



Cholamandalam Financial Holdings Limited

Annual Report 2019-20

Murugappa Group

Founded in 1900, the INR 381 Billion (₹38,105 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthy Gears Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthy Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 51,000 employees.

For more details, visit www.murugappa.com

The Spirit of the Murugappa Group

The light of
INTEGRITY
that gives us the courage to
always do the right thing

The light of
RESPONSIBILITY
that gives us the humility to
think about the world around us

The light of
PASZION
that provides us with
the desire to win

The light of
RESPECT
that inspires people
around us to perform

The light of
QUALITY
which makes us
dream of excellence

These **five lights** guide us as we navigate through professional and personal decisions.



CONTENTS

CORPORATE OVERVIEW

Corporate Information	01
Chairman's Message	03
Board of Directors	04

MANAGEMENT REPORTS

Board's Report & Management Discussion and Analysis	08
Report on Corporate Governance	19
General Shareholder Information	32
Business Responsibility Report	54

FINANCIAL STATEMENTS

Standalone Financial Statements	60
Consolidated Financial Statements	106

CORPORATE INFORMATION

BOARD OF DIRECTORS

M M Murugappan
 Ashok Kumar Barat
 B Ramaratnam
 Vasudha Sundararaman
 Sridharan Rangarajan
 V Ravichandran

MANAGER & CHIEF FINANCIAL OFFICER

N Ganesh

SECRETARY

E Krithika

AUDITORS

M/s. S.R. Batliboi & Associates LLP
 Chartered Accountants
 6th Floor - 'A' Block, Tidel Park, No. 4,
 Rajiv Gandhi Salai, Taramani, Chennai - 600 113

REGISTERED OFFICE

'Dare House', No. 234, NSC Bose Road,
 Chennai 600 001, Tamil Nadu
 Phone: 044-42177770-5; Fax: 044-42110404
 E-mail : investorservices@cfhl.murugappa.com
 Website: www.cholafhl.com

CORPORATE IDENTIFICATION NUMBER

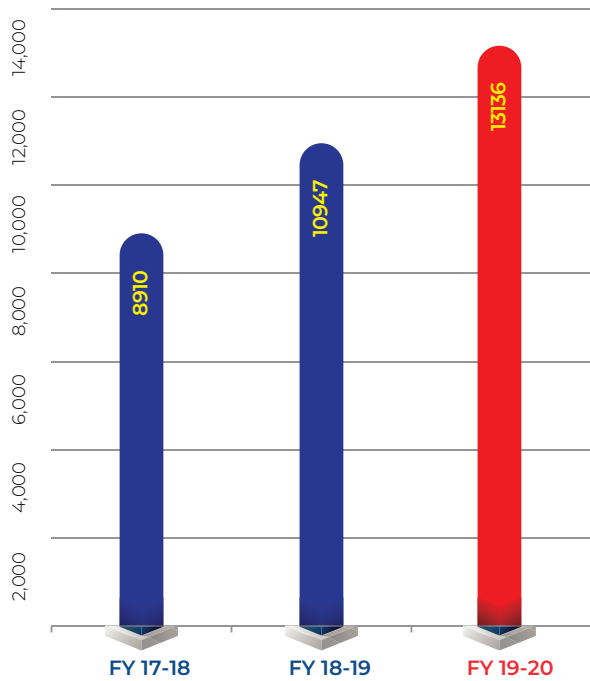
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REGISTRAR & SHARE TRANSFER AGENT

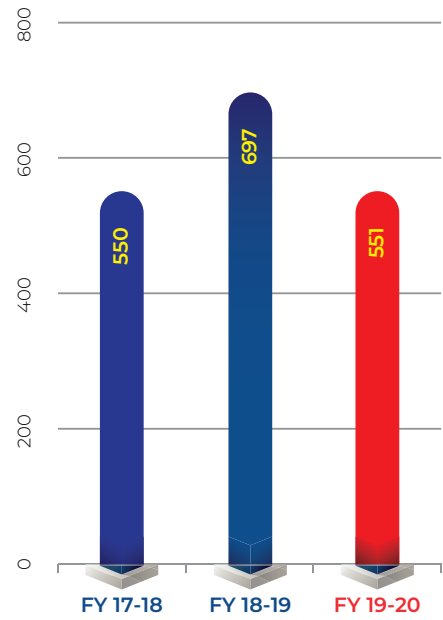
KFin Technologies Private Limited
 Karvy Selenium Tower B, Plot 31-32,
 Financial District, Gachibowli,
 Hyderabad - 500 032, Telangana
 Phone : 040-67161514; Fax: 040-23420814
 Toll free : 1800-345-4001
 E-mail : einward.ris@kfintech.com
 Website : <https://karisma.kfintech.com/>

