B) - Gross	1,15,745.36	1,07,138.57	81,858.18
Less: Impairment Allowance		(2,498.52)	(2,328.92)	(2,394.03)
	Total (B) - Net	1,13,246.84	1,04,809.65	79,464.15

All loans are in India and have been granted to individuals or entities other than public sector.

Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or pledge of securities and / or equitable mortgage of property and / or equipment. It also includes loans where security creation is in process.Refer Note 19.1 and 20.2 for receivables offered as security for borrowings.

Term loans includes unsecured short term loan to an associate. The loans have been classified under Stage 1 Category at the various reporting periods and related impairment provision as per the Group's accounting policy has been created. The details of the same are disclosed below:

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Loan - Oustanding Value			
White Data System India Private Limited - Associate	-	-	3.00
Impairment Provision			
White Data System India Private Limited - Associate	-	-	-

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₹ in crores

Note : 11.1 LOANS

An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bills discounted								
Opening as on April 1, 2023	915.68	3.98	7.19	926.85	7.49	0.39	5.35	13.23
New assets originated	873.82	0.31	-	874.13	6.99	0.03	-	7.02
Exposure de-recognised /Matured/Repaid	(871.25)	(3.06)	(2.33)	(876.64)	(7.12)	(0.09)	(0.71)	(7.92)
Transfer to Stage 1	0.02	(0.01)	(0.01)	-	-	-	-	-
Transfer to Stage 2	(3.23)	3.23	-	-	(0.03)	0.03	-	-
Transfer to Stage 3	(2.63)	(2.99)	5.62	-	(0.02)	(0.30)	0.32	-
Impact on account of exposures transferred during the year between stages	-	0.01	0.11	0.12	-	0.08	1.39	1.47
Impact of changes on items within the same stage	0.92	-	-	0.92	-	-	-	-
Write off	(0.42)	(0.07)	(0.29)	(0.78)	-	(0.01)	(0.04)	(0.05)
Closing as on June 30, 2023	**912.91**	**1.40**	**10.29**	**924.60**	**7.31**	**0.13**	**6.31**	**13.75**
Term loans								
Opening as on April 1, 2023	98,996.88	3,939.10	3,214.41	1,06,150.39	437.19	401.84	1,476.66	2,315.69
New assets originated	18,576.74	5.06	32.99	18,614.79	87.56	1.05	1.22	89.83
Exposure de-recognised /Matured/Repaid	(9,523.64)	(518.81)	(326.40)	(10,368.85)	(99.09)	(44.05)	(96.30)	(239.44)
Transfer to Stage 1	475.97	(427.35)	(48.62)	-	50.32	(36.67)	(13.85)	-
Transfer to Stage 2	(1,629.93)	1,681.63	(51.70)	-	(10.38)	24.68	(14.30)	-
Transfer to Stage 3	(201.80)	(593.94)	795.74	-	(1.93)	(67.49)	69.42	-
Impact on account of exposures transferred during the year between stages	0.25	10.03	7.33	17.61	0.03	136.30	148.33	284.66
Impact of changes on items within the same stage	565.40	4.09	40.62	610.11	6.37	8.44	111.13	125.94
Write off*	(32.60)	(41.70)	(128.99)	(203.29)	(0.74)	(12.34)	(78.83)	(91.91)
Closing as on June 30, 2023	**1,07,227.27**	**4,058.11**	**3,535.38**	**1,14,820.76**	**469.53**	**411.76**	**1,603.48**	**2,484.77**
Bills Discounted								
Opening as on April 1, 2022	332.91	0.39	37.69	370.99	2.71	0.04	34.78	37.53
New assets originated	915.77	3.98	2.58	922.33	7.48	0.40	0.75	8.63
Exposure de-recognised /Matured/Repaid	(332.37)	(0.15)	(0.64)	(333.16)	(2.69)	(0.02)	(0.01)	(2.72)
Recovery from Matured Loans	-	-	-	-		-		-
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	(0.63)	(0.24)	0.87	-	(0.01)	(0.03)	0.03	(0.01)
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	0.21	0.21
Impact of changes on items within the same stage	-	-	-	-	-	-	2.90	2.90
Write off	-	-	(33.31)	(33.31)	-	-	(33.31)	(33.31)
Closing as on March 31, 2023	**915.68**	**3.98**	**7.19**	**926.85**	**7.49**	**0.39**	**5.35**	**13.23**
Term loans								
Opening as on April 1, 2022	66,984.70	5,817.08	3,305.12	76,106.90	340.20	659.58	1,291.37	2,291.15
New assets originated	57,378.00	252.29	247.38	57,877.67	261.16	29.58	52.06	342.80
Exposure de-recognised /Matured/Repaid	(23,876.52)	(2,200.24)	(1,328.98)	(27,405.74)	(312.60)	(206.80)	(272.11)	(791.51)
Recovery from Matured Loans				-				-
Transfer to Stage 1	1,304.33	(1,195.29)	(109.04)	-	162.67	(128.33)	(34.34)	-
Transfer to Stage 2	(1,983.66)	2,084.21	(100.55)	-	(12.48)	43.30	(30.82)	-
Transfer to Stage 3	(780.63)	(665.16)	1,445.79	-	(5.15)	(80.55)	85.70	-
Impact on account of exposures transferred during the year between stages	1.32	4.09	39.45	44.86	0.01	138.85	330.69	469.55
Impact of changes on items within the same stage	272.18	21.58	98.50	392.26	8.36	5.51	319.76	333.63
Write off*	(241.51)	(179.46)	(383.26)	(804.23)	(4.98)	(59.30)	(265.65)	(329.93)
Closing as on March 31, 2023	**98,058.21**	**3,939.10**	**3,214.41**	**1,06,211.72**	**437.19**	**401.84**	**1,476.66**	**2,315.69**
Bills Discounted								
Opening as on April 1, 2022	332.91	0.39	37.69	370.99	2.71	0.04	34.78	37.53
New assets originated	505.45	0.01	-	505.46	4.13	-	-	4.13
Exposure de-recognised /Matured/Repaid	(315.68)	(0.69)	-	(316.37)	(2.56)	(0.02)	-	(2.58)
Recovery from Matured Loans								
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	(0.54)	0.54	-	-	-	-	-	-
Transfer to Stage 3	(10.00)	(0.24)	10.24	-	(0.08)	(0.03)	0.11	-
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	3.08	3.08
Impact of changes on items within the same stage	0.13	-	-	0.13	-	-	2.90	2.90
Write off	-	-	(33.31)	(33.31)			(33.31)	(33.31)
Closing as on June 30, 2022	**512.27**	**0.01**	**14.62**	**526.90**	**4.20**	**(0.01)**	**7.56**	**11.75**
Term loans								
Opening as on April 1, 2022	66,984.70	5,817.08	3,305.12	76,106.90	340.20	659.58	1,291.37	2,291.15
New assets originated	12,788.62	3.55	3.82	12,795.99	70.15	0.66	0.67	71.48
Exposure de-recognised /Matured/Repaid	(6,809.86)	(632.75)	(323.60)	(7,766.21)	(116.26)	(85.95)	(93.36)	(295.57)
Recovery from Matured Loans				-				-
Transfer to Stage 1	621.72	(533.38)	(88.34)	-	83.35	(55.61)	(27.74)	-
Transfer to Stage 2	(1,535.99)	1,629.96	(93.97)	-	(9.98)	39.50	(29.52)	-
Transfer to Stage 3	(135.70)	(502.15)	637.85	-	(1.44)	(65.02)	66.46	-
Impact on account of exposures transferred during the year between stages	0.68	10.56	8.95	20.19	0.03	131.81	132.23	264.07
Impact of changes on items within the same stage	300.28	17.30	51.13	368.71	11.39	18.24	121.12	150.75
Write off*	(30.48)	(56.25)	(107.57)	(194.30)	(0.64)	(16.81)	(82.15)	(99.60)
Closing as on June 30, 2022	**72,182.97**	**5,753.92**	**3,393.39**	**81,331.28**	**376.80**	**626.40**	**1,379.08**	**2,382.28**

