

# **CHOLAMANDALAM HOME FINANCE LIMITED**

**ANNUAL REPORT**

**2020 – 21**

**Cholamandalam Home Finance Limited**

**Board of Directors**

Mr. M.A.M. Arunachalam (DIN: 00202958)

Mr. D Arulselvan (DIN: 00010065)

Mr. Shaji Varghese (DIN: 07781821)

**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

### 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 twenty first annual general meeting of the members of Cholamandalam Home Finance Limited will be held at 12.00 noon on Thursday, the 29<sup>th</sup> July 2021 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:

#### **ORDINARY BUSINESS:**

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

**RESOLVED THAT** the board's report, the statement of profit and loss, the cash flow statement for the year ended 31 March, 2021 and the balance sheet as at that date together with the independent auditors' report thereon be and are hereby considered, approved and adopted.

#### **SPECIAL BUSINESS:**

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

**RESOLVED THAT** pursuant to the provisions of section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the company, Mr. M.A.M. Arunachalam (holding DIN: 00202958), an additional director, holding office up to the date of this annual general meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of a director under section 160 of the Companies Act, 2013, be and is hereby appointed as a director of the company liable to retire by rotation.

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

**RESOLVED THAT** pursuant to the provisions of section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there

## Cholamandalam Home Finance Limited

under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the company, Mr. D Arulselvan (holding DIN: 00010065), an additional director, holding office up to the date of this annual general meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of a director under section 160 of the Companies Act, 2013, be and is hereby appointed as a director of the company liable to retire by rotation.

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

**RESOLVED THAT** pursuant to the provisions of section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the company, Mr. Shaji Varghese (holding DIN: 07781821), an additional director, holding office up to the date of this annual general meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of a director under section 160 of the Companies Act, 2013, be and is hereby appointed as a director of the company liable to retire by rotation.

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

**RESOLVED THAT** pursuant to provisions of Sections 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. A Kavitha be and is hereby appointed as the Manager of the Company for a period of three years effective 28th October 2020 and be paid remuneration by way of salary, allowances, perquisites and commission subject to an overall limit of 5% of the net profits of the Company for each financial year computed in the manner prescribed under section 198 of the Act and in the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Ms. Kavitha be paid in accordance with section II of part II of Schedule V of the Act.

a. **Salary**

Rs. 1,29,420/- per month.

Increments to be decided by the Board.

**b. Allowances / Perquisites/ Commission**

House Rent Allowance Rs. 64,710/- p.m.  
Special Allowance Rs. 57,899/- p.m.  
Leave Travel Allowance Rs. 16,825/- p.a.

**Incentive:**

Annual incentive not exceeding Rs. 6,86,000/- at 100% levels. The actual amount to be determined by the Board of Directors for each financial year in accordance with the Incentive Scheme of the Company.

**Retirement benefits:**

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

**General:**

- i. In the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Ms. A Kavitha as may be determined by the Board, shall not, except with the approval of the shareholders by special resolution, exceed the limits prescribed under the Act and rules made there under or any statutory modification or re-enactment thereof.
- ii. Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be valued as per income tax rules.
- iii. Incentive shall be determined by the Board of Directors based on the Company's Scheme in force from time to time.
- iv. Ms. Kavitha will be subject to all other service conditions as applicable to any other employee of the Company.

*By Order of the Board*

Place: Chennai  
Date : May06, 2021

*P Sujatha*  
*Company Secretary*

## Cholamandalam Home Finance Limited

### NOTES:

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

*By Order of the Board*

Place: Chennai

Date : May 06, 2021

*P Sujatha*  
*Company Secretary*

## Cholamandalam Home Finance Limited

### ANNEXURE TO THE NOTICE

#### A. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”):

##### **Item No. 2, 3 & 4: Appointment of Mr. M.A.M. Arunachalam, Mr. D Arulselvan and Mr. Shaji Varghese as directors liable to retire by rotation:**

Pursuant to the provisions of section 161 of the Act, Mr. M A M Arunachalam (holding DIN: 00202958) and Mr. D Arulselvan (holding DIN: 00010065) were appointed as additional directors of the company with effect from 28 January 2021 and hold office up to the date of this AGM. Further, Mr. Shaji Varghese (holding DIN: 07781821) was appointed as an additional director of the company with effect from 22 March 2021 and holds office up to the date of this AGM. The Company has received notice in writing from a member under the provisions of section 160 of the Act proposing the candidatures of Mr. Arunachalam, Mr. Arulselvan and Mr. Varghese as directors liable to retire by rotation. In compliance with the provisions of section 152 of the Act, the appointment of Mr. Arunachalam, Mr. Arulselvan and Mr. Varghese are being placed before the members for their approval.

Except Mr. Arunachalam, Mr. Arulselvan and Mr. Varghese, being the appointees, none of the Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the aforesaid resolutions.

##### **Item No. 5: Appointment of Ms. A Kavitha as Manager of the Company and fixing her remuneration:**

The Board of Directors at their meeting held on 28 October 2020 had appointed Ms. A Kavitha as Manager of the company for a period of three years subject to the approval of shareholders.

The board recommends the appointment of Ms. Kavitha as Manager for such terms and remuneration as specified in the resolution as set out in item no. 5 of the notice.

Except Ms. Kavitha A, being the appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the aforesaid resolution.

#### **DISCLOSURE UNDER SECRETARIAL STANDARDS ON GENERAL MEETINGS:**

Name of the Director	Mr. M A M Arunachalam	Mr. D Arulselvan	Mr. Shaji Varghese
DIN	00202958	00010065	07781821
Date of Birth	18/06/1967	04/06/1963	03/05/1972
Date of Appointment (Initial appointment)	28/01/2021 - Appointed as an additional director of the company	28/01/2021 - Appointed as an additional director of the company	22/03/2021 - Appointed as an additional director of the company



### Cholamandalam Home Finance Limited

Name of the Director	Mr. M A M Arunachalam	Mr. D Arulsevan	Mr. Shaji Varghese
Qualification	MBA graduate from the University of Chicago, USA	Fellow Member of the Institute of Chartered Accountants of India and hold Masters in Business Administration from the Open University, UK.	Bachelor's degree in Law and Masters in Management Science with specialization in Finance and Marketing from University of Pune. He has also completed his Strategic Management course from Harvard University.
Expertise in specific functional areas	Has over 15 years of experience in civil engineering field. Is currently the Director of Parry Enterprises India Limited, Murugappa group business arm which is into polynets, general marketing, travels and solar energy.	He has over 31 years of experience in Finance and Management having spent more than 27 years in the Murugappa Group. He currently heads the Finance and Treasury functions of Cholamandalam Investments and Finance Company Limited.	Has over 25 years of experience in banking and financial services sector. He has worked with ICICI bank, ABN Amro and IndusInd Bank in various capacities. He was the Executive Director and Business Head of PNB Housing Finance Limited, Chairman of PHFL Home Loans and Services Ltd. and Director of Pahel Foundation, CSR Foundation of PNB Housing Finance Limited.
Number of meetings of the board attended during the year	Attended 1 meeting of the board held during his tenure.	Attended 1 meeting of the board held during his tenure.	No meeting of Board was held during his tenure.
Directorships in other companies (including foreign companies)	<ol style="list-style-type: none"> <li>1. Parry Enterprises India Limited</li> <li>2. Cholamandalam Investment and Finance Company Limited (CIFCL)</li> <li>3. Tube Investments of India Limited (TII)</li> <li>4. Coromandel Engineering Company Limited (CECL)</li> <li>5. CG Power &amp; Industrial Solutions Limited (CGPISL)</li> <li>6. Shanthi Gears Limited</li> <li>7. Ambadi Investments Limited</li> <li>8. New Ambadi Estates Private Limited</li> <li>9. Jupiter Sea and Air Service Private Limited</li> <li>10. Hercules Cargo Solutions</li> </ol>	<ol style="list-style-type: none"> <li>1. White Data Systems (India) Private Limited</li> </ol>	Nil

### Cholamandalam Home Finance Limited

Name of the Director	Mr. M A M Arunachalam	Mr. D Arulsevan	Mr. Shaji Varghese
	Private Limited 11. A R Lakshmi Achi Trust (Sec. 8 Private - Company) 12. Great Cycles (Private) Limited, Sri Lanka 13. Creative Cycles (Private) Limited, Sri Lanka		
Memberships in board committees of other companies (includes membership details of all committees)	<b>Member:</b> Audit Committee – CIFCL, PEIL, CECL and TII Corporate Social Responsibility Committee – CIFCL Risk Management Committee – CIFCL Business Committee – CIFCL Nomination and Remuneration Committee – PEIL, TII and CGPISL Stakeholders Relationship Committee – CGPISL <b>Chairman:</b> Stakeholders Relationship Committee – CECL & TII Shares and Debentures Committee - TII Loans Committee – TII	Nil	Nil
No. of shares held in the company	Nil	1 equity share of Rs.10 each	Nil
Inter-se relationship with any other directors or KMP of the company	Nil	Nil	Nil
Details of remuneration sought to be paid	No other remuneration is sought to be paid except the sitting fee for attending the meetings.	Nil	Nil
Details of remuneration last drawn	Not Applicable	Not Applicable	Not Applicable