KEY FINANCIAL HIGHLIGHTS-CONSOLIDATED

REVENUE (₹ in Crore)



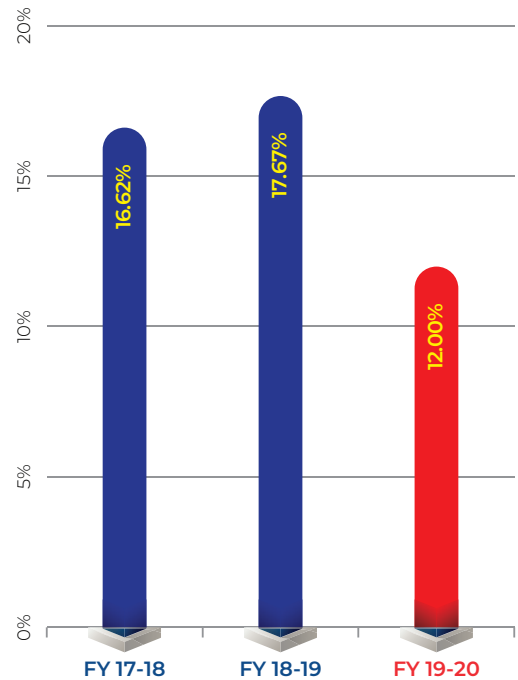
PROFIT AFTER TAX (₹ in Crore)



NETWORTH (₹ in Crore)



RETURN ON EQUITY (in %)





CHAIRMAN'S MESSAGE



Dear Shareholders,

Financial Year 2019-20 (FY 20) has been a challenging year for the domestic economy. India started witnessing economic slow-down in the latter part of FY 19, with three of the four growth engines-private consumption, private investment and exports slowing down significantly, accentuated by liquidity constraints in the financial services sector. This continued into FY 20 and for the first time in several years, India's GDP grew below 6% in all the four quarters of the year and adding to pressures on an already slowing economy, came COVID-19 in March 2020.

Amidst these difficult environment, your Company recorded a consolidated income of ₹13,135 Crore and achieved a profit of ₹1,165 Crore. Earlier your Company had applied to the Reserve Bank of India (RBI) for registration as a Core Investment Company (CIC). It gives me immense pleasure to inform you that Cholamandalam Financial Holdings (CFHL) has now been licensed as a NBFC-CIC-ND-SI (Non-Banking Financial Company – Core Investment Company – Non-Deposit taking – Systematically Important). During the year under review, your Company infused an additional capital of ₹300 Crore to augment capital adequacy requirement of its NBFC segment, Cholamandalam Investment and Finance Company (CIFCL).

I shall now give you a brief insight into the performance of CFHL's major investee companies during the FY 20.

NBFCs and its allied sectors witnessed a tight liquidity situation which, to some extent has been alleviated through measures taken by the RBI by way of announcement of LTRO, moratorium for payment of dues etc. Despite these external factors, CIFCL has displayed commendable tenacity in the face of adversity. CIFCL's profit after tax grew by 17% in FY 20 before considering one time provision for COVID-19 related contingencies. To further strengthen its capital adequacy, the Company raised ₹1,200 Crore capital through a Qualified Institutional Placement for ₹900 Crore and a preferential allotment for ₹300 Crore. The Company also raised funds for the first time through an issue of 'Masala bonds' of ₹400 Crore. CIFCL's liquidity position as at end March 2020 was stable, sufficient enough to meet its near term commitments. On the business front, disbursements in Vehicle Finance division was impacted predominantly due to

significant decline in the automotive sales across all product categories. However, the business to a large extent was able to offset year on year de-growth in traditional segments through higher disbursements in Passenger Vehicles and Two-Wheeler segments. While the affordable Home Loans business continued to increase its disbursements over the previous year, the Home Equity business witnessed a muted growth in line with the industry trends.