ECL across stages have been computed on collective basis.
The Group uses Days past due of the customer to determine the credit quality of loans

*Total write off includes Loss on disposal of repossessed vehicles - Rs 566.57 crores for the year ended March 31, 2023 (Rs 566.57 crores -March 31, 2023)

Note 11.2 Overdue greater than 90 days

No. of Cases	Principal outstanding	Overdue Instalments*
As on June 30, 2023		
1,21,414	2,238.26	1,403.62
As on March 31, 2023		
1,22,022	2,117.71	1,258.70
As on June 30, 2022		
97,025	2,060.53	1,482.58

*Overdue instalments includes principal amount overdue and interest overdue

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₹ in crores

Note : 12 INVESTMENTS

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Investment in Equity Instruments*			
a) Joint Venture at amortised cost			
Cholamandalam Home Finance Limited 47,400,000 Equity shares of ₹ 10 each fully paid up	-	-	-
Cholamandalam Securities Limited 22,500,014 Equity shares of ₹ 10 each fully paid up	-	-	-
Payswiff Technologies Private Limited 27,73,227 Equity shares of ₹ 10 each fully paid up	440.61	443.41	440.86
a) Associate at amortised cost			
White Data System India Private Limited 1,275,917 Equity shares of ₹ 10 each fully paid up (Subsidiary upto September 30, 2018 and Associate from October 1, 2018)	-	-	-
Vishvakarma Payments Private Limited 2,100 Equity shares of ₹ 10 each fully paid up (Associate from March 2021)#	-	-	-
Paytail commerce Private limited Acquired 27,482 Equity shares of ₹ 10 each fully paid up in September 2021	-	-	-
a) Unquoted - FVOCI **			
Amaravathi Sri Venkatesa Paper Mills Limited 293,272 Equity shares of ₹ 10 each fully paid up#	1.29	1.29	-
Less: Provision for Dimunition in value of Investment	(1.29)	(1.29)	-
Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up#	-	-	-
The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up#	-	-	-
Abhishek Co-operative Housing Society 5 shares of ₹ 50 each : Cost ₹ 250 only #	-	-	-
Chennai Willingdon Corporate Foundation 5 shares of ₹ 10 each: cost ₹ 50 only#	-	-	-
Chola Insurance Services Private Ltd. 19,133 Equity shares of ₹10 each fully paid up	0.02	0.02	0.02
Madras Enterprises Private Limited 30,286 equity shares of ₹10 each fully paid up	0.05	0.05	0.05
MSE Financial Ltd 4,10,400 Equity shares of ₹ 1 each fully paid up	0.05	0.05	0.04
b) Quoted - FVOCI			
Bombay Stock Exchange Limited 1,95,000 Equity shares of ₹ 2 each fully paid up March 31, 2021 - 65000 Equity Shares	11.87	8.40	11.64
Coromandel Engineering Co. Ltd 25,00,100 Equity shares of ₹ 10 each fully paid up	9.84	7.25	7.39
c) Investment in mutual funds - FVTPL			
Aditya Birla Sunlife Liquid fund Growth - 42,836.260 units @ Rs. 353.7440 each)	1.00	0.50	-
d) Unquoted - FVTPL			
Faering Capital India Evolving Fund 21,662 units of ₹10 each fully paid up	5.87	6.02	6.20
e) Investment in Government Securities - Quoted - amortised cost (Issued by Government of India)	1,553.72	1,541.34	1,555.89
f)Investment in Treasury Bill - amortised cost	1,561.65	1,536.27	195.57
g)Investment in Convertible Note of Paytail commerce Private Limited (Refer Note-2) -FVTPL	10.92	10.92	-
H)Investment in CCPS	40.23	-	-
Total	**3,195.22**	**3,110.82**	**1,776.80**

*Investments are made in India
** The Group has designated certain unquoted investments as FVOCI on the basis that these are not held for trading.

represents amount less than Rs 1 crore.

Asset classified as held for sale (Investment)			
White Data System India Private Limited 12,75,917 Equity shares of ₹ 10 each fully paid up **(Refer Note-1)**	-	22.57	-
	-	22.57	-

Note-1: The Company entered into a share swap agreement on March 28, 2023, with TVS Supply Chain Solutions Limited (TVSSCSL), White Data Systems India PrivateLimited (WDSI) and other shareholders of WDSI for the transfer of the entire equity shares held by the Company in WDSI to TVSSCSL. As consideration for transfer of WDSI shares, TVSSCSL has allotted 22,35,265 Compulsory Convertible Preference Shares (CCPS) of TVSSCSL to the company on April 20,2023 in accordance with Ind As 105 "Non -current Assets Held for Sale and Discontinued Operations", WDSI has ceased to be an Associate of the Group effective March 28,2023 and has been classified as Asset held for Sale as at March 31,2023

Note -2: The Principal amount of Convertible note (Rs.10 crores)shall be converted into fully paid equity shares in accordance with the conversion ratio determined as per the terms of the agreement. If the conversion of the note does not occur on or prior to 25 November 2027 , the note shall be redeemed at the principal amount along with interest @9% p.a.

Note: 13 OTHER FINANCIAL ASSET

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
At amortised cost			
Unsecured - considered good (unless otherwise stated)			
Security deposits	145.39	62.47	33.56
Interest only strip receivable	206.32	218.30	255.24
Other advances	1.80	17.91	12.96
Gross Total	**353.51**	**298.68**	**301.76**
Less: Impairment Allowance	(0.06)	(0.06)	-
Net Total	**353.45**	**298.62**	**301.76**

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Note 14 INVESTMENT PROPERTIES

₹ in crores

Particulars	
Gross carrying amount as at April 1, 2021	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2022	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2023	**0.14**
Accumulated depreciation and impairment	
Balance as at April 1, 2021	0.01
Depreciation for the year	-
Depreciation on disposals	
Balance as at March 31, 2022**	**0.01**
Depreciation for the period	-
Depreciation on disposals	-
Balance as at March 31, 2023**	0.01
Net Carrying amount	
As at March 31, 2022	**0.13**
As at March 31, 2023	**0.13**
Useful Life of the asset (In Years)	60
Method of depreciation	Straight line method

Particulars	
Gross carrying amount as at March 31, 2022	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at June 30, 2022	**0.14**
Accumulated depreciation and impairment	
Balance as at March 31, 2022**	**0.01**
Depreciation for the period	-
Depreciation on disposals	-
Balance as at June 30, 2022**	0.01
Net Carrying amount	
As at June 30, 2022	**0.13**
Useful Life of the asset (In Years)	60
Method of depreciation	Straight line method

The Group's investment property consists of 4 properties and has let out one property as at March 31, 2023

** represents amount less than Rs 1 crore

i) Income earned and expense incurred in connection with Investment Property

₹ in crores

Particulars	Period Ended June 30, 2023	Period Ended June 30, 2022
Rental Income	0.01	0.01
Direct Operating expense from property that generated rental income	-	-
Direct Operating expense from property that did not generate rental income	-	-

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property.

iii) Leasing Arrangements

Certain investment properties are leased out to tenants under cancellable operating lease.