## Cholamandalam Home Finance Limited

### Disclosure as per Part II, Schedule V of the Companies Act, 2013:

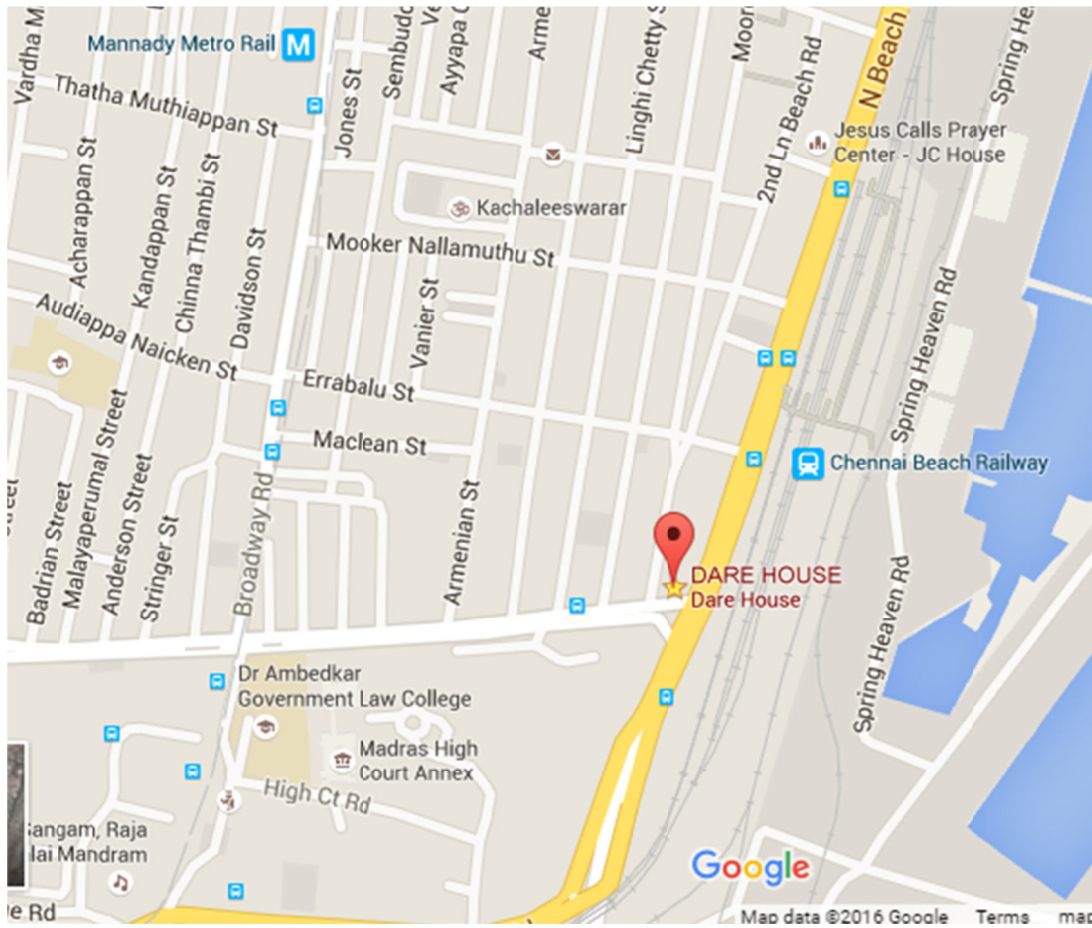
Sl. No.	Particulars	
<b>I. General Information:</b>		
1	Nature of industry	Financial Activities
2	Date or expected date of commencement of commercial production	The Company is in business from 2000
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4	Financial performance based on given indicators (FY 2021)	Profit Before Tax – Rs.261.94 lakhs Profit After Tax – Rs. 177.62 lakhs
5	Foreign investments or collaborations, if any	NIL
<b>II. Information about the appointee:</b>		
1	Background details	Ms. A Kavitha is a member of the Institute of Chartered Accountants of India. She has over 20 years of experience in the areas of finance, accounting, MIS, operations, risk management and audit.  She has been holding the office of Chief Financial Officer since April 27, 2019
2	Past remuneration	As provided in the annual return forming part of Board's report.
3	Recognition or awards	NIL
4	Job profile and his/her suitability	Chief Financial Officer of the company
5	Remuneration proposed	The proposed remuneration would comprise of monthly basic salary, allowances and all perquisites as mentioned in the proposed Item no.5 of this Notice.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is comparable to that prevailing in the industry, keeping in view the profile and position of the appointee and the size of operations of the Company
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Ms. A Kavitha, CFO & Manager is not related to any other director or managerial personnel of the Company. She does not have any pecuniary relationship directly or indirectly with the Company, other than drawing her remuneration in the capacity of Manager.
<b>III. Other information:</b>		
1	Reasons of loss or inadequate profits	Lower business volumes

**Cholamandalam Home Finance Limited**

2	Steps taken or proposed to be taken for improvement	Increased volumes and higher productivity
3	Expected increase in productivity and profits in measurable terms.	With increase in productivity the profits are expected to increase

Route Map to the venue of the AGM

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



# Cholamandalam Home Finance Limited

## CHOLAMANDALAM HOME FINANCE LIMITED

CIN: U65100TN2000PLC045617

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

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

### ATTENDANCE SLIP

Folio No.:

Name & Address of Member: .....

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

I/we hereby record my / our presence at the 21<sup>st</sup> 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.*

## CHOLAMANDALAM HOME FINANCE LIMITED

CIN: U65100TN2000PLC045617

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

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

### 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 twenty first Annual General Meeting of the Company, to held at 12.00 noon on Thursday, 29 July, 2021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional) <sup>#</sup>		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Financial Statements and Board's Report for the year ended 31 March 2021			
Special Business				
2.	Appointment of Mr. M.A.M. Arunachalam as a director of the Company			
3.	Appointment of Mr. D Arulseivan as a director of the Company			
4.	Appointment of Mr. Shaji Varghese as a director of the Company			
5.	Appointment of Ms. A Kavitha as a Manager of the Company and fixing her remuneration			

Signed this ..... day of ..... , 2021.  
 Signature of shareholder(s)..... Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp Re.1

**Note:**

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

## BOARD'S REPORT

Your directors have pleasure in presenting the twenty first annual report together with the audited accounts of the company for the year ended 31<sup>st</sup> March 2021.

### FINANCIAL RESULTS

*(Rs. in lakhs)*

Particulars	2020-21	2019-20
Gross Income	3715	3861
Profit/(Loss) before tax	261.94	(77.39)
Profit/(Loss) after tax	177.62	(70.14)

### DIVIDEND

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

### OPERATIONS

During the year, the company achieved an income of Rs. 37.15 crores as against Rs. 38.61 crores of previous year.

### OUTLOOK

The Company will continue to focus on insurance distribution business. Due to the on-going COVID 19 situation, the Company has been working on various scenarios based on the assumption that GDP growth will be muted.

### DIRECTORS

#### Appointment:

During the year, the board had appointed Mr. M A M Arunachalam, Mr. D Arulselvan and Mr. Shaji Varghese as additional directors of the company and they shall hold office up to the date of ensuing annual general meeting of the company. Your company has received required notices under the provisions of section 160 of the Act proposing the candidature of Mr. Arunachalam, Mr. Arulselvan and Mr. Shaji as directors and your board recommend their appointments as non-executive directors of the company liable to retire by rotation.

As all the members of the Board are additional directors, there are no directors liable to retire by rotation pursuant to section 152 of the Companies Act, 2013 at the ensuing AGM.

## **Cholamandalam Home Finance Limited**

### **Resignation:**

During the year Mr. Arun Alagappan and Mr. Sridharan Rangarajan resigned from the directorship of the company effective the close of business hours on 14 February 2021. Further, Mr. Ashok Kumar Barat resigned from the directorship of the company effective the close of business hours on 31 March 2021.

The board places on record its deep appreciation for the contributions made by Mr. Arun, Mr. Sridharan and Mr. Ashok as members of the board and its sub-committees during their tenure of office.

### **KEY MANAGERIAL PERSONNEL**

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

1. Ms. A Kavitha - Chief Financial Officer & Manager (as Manager effective 28<sup>th</sup> October 2020)
2. Mr. Rohit Phadke – Chief Executive Officer (upto 3<sup>rd</sup> May 2020)
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 19<sup>th</sup> 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.