General insurance industry reported gross written premium (GWP) of ₹1,604 billion in FY 20, a growth of 9.5% over the previous year. Cholamandalam MS General Insurance (Chola MS) retains its market share of 3.1% after adjustment for crop insurance premium, which the Company did not participate and achieved a GWP of ₹4,824 Crore (under IND-AS) during the year in line with the industry growth trajectory. The Company continued to expand its network with bancassurance partners and OEMS and secured new linkages with leading PSUs during the FY 20. Despite a general slow down in the last quarter of the year, Chola MS continued to make an underwriting surplus in most lines of its businesses except Motor Third Party, Travel and weather insurance. In the context of investment portfolio, Chola MS adopted prudent strategies and deployed funds largely in Government securities and pared down exposures to corporate bonds.

Cholamandalam MS Risk Services, offering risk management solutions, strengthened its Order book during the year by bagging few long term contracts in domestic as well as in overseas. A host of new services such as contractor incubation centre, studies on soil & ground water contamination and remediation plant were introduced during the year. The business also partnered with digital developers to introduce EHS digital products and explore introducing AI integrated studies into the market.

Off late, digital transformation has become part of a successful business strategy rather than just technology. Adapting and adopting to digital is the need of the hour in the present environment. Staying in sync with the current trend, the financial services companies, CIFCL and Chola MS, have implemented various IT and digital initiatives to offer financial solutions in a more accessible way to customers and enhance internal business processes.

Mrs. Shubhalakshmi Panse, Independent Director resigned from the Board in November 2019. The Board is thankful to Mrs. Panse for her contribution as a Board member, a Chairperson of the Audit Committee and a member of the Nomination & Remuneration Committee. On behalf of the Board, I welcome Mrs. Vasudha Sundararaman inducted on the Board as an independent director in February 2020.

While the immediate term may look a little stressed, I am confident that economic activities will pick up from the second half of FY 21 as the nation-wide lockdown is gradually eased. However, a lot will depend on containing the spread of COVID-19 at the earliest. In alignment with the Group's values, CFHL through its investee companies shall continue to deliver quality services with high responsibility to its respected customers with utmost passion and integrity.

I thank all employees of the Company and its subsidiary / associate / JV companies for their sincere efforts and contribution during a rather challenging year. I also take this opportunity to express my gratitude to all the stakeholders, customers, business partners and vendors for their trust, unconditional faith and support reposed on us.

Best Wishes
M M Murugappan

BOARD OF DIRECTORS



Mr. M M Murugappan

(64 years)

DIN: 00170478

**Chairman &
Non-Executive Director**

- ◆ Is the Executive Chairman of Murugappa Corporate Advisory Board;
- ◆ Holds a Bachelor's degree in Chemical Engineering from the AC College of Technology, University of Madras, India and a Master of Science Degree in Chemical Engineering from the University of Michigan, Ann Arbor, Michigan, USA;
- ◆ Has over 41 years of experience in diverse areas including strategy & business development, technology and human resources;
- ◆ Is the Non-Executive Chairman of Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Tube Investments of India Ltd. and Carborundum Universal Ltd.
- ◆ Is a Non-Executive Director on the boards of Mahindra & Mahindra Ltd. and Cyient Ltd.
- ◆ Served on the Board of Governors of IIT Madras, for six years till November 2011 and has enabled many industry academic partnerships. Now serves on the board of the IIT-Madras Research Park and is a mentor to many companies incubated there;
- ◆ Is a trustee of the Group's AMM Foundation, actively involved in the development of various citizenship initiatives, particularly in education, health care, performing arts and sports;
- ◆ Has been a Non-Executive Director of the Company since 11th November, 2017. Prior to that he had served the Board of the Company as a Non-Executive Director from March, 2002 till July, 2017.

- ◆ Graduate in Commerce, a Fellow member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India and CPA (Australia). Is a certified Mediator empaneled with the Ministry of Corporate Affairs, Government of India;
- ◆ Has long and distinguished executive career in the corporate sector until retirement in 2016 as the Managing Director and Chief Executive Officer of Forbes & Company Limited. Has held leadership positions in various Indian and multinational organizations, both in India and overseas - Hindustan Lever Ltd., RPG Group, Pepsi, Electrolux, Telstra and Heinz;
- ◆ Mentors budding entrepreneurs and advises companies on strategy, performance improvement and governance initiatives;
- ◆ Is a director on the Board's of DCB Bank Ltd., Mahindra Intertrade Ltd., Bata Ltd., Huhtamaki PPL Ltd. and Wacker Metroark Chemicals Private Ltd. (a subsidiary of Wacker Chemie AG). Is the member of Managing Committee of ASSOCHAM and President of The Council of EU Chambers of Commerce in India;
- ◆ Was a past President of the Bombay Chamber of Commerce and Industry;
- ◆ Joined the Company's Board on 1st August, 2018.



