CHOLAMANDALAM HOME FINANCE LIMITED

ANNUAL REPORT 2019 – 20

Cholamandalam Home Finance Limited

Board of Directors

Mr. Ashok Kumar Barat (DIN: 00492930)

Mr. Sridharan Rangarajan (DIN: 01814413)

Mr. Arun Alagappan (DIN: 00291361)

Auditors

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants

Company Secretary

P Sujatha

Corporate Identity Number

U65100TN2000PLC045617

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

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Cholamandalam Home Finance Limited
Registered Office: “Dare House”, No.2, N.S.C. Bose Road, Parrys, Chennai 600 001.
Phone No.: 044 4090 7172; Fax No.: 044 2534 6464
CIN - U65100TN2000PLC045617

NOTICE TO MEMBERS

NOTICE is hereby given that the twentieth annual general meeting of the members of Cholamandalam Home Finance Limited will be held at 1 p.m. on Wednesday, the July 29, 2020 at the registered office of the company at “Dare House”, No.2, N.S.C. Bose Road, Parrys, Chennai 600 001 to transact the following business:

<u>ORDINARY BUSINESS:</u>

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

   RESOLVED THAT the board’s report, the statement of profit and loss, the cash flow statement for the year ended 31 March, 2020 and the balance sheet as at that date together with the independent auditors’ report thereon be and are hereby considered, approved and adopted.

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

   RESOLVED THAT Mr. Arun Alagappan (DIN : 00291361) who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director of the company, liable to retire by rotation.

By Order of the Board

Place: Chennai
Date : June 02, 2020

P Sujatha
Company Secretary

NOTES:

1. **A member entitled to attend and vote at the annual general meeting (AGM) may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the company. Proxy to be valid shall be deposited at the registered office of the company at least forty eight hours before the time for holding the meeting. A person shall not act as a proxy for more than fifty members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A person holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. Members are requested to inform immediately any change in their address to the registered office of the company.

By Order of the Board

Place: Chennai
Date : June 02, 2020

P Sujatha
Company Secretary

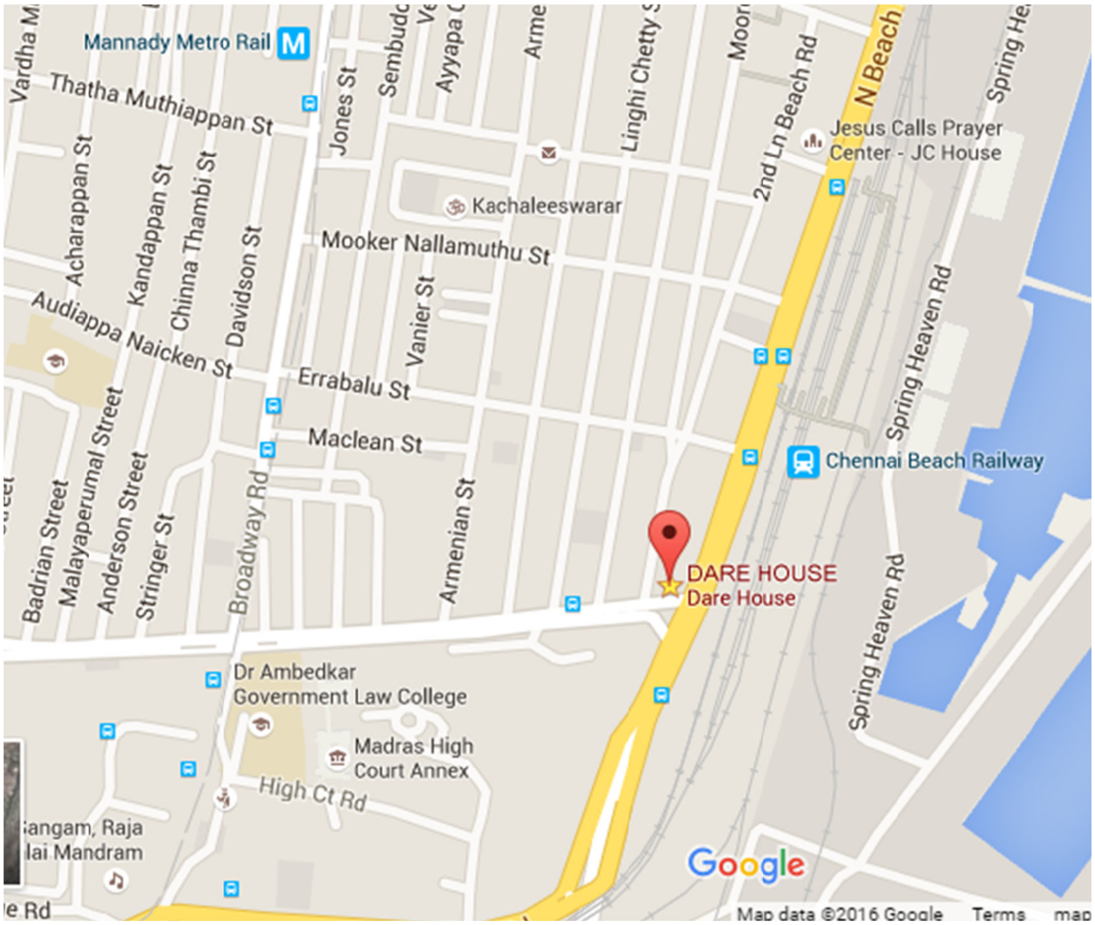
ANNEXURE TO THE NOTICE

DISCLOSURE UNDER SECRETARIAL STANDARDS ON GENERAL MEETINGS:

Name of the Director	Mr. Arun Alagappan
DIN	00291361
Date of Birth	19th July, 1976
Date of Appointment (Initial appointment)	31st August, 2017
Qualification	Graduate in Commerce, completed the Owner President / Management Program at Harvard Business School
Expertise in specific functional areas	He has 20 years of experience in the areas of financial services industry, retail business, sales, marketing, international business, commercial function, human resources and credit.
Number of meetings of the board attended during the year	Five Meetings (Attended all Meetings held during the year))
Directorships in other companies (including foreign companies)	1. M.A. Alagappan Holdings Private Limited 2. Genfour Properties Private Limited 3. Southern India Chamber of Commerce & Industry 4. Roca Bathroom Products Private Limited 5. Lakshmi Machine Works Limited 6. Cholamandalam Investment and Finance Company Limited 7. White Data Systems India Private Limited 8. Madras Race Club
Memberships in board committees of other companies (includes membership details of all committees)	Member in following Committees in Cholamandalam Investment and Finance Company Limited: a) Stakeholders Relationship Committees b) Risk Management Committee, c) Corporate Social Responsibility Committee, d) IT Strategy Committee e) Business Committee Member in the following Committees in Lakshmi Machine Works: a) Corporate Social Responsibility Committee
No. of shares held in the company	1 equity shares of Rs.10 each
Inter-se relationship with any other directors or KMP of the company	Nil
Details of remuneration sought to be paid	Not Applicable
Details of remuneration last drawn	Not Applicable.

Route Map to the venue of the AGM

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



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ATTENDANCE SLIP

Folio No.:
Name & Address of Member: ……………………………………………………………………………………..........
………
I certify that I am a registered Shareholder of the Company and hold ……………………………………………Shares.
I/we hereby record my / our presence at the 20th AGM held at No.2, N.S.C. Bose Road, Parrys, Chennai 600 001.

……………… ……………………………………… …………………………….
Member's Folio No. Members / Proxy's name in Block letters Member's / Proxy's signature

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

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

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PROXY FORM

Name of the member:
Registered Address:
E-mail ID:
Folio No.:
I/We being the Member(s) of ……………………………shares of the above named company, hereby appoint 1.Name……………………………………………………………………….Address……………………………………………………………………………………………………… ………………E-mail-id………………….. Signature……………………………or failing him/her………………………………… 2.Name……………………Address………………………………………………………………………………………………………E-mail id…………………………………………………………Signature……………………………or failing him/ her …………………………………… 3.Name……………………Address……………………………………………………………………………………………………E-mail id………………...Signature…………………………… as my/our proxy to attend and vote for me/us and on my/our behalf at the twentieth Annual General Meeting of the Company, to held at 1.00 p.m. on Wednesday, 29 July, 2020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional)#		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Financial Statements and Board's Report for the year ended 31 March 2020			
2.	Appointment of Mr. Arun Alagappan, Director retiring by rotation			

Signed this ……………………………… day of ………………………………, 2020.