₹ in crores

iv) Fair Value	As at March 31, 2023	As at March 31, 2022
Investment Property	3.20	3.09

v) Sensitivity analysis

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair Value (Rs in crores)	Sensitivity (Rs in crores)
Investment Property As at March 31, 2023	Professional valuer	Price per Sq. feet	Rs.7000 - Rs.13,000 per Sq. ft.	5%	3.20	0.16
Investment Property As at March 31, 2022	Professional valuer	Price per Sq. feet	Rs.7000 - Rs.13,000 per Sq. ft.	5%	3.09	0.15

vi)The Title Deeds of the Immovable Properties mentioned above are in the name of the company

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Note 15 - PROPERTY, PLANT AND EQUIPMENT

₹ in crores

Particulars	Freehold Land	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Buildings (Refer Note below)		Total
							Own Assets	Right of Use Asset	
Gross carrying amount as at April 1, 2022	39.56	131.07	32.18	27.36	55.01	22.53	23.05	231.63	562.39
Additions	-	51.59	5.48	2.60	10.86	71.67	0.00	103.39	245.59
Disposals	-	6.61	2.48	2.63	4.65	9.47	0.00	0.71	26.55
Gross carrying amount as at March 31, 2023	39.56	176.05	35.18	27.33	61.22	84.73	23.05	334.31	781.43
Additions	-	11.23	1.36	0.90	-	22.31	-	0.01	35.81
Disposals		-	1.02	1.06	1.44	2.71	-	-	6.23
Gross carrying amount as at June 30, 2023	39.56	187.28	35.52	27.17	59.78	104.33	23.05	334.32	811.01
Accumulated depreciation / amortisation and impairment									
Balance as at April 1, 2022	-	87.80	24.44	23.42	42.15	8.39	2.07	131.97	320.24
Depreciation for the year	-	29.06	4.70	3.64	8.46	7.11	0.43	55.59	108.39
Depreciation on disposals	-	6.58	2.44	2.62	4.61	5.80	-	0.44	22.49
Balance as at March 31, 2023	-	110.28	26.70	24.44	46.00	9.70	2.50	187.12	406.74
Depreciation for the period	-	8.83	1.19	1.33	1.91	5.19	0.11	16.17	34.73
Depreciation on disposals	-	-	0.99	1.06	1.45	1.66	-	-	5.16
Balance as at June 30, 2023	-	119.11	26.90	24.71	46.46	13.23	2.61	203.29	436.31
Net Carrying amount									
As at March 31, 2023	39.56	65.77	8.48	2.89	15.22	75.03	20.55	147.19	374.69
As at June 30, 2023	39.56	68.17	8.62	2.46	13.32	91.10	20.44	131.03	374.70
Useful Life of the asset (In Years)		3	5	5	upto 5	5	60	upto 5	
Method of depreciation		Straight-line method							

Particulars	Freehold Land	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Buildings (Refer Note		Total
							Own Assets	Right of Use Asset	
Gross carrying amount as at March 31, 2022	39.56	131.07	32.18	27.36	55.01	22.53	23.05	231.63	562.39
Additions	-	18.31	0.68	0.49	0.58	5.08	-	28.82	53.96
Disposals	-	0.01	0.07	0.03	0.07	2.10	-	0.50	2.78
Gross carrying amount as at June 30, 2022	39.56	149.37	32.79	27.82	55.52	25.51	23.05	259.95	613.57
Accumulated depreciation / amortisation									
Balance as at March 31, 2022	-	87.80	24.44	23.42	42.15	8.39	2.07	131.97	320.24
Depreciation for the period	-	6.62	1.15	0.92	2.04	1.24	0.11	12.58	24.66
Depreciation on disposals	-	0.01	0.06	0.03	0.07	1.31	-	-	1.48
Balance as at June 30, 2022	-	94.41	25.53	24.31	44.12	8.32	2.18	144.55	343.42
Net Carrying amount									
As at June 30, 2022	39.56	54.96	7.26	3.51	11.40	17.19	20.87	115.40	270.15
Useful Life of the asset (In Years)		3	5	5	upto 5	5	60	upto 5	
Method of depreciation		Straight-line method							

Note

1. Details of immovable properties of land and buildings, whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security, has been explained in Note 19.1

2. The Group has elected to include ROU assets pertaining to lease of buildings as part of the Property, plant and equipment as permitted under paragraph 47 of Ind AS 116.

3. The Title Deeds of the Immovable Properties mentioned above are in the name of the Group

4. Group has not carried out any revaluation of property, plant and equipment during the year ended June 30, 2023

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Note:16 INTANGIBLE ASSETS ₹ in crores

Particulars	Computer Software
Gross carrying amount as at April 01, 2022	**92.08**
Additions	23.73
Disposals	0.09
Gross carrying amount as at March 31, 2023	**115.72**
Additions	0.10
Disposals	
Gross carrying amount as at June 30, 2023	**115.82**
Accumulated Amortization and impairment	
Balance as at April 1, 2022	**75.76**
Amortization for the year	12.10
Amortization on disposals	-
Balance as at March 31, 2023	**87.86**
Amortization for the period	3.85
Amortization on disposals	-
Balance as at June 30, 2023	**91.71**
Net Carrying amount	
As at March 31, 2023	**27.86**
As at June 31, 2023	**24.11**
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

Particulars	Computer Software
Gross carrying amount as at March 31, 2022	**92.08**
Additions	4.36
Disposals	-
Gross carrying amount as at June 30, 2022	**96.44**
Accumulated Amortization and Impairment	
Balance as at April 1, 2022	**75.76**
Amortization for the year	2.87
Amortization on disposals	-
Balance as at June 30, 2022	**78.63**
Net Carrying amount	
As at June 31, 2022	**17.81**
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

Note: 17 OTHER NON FINANCIAL ASSETS ₹ in crores

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Unsecured - considered good			
Prepaid expenses	36.24	31.56	27.96
Capital advances	29.09	21.12	8.63
Other assets	42.61	42.00	42.52
GST Input Credit	28.80	12.44	24.97
Total	**136.74**	**107.12**	**104.08**

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₹ in crores

Note : 18 DEBT SECURITIES (at amortised cost)

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Redeemable Non-Convertible Debentures			
Medium-Term - Secured	15,803.71	15,340.63	12,332.05
Medium-Term - Unsecured	25.00	25.00	25.00
Commercial Papers - Unsecured	6,402.27	4,316.78	4,841.66
Total	**22,230.98**	**19,682.41**	**17,198.71**

All debt securities have been contracted in India

18.1 Security

(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge on assets under hypothecation relating to Vehicle Finance, Loan against property, Bills discounted and other loans and *pari passu* charge on immovable property situated at Chennai.