Mr. Ashok Kumar Barat

(63 years)

DIN: 00492930

Independent Director



Mr. B Ramaratnam

(65 years)

DIN: 07525213

Independent Director

- ◆ Graduated from the University of Mumbai and is a member of the Institute of Chartered Accountants of India;
- ◆ Has experience in the areas of statutory and internal audit, due diligence, SOX compliance and other professional services;
- ◆ Has worked for PricewaterhouseCoopers, A. F. Ferguson and Deloitte Haskins & Sells where he was a partner till 2015;
- ◆ During his long career, has serviced national and multinational clients from diverse sectors such as manufacturing, trading, software, time-share, real estate, financial services, pharma, engineering, construction, services etc.
- ◆ Is a Board member of Redington (India) Ltd.
- ◆ Joined the Company's Board on 18th March, 2019.



BOARD OF DIRECTORS



Ms. Vasudha Sundararaman

(62 years)
DIN: 06609400
Independent Director

- ◆ Is a B.Sc (Zoology) graduate from Stella Maris College, Chennai, M.Sc (Zoology) from Madras University and a Certified Associate of Indian Institute of Bankers;
- ◆ Joined State Bank of India as a probationary officer in 1981 in Delhi and retired in November 2017 as Chief General Manager;
- ◆ Has lengthy experience in grass-root, retail aspects of banking for close to 20 years as Branch Head, Head of Personal Banking Division, NRI Division and retail processing;
- ◆ Was actively involved in implementation of various projects of the bank aimed at impacting the employees and individual customers of the Bank;
- ◆ Has served as the Managing Director and Chief Executive Officer of a subsidiary company of SBI for more than 4 years;
- ◆ Was appointed as an additional director on the Company's Board on 12th February, 2020.

- ◆ Graduate in Commerce from the Madurai University, a fellow member of the Institute of Chartered Accountants of India, a graduate member of the Institute of Cost and Works Accountants of India and a certified Six Sigma 'Green Belt', trained 'Process Champion' and 'Black Belt';
- ◆ Is the Chief Financial Officer of Murugappa Group;
- ◆ Prior to joining the Group, has worked in Timken India Ltd., Trance Inc., METITO, LG Electronics, IDBI Bank Ltd. and ABB Group;
- ◆ Has over 30 years of experience in finance, manufacturing, service & distribution, banking and contracting industries;
- ◆ Is a director on the Boards of various companies including Cholamandalam MS General Insurance Company Ltd., Cholamandalam Home Finance Ltd., Cholamandalam MS Risk Services Ltd. and Net Access India Ltd.
- ◆ Joined the Company's Board on 30th August, 2018.



Mr. Sridharan Rangarajan

(54 years)
DIN: 01814413
Non-Executive Director



Mr. V Ravichandran

(63 years)
DIN: 00110086
Non-Executive Director

- ◆ Is an Engineering graduate, a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, a qualified Cost Accountant and a Company Secretary;
- ◆ Has over three decades of experience in the fields of finance and marketing and was the Whole-time / Managing Director of Coromandel International Ltd. from 2004 to 2010;
- ◆ Having served Ashok Leyland early in his career joined Murugappa Group and is the Lead Director of fertilizer and sugar business of the Group;
- ◆ Is the Chairman of E.I.D. - Parry (India) Ltd. and Vice Chairman of Coromandel International Ltd.
- ◆ Is a Board member of Parry Sugars Refinery India Private Ltd.
- ◆ Joined the Company's Board on 18th March, 2019.

PERFORMANCE HIGHLIGHTS FY 20 - SUBSIDIARY / ASSOCIATE

Cholamandalam Investment and Finance Company Limited

Key Performance Indicators

Total
Disbursements
₹29091 Crore

Business
Assets under
Management (net)
₹60549 Crore

Total Income
₹8653 Crore

Profit Before
Tax
₹1586 Crore

Loan Losses
& Provisions
1.50%

Capital
Adequacy Ratio
20.7%

Key Highlights

- ❖ Largest equity raise of ₹1200 Crore through QIP and Preferential Allotment
- ❖ First INR denominated Tier II Masala Bonds of ₹400 Crore
- ❖ Implemented 150 Kaizen projects to improve productivity in processing
- ❖ Highest ever quantum of Securitisation and Direct assignment of assets
- ❖ Implemented Automation & Digital drives
- ❖ More than 14 Lakh customers and 26000 employees
- ❖ 1091 branches across 29 States / Union Territories