Affix Revenue Stamp Re.1

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

Note:
1**.** The Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The Proxy need not be a Member of the Company.
#2. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

BOARD'S REPORT

Your directors have pleasure in presenting the twentieth annual report together with the audited accounts of the company for the year ended 31st March 2020.

FINANCIAL RESULTS

(Rs. in lakhs)

Particulars	2019-20	2018-19
Gross Income	3861	4124
Profit/(Loss) before tax	(77.39)	(1102)
Profit/(Loss) after tax	(70.14)	(791)

DIVIDEND

Your directors have not recommended any dividend for the year under review.

OPERATIONS

During the year, the company achieved an income of Rs. 38.61 crores as against Rs. 41.24 crores of previous year.

OUTLOOK

The Company will continue to focus on insurance distribution business. Due to current COVID 19 situation, the Company has been working on various scenarios based on the expectation that GDP growth will be muted. The Company had made an application to National Housing Bank for registration as a Housing Finance Company (HFC) and currently engaging with the RBI, the new regulator for HFCs to obtain license to operate as HFC.

DIRECTORS

Re-appointment:

Mr. Arun Alagappan (DIN 00291361) retires by rotation at the ensuing annual general meeting and being eligible, has offered himself for re-appointment.

Retirement:

Ms. Sasikala Varadachari, chairperson of the Board retired at the close of business hours of 24th March 2020. The board places on record its deep appreciation for the contribution made by Ms. Sasikala to the company as the chairperson of the Board and member of its committees during her tenure.

DECLARATION FROM INDEPENDENT DIRECTOR

Mr. Ashok Kumar Barat, independent director has submitted the declaration of independence, as required pursuant to section 149(7) of the Act, confirming that he meets the criteria of independence as provided in section 149(6) of the Act. In the opinion of the Board, Mr. Barat fulfills the conditions specified in the Act and the rules made there under for appointment as ID including the integrity, expertise and experience and confirm that he is independent of the management. He has registered his name with the data bank of IDs and is in the process of completion of online proficiency self-assessment test as per the timeline notified by Ministry of Corporate Affairs (MCA).

KEY MANAGERIAL PERSONNEL

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

1. Mr. Rohit Phadke – Chief Executive Officer (upto 3rd May, 2020)
2. Ms. A Kavitha - Chief Financial Officer (from 27th April, 2019)
3. Ms. P Sujatha - Company Secretary

AUDITORS

Pursuant to the provisions of section 139 of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants were appointed as the statutory auditors of the company at the 19th Annual General Meeting (AGM) held on 29 July, 2019 for a period of five years commencing from the conclusion of 19th AGM till the conclusion of 24th AGM.

EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) of the Act, the extract of the annual return in form MGT-9 is attached and forms part of the board's report.

BOARD MEETINGS:

The schedule of board meetings for the calendar year is prepared and circulated in advance to the directors to enable maximum attendance from directors. During the year, the board met five times on 26 April 2019, 29 July 2019, 4 November 2019, 22 January 2020 and 16 March 2020.

AUDIT COMMITTEE:

As at 31st March 2020, the Audit Committee of the Board comprises Mr. Ashok Kumar Barat, Mr. Sridharan Rangarajan and Mr. Arun Alagappan as its members. The committee on a quarterly basis reviews the internal audit reports, financial statement of the company and evaluates the efficacy of the audit function. During the year, the committee met five times on 26 April 2019, 29 July 2019, 4 November 2019, 22 January 2020 and 16 March 2020.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As at 31st March, 2020, the corporate social responsibility committee of the Board comprises of Mr. Arun Alagappan and Mr. Sridharan Rangarajan. During the year, the committee met once on 26th April 2019.

CSR EXPENDITURE:

Pursuant to the provisions of Section 135(5) of Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Companies Act, 2013 (the Act), the CSR expenditure for the financial year was Nil. The Company had incurred a loss during the financial year ended 31st March 2019 and the average net profit calculated for the three immediately preceding financial years was in negative.

REMUNERATION POLICY, CRITERIA FOR BOARD NOMINATION & SENIOR MANAGEMENT APPOINTMENTs

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

FORMAL ANNUAL EVALUATION

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loans, guarantees or investments have been made under section 186 of the Act.

RELATED PARTY TRANSACTIONS

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

All transactions with related parties were placed before the audit committee/Board for approval at the beginning of the financial year. The transactions entered into pursuant to the approval so granted were placed before the audit committee / Board for its review and considered modifications, if any, on a quarterly basis.

None of the directors has any pecuniary relationship or transaction vis-à-vis the company.

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

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT POLICY

RISK MANAGEMENT

The company is committed to create value for its stakeholders through sustainable business growth and with that intent has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business the company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining such value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's effective management practice.

Risk Management Framework: Company's risk management framework is based on:

(a) Clear understanding and identification of various risks

(b) Disciplined risk assessment by evaluating the probability and impact of each risk

(c) Measurement and monitoring of risks by establishing key risk indicators with thresholds for all critical risks and

(d) Adequate review mechanism to monitor and control risks.

BUSINESS CONTINUITY PLAN (BCP):

The company has reviewed and updated Business Continuity Plan during the year under review.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT

The company has in place a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal complaints committee (ICC) has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy. During the calendar year 31 December 2019, there were no referrals received by ICC.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETING

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

ACKNOWLEDGEMENT

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

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

On behalf of the Board

Place : Chennai
Date : June 2, 2020

Ashok Kumar Barat
Chairman

DIRECTORS' RESPONSIBILITY STATEMENT

(Annexure to the Board's Report)

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

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

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

(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March, 2020 and of the loss of the company for the year ended on that date;

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

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

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended 31 March, 2020; and

(vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31 March, 2020

On behalf of the Board

Place : Chennai
Date : June 2, 2020

Ashok Kumar Barat
Chairman

ANNEXURE - FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
For the financial year ended on 31 March, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

Corporate Identification Number (CIN)	U65100TN2000PLC045617
Registration Date	23 August, 2000
Name of the Company	Cholamandalam Home Finance Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered office and contact details	"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001 Phone: 044 4090 7172 (bd.) Fax: 044 2534 6464
Listed company (Yes / No)	No
Name, address and contact details of Registrar and transfer agent, if any	-

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

S. No.	Name and description of main products / services	NIC Code of the product/ Service*	% to total turnover of the company
1	Other financial activities	Section K – Group 662 Activities auxiliary to insurance and pension funding	93.52%

**As per National Industrial Classification, Ministry of Statistics and Programme Implementation*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Cholamandalam Investment and Finance Company Limited	L65993TN1978PLC007576	Holding Company	100%	Section 2(46)

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

(i) Category-wise Share Holding -

S.N.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2019)				No. of Shares held at the end of the year (31-MAR-2020)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(A)	**PROMOTERS AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individuals / HUF*	-	6	6	0.00	-	6	6	0.00	0.00
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	42,399,993	42,399,993	99.99	-	42,399,993	42,399,993	99.99	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other :	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	**-**	**42,399,999**	**42,399,999**	**99.99**	**-**	**42,399,999**	**42,399,999**	**99.99**	**-**
(2)	**FOREIGN**		-	-	-	-	-	-	-	-
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-