(ii) The Group has not defaulted in the repayment of dues to its lenders.

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₹ in crores

Note : 19 BORROWINGS (Other than Debt Securities) at amortised cost

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
A)Term Loans			
(i)(a)From Banks - Secured - Rupee Loans	53,190.55	52,660.23	42,985.97
- Foreign currency Loans	827.09	827.99	641.13
- External Commercial Borrowings	1,465.40	1,525.88	603.55
(b) From Banks - Unsecured - Short term loans	-	200.00	-
ii) From Other Parties - Secured			
(a) Financial Institutions - Rupee Loans	4,556.72	4,307.15	1,403.39
(b) External Commercial Borrowings	1,276.71	1,276.71	1,442.85
(c) Securitisation - Rupee Loans	16,678.64	9,982.57	4,165.91
B) Loan repayable on demand - Secured from Banks - Rupee Loans (Refer Note 8 and 20.1(vi))	2,842.22	2,405.66	1,506.98
Total	**80,837.33**	**73,186.19**	**52,749.78**
Borrowings within India	78,095.22	70,383.60	50,703.38
Borrowings Outside India	2,742.11	2,802.59	2,046.40

19.1 Security

(i) (i) Secured term loans from banks and financial institution are secured by way of specific charge on assets under hypothecation relating to vehicle finance, home loans and loan against property and pari passu charge on immovable property which are owned assets of the Company situated at Chennai.

(ii) Loan repayable on demand is in the nature of Cash Credit from banks and is secured by way of floating charge on assets under hypothecation relating to vehicle finance, home loans and loan against property.

(iii) The Group has not defaulted in the repayment of dues to its lenders.

(iv) Securitisation borrowing represents the net outstanding value (Net of Investment in Pass-through Certificates) of the proceeds received by the Group from securitisation trust in respect of loan assets transferred by the Group pursuant to Deed of Assignment. The Group has provided Credit enhancement to the trust by way of cash collateral and Bank guarantee and also refer note 8

(v) The Group has utilised the borrowings for the purpose for which it was obtained

(vi) The quarterly statements or returns of current assets filed by the company with banks are in agreement with books of accounts

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Note : 20 SUBORDINATED LIABILITIES (at amortised cost)

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Perpetual Debt - Unsecured	1,770.57	1,529.40	1,392.48
Subordinated Debt - Unsecured			
a) Rupee Denominated Bonds	418.28	407.94	417.16
b) Other Subordinated Debts	2,883.33	2,551.56	2,131.46
Total	**5,072.18**	**4,488.90**	**3,941.10**

(i) All Subordinated liabilities have been contracted in India except for Rupee denominated bonds.
(ii) The Group has not defaulted in the repayment of dues to its lenders.

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₹ in crores

Note : 21 OTHER FINANCIAL LIABILITIES

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Unpaid dividend	0.76	0.76	0.71
Advance from customers	47.48	42.80	31.87
Security deposits received	4.72	4.83	3.83
Collections towards derecognised assets pending remittance	66.31	111.00	158.75
Lease liability (Refer Note 49)	151.81	166.89	127.53
Other liabilities	45.69	37.13	28.87
Total	316.77	363.41	351.56

Note : 22 PROVISIONS

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Provision for Employee Benefits			
Compensated absences(Refer Note 37)	97.44	90.90	79.13
	97.44	90.90	79.13
Other Provisions			
Provision for contingencies and service tax claims (Refer Note 41)	39.53	39.53	39.53
Provision for expected credit loss towards undrawn commitments (Refer note 41)	10.45	11.79	6.86
	49.98	51.32	46.39
Total	147.42	142.22	125.52

Note : 23 OTHER NON FINANCIAL LIABILITIES

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Income received in advance	2.31	2.96	4.67
Statutory liabilities	62.96	40.11	64.44
Others	4.08	4.51	5.95
Total	69.35	47.58	75.06

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₹ in crores

NOTE 24 : EQUITY SHARE CAPITAL	As at June 30, 2023		As at March 31, 2023		As at June 30, 2022	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
AUTHORISED						
Equity Shares of ₹ 2 each with voting rights	1,20,00,00,000	240.00	1,20,00,00,000	240.00	1,20,00,00,000	240.00
Preference Shares of ₹ 100 each	5,00,00,000	500.00	5,00,00,000	500.00	5,00,00,000	500.00
		740.00		740.00		740.00
ISSUED						
Equity Shares of ₹ 2 each with voting rights	82,29,03,456	164.58	82,27,24,126	164.54	82,21,80,721	164.44
		164.58		164.54		164.44
SUBSCRIBED AND FULLY PAID UP						
Equity Shares of ₹ 2 each with voting rights	82,22,19,686	164.44	82,20,40,356	164.41	82,14,96,951	164.30
Add : Forfeited Shares	6,54,500	0.07	6,54,500	0.07	6,54,500	0.07
		164.51		164.48		164.37
		164.51		164.48		164.37

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

Equity Shares	As at June 30, 2023		As at March 31, 2023		As at June 30, 2022	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
At the beginning of the year	82,20,40,356	164.40	82,10,71,821	164.21	82,10,71,821	164.28
Additional shares pursuant to share split during the period						
Issued during the year						
a) Employees Stock Option (ESOP) Scheme	1,79,330	0.04	9,68,535	0.19	4,25,130	0.09
Outstanding at the end of the year	**82,22,19,686**	**164.44**	**82,20,40,356**	**164.40**	**82,14,96,951**	**164.37**
Forfeited shares						
Equity Shares - Amount originally paid up	**6,54,500**	**0.07**	**6,54,500**	**0.07**	**6,54,500**	**0.07**

Terms/rights attached to Equity shares
The Company has only one class of equity shares having a par value of ₹ 2 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend.