VEHICLE FINANCE



HOME EQUITY



HOME LOANS



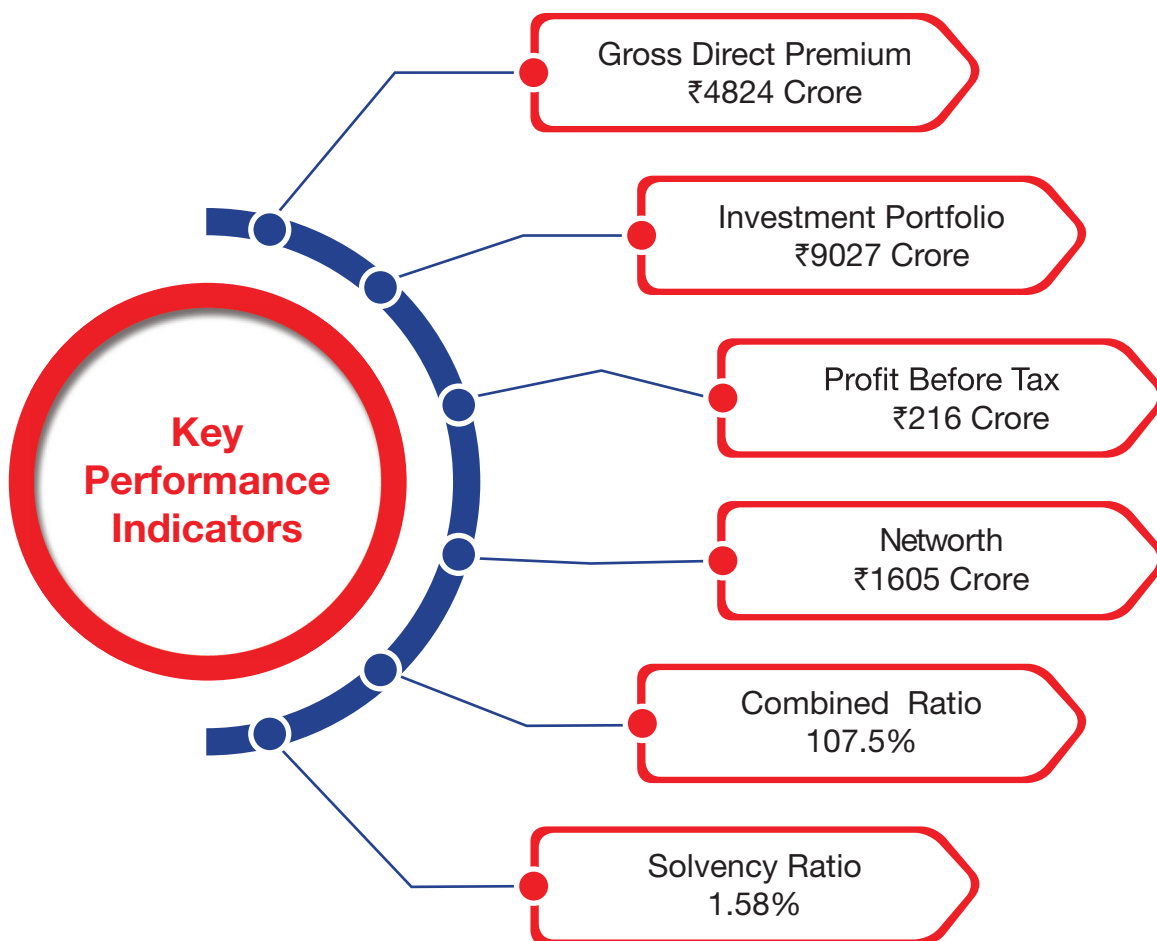
SME LOANS



CHOLA WEALTH
Let's Grow Together



Cholamandalam MS General Insurance Company Limited*



Key Highlights

- ❖ Fire Business from PSU Banks crossed ₹100 Crore mark
- ❖ Services one of the biggest PSU Bank Network of about 37000 branches
- ❖ Enabled Live Video Streaming for customers
- ❖ Sold more than 45 Lakh policies
- ❖ More than 141 Lakh customers



*Figures under Ind-AS

Board's Report & Management Discussion and Analysis

Dear Shareholders,

The Directors take pleasure in presenting the 71st Annual Report together with the audited financial statements of the Company for the year ended March 31, 2020.