S.N.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2019)				No. of Shares held at the end of the year (31-MAR-2020)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(e)	Any Other:	-	-	-	-	-	-	-	-	-
	Sub-Total A(2):	**-**	**-**	-	-	**-**	**-**	-	-	-
	Total Shareholding of Promoter and Promoter Group A = A(1)+A(2)	**-**	**42,399,999**	**42,399,999**	**99.99**	**-**	**42,399,999**	**42,399,999**	**99.99**	**-**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government (s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other:	-	-	-	-	-	-	-	-	-
	- Multilateral Financial Institution	-	-	-	-	-	-	-	-	-
	- Foreign Corporate Bodies	-	-	-	-	-	-	-	-	-
	Sub-Total B(1):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
	(i) Indian	-								-
	(ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
	(i) Individual shareholders holding nominal share capital upto Rs.1 lakh *	-	1*	1*	0.00	-	1*	1*	0.00	-
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
(c)	Any Other:	-	-	-	-	-	-	-	-	-
	NON RESIDENT INDIANS	-	-	-	-	-	-	-	-	-
	TRUST	-	-	-	-	-	-	-	-	-
	CLEARING MEMBERS	-	-	-	-	-	-	-	-	-
	Sub-Total B(2):	**-**	**1**	**1**	**0.00**	**-**	**1**	**1**	**0.00**	**-**
	Total Public shareholding=B(1)+B(2):	**-**	**1**	**1**	**0.00**	**-**	**1**	**1**	**0.00**	**-**
	Total (A+B):	**-**	**42,400,000**	**42,400,000**	**100.00**	**-**	**42,400,000**	**42,400,000**	**100.00**	**-**
(C)	Shares held by custodians, for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Sub-Total (C):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	GRAND TOTAL (A+B+C):	**-**	**42,400,000**	**42,400,000**	**100.00**	**-**	**42,400,000**	**42,400,000**	**100.00**	**-**

** Beneficial interest in the shares are held by M/s. Cholamandalam Investment and Finance Company Limited*

(ii) Shareholding of Promoters -

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	PROMOTERS							
1	Cholamandalam Investment and Finance Company Limited	42,399,993	99.99	-	42,399,993	99.99	-	-
2	M A Alagappan*	2	-	-	2	-	-	-
3	M M Venkatachalam*	1	-	-	1	-	-	-
4	A Vellayan*	1	-	-	1	-	-	-
5	M M Murugappan*	1	-	-	1	-	-	-
6	Arun Alagappan*	1	-	-	1	-	-	0.00
	Total	**42,399,999**	**99.99**	**-**	**42,399,999**	**99.99**	**-**	**-**

** Beneficial interest in the shares are held by Cholamandalam Investment and Finance Company Limited*

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year – Promoter & Promoter Group	4,23,99,999	99.99	4,23,99,999	99.99
2.	Date wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	-	-	-	-
3.	At the end of the year – Promoter & Promoter Group	4,23,99,999	99.99	4,23,99,999	99.99

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

S.No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) / end of the year (31-03-2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	D Arulselvan*	1	**0.00**	-	-	-	1	0.00

** Beneficial interest in the shares are held by Cholamandalam Investment and Finance Company Limited*

(v) Shareholding of Directors and Key Managerial Personnel:

SN.	Name of the Director / KMP	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		End of the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors:							
1.	Ms. Sasikala Varadachari*	At the beginning – 01.04.2019 & end of the year – 31.03.2020 (No change in the shareholding position during the year)	-	-	-	-	-	-
2.	Mr. Ashok Kumar Barat		-	-	-	-	-	-
3.	Mr. Arun Alagappan		1	0.00	1	0.00	1	0.00
4.	Mr. Sridharan Rangarajan		-	-	-	-	-	-
	KMP:							
5.	Mr. D Arul Selvan$	At the beginning – 01.04.2019 & end of the year – 31.03.2020 (No change in the shareholding position during the year)	1	0.00	1	0.00	1	0.00
6.	Ms. P Sujatha		-	-	-	-	-	-
7.	Mr. Rohit Phadke #		-	-	-	-	-	-
8.	Ms. A Kavitha @		-	-	-	-	-	-

** Ms. Sasikala Varadachari , Independent Director retired at the close of business hours of 24th March 2020*
$ Resigned as the Chief Financial Officer of the Company effective closure of business hours of 26th April 2019
 # Was holding office of Chief Executive Officer of the Company from 26th April 2019 until 3rd May 2020
@ Appointed as Chief Financial Officer of the Company w.e.f.27th April 2019

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

There was no indebtedness of the company during the year ended 31 March, 2020.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager: Not applicable

B. Remuneration to Directors:

SN	Particulars of Remuneration	Name of Directors		Total Amount (in Rs.)
	1. Independent Directors	**Sasikala Varadachari**		
	• Fee for attending board/committee meetings	75,000		75,000
	• Commission	-		-
	• Others, please specify	-		-
	Total (1)			**75,000.00**
	2. Other Non-Executive Directors	**Arun Alagappan**	**Ashok Kumar Barat**	
	• Fee for attending board/committee meetings	-	1,35,000	1,35,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	**-**	**-**	**1,35,000**
	3. Other Non-Executive Directors	**Sridharan Rangarajan**		
	• Fee for attending board committee meetings	1,00,000		1,00,000
	• Commission	-		-
	• Others, please specify	-		-
	Total (3)	**1,00,000**		**1,00,000**
	Total (B)=(1+2)	-		
	Total Managerial Remuneration			**3,10,000**
	Overall Ceiling as per the Act (Exclusive of sitting fee)			**84,00,000****

** Ms. Sasikala Varadachari , Independent Director retired at the close of business hours of 24th March 2020.*

*** The Company does not have profits for the year 2019-20 and hence by application of Schedule V of the Companies Act, 2013, the ceiling of remuneration is Rs. 84,00,000.*

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs.)

SN.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	**Company Secretary**	**CFO**	**Total**
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,66,33,000		37,72,000	2,04,05,000
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961				
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		- -	-	- -
2.	Stock Option a) Allotment of Shares(including premium) b) Share application money pending allotment			-	
3.	Sweat Equity				
4.	Commission -as % of profit - others, specify				
5.	Others, please specify				
	Total	1,66,33,000	-	37,72,000	2,04,05,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2020.

6th Floor – "A" Block
Tidel Park, No. 4,
Rajiv Gandhi Salai
Taramani, Chennai – 600 113, India
Tel: +91 44 6117 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Cholamandalam Home Finance Limited (Formerly known as Cholamandalam Distribution Services Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Cholamandalam Home Finance Limited (formerly known as Cholamandalam Distribution Services Limited, "the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note XX of the Ind AS financial statements which describes the impact of Covid-19 pandemic, and its possible consequential implications on the Company's operations. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Annexure to Annual return in Form MGT-9, and directors' responsibility statement included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the [Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2019, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 26, 2019

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

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

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

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

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

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 20221268AAAAAV7224
Place of Signature: Chennai
Date: June 2, 2020

Annexure 1 referred to in our report of even date

Re: Cholamandalam Home Finance Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant & equipment of the Company and accordingly, the requirements under Paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted loans to the Holding Company covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) According to the information and explanations given by the management there are no amounts of loans which are overdue for more than ninety days from a Company covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, there are no loans to directors, investments made, guarantees and securities given in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in respect of loans and advances given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and services tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance, service tax, sales tax, value added taxes, duty of customs, wealth tax, and duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and services tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax Act and cess which have not been deposited on account of any dispute.