Repayment of capital will be in proportion to the number of equity shares held.

b) Equity Shares held by Holding Company	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Cholamandalam Financial Holdings Limited	37,28,85,889	37,28,85,889	37,28,85,889

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

Equity Shares	As at June 30, 2023		As at March 31, 2023		As at June 30, 2022	
	Nos.	% holding in the class	Nos.	% holding in the class	Nos.	% holding in the class
Cholamandalam Financial Holdings Limited - Holding Company	37,28,85,889	45.36	37,28,85,889	45.36	37,28,85,889	45.39

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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CHARTERED ACCOUNTANTS

Cholamandalam Investment and Finance Company Limited

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Notes forming part of the Condensed Consolidated financial statements for the period ended June 30, 2023

₹ in crores

NOTE 25: OTHER EQUITY	As at June 30,2023	As at March 31,2023	As at June 30,2022
Statutory Reserve (Refer Note a)			
Balance at the beginning of the year	2,560.46	2,020.46	2,020.46
Add: Amount transferred from retained earnings	-	540.00	
Closing balance at the end of the year	2,560.46	2,560.46	2,020.46
Capital Reserve (Refer Note b)			
Balance at the beginning of the year	0.04	0.04	0.04
Add: Changes during the year	-	-	-
Closing balance at the end of the year	0.04	0.04	0.04
Capital Redemption Reserve (Refer Note c)			
Balance at the beginning of the year	33.00	33.00	33.00
Add: Changes during the year	-	-	-
Closing balance at the end of the year	33.00	33.00	33.00
Securities Premium Account (Refer Note d)			
Balance at the beginning of the year	2,912.99	2,888.92	2,888.92
Add: Premium on ESOPs exercised	4.32	24.07	9.43
Closing balance at the end of the year	2,917.31	2,912.99	2,898.35
General Reserve (Refer Note e)			
Balance at the beginning of the year	5,761.03	4,761.03	4,761.03
Add: Amount transferred from retained earnings	-	1,000.00	
Closing balance at the end of the year	5,761.03	5,761.03	4,761.03
Share Based Payments Reserve (Refer Note f)			
Balance at the beginning of the year	83.38	54.92	54.92
Addition during the year	12.50	28.46	7.50
Transfer to General reserve	-	-	-
Closing balance at the end of the year	95.88	83.38	62.42
Retained Earnings (Refer Note g)			
Balance at the beginning of the year	2,771.05	1,810.77	1,810.77
Profit for the year	709.94	2,664.85	562.01
Less:			
Dividend			
Equity - Final	-	(164.36)	
Equity - Interim	-	-	-
Transfer to Statutory Reserve	-	(540.00)	
Transfer to General Reserve	-	(1,000.00)	
Re-measurement Gain / (Loss) on Defined Benefit Obligation (Net) transferred to Retained Earnings	(0.30)	(0.21)	2.92
Closing balance at the end of the year	3,480.69	2,771.05	2,375.70
Cashflow hedge reserve (Refer Note h)			
Balance at the beginning of the year	49.72	15.57	15.57
Addition	(12.73)	34.15	22.72
Closing balance at the end of the year	36.99	49.72	38.29
FVOCI Reserve (Refer Note i)			
Balance at the beginning of the year	9.95	20.01	20.01
Addition	5.66	(10.06)	(7.27)
Closing balance at the end of the year	15.61	9.95	12.74
Share Application Money pending Allotment at the end of the period /year	0.90	-	-
Total Other Equity	14,901.91	14,181.62	12,202.03

a) Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

b) Capital reserve represents the reserve created on account of amalgamation of Chola Factoring Limited in the year 2013-14.

c) Capital redemption reserve represents the amount equal to the nominal value of shares that were redeemed during the prior years. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

d)Securities premium reserve is used to record the premium on issue of shares. The premium received during the period represents the premium received towards allotment of equity shares issued under ESOP scheme. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the Section 52 of the Companies Act, 2013

e) The general reserve is a free reserve, retained from Group's profits and can be utilized upon fulfilling certain conditions in accordance with specific requirement of Companies Act, 2013.

f) Under IND AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting year as employee compensation costs, reflecting the year of receipt of service.

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

h) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group accounting policies.

i) FVOCI Reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income.

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Cholamandalam Investment and Finance Company Limited

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Notes forming part of the Condensed Consolidated financial statements for the period ended June 30, 2023

₹ in crores

	Period ended June 30, 2023	Period ended June 30, 2022
Revenue from Operations		
Note: 26A-Interest income		
(i) Interest - on financial assets measured at amortised cost		
(a) Loans		
-Bills Discounting	24.64	10.54
-Term Loans	3,732.19	2,547.97
(b) Bank Deposits		
- under lien	17.31	4.07
- free of lien	27.59	25.31
(C) Others		
- Deposits with Financial Institutions	-	-
-Investment in Government Securities	23.73	23.77
- Investment in Treasury Bill	25.38	0.84
Total (A)	**3,850.84**	**2,612.50**
Note: 26B-Fee & Commission income		
i) Fee & Commission income *		
-Term loans	141.81	103.54
-Others	50.07	24.50
Total (B)	**191.88**	**128.04**
*Services are transferred at a point in time		
Note: 26C-Net gain on fair value change on financial		
Net gain on fair value changes on FVTPL - Realised		
-Investments in mutual funds	29.15	8.67
Net gain on fair value changes on FVTPL - Un-realised		
Convertible Note	-	-
Total (C)	**29.15**	**8.67**
Note: 26D-Sale of Services		
(i)Sale of Services (Refer note below)		
(a) Servicing and Collection fee on Assignment	0.69	0.91
(b) Other Service Income	9.50	19.90
Total (D)	**10.19**	**20.81**
Note: Timing of revenue recognition		
Services transferred at a point in time	4.19	19.31
Services transferred over a time	6.00	1.50
Total	**10.19**	**20.81**

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CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Notes forming part of the Condensed Consolidated financial statements for the period ended June 30, 2023

₹ in crores

Note : 27 OTHER INCOME

Particulars	Period ended June 30,2023	Period ended June 30,2022
Recovery of Bad debts	70.94	25.70
Interest Income on Income tax refund	-	-
Dividend Income	-	-
Profit on sale of Investments	17.66	
Rent	0.12	0.13
Profit on sale of Property, Plant & Equipment (Net)	-	-
Miscellaneous Income	0.01	0.06
Total	**88.73**	**25.89**

Note : 28 FINANCE COSTS

Particulars	Period ended June 30,2023	Period ended June 30,2022
Interest on financial liabilities measured at amortised cost		
- Debt Securities	415.51	242.45
- Borrowings Other than Debt securities	1,475.80	788.90
- Subordinated Liabilities	107.37	92.83
Others		
- Bank charges	4.22	3.54
- Interest on lease liability	3.30	2.71
Total	**2,006.20**	**1,130.43**

Note : 29 IMPAIRMENT OF FINANCIAL INSTURMENTS

Particulars	Period ended June 30,2023	Period ended June 30,2022
Impairment provision		
- Loans - measured at amortised cost	372.36	298.65
- Receivable and other Financial assets - measured at amortised cost	-	-
Total	**372.36**	**298.65**

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Cholamandalam Investment and Finance Company Limited

₹ in crores

Note : 30 EMPLOYEE BENEFITS EXPENSE

Particulars	Period ended June 30,2023	Period ended June 30,2022
Salaries, Bonus and Commission	330.79	238.31
Contribution to Provident and Other Funds		
-Employees' Provident Fund	14.57	10.39
-Superannuation Fund	1.19	1.10
Share based employee payments	12.50	7.62
Gratuity Expense (Refer note 37)	4.31	3.66
Staff Welfare Expenses	7.78	4.46
Total	**371.14**	**265.54**