COMPANY OVERVIEW

Cholamandalam Financial Holdings Limited ('CFHL') is the holding company for the financial services and risk management businesses of the Murugappa Group. CFHL is registered as a Non-Deposit taking Systemically Important Core Investment Company ('CIC') pursuant to a certificate of registration dated January 6, 2020 issued by the Reserve Bank of India (RBI) under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARE CAPITAL

The Company's paid up equity share capital as on March 31, 2020 was ₹18.77 Crore. During the year 23,796 equity shares were allotted upon exercise of vested stock options by the eligible option grantees under the Company's Employees Stock Option Schemes 2007 and 2016.

MACRO ECONOMIC ENVIRONMENT

Indian economy had shown clear signs of slowing down even before the onset of the pandemic. The country's GDP grew by 4.2% in the FY 19-20 with a moderate growth of 4.8% in the first half year. A weak consumer demand, slow private investment and tight credit conditions in the financial sectors were some of the key factors for the decelerated growth during the year. Reforms undertaken by the government to revamp the financial sector, address the NBFC crisis, reduce the stress in the real estate sector and speed up the resolution under Insolvency and Bankruptcy Code (IBC) had a marginal impact during the second half year. However, GDP growth tapered significantly to 3.1% in the fourth quarter due to the outbreak of coronavirus pandemic and the resultant nationwide lock down.

Globally, the weaker-than-expected performance reflected a marked slowdown amongst some of the developing economies. The slowdown partly reflects global factors such as softened demands, political instability and impacts due to extreme weather events. Few major economies witnessed a dampened growth during the year due to contraction in global trade and manufacturing activities. International trade disputes resulted in uncertainty and strained global trade which

further led to a decline in most commodity prices. Financial market improved towards the end of the fiscal year with the easing of trade tensions. However, the outbreak of COVID-19 in the beginning of the year 2020 has sent shock waves across global equity markets. The pandemic paralyzed activities in most of the countries. Financial sector volatility has exploded to levels last seen during the global financial crisis. With the continuing unprecedented situation, a probability exists that major parts of the global economy could slip into recession.

In India, adverse impact is manifested in most of the businesses due to supply disruptions, fall in consumption demand and stress on the banking and financial sectors. India's GDP growth for FY 20-21 is estimated to reduce significantly as compared to pre-covid projection of around 5%. Several important relief measures and stimulus packages announced by the government is expected to contain the economic impact of COVID-19.

BUSINESS ENVIRONMENT

CFHL earns revenue predominantly by way of dividend income from investments held in subsidiary and other group companies. An overview of the financial service sector in which the company operates along with a business update of these companies during FY 19-20 is summarised in the following paragraphs.

NBFC Industry & Business Update

India's financial sector is a highly diversified one comprising commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The sector is predominantly driven by banking and non-banking financial companies ('NBFCs'). Over the past few years NBFCs have emerged as important financial intermediaries, particularly for the small-scale and retail sectors in underserved areas and unbanked sectors. The sector turned out to be growth engines in an environment where significant importance is assigned to financial inclusion and have aided the economy in employment generation and wealth creation by making credit available to the rural segment. However, in recent times the sector is becoming a weaker segment in Indian financial system.



During FY 19-20 the sector continues to witness liquidity challenges which led to certain NBFCs experience stress in their loan books as evidenced by the growing level of non-performing assets ('NPAs'). The onset of COVID-19 during the fourth quarter, further weakened NBFCs stance in the economy. Asset quality deterioration in NBFCs is expected to be more severe than banks because of its exposure in riskier segments. To support the economy, the RBI eased monetary policy to maintain adequate liquidity in the system, facilitate smooth bank credit flow and moderate financial strain. Revival measures initiated by the regulator include provision of moratorium on EMI repayments, cut on repo rates from 6.25% to 4.40%, relaxation in classification of loan as NPAs and provision of long-term repo operations (LTRO). Prudential requirements for banks have also been eased to free up liquidity for lending.

Cholamandalam Investment and Finance Company Limited (CIFCL), a NBFC incorporated in 1978, is one of the leading, comprehensive financial service provider offering vehicle finance, home loans, home equity loans etc., to a wide range of customers. The NBFC business observed an overall slow-down during the FY 19-20.