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

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 20221268AAAAAV7224
Place of signature: Chennai
Date: June 2, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF CHOLAMANDLAMA HOME FINANCE LIMTED

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

We have audited the internal financial controls over financial reporting of Cholamandalam Home Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Aravind K
Partner
Membership Number: 221268
UDIN: 20221268AAAAAV7224
Place: Chennai
Date: June 2, 2020

CHOLAMANDALAM HOME FINANCE LIMITED
(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)
U65100TN2000PLC045617
Balance Sheet as at 31-Mar-2020
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-2020	As at 31-Mar-2019
ASSETS			
Non-Current Assets			
Property Plant and Equipment	4	591.30	165.73
Intangible Assets	5	227.45	190.36
Intangible Assets Under Development	5	32.91	26.52
Financial Assets			
(a) Investments	6	597.21	1,230.81
(b) Other Financial Assets	7	5.04	3.60
Deferred Tax Assets (net)	8	474.68	467.43
Other Non-Current Assets	9 & 10	1,037.35	775.68
		2,965.94	**2,860.13**
Current Assets			
Financial Assets			
(a) Trade Receivables	11	283.69	615.73
(b) Cash and Cash Equivalents	12	2,162.44	2,178.31
(c) Investment	13	-	20.02
(d) Other Financial Assets	14	48.55	41.99
Other Current Assets	15	4.56	6.75
		2,499.24	**2,862.80**
Total Assets		**5,465.18**	**5,722.93**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	4,240.00	4,240.00
Other Equity	17	578.80	1,068.98
Total Equity		**4,818.80**	**5,308.98**
Non - Current Liabilities			
Financial Liabilities			
- Lease Liabilities	18	281.50	-
Current Liabilities			
Financial Liabilities			
(a) Trade Payables			
- Total Outstanding dues of MSME	19	-	-
- Total Outstanding dues of Creditors other than MSME	19	178.45	285.40
(b) Other Financial Liabilities	20	6.90	4.01
(c) Lease Liabilities	18	101.00	-
Short Term Provisions	21	1.83	-
Other Current Liabilities	22	76.70	124.54
		646.38	**413.95**
TOTAL EQUITY AND LIABILITIES		**5,465.18**	**5,722.93**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

per Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : 02-Jun-2020

For and on behalf of the Board of Directors

Ashok Kumar Barat
Chairman
DIN 00492930

Arun Alagappan
Director
DIN 00291361

Kavitha A
Chief Financial Officer

Sujatha P
Company Secretary

CHOLAMANDALAM HOME FINANCE LIMITED
(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)
Statement of Profit and Loss for the Year Ended Mar 31, 2020
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	Notes	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Revenue			
Revenue from Operations	23	3,610.97	3,873.37
Other Income	24	250.08	250.17
Total Income		**3,861.05**	**4,123.54**
Expenses			
Employee Benefits Expense	25	26.84	58.84
Deputation Charges		3,274.72	3,575.09
Professional Charges		35.84	1,434.35
Other Expenses	26	264.15	108.13
Finance Costs		30.21	-
Depreciation and Amortisation Expense	27	306.68	49.09
Total Expense		**3,938.44**	**5,225.50**
Profit/ (Loss) Before Tax		**(77.39)**	**(1,101.96)**
Income Tax	31		
- Current Year		17.63	-
- Adjustment of tax relating to earlier years			
- Deferred Tax (Net)		(13.16)	(310.50)
MAT Credit Entitlement			
- Current Year		-	-
- Prior Years		(11.72)	-
		(7.25)	**(310.50)**
Profit / (Loss) for the year (I)		**(70.14)**	**(791.46)**
Other Comprehensive income	29		
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains and (losses) on defined benefit obligations (net)		-	(5.02)
Income Tax Effect of above item		-	1.38
		-	**(3.64)**
Net (loss)/gain in Fair value in Equity Instruments		(420.02)	(475.02)
Income Tax Effect of above item		-	-
		(420.02)	**(475.02)**
Other comprehensive income/(loss) for the year, net of tax (II)		**(420.02)**	**(478.66)**
Total comprehensive income/ (loss) for the year, net of tax (I + II)		**(490.16)**	**(1,270.12)**
Earnings per Equity Share of Rs. 10 each	33		
Basic		(0.17)	(1.87)
Diluted		(0.17)	(1.87)
Total No of Shares (Basic)		4,24,00,000	4,24,00,000
Total No of Shares (Diluted)		4,24,00,000	4,24,00,000

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

For and on behalf of the Board of Directors

per Aravind K
Partner
Membership No: 221268

Ashok Kumar Barat
Chairman
DIN 00492930

Arun Alagappan
Director
DIN 00291361

Place: Chennai
Date : 02-Jun-2020

Kavitha A
Chief Financial Officer

Sujatha P
Company Secretary

CHOLAMANDALAM HOME FINANCE LIMITED
(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)
U65100TN2000PLC045617
Statement of Cash Flow for the year ended 31 March 2020
(All amounts are in Lakhs of Indian rupees unless otherwise stated)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
A. Cash Flow from Operating Activities:		
Profit Before Tax	**(77.39)**	**(1,101.96)**
Adjustments for :		
Depreciation on Tangible assets & ROU Assets & Amortisation of Intangible assets	306.68	49.09
Finance Cost	30.21	-
(Profit) / Loss on Sale of Property plant & equipment	-	0.76
Remeasurement gains and losses on defined benefit obligations	-	(5.02)
Fair Value changes in Financial Instruments	130.87	39.50
Realised (Profit)/Loss on sale of Financial Instruments	8.90	9.86
Profit on Sale of Current Investments	(5.50)	(5.95)
Interest Income	(119.77)	(244.19)
Dividend income	(20.77)	-
Operating Profit before Working Capital / Other Changes	**253.23**	**(1,257.91)**
Adjustments for :		
Increase / (Decrease) in Short term provisions	1.83	(2.71)
Increase / (Decrease) in trade payable and other financial and non financial liabilities	(154.80)	364.13
Decrease / (Increase) in Other financial and current assets (Short term)	(31.86)	(292.42)
Decrease / (Increase) in trade and other receivables	332.05	(565.00)
Cash Generated From Operations	**400.45**	**(1,753.91)**
Income tax paid	(251.52)	(366.63)
Cash Generated From /(used in) Operations	**148.93**	**(2,120.54)**
B. Cash Flow from Investing Activities:		
Purchase of Property plant and Equipment (Including Capital Work In Progress)	(327.84)	(430.65)
Purchase of Current investment	(1,500.00)	(560.00)
Proceeds from Sale of Property plant and equipment	-	1.82
Proceeds from sale of Current Investment	1,525.50	616.07
Proceeds from sale of Financial Instruments	89.65	5.96
Investment in Non Current Investment	(15.84)	-
Interest Income	119.77	244.19
Dividend income	20.77	-
Net Cash flow from/(used in) Investing Activities	**(87.99)**	**(122.61)**
C. Cash Flow from Financing Activities:		
Lease payments during the year	(76.81)	-
Net Cash flow from/(used in) Financing Activities	**(76.81)**	**-**
Net Increase/ (decrease) in Cash and Cash Equivalents [A+B+C]	**(15.87)**	**(2,243.15)**
Cash and Cash Equivalents at the Beginning of the Year	**2,178.31**	**4,421.46**
Cash and Cash Equivalents as at End of the Year	**2,162.44**	**2,178.31**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

For and on behalf of the Board of Directors

Ashok Kumar Barat
Chairman
DIN 00492930

Arun Alagappan
Director
DIN 00291361

per Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : 02-Jun-2020

Kavitha A
Chief Financial Officer

Sujatha P
Company Secretary

CHOLAMANDALAM HOME FINANCE LIMITED
(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)
Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2020
(All amounts are in Lakhs of Indian rupees unless otherwise stated)
Statement of Changes in Equity for the Year Ended 31 March 2020

A. **Equity Share Capital**

As at 1st April 2019	**4,240.00**
Changes in Equity share Capital	**-**
As at 31st March 2020	**4,240.00**

B **Other Equity**

Particulars	Retained Earnings (in Rs.)	Other Comprehensive Income: Changes in Fair Value of Investment (in Rs.)	Other Comprehensive Income: Re-measurement gains and (losses) on defined benefit obligations (net)	Total Equity attributable to Equity holders of the Company (in Rs.)
Balance as on 1st April, 2018	1,376.04	963.68	(0.64)	2,339.08
Profit for the period	(791.46)	-	-	(791.46)
Changes in Fair Value of Long Term Investment	-	(475.02)	-	(475.02)
Remeasurement of the defined benefit obligation	-	-	(5.02)	(5.02)
Tax Impact on Remeasurement of defined benefit obligation	-	-	1.38	1.38
Balance as on 31st March 2019	**584.58**	**488.66**	**(4.28)**	**1,068.96**
Profit for the period	(70.14)	-	-	(70.14)
Movement of Reserves due to reclassification of Investments from FVTOCI to FVTPL	273.90	(273.90)	-	-
Changes in Fair Value of Long Term Investment	-	(420.02)	-	(420.02)
Balance as on 31st March 2020	**788.34**	**(205.26)**	**(4.28)**	**578.80**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