Note : 31 OTHER EXPENSES

Particulars	Period ended June 30,2023	Period ended June 30,2022
Rent and facility charges	4.78	4.49
Rates and Taxes	11.14	11.56
Energy cost	4.70	3.27
Repairs and Maintenance	1.43	1.89
Communication Costs	10.02	9.58
Business development expense	-	-
Brokerage	1.91	1.15
Deputation charges	-	-
Freight charges	-	-
Management fee	-	-
Printing and Stationery	5.41	6.07
Advertisement and publicity Expenses	3.09	3.05
Directors Fees, allowances and expenses	0.17	0.14
Auditors' Remuneration	0.10	0.13
Legal and Professional Charges	37.46	29.41
Insurance	9.41	8.07
Travelling and Conveyance	35.26	19.40
Information Technology Expenses	19.82	14.92
Loss on Sale of Property, Plant and Equipment (Net)	0.36	0.25
Change in fair value of financial instruments	0.15	-
Recovery Charges	158.64	128.37
Corporate Social Responsibility Expenditure	7.43	1.57
Outsource cost	108.12	60.35
Miscellaneous Expenses	7.34	6.26
	426.74	309.93
Less : Expenses Recovered	(0.04)	(0.20)
Total	**426.70**	**309.73**

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32 . Earnings per share

Particulars	Period ended June 30, 2023	Year ended March 31, 2023	Period ended June 30, 2022
Profit After Tax Attributable to Equity Shareholders (**₹ in Crore**)	709.94	2,664.85	562.01
Weighted Average Number of Equity Shares (Basic)	82,20,71,847	82,19,43,335	82,11,79,773
Add: Dilutive effect relating to ESOP	18,62,315	13,24,177	13,99,867
Weighted Average Number of Equity Shares (Diluted)	82,39,34,162	82,29,09,227	82,25,79,640
Earnings per Share - Basic (₹)	8.64	32.44	6.84
Earnings per Share - Diluted (₹)	8.62	32.38	6.83
Face Value Per Share (₹)	2	2	2

Note:
Earnings per Share calculations are done in accordance with Ind AS 33 "Earnings per Share".

33. Segment Information

The Group is primarily engaged in the business of financing. All the activities of the Group revolve around the main business. Further, the Group does not have any separate geographic segments other than India

During year ended March 31, 2023, for management purposes, the Group has been organised into the following operating segments based on products and services, as follows

- Vehicle Finance - Loans to customers against purchase of new/used vehicles, tractors, construction equipments and loan to automobile dealers.
- Loan against property - Loans to customer against immovable property
- Home Loans - loans given for acquisition of residential property and loans against the residential/commercial property
- Others -SME loans, and other secured and unsecured loans & security broking and insurance agency business.

The Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. However, income taxes are managed on an entity as whole basis and are not allocated to operating segments.

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Notes forming part of the Condensed Consolidated financial statements for the period ended June 30, 2023

Note 33: Segment reporting

₹ in crores

Particulars	Vehicle finance	Loan Against property	Home Loans	Others	Unallocable	Total
	Period ended June 30, 2023					
Revenue from Operations						
Interest Income	2,341.67	646.55	326.22	444.99	91.41	3,950.84
Fee Income	111.28	21.12	4.45	54.96	0.07	191.88
Net gain on Fair value change on financial instrument	-	-	-	-	29.15	29.15
Sale of Services	8.40	0.89	0.08	0.82	-	10.19
Segment revenue from Operations (I)						
Other income (II)	30.09	3.16	0.46	22.67	32.35	88.73
Total Segment Income (I) + (II)	**2,491.44**	**671.72**	**331.21**	**523.44**	**152.98**	**4,170.79**
Expenses						
Finance costs	1,254.44	383.94	162.29	219.14	(13.61)	2,006.20
Impairment of Financial Instruments	249.59	(7.14)	(1.82)	84.59	47.14	372.36
Employee benefits expense	189.74	35.01	31.76	100.12	14.51	371.14
Depreciation and amortisation expense	26.77	4.32	3.33	4.13	0.03	38.58
Other expenses	272.21	40.39	52.59	58.60	2.91	426.70
Segment Expenses	**1,992.75**	**456.52**	**248.15**	**466.58**	**50.98**	**3,214.98**
Segment Profit before taxation	**498.69**	**215.20**	**83.06**	**56.86**	**102.00**	**955.81**
Tax expense	-	-	-	-	-	**242.43**
Share of loss from associate and Joint Venture	-	-	-	(3.44)	-	**(3.44)**
Profit for the year						**709.94**

Particulars	Vehicle finance	Loan Against property	Home Loans	Others	Unallocable	Total
	Year ended March 31, 2023					
Revenue from Operations						
Interest Income	8,073.59	2,073.95	885.58	773.65	275.81	12,082.58
Fee Income	435.60	66.48	12.73	135.69	0.20	650.70
Net gain on Fair value change on financial instrument	-	-	-	-	69.73	69.73
Sale of Services	68.97	5.69	3.14	3.29	-	81.09
Segment revenue from Operations (I)						
Other income (II)	208.14	6.18	5.84	0.80	0.53	221.49
Total Segment Income (I) + (II)	**8,786.30**	**2,152.30**	**907.29**	**913.43**	**346.27**	**13,105.59**
Expenses						
Finance costs	3,870.46	1,134.21	395.06	348.30	-	5,748.03
Impairment of Financial Instruments	722.88	25.45	22.99	78.39	-	849.71
Employee benefits expense	830.63	148.69	103.53	274.08	3.44	1,360.37
Depreciation and amortisation expense	88.37	13.47	8.60	10.62	0.03	121.09
Other expenses	1,030.95	101.69	81.10	139.24	58.82	1,411.80
Segment Expenses	**6,543.29**	**1,423.51**	**611.28**	**850.63**	**62.29**	**9,491.00**
Segment Profit before taxation	**2,243.01**	**728.79**	**296.01**	**62.80**	**283.98**	**3,614.59**
Tax expense						**937.92**
Share of loss from associate and Joint Venture				(11.82)		**(11.82)**
Profit for the year						**2,664.85**

Particulars	Vehicle finance	Loan Against property	Home Loans	Others	Unallocable	Total
	Period ended June 30, 2022					
Revenue from Operations						
Interest Income	1,866.77	433.66	181.56	76.69	53.82	2,612.50
Fee Income	84.74	15.13	2.44	25.67	0.06	128.04
Net gain on Fair value change on financial instrument				0.20	8.47	8.67
Sale of Services	17.71	1.49	0.79	0.82	-	20.81
Segment revenue from Operations (I)						
Other income (II)	22.82	2.77	0.02	0.15	0.13	25.89
Total Segment Income (I) + (II)	**1,992.04**	**453.05**	**184.81**	**103.53**	**62.48**	**2,795.91**
Expenses						
Finance costs	797.70	226.69	74.01	31.18	0.85	1,130.43
Impairment of Financial Instruments	279.80	(3.56)	5.40	16.81	0.20	298.65
Employee benefits expense	176.61	25.67	14.77	47.73	0.76	265.54
Depreciation and amortisation expense	21.12	2.73	1.65	2.02	0.01	27.53
Other expenses	244.62	21.05	13.91	23.10	7.05	309.73
Segment Expenses	**1,519.85**	**272.58**	**109.74**	**120.84**	**8.87**	**2,031.88**
Segment Profit before taxation	**472.19**	**180.47**	**75.07**	**(17.31)**	**53.61**	**764.03**
Tax expense						**196.75**
Share of loss from associate				(5.27)		**(5.27)**
Profit for the year						**562.01**