The Vehicle Finance (VF) business comprising of diversified portfolio viz., commercial vehicles, passenger vehicles and used vehicles, continues to be the major segment, contributing 73% of its aggregate assets under management (AUM) as at March 31, 2020. The division has more than 80% of branches operating in the rural areas, towns and semi urban areas. CIFCL is one of the largest player in the used vehicle financing business with a disbursement mix of almost 30% in this segment. Severe de-growth in the auto industry across product segments led to a decline of 6% in VF disbursements to ₹23387 Crore (previous year: ₹24983 Crore). With higher disbursements from used, 3-wheeler and 2-wheeler products, the Company was able to offset drop in other segments. Assets under management grew by 9% to ₹44206 Crore (net) (previous year: ₹40606 Crore). The business has a robust collection mechanism and strong credit risk assessment framework in place which will help navigate the present day conditions.

The Home Equity (HE) business continues to focus on a systematic approach to build a healthy portfolio mix, with more than 80% of the portfolio as Self-Occupied Residential Properties (SORP) and an average loan ticket size of less than ₹50 Lakh. AUM for HE business grew by 11% to ₹12960 Crore (previous year: ₹11626 Crore) and disbursements registered a decline of 5% to ₹3662 Crore (previous year: ₹3837 Crore). End to end digital

integration in loan processing has been the focus for business in order to improve overall customer experience and cut down business turnaround time. Online payment modes for collections have been enhanced to offer multiple payment options to customers. During the year, the business expanded its branch network pan India, with focus on Tier II, III and IV cities.

Home Loans (HL) business offers loans for self-construction, purchase of new and resale flats/independent houses, balance transfer from other financiers, top-up loans for existing customers. As at March 31, 2020, the business division had 24,000 live accounts and disbursed ₹1505 Crore during the year (previous year: ₹1157 Crore), registering a growth of 30%. Middle-Income-Group customers continue to be the target group for the HL business. 95% of the portfolio comprises business owners with semi-formal income and significant business vintage buying their first home. Lending for self-construction, remains to be a strong focus with significant proportion of the portfolio and fresh disbursements sourced from this segment.

The Company has fast-tracked implementation of a host of IT and digital initiatives which shall help to serve customers better and faster in a post COVID-19 world.

Business outlook of CIFCL for FY 20-21 remains uncertain with the COVID-19 situation evolving each day. Vehicle finance segment will continue to be the mainstay for CIFCL. While the home equity portfolio has also been a significant contributor to the company's growth, the home loan business has a great potential to be built into a solid portfolio considering the expertise of the company in handling typical customer profiles.

General Insurance Industry & Business Update

In India, insurance industry is gaining momentum in securing life, health and property of individuals by acting as a risk management tool. Government's policy of insuring the uninsured has gradually pushed insurance penetration in the country and proliferation of insurance schemes. The general insurance industry grew by 9.5% in FY 19-20 and achieved a Gross Written Premium (GWP) of ₹1642 billion with about 55% market share of private players vis-à-vis PSU players. During the year, the general insurance industry underwent a turbulent phase with several far-reaching developments many of which were positive and impactful with a clutch of factors causing severe transitory problems and impact on profitability. Positive developments during FY 19-20 include, amendment proposed to Motor Vehicles Act, mandatory minimum pricing for property line of business,

continued strong growth of specialized health players etc. Decline in sale of new vehicles, pricing discounts offered in Motor Own Damage (OD) insurance resulting in sharp rise in Motor OD claims, heavy losses from crop insurance segment and mandatory investment norms on stressed housing & infrastructure sectors were some of the limitation factors for industry's growth.

Cholamandalam MS General Insurance Company Limited (MSGICL), the insurance business division of CFHL, is registered with Insurance Regulatory and Development Authority of India (IRDA) to carry on general insurance business. MSGICL offers a wide range of insurance including motor, travel, health, accident, home and other types of insurance for corporate customers. In a highly competitive business environment, MSGICL ranks 8th position among private insurers with a market share of 3.1% (excluding crop insurance).