### **ANNUAL RETURN**

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

### **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 four times on 02 June 2020, 29 July 2020, 28 October 2020 and 28 January 2021.



**AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE:**

Ministry of Corporate Affairs (MCA) vide its circular dated 13<sup>th</sup> July 2017 had amended the Companies (Meetings of Board and its powers) Rules, 2014 and exempted an unlisted public company from constituting Audit Committee and Nomination & Remuneration Committee, if such company is a wholly owned subsidiary or joint venture or dormant company.

The Company being the wholly owned subsidiary of Cholamandalam Investment and Finance Company Limited is exempted from constituting Audit Committee and Nomination & Remuneration Committee. Further, considering the pending HFC application and in view of the fact that there is no specific role for the Committees, the Board at its meeting held on 28<sup>th</sup> January 2021 had dissolved the Audit Committee with immediate effect and further noted that the Committees shall be constituted upon receipt of HFC license.

During the year, the audit committee met four times on 02 June 2020, 29 July 2020 and 28 October 2020 and 28 January 2021 and there was no meeting of nomination and remuneration committee was convened.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

MCA vide its notification dated 22<sup>nd</sup> January 2021 has amended section 135 of the Companies Act, 2013 and exempted a Company from constituting Corporate Social Responsibility Committee, if the amount to be spent by such company for CSR activities does not exceed Rs. 50 lakhs in a financial year. Since the CSR expenditure of the Company does not exceed the aforesaid limit of Rs. 50 lakhs, the Company is exempted from the requirement of constituting the Corporate Social Responsibility Committee and the functions of CSR committee shall be discharged by the Board of Directors of the Company. Accordingly, the Board at its meeting held on 28<sup>th</sup> January 2021 had dissolved the Corporate Social Responsibility Committee with immediate effect and the functions of CSR committee shall be performed by the Board.

During the year, the corporate social responsibility committee had one meeting on 02 June 2020.

**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 31<sup>st</sup> March 2020 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 except the loans availed by the holding Company as disclosed in the financials.

**RELATED PARTY TRANSACTIONS**

All transactions with related parties that were entered into during the financial year were 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

## **Cholamandalam Home Finance Limited**

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 2020, 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 : May 06, 2021

M A M Arunachalam

*Chairman*

**DIRECTORS' RESPONSIBILITY STATEMENT**

*(Annexure to the Board's Report)*

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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, 2021 and of the profit of the company for the year ended on that date;

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

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

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended 31 March, 2021; 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, 2021

On behalf of the Board

Place : Chennai

Date : May 06, 2021

M A M Arunachalam

*Chairman*

# FORM NO. MGT-7

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



सत्यमेव जयते

# Annual Return

Form language  English  Hindi

Refer the instruction kit for filing the form.

## I. REGISTRATION AND OTHER DETAILS

(i) \* Corporate Identification Number (CIN) of the company

U65100TN2000PLC045617

Pre-fill

Global Location Number (GLN) of the company

\* Permanent Account Number (PAN) of the company

AABCC4868J

(ii) (a) Name of the company

CHOLAMANDALAM HOME FIN

(b) Registered office address

DARE HOUSE,  
NO.2, NSC BOSE ROAD, PARRYS,  
CHENNAI  
Chennai  
Tamil Nadu  
600001

(c) \*e-mail ID of the company

secretarial\_CDSL@chola.murug

(d) \*Telephone number with STD code

04440907172

(e) Website

(iii) Date of Incorporation

23/08/2000

(iv)	Type of the Company	Category of the Company	Sub-category of the Company
	Public Company	Company limited by shares	Indian Non-Government company

(v) Whether company is having share capital

Yes  No

(vi) \*Whether shares listed on recognized Stock Exchange(s)

Yes  No

(b) CIN of the Registrar and Transfer Agent

Pre-fill

Name of the Registrar and Transfer Agent

Registered office address of the Registrar and Transfer Agents

(vii) \*Financial year From date  (DD/MM/YYYY) To date  (DD/MM/YYYY)

(viii) \*Whether Annual general meeting (AGM) held  Yes  No

(a) If yes, date of AGM

(b) Due date of AGM

(c) Whether any extension for AGM granted  Yes  No

(f) Specify the reasons for not holding the same

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

\*Number of business activities

S.No	Main Activity group code	Description of Main Activity group	Business Activity Code	Description of Business Activity	% of turnover of the company
1	K	Financial and insurance Service	K7	Financial Advisory, brokerage and Consultancy Services	89.77

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

\*No. of Companies for which information is to be given

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

## IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY

**(i) \*SHARE CAPITAL****(a) Equity share capital**

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

Number of classes

1

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

**(b) Preference share capital**

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

Number of classes

0

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

**(c) Unclassified share capital**

Particulars	Authorised Capital
Total amount of unclassified shares	0

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

Class of shares	Number of shares	Total nominal amount	Total Paid-up amount	Total premium
<b>Equity shares</b>				
At the beginning of the year	42,400,000	424,000,000	424,000,000	



<b>Increase during the year</b>	0	0	0	0
i. Public Issues	0	0	0	0
ii. Rights issue	0	0	0	0
iii. Bonus issue	0	0	0	0
iv. Private Placement/ Preferential allotment	0	0	0	0
v. ESOPs	0	0	0	0
vi. Sweat equity shares allotted	0	0	0	0
vii. Conversion of Preference share	0	0	0	0
viii. Conversion of Debentures	0	0	0	0
ix. GDRs/ADRs	0	0	0	0
x. Others, specify				
<b>Decrease during the year</b>	0	0	0	0
i. Buy-back of shares	0	0	0	0
ii. Shares forfeited	0	0	0	0
iii. Reduction of share capital	0	0	0	0
iv. Others, specify				
<b>At the end of the year</b>	42,400,000	424,000,000	424,000,000	
<b>Preference shares</b>				
<b>At the beginning of the year</b>	0	0	0	
<b>Increase during the year</b>	0	0	0	0
i. Issues of shares	0	0	0	0
ii. Re-issue of forfeited shares	0	0	0	0
iii. Others, specify				
<b>Decrease during the year</b>	0	0	0	0
i. Redemption of shares	0	0	0	0

ii. Shares forfeited	0	0	0	0
iii. Reduction of share capital	0	0	0	0
iv. Others, specify				
<b>At the end of the year</b>	0	0	0	

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

0

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

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

Nil

[Details being provided in a CD/Digital Media]

Yes

No

Not Applicable

Separate sheet attached for details of transfers

Yes

No

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

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

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

Date of registration of transfer (Date Month Year)	<input type="text"/>
--	----------------------

Type of transfer	<input type="text"/>	1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock
------------------	----------------------	--

Number of Shares/ Debentures/ Units Transferred	<input type="text"/>	Amount per Share/ Debenture/Unit (in Rs.)	<input type="text"/>
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Ledger Folio of Transferor	<input type="text"/>
----------------------------	----------------------

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

Ledger Folio of Transferee	<input type="text"/>
----------------------------	----------------------

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

**(iv) \*Indebtedness including debentures (Outstanding as at the end of financial year)**

Particulars	Number of units	Nominal value per unit	Total value
Non-convertible debentures	0	0	0
Partly convertible debentures	0	0	0
Fully convertible debentures	0	0	0
Secured Loans (including interest outstanding/accrued but not due for payment) excluding deposits			0
Unsecured Loans (including interest outstanding/accrued but not due for payment) excluding deposits			0
Deposit			0
<b>Total</b>			0

**Details of debentures**

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

**(v) Securities (other than shares and debentures)**

0

Type of Securities	Number of Securities	Nominal Value of each Unit	Total Nominal Value	Paid up Value of each Unit	Total Paid up Value
<b>Total</b>					

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

371,530,501

**(ii) Net worth of the Company**

537,644,449

**VI. (a) \*SHARE HOLDING PATTERN - Promoters**

S. No.	Category	Equity	Preference
--------	----------	--------	------------

		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	6	0	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	42,399,993	100	0	
10.	Others	0	0	0	
	<b>Total</b>	42,399,999	100	0	0

**Total number of shareholders (promoters)**

6

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

S. No.	Category	Equity		Preference	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	1	0	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	

2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	0	0	0	
10.	Others	0	0	0	
	<b>Total</b>	1	0	0	0

**Total number of shareholders (other than promoters)**

1

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

7

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

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

**VIII. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**(A) \*Composition of Board of Directors**

Category	Number of directors at the beginning of the year		Number of directors at the end of the year		Percentage of shares held by directors as at the end of year	
	Executive	Non-executive	Executive	Non-executive	Executive	Non-executive