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Notes forming part of the Condensed Consolidated financial statements for the period ended June 30, 2023

Note 33: Segment reporting

₹ in crores

Particulars	Vehicle finance	Loan Against property	Home Loans	Others	Unallocable	Total
As on June 30, 2023						
Segment Assets	70,918.06	21,836.02	9,115.06	11,466.18		1,13,335.32
Unallocable Assets					11,493.00	11,493.00
Total Assets						**1,24,828.32**
Segment Liabilities	62,372.15	19,204.69	8,016.66	10,060.36		99,653.86
Unallocable Liabilities					10,108.04	10,108.04
Total Liabilities						**1,09,761.90**
As on March 31, 2023						
Segment Assets	66,722.81	20,473.73	8,018.01	9,632.69		1,04,847.24
Unallocable Assets					8,779.66	8,779.66
Total Assets						**1,13,626.90**
Segment Liabilities	58,319.79	17,895.29	7,008.23	8,383.54		91,606.85
Unallocable Liabilities					7,673.95	7,673.95
Total Liabilities						**99,280.80**
As on June 30, 2022						
Segment Assets	54,828.78	16,257.18	5,438.37	3,000.07		79,524.40
Unallocable Assets					8,062.99	8,062.99
Total Assets						**87,587.39**
Segment Liabilities	47,113.52	13,969.54	4,673.11	2,536.41	-	68,292.58
Unallocable Liabilities	-	-	-	-	6,928.41	6,928.41
Total Liabilities						**75,220.99**

In computing the segment information, certain estimates and assumptions have been made by the management, which have been relied upon.

As the assets are allocated to segment based on certain assumptions, hence additions to the Property, plant and equipment have not been disclosed separately for each specific segment.

There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Group's total revenue in the Current year and Previous year.

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Cholamandalam Investment and Finance Company Limited

34. Related Party Disclosures

List of Related Parties:

- **Holding Company:** Cholamandalam Financial holdings limited
- **Entity having significant influence over holding Company:** Ambadi Investments Limited
- **Subsidiaries of the entity which has significant influence over holding Company:** Parry Enterprises Limited and Parry Agro Limited.
- **Fellow Subsidiaries:** Cholamandalam MS General Insurance Company Limited
- **Joint Venture of Holding Company:** Cholamandalam MS Risk services Limited
- **Subsidiaries**: Cholamandalam Securities Limited, Cholamandalam Home Finance Limited
- **Joint Venture** :Payswiff Technologies Private Limited and its subsidiaries(from 8th February 2022)
- **Associate** : White Data Systems India Private Limited, Vishvakarma Payments Private Limited, Paytail Commerce Private Limited
- **Promoter** : Coromandel International Limited, EID Parry India Limited, Tube Investments of India Limited
- **Promoter Group** : Chola Business Services Limited, Coromandel Engineering Company Limited, Murugappa Morgan Thermal Ceramics Limited, Net access India Limited, Murugappa Management services Limited, AR Lakshmi Archi Trust, M A Murugappan Holdings LLP, AMM Foundation
- **Key Managerial Personnel** (KMP):
  - c. Mr. D. Arulselvan, Chief Financial Officer
  - d. Ms. P.Sujatha, Company Secretary
  - e. Mr. Ravindra Kumar Kundu, Executive Director
- **Non-Executive Directors**
  - a) Mr. Ashok Kumar Barat(upto 30th October 2022)
  - b) Mr. N Ramesh Rajan
  - c) Mr. Rohan Verma
  - d) Ms. Bhama Krishnamurthy
  - e) Mr. Vellayan Subbiah
  - f) Mr. M A M Arunachalam
  - g) Mr. Anand Kumar
  - h) Mr. Bharath Vasudevan (upto 31st March 2023)

- **Private companies in which a director or manager or his relative is a member or director:** Cherry Tin Online Private Limited, Zetwork Manufacturing Business Private Limited, Finance Industry Development Council

- **Firm, in which a director, manager or his relative is a partner:** Kadamane Estates Co

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Consolidated Financial statements for the period ended June 30, 2023

a) **Transactions during the period**

₹ in crore

Particulars	Period ended June 30,2023	Year ended March 31, 2023	Period ended June 30,2022
Dividend Payments (Equity Shares)			
a) Cholamandalam Financial Holdings Limited	-	74.58	-
b) Ambadi Investments Limited	-	6.74	-
c) Parry Enterprises India Limited	-	*	-
d) AR Lakshmi Archi Trust **	-	0.10	-
e) M A Murugappan Holdings LLP**	-	0.02	-
f) Kadamane Estates Co #	-	0.07	-
g)Promoter and Promoter Group	-	3.00	-
Amount received towards reimbursement of expenses			
a) Cholamandalam Financial Holdings Limited	0.34	1.31	0.30
b) Cholamandalam MS General Insurance Company Limited	0.01	0.05	0.01
c) Parry Enterprises India Limited	-	0.01	0*
d) Murugappa Morgan Thermal Ceramics Limited**	0.01	0.03	0.01
Services Received			
a) Cholamandalam MS General Insurance Company Limited	1.03	3.85	0.37
b) Parry Enterprises India Limited	3.20		
c) White Data Systems India Private	-	7.55	2.34
Limited		0.19	0.05
d) Cholamandalam MS Risk Services	-		
Limited	271.02	-	-
e) Chola Business Services Limited**		791.02	163.68
f) Coromandel Engineering Company	0.27	2.01	1.06
Limited**	0.05	1.34	0.34
g) Murugappa Management services Private Limited **			
h) Net access India Limited **	2.18	14.67	4.95
i) Payswiff Solutions Private limited	0.20	0.17	0*
j) Paytail Commerce Private Limited	-	9.42	0.27
k) Tube Investments of India Limited **	0.02	0.18	0.03
Expenses – Reimbursed			
a) White Data Systems India Private Limited	-	0.01	-
b) Cherry Tin Online Private Limited#	-	-	-
Services rendered			

a) Cholamandalam MS General Insurance Company Limited	18.15	78.13	44.83
b) Cholamandalam Financial Holdings Limited	-	-	-
c) Ambadi Investments Limited	-	-	-
d) Key Managerial Personnel	-	*	*
e) Parry Enterprises India Limited	-	-	-
f) Chola Business Services Limited **	11.21	86.83	21.71
Rental Income			
a) Coromandel International Limited **	0.11	0.44	0.11
Loans given			
a) White Data Systems India Private Limited	-	-	-
b) Payswiff Solutions Private Limited	-	-	-
c)Zetwerk Manufacturing Businesses Private Limited	1.27	2.48	-
Loans recovered			
a) White Data Systems India Private Limited	-	3.00	-
b) Payswiff Solutions Private Limited	-	-	-
c)Zetwerk Manufacturing Businesses Private Limited #	-	2.48	-
Interest Expense			
a) Cholamandalam MS General Insurance Company Limited	6.44	8.17	13.13
Interest Income			
a) White Data Systems India Private Limited	-	0.16	0.05
b) Payswiff Solutions Private Limited	-	-	-
Subscriptions/Advertisement Expenses			
a) Finance Industry Development Council#	-	0.01	0.01
Contribution to CSR activity			
a) AMM Foundation	-	15.25	-
Interest earned on Loan			
a) Murugappa Management services Private Limited**	-	0*	0*
b) Zetwerk Manufacturing Businesses Private Limited#	0.01	0.06	-
Investment in Convertible Notes			