For and on behalf of the Board of Directors

per Aravind K
Partner
Membership No: 221268

Ashok Kumar Barat
Chairman
DIN 00492930

Arun Alagappan
Director
DIN 00291361

Place: Chennai
Date : 02-Jun-2020

Kavitha A
Chief Financial Officer

P.Sujatha
Company Secretary

1. Corporate Information

Cholamandalam Home Finance Limited (formerly known as Cholamandalam Distribution Services Limited) ('the Company') is a subsidiary of Cholamandalam Investment and Finance Company Limited ("CIFCL") domiciled in India. The registered office of the Company is located at Chennai, Tamil Nadu. The Company is a corporate agent of IRDA for general and life insurance business. The Company had made an application to National Housing Bank (NHB) for registration as a Housing Finance Company in June 2018 and currently is in discussion with the Reserve Bank of India ('RBI') for obtaining clearances with respect to the receipt of license to operate as a Housing Finance Company. However the Company will continue its focus on growing its insurance business.

The Financial Statements were approved for issue in accordance with a resolution of the directors on June 02, 2020

2. Basis of Preparation

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

2.1 Change in Accounting Policy

New and amended Standards

The Company applied IND AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

IND AS superseded IND AS 17 Leases including its appendices (Appendix C of IND AS 17 Determining whether an Arrangement contains a Lease, Appendix A of IND AS 17 Operating Leases- Incentives and Appendix B of IND AS 17 evaluating the substance of transactions involving the legal form of lease. This new standard sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

Lessor accounting under IND AS 116 is substantially unchanged from IND AS 17. Lessors will continue to classify leases either as operating or finance leases using similar principles as in IND AS 17.

Therefore, IND AS 116 does not have an impact for leases where the company is a lessor.

The Company adopted IND AS 116, with the date of initial application on 1 April 2019. The company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short term leases) and lease contracts for which the underlying asset is of low value(Low Value Assets)

The adoption of new lease standard, IND AS 116, did not have a material impact in the financial statements of the company.

Appendix C to IND AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IND AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IND AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

• Whether an entity considers uncertain tax treatments separately
• The assumptions an entity makes about the examination of tax treatments by taxation authorities
• How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
• How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of Appendix C to IND AS 12, the company considered whether it has uncertain tax positions. The Company has determined, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Company.

2.2 Presentation of financial statements

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

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

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

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

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

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

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

2.3 Impact of COVID-19 Outbreak

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity.
In this nation-wide lock-down period, all the services across the nation were suspended (except the specified essential services) and hence there was a significant impact on the operations of the Company since the Company was not able to deploy on-field personnel for the distribution of insurance products, and as a consequence these personnel had to operate on a remote basis for undertaking business.
The extent to which COVID-19 pandemic will impact the Company's operations and financial results is dependent on the future developments, which are highly uncertain as at the reporting date.
The Company has also performed a detailed assessment of its liquidity position for the next one year and the recoverability of the assets comprising of Property, Plant and Equipment, Intangible Assets, Deferred Tax Assets and investments as at the balance sheet date based on internal and external information up to the date of these financial statements. Based on performance of sensitivity analysis on the assumptions used and considering the current indicators of future economic conditions relevant to the Company's operations, the Management expects to recover the carrying value of these assets and consequently has concluded that there are no material adjustments required in these financial statements of the Company.
However, the estimated impact of COVID-19 might vary from the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

3. Significant Accounting Policies

3.1. Use of Estimates

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

3.2 Cash and Cash Equivalents

Cash comprises cash on hand and Term deposits with banks. Cash and cash equivalents includes cash, balance with scheduled banks, deposits held at call with banks and other short-term highly liquid investments including deposits with original maturities of three months or less which are subject to an insignificant risk of change in value.

3.3 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.4 Property, Plant and Equipment

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

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

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

3.5 Intangible Assets:

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

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

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

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

3.6 Depreciation and Amortisation

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

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

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

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

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

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

3.7 Impairment of Non Financial Assets

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

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

3.8 Fair Value Measurement

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

b) In the absence of a principal market, in the most advantageous market for the asset or liability

c) The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

3.9 Revenue Recognition

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

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the company satisfies a performance obligation.

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

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

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

3.10 Lease

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

Company as a Lessee

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

a) Right-of-use assets

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

b) Lease Liabilities

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

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

3.11 Employee Benefits

a) Defined Contribution Plans

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

Superannuation Fund: 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) Long-Term Employee Benefits

The Company accounts its liability for compensated absences to be availed in future based on actuarial valuation as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

c) Other - Short Term Employee Benefits

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

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.12 Taxes on Income

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

i) Current tax

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

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

ii) Deferred tax

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

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

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

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

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

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

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

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

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

(iii) Minimum Alternative Tax (MAT)

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

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

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

i.)When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii) When receivables and payables are stated with the amount of tax included

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

3.13 Provisions and Contingencies

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

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

3.14 Earnings Per Share

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

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

3.15 Financial Instruments

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

Date of Recognition

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

A. Financial assets

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

a. Financial assets measured at amortised cost

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

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

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

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

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

Debt instruments at amortised cost

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

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

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

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

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

Debt instrument at FVTPL

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

Equity investments

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

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

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

Impairment of Financial Assets and Trade Receivables

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

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

• The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

• Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

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

Derecognition of financial assets

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

B. Financial liabilities

i. Initial recognition and measurement

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

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

ii. Subsequent measurement

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

iii. De – recognition

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

Offsetting of financial instruments

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

3.17 Operating Cycle

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

3.18 Segment Information

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

3.19 Standards Issued but not yet effective

There are no new standards / amendments to the standards that have been issued but not yet effective as at March 31, 2020

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Note 4. Property Plant and Equipment

Particulars	Computer	Office Equipment	Furniture & Fixtures	Improvement to Lease Hold Premises	Vehicles	Right on use of underlying Asset	Total
Cost							
At 1 April 2018	7.23	0.28	-	-	5.82	-	13.33
Additions	71.90	30.32	38.60	67.40	-		208.22
Disposals	-	(0.28)	-	-	(5.82)	-	(6.10)
At 31 March 2019	**79.13**	**30.32**	**38.60**	**67.40**	**-**	**-**	**215.45**
Additions	30.06	25.05	30.05	79.27	-	429.10	593.53
Disposals	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
At 31 March 2020	**109.19**	**55.37**	**68.65**	**146.67**	**-**	**429.10**	**808.98**
Depreciation & Amortisation							
At 1 April 2018	6.98	0.18	-	-	2.54	-	9.70
Depreciation for the Year	2.79	8.76	19.88	11.33	0.78	-	43.54
Disposals / Written off	-	(0.20)	-	-	(3.32)	-	(3.52)
At 31 March 2019	**9.77**	**8.74**	**19.88**	**11.33**	**-**	**-**	**49.72**
Depreciation for the year	35.10	10.60	21.27	32.53	-	68.46	167.96
Disposals / Written off	-	-	-	-	-	-	-
At 31 March 2020	**44.87**	**19.34**	**41.15**	**43.86**	**-**	**68.46**	**217.68**
Net book value							
At 31 March 2020	**64.32**	**36.03**	**27.50**	**102.81**	**-**	**360.64**	**591.30**
At 31 March 2019	**69.36**	**21.58**	**18.72**	**56.07**	**-**	**-**	**165.73**