<b>A. Promoter</b>	0	1	0	1	0	0
<b>B. Non-Promoter</b>	0	2	0	3	0	0
(i) Non-Independent	0	1	0	2	0	0
(ii) Independent	0	1	0	1	0	0
<b>C. Nominee Directors representing</b>	0	0	0	0	0	0
(i) Banks & FIs	0	0	0	0	0	0
(ii) Investing institutions	0	0	0	0	0	0
(iii) Government	0	0	0	0	0	0
(iv) Small share holders	0	0	0	0	0	0
(v) Others	0	0	0	0	0	0
<b>Total</b>	0	3	0	4	0	0

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

7

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

Name	DIN/PAN	Designation	Number of equity share(s) held	Date of cessation (after closure of financial year : If any)
M A M Arunachalam	00202958	Additional director	0	
D Arul Selvan	00010065	Additional director	1	
Shaji Varghese	07781821	Additional director	0	
Ashok Kumar Barat	00492930	Director	0	01/04/2021
A Kavitha	AHZPK1744M	Manager	0	
A Kavitha	AHZPK1744M	CFO	0	
P Sujatha	AQGSP0895K	Company Secretar	0	

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

7

Name	DIN/PAN	Designation at the beginning / during the financial year	Date of appointment/ change in designation/ cessation	Nature of change (Appointment/ Change in designation/ Cessation)
M A M Arunachalam	00202958	Director	28/01/2021	Appointment
D Arul Selvan	00010065	Director	28/01/2021	Appointment
Shaji Varghese	07781821	Director	22/03/2021	Appointment
Arun Alagappan	00291361	Director	15/02/2021	Cessation
Sridharan Rangarajan	01814413	Director	15/02/2021	Cessation
A Kavitha	AHZPK1744M	Manager	28/10/2020	Appointment
Rohit Gangadhar Phadke	AATPP1127E	CEO	03/05/2020	Cessation

## IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS

### A. MEMBERS/CLASS /REQUISITIONED/NCLT/COURT CONVENED MEETINGS

Number of meetings held

1

Type of meeting	Date of meeting	Total Number of Members entitled to attend meeting	Attendance	
			Number of members attended	% of total shareholding
AGM	29/07/2020	7	7	100

### B. BOARD MEETINGS

\*Number of meetings held

4

S. No.	Date of meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	02/06/2020	3	3	100
1	29/07/2020	3	3	100
1	28/10/2020	3	3	100
1	28/01/2021	5	4	80

### C. COMMITTEE MEETINGS

Number of meetings held

5



S. No.	Type of meeting	Date of meeting	Total Number of Members as on the date of the meeting	Attendance	
				Number of members attended	% of attendance
1	Audit Committee	02/06/2020	3	3	100
1	Audit Committee	29/07/2020	3	3	100
1	Audit Committee	28/10/2020	3	3	100
1	Audit Committee	28/01/2021	3	2	66.67
1	Corporate Social Responsibility	02/06/2020	2	2	100

**D. \*ATTENDANCE OF DIRECTORS**

S. No.	Name of the director	Board Meetings			Committee Meetings			Whether attended AGM held on
		Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	
1	M A M Arunachalam	1	1	100	0	0	0	
2	D Arul Selvan	1	1	100	0	0	0	
3	Shaji Varghese	0	0	0	0	0	0	
4		0	0	0	0	0	0	

**X. \*REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Nil

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

1

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/Sweat equity	Others	Total Amount
1	A Kavitha	Manager	3,653,000	0	0	0	3,653,000
	Total		3,653,000	0	0	0	3,653,000

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

2

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/Sweat equity	Others	Total Amount
1	A Kavitha	CFO	3,653,000	0	0	0	3,653,000
2	Rohit Gangadhar Pillai	CEO	1,137,000	0	0	0	1,137,000

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
	Total		4,790,000	0	0	0	4,790,000

Number of other directors whose remuneration details to be entered

3

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1	Askok Kumar Barat	0	0	0	0	160,000	160,000
2	Sridharan Rangaraj	0	0	0	0	130,000	130,000
3	M A M Arunachalan	0	0	0	0	20,000	20,000
	Total		0	0	0	310,000	310,000

#### XI. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES AND DISCLOSURES

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

B. If No, give reasons/observations

#### XII. PENALTY AND PUNISHMENT - DETAILS THEREOF

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

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

(B) DETAILS OF COMPOUNDING OF OFFENCES  Nil

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

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

Yes  No

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

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

Name

R. Sridharan

Whether associate or fellow

Associate  Fellow

Certificate of practice number

3239

#### I/We certify that:

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

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

#### Declaration

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

6

dated

17/05/2018

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

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

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

#### To be digitally signed by

Director

DIN of the director

00010065

#### To be digitally signed by

Company Secretary

Company secretary in practice

Membership number

11547

Certificate of practice number

**Attachments**

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

<b>Attach</b>
<b>Attach</b>
<b>Attach</b>
<b>Attach</b>

**List of attachments**

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<b>Remove attachment</b>
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Modify
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Check Form
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Prescrutiny
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Submit
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**This eForm has been taken on file maintained by the Registrar of Companies through electronic mode and on the basis of statement of correctness given by the company**

**Form No. MGT-8**

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

**CERTIFICATE**

We have examined the registers, records, books and papers of **Cholamandalam Home Finance Limited** (the Company) bearing CIN: U65100TN2000PLC045617 having its Registered office at "Dare House" No.2, NSC Bose Road, Parrys, Chennai - 600001 as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended on 31<sup>st</sup> March, 2021.

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

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

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

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

U65100TN2000PLC045617

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

U65100TN2000PLC045617

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

**For R.SRIDHARAN & ASSOCIATES  
COMPANY SECRETARIES**

**CS R.SRIDHARAN  
CP No.: 3239  
FCS No.: 4775  
UIN : S2003TN063400**

**PLACE : CHENNAI**

**DATE**

**LIST OF SHAREHOLDERS AS ON 31.03.2021**

Sr. No.	Name	Number of Equity shares held	Face value per share (Rs.)	Address
1.	* Mr. M.A. Alagappan	2	10/-	No.17, Chittarajan Road, Chennai-600018
2.	* Mr. A. Vellayan	1	10/-	No.5, Ambadi Road, Kotturpuram, Chennai- 600085
3.	* Mr. M. M. Murugappan	1	10/-	No.12, Boat Club Road, Chennai - 600028
4.	* Mr. M. M. Venkatachalam	1	10/-	No.20/1, Valliammai Achi Road, Kotturpuram, Chennai- 600 028
5.	M/s. Cholamandalam Investment and Finance Company Limited	4,23,99,993	10/-	"Dare House", No.2, N.S.C Bose Road, Parrys, Chennai- 600001
6.	* Mr. D. Arul Selvan	1	10/-	No.3 & 4A, U R Nagar, Near Usha Fire Services, Anna Nagar West Extn, Padi, Chennai – 600 050
7.	* Mr. Arun Alagappan	1	10/-	No.10, Chittaranjan Road, Teynampet, Chennai-600018
	<b>TOTAL</b>	<b>4,24,00,000</b>		

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

For CHOLAMANDALAM HOME FINANCE LIMITED



Company Secretary

**Cholamandalam Home Finance Limited**

(Formerly known as Cholamandalam Distribution Services Limited)

A Subsidiary of Cholamandalam Investment and Finance Company Limited.

Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India.

Tel: 91.44.30007172 | Fax: 91.44.25346464 | CIN – U65100TN2000PLC045617



**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 2021, 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, 2021, its profit 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 Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Information Other than the Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report 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 Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### **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 as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 has been paid / provided by the Company to its directors / manager in accordance with the provisions of Section 197 read with Schedule V to the Act;

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (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: 21221268AAAACN9782

Place of Signature: Chennai

Date: May 6, 2021

**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 Ind AS 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 managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
- (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 Ind AS 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: 21221268AAAACN9782

Place of signature: Chennai

Date: May 6, 2021

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF CHOLAMANDLAM HOME FINANCE LIMITED**

**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, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with



generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2021, 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: 21221268AAAACN9782

Place: Chennai

Date: May 6, 2021



**CHOLAMANDALAM HOME FINANCE LIMITED**  
**(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)**  
**U65100TN2000PLC045617**

**Balance sheet as at March 31, 2021**

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

<b>Particulars</b>	<b>Notes</b>	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant and Equipment	4	485.53	591.30
Intangible Assets	5	164.49	227.45
Intangible Assets Under Development	5	9.28	32.91
<b>Financial Assets</b>			
(a) Investments	6	963.13	597.21
(b) Other Financial Assets	7	5.04	5.04
Deferred Tax Assets (net)	8	422.28	474.68
Other Non-Current Assets	9 & 10	396.76	1,037.35
		<b>2,446.51</b>	<b>2,965.94</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
(a) Trade Receivables	11	500.39	283.69
(b) Cash and Cash Equivalents	12	3,160.75	2,162.44
(c) Other Financial Assets	13	51.45	48.55
Other Current Assets	14	12.91	4.56
		<b>3,725.50</b>	<b>2,499.24</b>
<b>Total Assets</b>		<b>6,172.01</b>	<b>5,465.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	4,240.00	4,240.00
Other Equity	16	1,136.44	578.80
<b>Total Equity</b>		<b>5,376.44</b>	<b>4,818.80</b>
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
- Lease Liabilities	17	228.95	281.50
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Trade Payables			
- Total Outstanding dues of MSME	18	-	-
- Total Outstanding dues of Creditors other than MSME	18	332.39	178.45
(b) Other Financial Liabilities	19	1.32	6.90
(c) Lease Liabilities	17	120.16	101.00
Short Term Provisions	20	3.66	1.83
Other Current Liabilities	21	109.09	76.70
		<b>795.57</b>	<b>646.38</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,172.01</b>	<b>5,465.18</b>