a) Paytail Commerce Private Limited	-	10.00	-
Invocation of performance security on deliquent loans			
a) Paytail Commerce Private Limited	-	6.12	0.02
Purchase of Goods			
a)Parry Agro Industries Limited	-	0.54	-
Rent & Maintenance			
a) EID Parry India Limited **	1.39	5.94	1.57
Sale of Fixed Asset			
a) Chola Business Services Limited **	-	1.00	-
Debenture Interest paid to promoters and promoter group	1.08	0.32	0.10
Commission and Sitting fees to non-executive Directors	0.16	5.11	0.13

b) Balances Outstanding at the year end.

₹ in crore

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Loans - Receivable			
a) White Data Systems India Private Limited	-	-	3
b) Medall Healthcare Private Limited#	-	12.95	16.30
Debt Securities - Payable			
a) Cholamandalam MS General Insurance Company Limited	(338.46)	(319.21)	(143.09)
b) Debentures held by promoter and promoter group	(239.55)	(59.16)	(16.16)
Other Receivable / (Payable)			
a) Cholamandalam Financial Holdings Limited	-	-	-
b) Paytail Commerce Private Limited	-	0.28	(0.26)
c) Cholamandalam MS General Insurance Company Limited	25.96	1031.81	6.39
d) White Data Systems India Private Limited	-	-	-
e) Parry Enterprises India Limited	(2.81)	(0.26)	(1.44)
f) Cholamandalam MS Risk services Limited	-	-	-
g) Ambadi Investments Limited	-	-	-
h) Coromandel International Limited**	0.08	0.02	0.11
i) Chola Business Services Limited**	(58.25)	(50.97)	(34.07)
j) Payswiff Solutions Private Limited	(0.20)	(0.09)	-
k) Murugappa Management services Private Limited	(0.05)	(0.11)	(0.34)

Notes forming part of the Condensed Consolidated Financial statements for the period ended June 30, 2023

m) EID Parry India Limited**	(0.36)	(0.77)	(0.48)
n) Net access India Limited**	(3.02)	(4.75)	(3.04)
o) Murugappa Morgan Thermal Ceramics Limited	0*	-	0*

c) Remuneration & other transactions with Key Managerial Personnel (KMP)

₹ in crore

Nature of Transaction	Period ended June 30, 2023	Year ended March 31, 2023	Period ended June 30, 2022
Gross Salary Including Perquisites	2.49	7.18	1.91
Other – Contribution to funds	0.21	0.82	0.18
Dividend Payments	-	0.11	-
Share based payments	1.34	4.09	0.62
Sale of Vehicle(s)	-	-	-
Sale of Asset	-	-	-
Dividend payments to Relatives of KMP & Directors	-	0.11	-

1.* Represents amounts less than ₹ 1 crore.
2. # Represents entities/parties included as per Companies Act , 2013
3.** Represents entities/parties identified as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2023.

35. Contingent Liabilities and Commitments

(a) Contested Claims not provided for:

₹ in crore

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Income tax and Interest on Tax issues where the Group has gone on appeal	65.26	65.26	299.77
Decided in the Group's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	0.28	0.28	6.34
Sales Tax issues pending before Appellate Authorities in respect of which the Group is on appeal.	27.55	27.55	19.52
Decided in the Group's favour by Appellate Authorities and for which the Department is on further appeal with respect to Sales Tax	1.02	1.02	1.02
Service Tax & GST issues pending before Appellate Authorities in respect of which the Group is on appeal.	60.61	199.92	199.92
Disputed claims against the Group lodged by various parties under litigation (to the extent quantifiable)	125.84	133.54	144.58

i) The Group is of the opinion that the above demands based on management estimate no significant liabilities are expected to arise.
ii) It is not practicable for the Group to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.
iii) The Group does not expect any reimbursement in respect of the above contingent liabilities.
iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

b)Commitments

₹ in crore

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Capital commitments	50.26	42.10	10.15
Disbursements – Undrawn lines	2,848.84	2,820.44	1,485.88

c) Bank Guarantee:

₹ in crore

Particulars	As at June 30, 2023	As at March 31, 2023	As at June 30, 2022
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	40.00	40.00	30.50

36. Changes in Provisions

₹ in crore

Particulars	As at March 31, 2023	Additional Provision	Utilization/ Reversal	As at June 30, 2023
Provision for Contingencies and Service Tax claims	39.54	-	-	39.54
Provision for Undrawn commitments	11.79	4.54	(5.88)	10.45

Particulars	As at March 31, 2022	Additional Provision	Utilization/ Reversal	As at March 31, 2023
Provision for Contingencies and Service Tax claims	39.53	0.01	-	39.54
Provision for Undrawn commitments	1.20	11.06	(0.47)	11.79

Particulars	As at March 31, 2022	Additional Provision	Utilization/ Reversal	As at June 30, 2022
Provision for Contingencies and Service Tax claims	39.53	0.01	-	39.54
Provision for Undrawn commitments	1.20	6.09	(0.43)	6.86

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Chennai

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR ROAD, CHENNAI 600 018.

Cholamandalam Investment and Finance Company Limited

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Notes forming part of the Condensed Consolidated Financial statements for the period ended June 30, 2023

Undrawn loan commitments are commitments under which the Company is required to provide a loan under pre-sanctioned terms to the customer.
The undrawn commitments provided by the Company represents limits provided for automobile dealers, bill discounting customers and partly disbursed loans for other loans. The undrawn loan commitments amount outstanding as at June 30, 2023 is ₹ 2,848.84 Crore (March 31, 2023 is ₹ 2,820.44 Crore and June 30, 2022 is 1,633.14 Crore).

The Company creates expected credit loss provision on the undrawn commitments outstanding as at the end of the reporting period and the related expected credit loss on these commitments as at June 30, 2023 is ₹ 10.45 crore (March 31, 2023 is ₹ 11.79 crore and June 30, 2022 is
₹ 6.86 crore)

For Price Waterhouse LLP

Chartered Accountants
ICAI Firm Regn No. **301112E/ E300264**

A.J. Shaikh
Partner
Membership No: 221268

For and on behalf of QIP Committee of Cholamandalam Investment and Finance Company Limited

Ravindra Kumar Kundu
Executive Director

D Arul Selvan
President &
Chief Financial Officer

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. **004207S**

S. Usha
Partner
Membership No: 211785

Date: September 28, 2023
Place: Chennai