Note 5. Intangible Assets

Particulars	Computer Software	Intangible Assets Under Development
Cost		
At 1 April 2018	8.63	-
Additions	195.91	26.52
Disposals	-	-
At 31 March 2019	**204.54**	**26.52**
Additions	175.81	182.20
Disposals	-	-
Transfer	-	(175.81)
At 31 March 2020	**380.35**	**32.91**
Depreciation & Amortisation		
At 1 April 2018	8.63	-
Depreciation for the Year	5.55	-
Disposals / Written off	-	-
At 31 March 2019	**14.18**	**-**
Depreciation for the year	138.72	-
Disposals / Written off	-	-
At 31 March 2020	**152.90**	**-**
Net book value		
At 31 March 2020	**227.45**	**32.91**
At 31 March 2019	**190.36**	**26.52**

Note 6. Financial Assets - Investments

Particulars	Nominal Value per Unit	Number of Units/Shares As at 31-Mar-2020	Number of Units/Shares As at 31-Mar-2019	In Rupees As at 31-Mar-2020	In Rupees As at 31-Mar-2019
Investments at Fair Value Through Profit & Loss Statement (FVTPL):					
Unquoted Investments					
27,263 Units (As at March 31, 2019 - 30,781 Units) of Face Value Rs.1,200 each in Faering Capital India Evolving Fund	1,000	27,263	30,781	302.20	515.78
Total FVTPL investments				**302.20**	**515.78**
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):					
Quoted Investments - Equity Shares (Fully Paid)					
2,500,100 Equity Shares (As at March 31, 2019 - 2,500,100) of Face Value Rs.10 each in Coromandel Engineering Co. Ltd.	10	25,00,100	25,00,100	295.01	715.03
Total FVTOCI investments				**295.01**	**715.03**
Total Investments				**597.21**	**1,230.81**

Investments at fair valued through OCI reflect investment in quoted and unquoted equity securities.
Refer Note 37 for determination of the fair value of the investments

i) Investments in India	597.21	1,230.81
ii) Investments Outside India	-	-
Total Investments	**597.21**	**1,230.81**

During the year, the company received Rs. 20.77 Lakhs as dividend from its FVTPL investments which has been recorded as Dividend Income.

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

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Note 7. Other Financial Assets - Amortised Cost		
Security Deposits	5.04	3.60
	5.04	**3.60**
Note 8. Deferred Tax Asset (net)	474.68	467.43
	474.68	**467.43**
-Difference between depreciation as per books of accounts and the Income Tax Act, 1961	19.60	2.27
-Impact of lease liability adjustments	6.08	-
Total (A)	**25.68**	**2.27**
- Effect of Differential tax on difference between profit as per books as per Income Tax Act, 1961 (Refer Note 30)	443.15	494.00
Total (B)	**443.15**	**494.00**
Deferred Tax (A+B)	**468.83**	**496.27**
Tax effect on Investment Fair Value / Remeasurement of defined benefit obligation	5.85	(28.84)
Deferred Tax Assets (Net)	**474.68**	**467.43**
Reconciliation of Deferred tax Asset (Net)		
Opening balance	**467.43**	**155.55**
Tax Income/(Expense) during the period recognised in Profit and Loss	13.16	310.50
MAT Credit / Utilised	(5.91)	-
Tax Income/(Expense) during the period recognised in OCI	-	1.38
Closing balance	**474.68**	**467.43**
Note 9. Other Non-Current Assets		
GST input credit	417.11	391.06
Capital Advance	2.89	18.80
	420.00	**409.86**
Note 10. Non Current Assets		
Tax Deducted at Source /Advance tax (Net of Provision for Taxation)	617.35	365.82
	617.35	**365.82**
Note 11. Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment	0.48	-
Receivable from Others		
Trade Receivables considered good - Unsecured	0.59	8.00
Total receivables from others	**0.59**	**8.00**
Receivable from Related Parties		
Trade Receivables considered good - Unsecured	283.10	607.73
	283.69	**615.73**

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

Particulars	**As at 31-Mar-2020**	**As at 31-Mar-2019**
Note 12. Cash and Cash Equivalents		
Cash on hand	0.15	0.15
Balances with banks:		
– On current accounts	61.26	77.08
– On Deposit Account*	2,101.03	2,101.08
	2,162.44	**2,178.31**
* Above deposits are with original maturity of less than 3 months		
Note 13. Financial Assets - Investments		
Quoted securities		
Mutual Fund Investment		
(As at March'19 Aditya Birla Sunlife Floating Rate fund short term Growth - 6,696.076 units @ Rs. 299.0054 each)	-	20.02
	-	**20.02**
Note 14. Other Financial Assets		
Sale Proceeds receivable from Faering Capital	-	17.21
Security Deposits	48.55	24.78
	48.55	**41.99**
Note 15. Other current assets		
Advances and Claims Recoverable	0.18	-
Prepaid expenses	4.38	6.75
	4.56	**6.75**

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

Note - 16. Equity Share Capital

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Authorised Capital		
14,25,00,000 Equity Shares of Rs.10 each (4,25,00,000 Equity Shares of Rs.10 each for Mar'19)	14,250.00	4,250.00
Issued, Subscribed and Paid-up Capital		
42,400,000 Equity Shares of Rs.10/ each	4,240.00	4,240.00
	4,240.00	**4,240.00**

a) The Reconciliation of shares capital is given below:

	As at 31-Mar-2020	As at 31-Mar-2019
	No. of Shares	No. of Shares
At the beginning of the year	4,24,00,000	4,24,00,000
Shares Issued during the year	-	-
At the end of the year	**4,24,00,000**	**4,24,00,000**

b) Terms/Rights attached to class of shares

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

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

	As at 31-Mar-2020		As at 31-Mar-2019		
	No. of Shares	% against total number of shares	No. of Shares	No. of Shares	% against total number of shares
Cholamandalam Investment and Finance Company Limited	4,24,00,000	100.00%	4,24,00,000	4,24,00,000	100.00%

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

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Note 17. Other Equity		
Retained earnings	784.06	580.31
FVOCI reserve	(205.26)	488.67
	578.80	**1,068.98**

Nature and Purpose of reserve

17 (a) Retained Earnings Movement

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

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance as at the beginning of the year	580.31	1,375.41
Profit / (Loss) for the year	(70.15)	(791.46)
Movement of Reserves due to reclassification of Investments from FVTOCI to FVTPL	273.90	-
Remeasurement of the defined benefit obligation Net of Tax	-	(3.64)
	784.06	**580.31**

17 (b) FVTOCI Equity Investments

The Company has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Balance at the beginning of the year	488.66	963.68
Effect of reclassification of Investments from FVTOCI to FVTPL	(273.90)	-
Fair Valuation of FVTOCI Investments	(420.02)	(475.02)
Balance at the end of the year	**(205.26)**	**488.66**
Note 18. Other Financial Liabilities		
Lease Liabilities - Non Current	281.50	-
Lease Liabilities - Current	101.00	-
	382.50	**-**
Note 19. Trade Payables		
-Due to Micro and Small Enterprises	-	-
- Amount Payable to Related Party	160.00	276.09
- Others	18.45	9.31
	178.45	**285.40**
Note 20. Other Financial Liabilities		
Capital Creditors	6.90	4.01
	6.90	**4.01**
Note 21. Short Term Provisions		
Provision for Compensated Absences	0.83	-
Provision for Gratuity	1.00	-
	1.83	**-**
Note 22. Other current liabilities		
Statutory liabilities	54.51	102.35
Advances received from Part Sales in Faering Capital	22.19	22.19
	76.70	**124.54**