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**

**Aravind K**  
Partner  
Membership No: 221268

**M A M Arunachalam**  
Chairman  
DIN 00202958

**Arul Selvan D**  
Director  
DIN 00010065

Place: Chennai  
Date : 06-May-2021

**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 March 31, 2021**  
*(All amounts are in Lakhs of Indian rupees unless otherwise stated)*

Particulars	Notes	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
<b>Revenue</b>			
Revenue from Contract with Customers	23	3,335.14	3,610.97
Other Income	24	380.16	250.08
<b>Total Income</b>		<b>3,715.30</b>	<b>3,861.05</b>
<b>Expenses</b>			
Employee Benefits Expense	25	51.79	26.84
Deputation Charges		3,019.84	3,274.72
Professional Charges		3.85	35.84
Other Expenses		27.50	264.15
Finance Costs		33.93	30.21
Depreciation and Amortisation Expense	27	316.45	306.68
<b>Total Expense</b>		<b>3,453.36</b>	<b>3,938.44</b>
<b>Profit/ (Loss) Before Tax</b>		<b>261.94</b>	<b>(77.39)</b>
<b>Income Tax</b>			
- Current Year		37.91	17.63
- Deferred Tax (Net)		48.58	(13.16)
MAT Credit Entitlement			
- Prior Years		(2.17)	(11.72)
		<b>84.32</b>	<b>(7.25)</b>
<b>Profit / (Loss) for the year (I)</b>		<b>177.62</b>	<b>(70.14)</b>
<b>Other Comprehensive income</b>			
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods</b>			
Net (loss)/gain in Fair value in Equity Instruments		380.02	(420.02)
Income Tax Effect of above item		-	-
		<b>380.02</b>	<b>(420.02)</b>
<b>Other comprehensive income/(loss) for the year, net of tax (II)</b>		<b>380.02</b>	<b>(420.02)</b>
<b>Total comprehensive income/ (loss) for the year, net of tax (I + II)</b>		<b>557.64</b>	<b>(490.16)</b>
<b>Earnings per Equity Share of Rs. 10 each</b>			
Basic		0.42	(0.17)
Diluted		0.42	(0.17)
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**

**Aravind K**  
Partner  
Membership No: 221268

**M A M Arunachalam**  
Chairman  
DIN 00202958

**Arul Selvan D**  
Director  
DIN 00010065

Place: Chennai  
Date : 06-May-2021

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**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 2021

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

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit Before Tax</b>	<b>261.94</b>	<b>(77.39)</b>
Adjustments for :		
Depreciation on Tangible assets & ROU Assets & Amortisation of Intangible assets	316.45	306.68
Finance Cost	33.93	30.21
Fair Value changes in Investment at FVTPL	(24.41)	130.87
Realised (Profit)/Loss on sale of Financial Instruments	0.58	8.90
Profit on Sale of Current Investments	-	(5.50)
Interest Income	(92.28)	(119.77)
Dividend income	(1.79)	(20.77)
<b>Operating Profit before Working Capital / Other Changes</b>	<b>494.42</b>	<b>253.23</b>
Adjustments for :		
Increase / (Decrease) in Short term provisions	1.83	1.83
Increase / (Decrease) in trade payable and other financial and non financial liabilities	186.33	(154.80)
Decrease / (Increase) in Other financial and current assets (Short term)	38.17	(31.86)
Decrease / (Increase) in trade and other receivables	(216.70)	332.05
<b>Cash Generated From Operations</b>	<b>504.05</b>	<b>400.45</b>
Income tax (Paid)/Refund Received (Net)	556.23	(251.52)
<b>Cash Generated From / (used in) Operations</b>	<b>1,060.28</b>	<b>148.93</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property plant and Equipment and Intangibles (Including Capital work in progress and Intangible assets under development)	(82.31)	(327.84)
Purchase of Current investment	-	(1,500.00)
Proceeds from sale of Current Investment	-	1,525.50
Investments in Inter Corporate Deposits	22,820.00	25,050.00
Proceeds from redemption of Inter Corporate Deposits	(22,820.00)	(25,050.00)
Proceeds from sale of Investment at FVTPL	37.93	89.65
Investment in Non Current Investment	-	(15.84)
Interest Income	92.28	119.77
Dividend income	1.79	20.77
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>49.69</b>	<b>(87.99)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Payments of Lease Liabilities	(111.66)	(76.81)
<b>Net Cash flow from/(used in) Financing Activities</b>	<b>(111.66)</b>	<b>(76.81)</b>
<b>Net Increase/ (decrease) in Cash and Cash Equivalents [A+B+C]</b>	<b>998.31</b>	<b>(15.87)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>2,162.44</b>	<b>2,178.31</b>
<b>Cash and Cash Equivalents as at End of the Year</b>	<b>3,160.75</b>	<b>2,162.44</b>

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

**Aravind K**

Partner

Membership No: 221268

Place: Chennai

Date : 06-May-2021

**For and on behalf of the Board of Directors**

**M A M Arunachalam**

Chairman

DIN 00202958

**Arul Selvan D**

Director

DIN 00010065

**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 March 31, 2021**  
*(All amounts are in Lakhs of Indian rupees unless otherwise stated)*  
**Statement of Changes in Equity for the Year Ended 31 March 2021**

**A. Equity Share Capital**

As at 1st April 2020	<b>4,240</b>
Changes in Equity share Capital	-
As at 31st Mar 2021	<b>4,240</b>

**B Other Equity**

Particulars	Retained Earnings (in Rs.)	Other Comprehensive Income		Total Equity attributable to Equity holders of the Company (in Rs.)
		Changes in Fair Value of Investment (in Rs.)	Re-measurement gains and (losses) on defined benefit obligations (net)	
<b>Balance as on 1st April, 2019</b>	<b>584.58</b>	<b>488.66</b>	<b>(4.28)</b>	<b>1,068.96</b>
Profit for the year	(70.14)	-	-	(70.14)
Changes in Fair Value of Investment at FVTOCI	-	(420.02)	-	(420.02)
Movement of Reserves due to reclassification of Investments from FVTOCI to FVTPL	273.90	(273.90)	-	-
<b>Balance as on 31st March 2020</b>	<b>788.34</b>	<b>(205.26)</b>	<b>(4.28)</b>	<b>578.80</b>
Profit for the year	177.62	-	-	177.62
Changes in Fair Value of Investment at FVTOCI	-	380.02	-	380.02
<b>Balance as on 31st Mar 2021</b>	<b>965.96</b>	<b>174.76</b>	<b>(4.28)</b>	<b>1,136.44</b>

The accompanying notes are an integral part of these financial statements

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Regn No.101049W/E300004

**For and on behalf of the Board of Directors**

**Aravind K**  
Partner  
Membership No: 221268

**M A M Arunachalam**  
Chairman  
DIN 00202958

**Arul Selvan D**  
Director  
DIN 00010065

Place: Chennai  
Date : 06-May-2021

**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 May 06, 2021

## **2. Basis of Preparation**

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

### **2.1 Presentation of financial statements**

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

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

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

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

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

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

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

### **2.2 Impact of COVID-19 Outbreak**

The outbreak of the Coronavirus (Covid-19) has been spreading throughout the world, including India. Government of India has taken significant measures to curb the spread of the virus including imposing mandatory lockdown and restrictions in activities. Consequently, 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, during the first 3 months of the year. These conditions have affected revenues and the results of the Company for the year ended March 31, 2021, although the revenue from the second half of the year have consistently improved due to opening of the economy and various relaxations allowed by the Government. The Company is monitoring the situation closely considering the directives from the Government. Based on the current market and economic conditions the company has, through an evaluation identified that there are no identified items that possibly affect the carrying amounts of the property, plant and equipment, Intangible assets, Deferred Tax Assets, investments, receivables and other current assets and hence are confident of the recovery of the carrying values of such assets and improvement in profitability owing to resumption of normal course of operations.

## **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.

**CHOLAMANDALAM HOME FINANCE LIMITED**  
**(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)**

**Notes Forming Part of the Financial Statements for the year ended March 31, 2021**

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 Intangible assets under development**

The Company capitalises intangible asset under development in relation to a software in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technical feasibility of the software is confirmed, usually when a software development project has reached a defined milestone according to an established information technology model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation from usage of intangible asset and the expected period of benefits.

**3.7 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.

**3.8 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.

**3.9 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

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**3.10 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 the insurance products of the general insurance Company to the other party. The Company satisfies the performance obligation by ensuring underwriting of the insurance policies in the favour of the other party by the Insurance Company. 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.

Contract Balances:

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**3.11 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.

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**3.12 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.

**3.13 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.



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**3.14 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.

**3.15 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.

**3.16 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 rise on the specified date to the cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial assets is measured at FVTOCI if it is held within a business model whose 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.

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**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, 2021

**CHOLAMANDALAM HOME FINANCE LIMITED**

(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)

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**Note 4. Property Plant and Equipment**

Particulars	Computer	Office Equipment	Furniture & Fixtures	Improvement to Lease Hold Premises	Right on use of underlying Asset	Total
<b>Cost</b>						
<b>At 1 April 2019</b>	79.13	30.32	38.60	67.40	-	215.45
Additions	30.06	25.05	30.05	79.27	429.10	593.53
Disposals	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>109.19</b>	<b>55.37</b>	<b>68.65</b>	<b>146.67</b>	<b>429.10</b>	<b>808.98</b>
Additions	0.28	7.42	6.07	13.24	59.09	86.10
Disposals	-	-	-	-	(14.61)	(14.61)
<b>At 31 March 2021</b>	<b>109.47</b>	<b>62.79</b>	<b>74.72</b>	<b>159.91</b>	<b>473.58</b>	<b>880.47</b>
<b>Depreciation &amp; Amortisation</b>						
<b>At 1 April 2019</b>	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	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>44.87</b>	<b>19.34</b>	<b>41.15</b>	<b>43.86</b>	<b>68.46</b>	<b>217.68</b>
Depreciation for the year	33.38	12.50	10.85	28.66	91.87	177.26
Disposals / Written off	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>78.25</b>	<b>31.84</b>	<b>52.00</b>	<b>72.52</b>	<b>160.33</b>	<b>394.94</b>
<b>Net book value</b>						
<b>At 31 March 2021</b>	<b>31.22</b>	<b>30.95</b>	<b>22.72</b>	<b>87.39</b>	<b>313.25</b>	<b>485.53</b>
<b>At 31 March 2020</b>	<b>64.32</b>	<b>36.03</b>	<b>27.50</b>	<b>102.81</b>	<b>360.64</b>	<b>591.30</b>

**Note 5. Intangible Assets**

Computer Software	Intangible Assets Under Development
204.54	26.52
175.81	182.20
-	(175.81)
<b>380.35</b>	<b>32.91</b>
76.23	52.60
-	(76.23)
<b>456.58</b>	<b>9.28</b>
14.18	-
138.72	-
-	-
<b>152.90</b>	<b>-</b>
139.19	-
-	-
<b>292.09</b>	<b>-</b>
<b>164.49</b>	<b>9.28</b>
<b>227.45</b>	<b>32.91</b>

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**Note 6. Financial Assets - Investments**

Particulars	Nominal Value per Unit	Number of Units/Shares		In Rupees	
		As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2021	As at 31-Mar-2020
<b>Investments at Fair Value Through Profit &amp; Loss Statement (FVTPL):</b>					
<b>Unquoted Investments</b>					
21,662 Units (As at March 31, 2020 - 27,263 Units) of Face Value Rs.1,000 each in Faering Capital India Evolving Fund	1,000	21,662	27,263	288.10	302.20
<b>Total FVTPL investments</b>				<b>288.10</b>	<b>302.20</b>
<b>Investments at Fair Value Through Other Comprehensive Income (FVTOCI):</b>					
<b>Quoted Investments - Equity Shares (Fully Paid)</b>					
2,500,100 Equity Shares (As at March 31, 2020 - 2,500,100) of Face Value Rs.10 each in Coromandel Engineering Co. Ltd.	10	25,00,100	25,00,100	675.03	295.01
<b>Total FVTOCI investments</b>				<b>675.03</b>	<b>295.01</b>
<b>Total Investments</b>				<b>963.13</b>	<b>597.21</b>
Investment at fair value through Profit and Loss statement reflect investment in units of the unquoted fund. Investments fair valued through OCI reflect investment in quoted equity securities. Refer Note 35 for determination of fair value.					
i) Investments in India				963.13	597.21
ii) Investments Outside India				-	-
<b>Total Investments</b>				<b>963.13</b>	<b>597.21</b>

During the year the company received Rs. 1.79 Lakhs as dividend from its FVTPL investments which has been recorded as Dividend Income.

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<b>Particulars</b>	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>Note 7. Other Financial Assets - Amortised Cost</b>		
Security Deposits	5.04	5.04
	<b>5.04</b>	<b>5.04</b>
<b>Note 8. Deferred Tax Asset (net)</b>		
	422.28	474.68
	<b>422.28</b>	<b>474.68</b>
-Difference between depreciation as per books of accounts and the Income Tax Act, 1961	37.71	19.60
-Impact of lease liability adjustments	10.02	6.08
<b>Total (A)</b>	<b>47.73</b>	<b>25.68</b>
- Effect of Differential tax on difference between profit as per books as per Income Tax Act, 1961.	389.03	443.15
<b>Total (B)</b>	<b>389.03</b>	<b>443.15</b>
<b>Deferred Tax (A+B)</b>	<b>436.76</b>	<b>468.83</b>
	(14.48)	5.85
Tax effect on Investment Fair Value / Remeasurement of defined benefit obligation		
<b>Deferred Tax Assets (Net)</b>	<b>422.28</b>	<b>474.68</b>
<b>Reconciliation of Deferred tax Asset (Net)</b>		
<b>Opening balance</b>	<b>474.68</b>	<b>467.43</b>
Tax Income/(Expense) during the period recognised in Profit and Loss	(48.58)	13.16
MAT Credit / Utilised	(3.82)	(5.91)
Tax Income/(Expense) during the period recognised in OCI	-	-
Closing balance	<b>422.28</b>	<b>474.68</b>
<b>Note 9. Other Non-Current Assets</b>		
GST input credit	367.70	417.11
Capital Advance	-	2.89
	<b>367.70</b>	<b>420.00</b>
<b>Note 10. Non Current Assets</b>		
Tax Deducted at Source /Advance tax (Net of Provision for Taxation)	29.06	617.35
	<b>29.06</b>	<b>617.35</b>

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<b>Particulars</b>	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>Note 11. Trade Receivables</b>		
<b>Receivable from Others</b>		
Trade Receivables considered good - Unsecured	1.35	0.59
<b>Receivable from Related Parties</b>		
Trade Receivables considered good - Unsecured (Refer Note 34)	499.04	283.10
	<b>500.39</b>	<b>283.69</b>
Out of the Total Trade Receivables, amount outstanding for a period exceeding six months from the date they are due for payment		
Receivable from Others	1.03	0.48
Receivable from Related Parties	-	-
<b>Note 12. Cash and Cash Equivalents</b>		
Cash on hand	0.15	0.15
<b>Balances with banks:</b>		
– On current accounts	259.92	61.26
– On Deposit Account*	2,900.68	2,101.03
	<b>3,160.75</b>	<b>2,162.44</b>
* Above deposits are with original maturity of less than 3 months		
<b>Note 13. Other Financial Assets</b>		
Security Deposits	51.45	48.55
	<b>51.45</b>	<b>48.55</b>
<b>Note 14. Other current assets</b>		
Advances and Claims Recoverable	8.81	0.18
Prepaid expenses	4.10	4.38
	<b>12.91</b>	<b>4.56</b>

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**Note - 15. Equity Share Capital**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
<b>Authorised Capital</b>		
14,25,00,000 Equity Shares of Rs.10 each (14,25,00,000 Equity Shares of Rs.10 each Mar'20)	14,250	14,250
<b>Issued, Subscribed and Paid-up Capital</b>		
42,400,000 Equity Shares of Rs.10/ each	4,240	4,240
	<b>4,240</b>	<b>4,240</b>

**a) The Reconciliation of shares capital is given below:**

	As at 31-Mar-2021	As at 31-Mar-2020
	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	<b>4,24,00,000</b>	<b>4,24,00,000</b>

**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-2021		As at 31-Mar-2020	
	No. of Shares	% against total number 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	100.00%

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<b>Particulars</b>	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>Note 16. Other Equity</b>		
Retained earnings	961.68	784.06
FVOCI reserve	174.76	(205.26)
	<b>1,136.44</b>	<b>578.80</b>

**Nature and Purpose of reserve****16(a) Retained Earnings Movement**

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

<b>Particulars</b>	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
Balance as at the beginning of the year	784.06	580.31
Profit / (Loss) for the year	177.62	(70.15)
Movement of Reserves due to reclassification of Investments from FVTOCI to FVTPL	-	273.90
	<b>961.68</b>	<b>784.06</b>

**16(b) FVTOCI Equity Investments**

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

<b>Particulars</b>	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
Balance at the beginning of the year	(205.26)	488.66
Effect of reclassification of Investments from FVTOCI to FVTPL	-	(273.90)
Fair Valuation of FVTOCI Investments	380.02	(420.02)
<b>Balance at the end of the year</b>	<b>174.76</b>	<b>(205.26)</b>

**Note 17. Other Financial Liabilities**

Lease Liabilities - Current	120.16	101.00
Lease Liabilities - Non Current	228.95	281.50
	<b>349.11</b>	<b>382.50</b>



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<b>Particulars</b>	<b>As at 31-Mar-2021</b>	<b>As at 31-Mar-2020</b>
<b>Note 18.Trade Payables</b>		
-Due to Micro, Small and Medium Enterprises	-	-
- Amount Payable to Related Party (Refer Note 34)	312.88	160.00
- Others	19.51	18.45
	<b>332.39</b>	<b>178.45</b>

**Note:**

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSME as at 31 March 2021 and as at 31 March 2020.