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

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Note 23. Revenue from Operations		
Commission Income (Refer Note 35)	3,610.97	3,873.37
	3,610.97	**3,873.37**
Note 24. Other Income		
Interest Income on:		
- Intercorporate Deposits	94.95	186.04
- Fixed Deposits	24.82	58.16
Profit on Sale of Current Investment	5.50	5.95
Change in the Fair Value of Current Investment	-	0.02
Dividend Income from FVTPL Investment	20.77	-
Recovery of Other Expenses	104.04	-
	250.08	**250.17**
Note 25. Employee Benefits Expense		
Salaries, Wages and Bonus	24.63	56.78
Contribution to Provident and Other Funds	1.05	1.64
Gratuity Expenses	1.00	-
Staff Welfare Expenses	0.16	0.42
	26.84	**58.84**
Note 26. Other Expense		
Rent	-	6.01
Repairs and maintenance	0.48	1.03
Insurance	7.23	3.12
Rates and Taxes	79.94	4.98
Travelling and Conveyance	0.25	0.08
Communication	0.52	0.55
Printing and Stationery	0.10	0.13
Staff Training Expenses	0.02	5.25
Business Development expense	-	0.35
Electricity Expense	0.41	0.41
Payments to Auditors:		
Audit fee	6.00	4.00
Tax audit fee	0.75	0.50
Other Services	2.00	2.00
Out of Pocket Expenses	0.20	0.20
Other Certification	0.80	1.45
Fair Value of Equity Instruments	130.87	39.53
Loss on sale of Property Plant and Equipment	-	0.76
Loss on sale of Investment	8.90	9.86
Information Technology Expenses	22.15	11.09
Corporate Social Responsibility	-	11.08
Other Expenses	3.53	5.75
	264.15	**108.13**
Note 27. Depreciation and Amortization Expense		
Depreciation of tangible assets	99.50	43.54
Amortisation of intangible assets	138.72	5.55
Depreciation of right to use asset	68.46	-
	306.68	**49.09**

CHOLAMANDALAM HOME FINANCE LIMITED

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Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Note 28. Details of CSR Expenditure:		
a) Gross amount required to be spent during the year	-	11.08
(b) Amount Spent during the year:		
(i) Education	-	11.08
(ii) Others	-	-
Total	**-**	**11.08**
Note 29. Other Comprehensive Income		
Fair Value of Equity Instruments		
(i)Unrealised Gain/(Loss)	(420.02)	(475.02)
(ii) Realised	-	-
(iii)Actuarial Gain / (Loss) - Gratuity	-	(5.02)
(iii)Tax Impact on Fair Valuation	-	-
(iv)Tax Impact on Sale of Non current Investment	-	-
Total	**(420.02)**	**(480.04)**

Note 30. Significant accounting judgements, estimates and assumptions

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

Judgements

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

Estimates and assumptions

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

Impairment of Non Financial Assets

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

Taxes

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

Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, Credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37 for further disclosures.

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

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

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

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

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

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

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Note 31. Tax Expense		
Profit/Loss Section		
Current Tax	17.63	-
Adjustments for Current tax of prior period	-	-
Total	**17.63**	**-**
Deferred Tax (Net)	(13.16)	(310.50)
Decrease/Increase in Deferred Tax Assets	-	-
Increase in Deferred Tax liabilities	-	-
MAT Credit Adjustments	-	-
- Current Year	-	-
- Prior Years	(11.72)	-
Total	**(24.88)**	**(310.50)**
Income Tax expense reported in the statement of profit and loss	**(7.25)**	**(310.50)**
Other Comprehensive Income (OCI) section		
Remeasurement of Fair value in Equity Instruments	-	1.38
Income tax Charged in OCI	**-**	**1.38**

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

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Profit/(Loss) before Income Tax Expense	**(77.39)**	**(1,101.96)**
Profit before income tax multiplied by applicable tax rate of 26% (27.82% FY 18-19) (A)	(20.12)	(306.56)
1. Effect of expenses which are not allowable in nature for Income Tax	20.87	2.25
2. Effect of Dividend Income	(5.40)	-
3. Effect of Taxes on items of income at differential rate and related set-off adjustments	3.79	(6.19)
4. Others	5.33	-
5. Effect of adjustment to the opening MAT credit entitlement as at April 1, 2019 pursuant to filing of return of income for the year ended March 31, 2019	(11.72)	-
Total	**(7.25)**	**(310.50)**

Note 32. Leases

The Company has lease contracts for Buildings used for its operations as branches of the Company. Leases of such assets generally have a tenure of 77 months. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The carrying amounts of right-of-use assets recognised and the movements during the period is explained in Note No.4

Part A

Transition

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the Standard to all the lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset was created for an amount equal to the lease liability. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the financial statements for the year ended March 31, 2019.

On transition, the adoption of the new standard has resulted in recognition of "lease liability of Rs. 220.77 lakhs and the 'Right of Use' asset of an equivalent amount, which has been discounted at 9% p.a. The effect of this adoption is insignificant on the profit for the period and the earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in the cash outflows from financing activities on account of lease payments

The following is the summary of the practical expedients elected on initial application:
1.Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2.Applied the exemption not to recognise right of use assets and liabilities with less than 12 months of lease term on the date of initial application.
3.Excluded the initial direct costs from the measurement of the right of use asset at the date of initial application.
4.Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligations recorded as of March 31, 2019 under Ind AS 17 and the value of lease liability as of April 1, 2019 under Ind AS 116 is primarily on account of cancellable leases.

Part B

Other Disclosures

(i) Movement in the carrying value of the Right to Use Asset for the year ended 31-March-2020

Opening Balance	220.77
Depreciation charge for the Period	(68.46)
Additions during the Period	208.33
Adjustment/Deletion	-
Closing Balance	**361.64**

(ii) Classification of current and non current liabilities of the lease liabilities as at 31-March-2020

Current liabilities	101.00
Non Current Liabilities	281.50
Total Lease liabilities	**382.50**

(iii) Movement in the carrying value of the Lease Liability for the year ended 31-March-2020

Opening Balance	220.77
Accretion of Interest	30.21
Lease Payments [Total Cash Outflow]	(76.81)
Additions during the year	208.33
Closing Balance	**382.50**

The effective interest rate for lease liabilities is 9%.

(iv) Contractual Maturities of Lease liability outstanding as at 31-March-2020

Less than one year	106.01
One to five Years	353.65
More than Five years	-
Total	**459.66**

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

Depreciation charge for the Period	68.46
Interest expense on Lease Liabilities	30.21
Income from Right-of-use assets (Included in Other Income - recovery of Other expenses	(75.97)
Total	**22.70**

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 30).

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

Note 33. Earnings per share (EPS)

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

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

Particulars	31-Mar-20	31-Mar-19
Profit after tax	(70.14)	(791.46)
Weighted average number of equity shares outstanding during the year (Nos.)		
- Basic	4,24,00,000	4,24,00,000
- Diluted	4,24,00,000	4,24,00,000
Earnings per equity share		
- Basic	(0.17)	(1.87)
- Diluted	(0.17)	(1.87)

Note 34. Segment information

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

Customers contributing to revenue more than 10%		
Particulars	**Year Ended 31-March-2020**	**Year Ended 31-March-2019**
Cholamandalam MS General Insurance Company Limited	3,604.33	3,821.45

Note 35. Revenue from Contracts with Customers

(a) Services

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Type of Services		
Commission income	3,610.97	3,873.37
Total Revenue from contracts with customers	**3,610.97**	**3,873.37**
Timing of Revenue Recognition:		
Services transferred at a point in time	3,610.97	3,873.37
Total Revenue from contracts with customers	**3,610.97**	**3,873.37**

(b) Contract Balances

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Trade Receivables	283.69	615.73

Contract asset relates to our conditional right to consideration for our completed performance under the contract. Trade receivables are recognised when the right to consideration becomes unconditional.

(c) Information about the Company's performance obligation

Commission income - The performance obligation in regards of commission on insurance policies is based on the commencement of the risk start date of the insurance policies.