**Note 19. Other Financial Liabilities**

Capital Creditors	1.32	6.90
	<b>1.32</b>	<b>6.90</b>

**Note 20.Short Term Provisions**

Provision for Compensated Absences	1.16	0.83
Provision for Gratuity	2.50	1.00
	<b>3.66</b>	<b>1.83</b>

**Note 21.Other current liabilities**

Statutory liabilities	86.90	54.51
Advances received from Faering Capital	22.19	22.19
	<b>109.09</b>	<b>76.70</b>

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Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
<b>Note 22.Revenue from Contract with Customers</b>		
Commission Income (Also refer Note 33)	3,335.14	3,610.97
	<b>3,335.14</b>	<b>3,610.97</b>
<b>Note 23.Other Income</b>		
Interest Income on:		
- Intercompany Deposits	80.23	94.95
-Fixed Deposits	12.05	24.82
-Income Tax Refund	42.20	-
Profit on Sale of Current Investment	-	5.50
Change in the Fair Value of Investments	24.41	-
Dividend Income from FVTPL Investment	1.79	20.77
Recovery of Other Expenses	219.48	104.04
	<b>380.16</b>	<b>250.08</b>
<b>Note 24.Employee Benefits Expense</b>		
Salaries, Wages and Bonus	48.11	24.63
Contribution to Provident and Other Funds	1.93	1.05
Gratuity Expenses	1.50	1.00
Staff Welfare Expenses	0.26	0.16
	<b>51.80</b>	<b>26.84</b>
<b>Note 25.Other Expense</b>		
Repairs and maintenance	0.08	0.48
Insurance	6.51	7.23
Rates and Taxes	5.61	79.94
Travelling and Conveyance	0.24	0.25
Communication	0.41	0.52
Printing and Stationery	0.08	0.10
Staff Training Expenses	-	0.02
Electricity Expense	-	0.41
Payments to Auditors:		
Audit fee	6.00	6.00
Tax audit fee	0.75	0.75
Other Services	2.25	2.00
Out of Pocket Expenses	0.20	0.20
Other Certification	0.80	0.80
Fair Value of Equity Instruments	-	130.87
Loss on sale of Investment	0.58	8.90
Information Technology Expenses	0.79	22.15
Other Expenses	3.20	3.53
	<b>27.50</b>	<b>264.15</b>
<b>Note 26.Depreciation and Amortization Expense</b>		
Depreciation of tangible assets	85.39	99.50
Amortisation of intangible assets	139.19	138.72
Depreciation of right to use asset	91.87	68.46
	<b>316.45</b>	<b>306.68</b>
<b>Note 27.Other Comprehensive Income</b>		
Fair Value of Equity Instruments		
(i)Unrealised Gain/(Loss)	380.02	(420.02)
<b>Total</b>	<b>380.02</b>	<b>(420.02)</b>

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**Note 28. Significant accounting judgements, estimates and assumptions**

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

**Judgements**

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

**Estimates and assumptions**

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

**Impairment of Non Financial Assets**

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

**Deferred 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 35 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 30 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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Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
<b>Note 29. Tax Expense</b>		
<b>Profit/Loss Section</b>		
Current Tax	37.91	17.63
Adjustments for Current tax of prior period	-	-
<b>Total</b>	<b>37.91</b>	<b>17.63</b>
Deferred Tax (Net)	48.58	(13.16)
MAT Credit Adjustments		
- Current Year	-	-
- Prior Years	(2.17)	(11.72)
<b>Total</b>	<b>46.41</b>	<b>(24.88)</b>
<b>Income Tax expense reported in the statement of profit and loss</b>	<b>84.32</b>	<b>(7.25)</b>
<b>Other Comprehensive Income (OCI) section</b>		
Remeasurement of Fair value in Equity Instruments	-	-
<b>Income tax Charged in OCI</b>	<b>-</b>	<b>-</b>

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

Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
<b>Profit/(Loss) before Income Tax Expense</b>	<b>262.00</b>	<b>(77.00)</b>
<b>Profit before income tax multiplied by applicable tax rate of 27.82% (26% FY 19-20) (A)</b>	<b>72.87</b>	<b>(20.12)</b>
1. MAT Credit	(2.17)	(11.72)
2. Effect of Taxes on items of income at differential rate and related set-off adjustments	11.88	3.79
3. Effect of expenses which are not allowable in nature for Income Tax	0.70	20.87
4. Effect of Dividend Income	-	(5.40)
5. Others	1.04	5.33
<b>Total</b>	<b>84.32</b>	<b>(7.25)</b>

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**Note 30. 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.

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

**(i) Movement in the carrying value of the Right to Use Asset for the period ended March 31, 2021**

<u>Particulars</u>	<u>Year Ended</u> <u>31-Mar-2021</u>	<u>Year Ended</u> <u>31-Mar-2020</u>
Opening Balance	360.64	220.77
Additions during the Period	59.09	208.33
Adjustment/Deletion	(14.61)	-
Depreciation charge for the Period	(91.87)	(68.46)
<b>Closing Balance</b>	<b>313.25</b>	<b>360.64</b>

**(ii) Classification of current and non current liabilities of the lease liabilities as at March 31, 2021**

<u>Particulars</u>	<u>Year Ended</u> <u>31-Mar-2021</u>	<u>Year Ended</u> <u>31-Mar-2020</u>
Current liabilities	120.16	101.00
Non Current Liabilities	228.95	281.50
<b>Total Lease liabilities</b>	<b>349.11</b>	<b>382.50</b>

**(iii) Movement in the carrying value of the Lease Liability for the period ended March 31, 2021**

<u>Particulars</u>	<u>Year Ended</u> <u>31-Mar-2021</u>	<u>Year Ended</u> <u>31-Mar-2020</u>
Opening Balance	382.50	220.77
Additions during the year	59.09	208.33
Interest Expense	33.93	30.21
Adjustment/Deletion	(14.75)	-
Lease Payments [Total Cash Outflow]	(111.66)	(76.81)
<b>Closing Balance</b>	<b>349.11</b>	<b>382.50</b>

**(iv) Contractual Maturities of Lease liability outstanding as at March 31, 2021**

<u>Particulars</u>	<u>Year Ended</u> <u>31-Mar-2021</u>	<u>Year Ended</u> <u>31-Mar-2020</u>
Less than one year	121.06	106.01
One to five Years	282.65	353.65
More than Five years	-	-
<b>Total</b>	<b>403.71</b>	<b>459.66</b>

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

Depreciation charge for the Period	91.87	68.46
Interest expense on Lease Liabilities	33.93	30.21
Income from Right-of-use assets (Included in Other Income - recovery of Other expenses)	(107.30)	(75.97)
<b>Total</b>	<b>18.50</b>	<b>22.70</b>

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 28).

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**Note 31. 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.