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

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

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

Note 36 - Related Party Disclosures

Related Parties under IND AS 24

Ultimate Holding Company (Entity having significant influence over the Holding Company)	Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)
Entity having significant influence over Ultimate Holding Company	Ambadi Investments Limited
Holding Company	Cholamandalam Investment and Finance Company Limited
Holding Company's Fellow Subsidiary	(i) Cholamandalam MS General Insurance Company Limited
	(ii) Parry Enterprises India Limited
Fellow Subsidiary	Cholamandalam Securities Limited
Associate of Holding Company	White Data System India Private Limited
Joint Venture of Ultimate Holding Company	Cholamandalam MS Risk Services Limited

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

A. Details of Related Party Transactions

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

Particulars	Related Party	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Income			
Interest Income on Intercorporate deposits	Cholamandalam Investment and Finance Company Limited	94.95	186.04
Insurance Commission Income	Cholamandalam MS General Insurance Company Limited	3,604.33	3,821.45
Rent recovery	Cholamandalam Investment and Finance Company Limited	75.96	-
Recovery of other expenses	Cholamandalam Investment and Finance Company Limited	65.09	8.24
Expenditure			
Insurance Premium Paid	Cholamandalam MS General Insurance Company Limited	0.44	0.43
Deputation Charges	Cholamandalam Investment and Finance Company Limited	3,255.90	3,555.88
Reimbursement of other expenses	Cholamandalam Securities Limited	-	32.98
Others			
Sale of Property Plant and Equipment	Mr. Govindarajan B (KMP)	-	1.82
Intercorporate deposits placed	Cholamandalam Investment and Finance Company Limited	25,050.00	41,550.00
Intercorporate deposits redeemed	Cholamandalam Investment and Finance Company Limited	25,050.00	41,550.00
Assets and Liability balances			
Trade Receivable	Cholamandalam Investment and Finance Company Limited	49.27	-
	Cholamandalam MS General Insurance Company Limited	233.82	607.73
Trade Payable	Cholamandalam Investment and Finance Company Limited	160.00	276.09

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

B. Key Managerial Personnel

Sitting Fees Paid

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Ms.Sasikala Varadachari - Independent Director	0.75	0.70
Mr.Ashok Kumar Barat - Independent Director	1.35	0.60
Mr. Sridharan Rangarajan - Director	1.00	-

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Key Managerial Personnel Remuneration		
Chief Executive Officer - Mr. Rohit Phadke (Deputation From 28-Apr-2019)	166.33	-
Chief Financial Officer - Mr. Arulselvan D* (Till 27-Apr-2019)	-	-
Chief Financial Officer - Ms. Kavitha A (Deputation - From 28-Apr-2019 till 31-Aug-2019) (Onroll from 01-Sep-2019)	35.72	-
Company Secretary - Ms. Sujatha P *	-	-
Manager - Mr. Govindarajan B	-	16.11

* Chief Financial Officer and Company Secretary of Holding Company are also the Chief Financial Officer and Company Secretary for the Company. Hence no separate remuneration is paid by the Company.

Note A : Breakup of Employee benefit compensation :

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Short term benefits	202.05	11.28
Post employment benefits	-	1.41
Other Long term benefits	-	3.43
Termination Benefits	-	-
Share - based payments	-	-
	202.05	**16.11**

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

Note 37. Fair Value Measurements

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

	Carrying Value		Fair Value	
Particulars	**Year Ended 31-Mar-2020**	**Year Ended 31-Mar-2019**	**Year Ended 31-Mar-2020**	**Year Ended 31-Mar-2019**
Financial assets				
(i) Investments	597.21	1,230.81	597.21	1,230.81
(ii) Trade receivables	283.69	615.73	283.69	615.73
(iii) Cash and Cash Equivalents	2,162.44	2,178.31	2,162.44	2,178.31
(iv) Other financial assets	53.59	45.59	53.59	45.59
Financial Assets	**3,096.93**	**4,070.44**	**3,096.93**	**4,070.44**
Financial liabilities				
(i) Trade Payables	178.45	285.40	178.45	285.40
(ii) Other Financial Liabilities	6.89	4.01	6.89	4.01
(iii) Lease Liability	382.50	-	382.50	-
Total Financial Liabilities	**567.84**	**289.41**	**567.84**	**289.41**

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

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

Level 1: This hierarchy includes financial instruments measured using quoted prices or realisable price as on the date of reporting. This includes listed equity instruments that have realisable price as agreed in the share purchase agreement.
Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There have been no transfers between the level 1 and level 3 during the period.

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

Particulars	**Fair Value as at**		**Fair Value Hierarchy**	**Valuation Techniques & key inputs used**
	Year Ended 31-Mar-2020	**Year Ended 31-Mar-2019**		
Asset measured at fair value:				
- FVTPL Equity Investments				
Unquoted Investments		515.78	Level 3	As per valuation report*
- FVOCI Equity Investments				
Quoted Investments		715.03	Level 1	Quoted bid price in an active market
- FVTPL Equity Investments				
Unquoted Investments	302.20		Level 3	As per valuation report*
- FVOCI Equity Investments				
Quoted Investments	295.01		Level 1	Quoted bid price in an active market

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

Note 38. Financial Risk Management Objectives

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

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

38.1 Market Risk

Market risk is the risk of any loss in the future earnings, in realizable fair values or in future cash flows that may result from a change in a price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

38.2 Price Risks

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

38.3 Credit Risk Management

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

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

38.3.1 Trade Receivables

Customer credit risk is managed by the Company based on its established policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any exposure to major customers are generally covered by advance from customers.

An impairment analysis is performed at each reporting date on an individual basis for the customers.

38.3.2 Cash and Bank Balances

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

38.4 Liquidity Risk Management

The Company monitors its risk of a shortage of funds on a daily basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings from banking channels and Inter Corporate funding. The Company has access to a sufficient variety of sources of funding and is generally mitigated through funding from intercorporate loans from parent Company. (Refer Note 39. Analysis of Financial Liabilities by remaining contractual maturities).

CHOLAMANDALAM HOME FINANCE LIMITED

(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)

Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2020

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

Note 39. Analysis of Financial Liabilities by remaining contractual maturities

As at 31st March 2020

Particulars	Upto 1 month	1 to 3 months	3-12 months	> 1 Year	Total
Financial liabilities					
(i) Trade Payables	178.45	-	-	-	178.45
(ii) Other Financial Liabilities	-	-	6.89	-	6.89
(iii) Lease Liability	8.69	17.19	75.12	281.50	382.50
Total Financial Liabilities	**187.14**	**17.19**	**82.01**	**281.50**	**567.84**

As at 31st March 2019

Particulars	Upto 1 month	1 to 3 months	3-12 months	> 1 Year	Total
Financial liabilities					
(i) Trade Payables	285.40	-	-	-	285.40
(ii) Other Financial Liabilities	-	-	4.01	-	4.01
Total Financial Liabilities	**285.40**	**-**	**4.01**	**-**	**289.41**

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

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Note 40. Contingent Liabilities & Capital Commitments		
I. Contingent Liabilities	-	-
II. Commitments		
Information Technology Related	24.68	139.72
Investment Commitment on Faering Capital India Evolving Fund	-	15.84
Total	**24.68**	**155.56**

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

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Financial assets		
(i) Trade receivables	283.69	615.73
(ii) Cash and Cash Equivalents	2,162.44	2,178.31
(iii) Other financial assets	53.59	45.59
Total Financial Assets	**2,499.72**	**2,839.63**
Financial liabilities		
(i) Trade Payables	178.45	285.40
(ii) Other Financial Liabilities	6.90	4.01
Total Financial Liabilities	**185.35**	**289.41**

Note 42. Capital Management

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

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

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Profit Before Tax	(77.39)	(1,101.96)
Less: Finance Income	119.77	244.20
Add: Finance costs	30.21	-
Earning Before Net Interest and Tax	**(166.95)**	**(1,346.16)**
Equity	4,240.00	4,240.00
Other Equity	578.80	1,068.98
Capital Employed	**4,818.80**	**5,308.98**
Return of Capital Employed	**(3.46)**	**(25.36)**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Note 43. Events after reporting date

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

Note 44. Prior period information

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

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

per Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : 02-Jun-2020

For and on behalf of the Board of Directors

Ashok Kumar Barat	**Arun Alagappan**
Chairman	Director
DIN 00492930	DIN 00291361
Kavitha A	**P.Sujatha**
Chief Financial Officer	Company Secretary