<b>Particulars</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Profit after tax</b>	177.62	(70.14)
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	0.42	(0.17)
- Diluted	0.42	(0.17)

**Note 32. 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 .

<b>Customers contributing to revenue more than 10%</b>		
<b>Particulars</b>	<b>Year Ended 31- March-2021</b>	<b>Year Ended 31- March-2020</b>
Cholamandalam MS General Insurance Company Limited	3,325.99	3,604.33

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**33 Revenue from Contracts with Customers**

**(a) Services**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<u>Type of Services</u>		
Commission income	3,335.14	3,610.97
<b>Total Revenue from contracts with customers</b>	<b>3,335.14</b>	<b>3,610.97</b>

Timing of Revenue Recognition:

Services transferred at a point in time	3,335.14	3,610.97
<b>Total Revenue from contracts with customers</b>	<b>3,335.14</b>	<b>3,610.97</b>

**(b) Contract Balances**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Trade Receivables	500.39	283.69

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

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**Note 34 - Related Party Disclosures**

**Related Parties under IND AS 24**

<b>Ultimate Holding Company</b> (Entity having significant influence over the Holding Company)	Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)
<b>Entity having significant influence over Ultimate Holding Company</b>	Ambadi Investments Limited
<b>Holding Company</b>	Cholamandalam Investment and Finance Company Limited
<b>Fellow Subsidiaries</b>	(i) Cholamandalam MS General Insurance Company Limited (ii) Parry Enterprises India Limited (iii) Cholamandalam Securities Limited (iv) Parry Agro Enterprises India Limited
<b>Associate of Holding Company</b>	(i) White Data System India Private Limited (ii) Vishwakarma Payments Private Limited (from March '21)
<b>Joint Venture of Ultimate Holding Company</b>	Cholamandalam MS Risk Services Limited
<b>Key Managerial Personnel</b>	(i) Kavitha A - Chief Finance Officer and Manager (ii) M A M Arunachalam - Director (From January 28, 2021) (iii) Arul Selvan D - Director (From January 28,2021) (iv) Sridharan Rangarajan - Director (upto February 15, 2021) (v) Ashok Kumar Barat - Independent Director (upto April 1, 2021) (vi) Sasikala Varadachari - Independent Director (upto March 25, 2020) (vii) Sujatha P - Company Secretary (viii) Rohit Phadke - Chief Executive Officer (upto May 3, 2020)

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

**A. Details of Related Party Transactions**

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

Particulars	Related Party	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Interest Income	Cholamandalam Investment and Finance Company Limited	80.23	94.95
Commission Income	Cholamandalam MS General Insurance Company Limited	3,325.99	3,604.33
Rent Recovery	Cholamandalam Investment and Finance Company Limited	107.30	75.96
Recovery of Other Expenses	Cholamandalam Investment and Finance Company Limited	132.97	65.09
<b>Expenditure</b>			
Insurance Premium Paid	Cholamandalam MS General Insurance Company Limited	0.42	0.44
Reimbursement of Expenses	Cholamandalam Investment and Finance Company Limited	3,003.57	3,255.90
	Cholamandalam Securities Limited	-	-
<b>Others</b>			
Advances / Deposits Given#	Cholamandalam Investment and Finance Company Limited	22,820.00	25,050.00
Advances / Deposits Recovered#	Cholamandalam Investment and Finance Company Limited	22,820.00	25,050.00
<b>Assets</b>			
Trade Receivable	Cholamandalam Investment and Finance Company Limited	98.92	49.27
	Cholamandalam MS General Insurance Company Limited	400.11	233.82
<b>Liabilities</b>			
Trade Payable	Cholamandalam Investment and Finance Company Limited	312.88	160.00

#During the current year, the company has lent Inter corporate deposit loans amounting to Rs. 22,820 Lakhs (Previous year Rs.25,050 Lakhs) and received back the entire deposit to the tune of Rs.22,820 Lakhs (Previous year -Rs.25,050 Lakhs) from Cholamandalam Investment and Finance Company Limited. The loan is intended for general working capital purpose and has been utilised for the same.



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**Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2021**

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**B.Key Managerial Personnel**

**Sitting Fees Paid**

Particulars	Year ended March 31,2021	Year ended March 31,2020
Sasikala Varadachari	-	0.75
Ashok Kumar Barat	1.60	1.35
Sridharan Rangarajan	1.30	1.00
M A M Arunachalam	0.20	-

Particulars	Year ended March 31,2021	Year ended March 31,2020
Key Managerial Personnel Remuneration		
Rohit Phadke Chief Executive Officer (Till 03-May-2020)	11.37	166.33
Sujatha P *	-	-
Kavitha A Chief Financial Officer (From 28-Apr-2019)	36.53	35.72

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

**Note A : Breakup of Employee benefit compensation :**

Particulars	Year ended March 31,2021	Year ended March 31,2020
Short term benefits	47.90	202.05
Post employment benefits	-	-
Other Long term benefits	-	-
Termination Benefits	-	-
Share - based payments	-	-
	<b>47.90</b>	<b>202.05</b>

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**Note 35. Fair Value Measurements**

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

Particulars	Carrying Value		Fair Value	
	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
<b>Financial assets</b>				
(i) Investments	963.13	597.21	963.13	597.21
(ii) Trade receivables	500.39	283.69	500.39	283.69
(iii) Cash and Cash Equivalents	3,160.75	2,162.44	3,160.75	2,162.44
(iv) Other financial assets	56.49	53.59	56.49	53.59
<b>Financial Assets</b>	<b>4,680.76</b>	<b>3,096.93</b>	<b>4,680.76</b>	<b>3,096.93</b>
<b>Financial liabilities</b>				
(i) Trade Payables	332.39	178.45	332.39	178.45
(ii) Other Financial Liabilities	1.31	6.89	1.31	6.89
(iii) Lease Liability	349.11	382.50	349.11	382.50
<b>Total Financial Liabilities</b>	<b>682.81</b>	<b>567.84</b>	<b>682.81</b>	<b>567.84</b>

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.

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-2021	Year Ended 31-Mar-2020		
Asset measured at fair value:				
- 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
- FVTPL Equity Investments Unquoted Investments	288.10		Level 3	As per valuation report*
- FVOCI Equity Investments Quoted Investments	675.03		Level 1	Quoted bid price in an active market

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

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**Note 36. 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.

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

**36.1 Market Risk**

Market Risk is the risk of the future earnings, in realisable fair values or in future cash flows that may result from a change in the 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.

**36.2 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 review and approve all long term investment decisions.

**36.3 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.

**36.3.1 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.

**36.3.2 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.

**36.4 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.

**CHOLAMANDALAM HOME FINANCE LIMITED****(Formerly known as CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED)****Notes Forming Part of the Financial Statements for the Year Ended Mar 31, 2021***(All amounts are in Lakhs of Indian rupees unless otherwise stated)***Note 37. Analysis of Financial Liabilities by remaining contractual maturities****As at 31st March 2021**

<b>Particulars</b>	<b>Upto 1 month</b>	<b>1 to 3 months</b>	<b>3 to 12 months</b>	<b>&gt; 1 Year</b>	<b>Total</b>
<b>Financial liabilities</b>					
(i) Trade Payables	332.39	-	-	-	332.39
(ii) Other Financial Liabilities	-	-	1.31	-	1.31
(iii) Lease Liabilities	9.78	19.60	91.67	282.66	403.71
<b>Total Financial Liabilities</b>	<b>342.17</b>	<b>19.60</b>	<b>92.98</b>	<b>282.66</b>	<b>737.41</b>

**As at 31st March 2020**

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

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Particulars	Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
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**Note 38. Contingent Liabilities & Capital Commitments**

**(i) Claims against the Company not acknowledged as debts**

Income tax matters	-	-
Service tax matters	-	-

**(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for:**

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
<b>I. Contingent Liabilities</b>	-	-
<b>II. Commitments</b>		
Information Technology Related	-	24.68
	-	<b>24.68</b>

**Note 39: Summary of Financial assets and liabilities which are recognised at amortised cost**

Particulars	March 31, 2021	March 31, 2020
<b>Financial assets</b>		
(i) Trade receivables	500.39	283.69
(ii) Cash and Cash Equivalents	3,160.75	2,162.44
(iii) Other financial assets	56.49	53.59
<b>Total Financial Assets</b>	<b>3,717.63</b>	<b>2,499.72</b>
<b>Financial liabilities</b>		
(i) Trade Payables	332.39	178.45
(ii) Other Financial Liabilities	1.31	6.89
<b>Total Financial Liabilities</b>	<b>333.70</b>	<b>185.34</b>

**Note 40. 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-2021	As at 31-Mar-2020
Profit Before Tax	261.94	(77.39)
Less: Finance Income	134.48	119.77
Add: Finance costs	33.93	30.21
<b>Earning Before Net Interest and Tax</b>	<b>161.39</b>	<b>(166.95)</b>
Equity	4,240.00	4,240.00
Other Equity	1,136.44	578.80
<b>Capital Employed</b>	<b>5,376.44</b>	<b>4,818.80</b>
<b>Return of Capital Employed</b>	<b>3.00</b>	<b>(3.46)</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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

**Note 41.**

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

**Note 42. Events after reporting date**

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

**Note 43. 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

**For and on behalf of the Board of Directors**

**Aravind K**  
Partner  
Membership No: 221268

**M A M Arunachalam**  
Chairman  
DIN 00202958

**Arul Selvan D**  
Director  
DIN 00010065

Place: Chennai  
Date : 06-May-2021

**Kavitha A**  
Chief Financial Officer

**P.Sujatha**  
Company Secretary