MSGICL recorded a gross written premium of ₹4824 Crore (previous year: ₹4552 Crore) for the year ended March 31, 2020. Growth in business operations continues to be driven by strong performance in retail channels with Motor & Health insurance segments being significant contributors of the premiums with a good mix across metros & non metros. In Motor insurance business, besides stepping up its presence significantly in the two-wheeler segment, the Company expanded its participation in the OEM programs of motor vehicles. The premium pricing in Motor OD insurance witnessed severe pressure throughout the year with discounts across vehicle categories rising to new highs. The decision of the regulator to defer the price increase in motor third party premium could further aggravate the situation. The Health, Accident and Travel lines of business (other than employer-employee group health) grew by 9.5% during the year. Muted disbursements in motor NBFCs / HFCs, impacted the benefit of product bundling in health and accident products leading to lower growth. Loss ratios across this line of business continues to be good with the Company continuing to adopt prudent underwriting practices while focusing on new segments of growth. Revenue from property lines of business scaled up (both banca and commercial channels) contributing about 8% of the total GWP. Higher proportion of business from preferred category risks, geographical spread of risks, granular risks have ensured improvement in the claims ratios of these lines.

MSGICL strengthened its bancassurance business through renewal of its tie-up with a PSU bank for a further period of 3 years. Expansion of its network with channel partners including PSU Banks, NBFCs,

Co-operative banks and addition of OEMs and digital partners is expected to provide a strong momentum in the coming years. Pricing discounts in Motor OD business due to a slump in automobile industry, continued weakness in credit markets, leading to downgrades and defaults in the financial sector, natural catastrophes and prolonged monsoons impacted business growth during the year. Business during the year experienced favourable reinsurance treaties resulting in the willingness of global reinsurers to enhance their capacity and support. As at March 31, 2020 the investment portfolio was ₹9027 Crore (previous year: ₹7697 Crore). The Company continues to emphasise on safety and liquidity of investments and together with monetised gains, grew the investment income to ₹770 Crore (previous year: ₹566 Crore) with a gross yield of 9.05% (previous year: 7.92%). The average investment portfolio duration was at 4.25 years.

During the year, the Company focussed on new digital enablers across all operating functions and processes through a number of initiatives. These initiatives have enabled the Company to serve its customers faster and better bringing in efficiencies and more importantly strengthening the ability to scale volumes.

Growth in general insurance industry is driven by economic activities and GDP growth. Motor insurance and property line of business are likely to be impacted with its dependence on automotive and industrial sectors. Business has drawn counter measures to reduce the COVID-19 impact which include enhanced focus on renewals, higher volumes in health line of business, launch of COVID-19 specific products and harnessing the state-owned banks bancassurance relationships. The Company will monitor the environment carefully to recalibrate its growth plans for the ensuing years.

Risk Management Solutions – Business Update

Cholamandalam MS Risk Services Limited (CMSRSL), is engaged in providing risk management and engineering solutions in the field of safety, health and environment, in association with MSGICL. CMSRSL strengthened its order book during the year by bagging few long term contracts in domestic as well as in overseas. The Company continued to partner with organizations in implementation of their CSR projects in the areas of Health, Safety & Environment (HSE) programs, and Road Safety programs. The business also partnered with digital developers to introduce HSE digital products and explore introduction of AI integrated studies into the market. The joint venture partner, Mitsui Sumitomo Insurance Company Ltd., Japan, continues to support



the Company by introducing Japanese companies entering the Indian market for risk management services. As on March 31, 2020, CMSRSL had an order book of ₹68 Crore for execution in the coming financial year.

STANDALONE FINANCIAL RESULTS (₹ in Crore)

Particulars	2019-20	2018-19
Total Income	90.90	73.52
Total Expenses	3.97	2.61
Profit Before Tax	86.93	70.91
Tax Expense	3.60	4.38
Profit for the year	83.33	66.53
Other Comprehensive Income	(0.61)	(0.68)
Total Comprehensive Income	82.72	65.85

APPROPRIATIONS

During the year the Company has transferred ₹16.67 Crore to statutory reserve (previous year: ₹13.31 Crore) as required under RBI regulations.

FINANCIAL REVIEW - SUBSIDIARY / ASSOCIATE / JV COMPANIES

CFHL earned an income of ₹90.90 Crore (previous year: ₹73.52 Crore) and profit before tax was ₹86.93 Crore (previous year: ₹70.91 Crore) for the year ended March 31, 2020. An additional capital of ₹300 Crore was infused in the preferential allotment of shares of CIFCL besides market purchase of CIFCL's shares aggregating to ₹24.26 Crore. As at March 31, 2020, aggregate investments stood at ₹1278.35 Crore (previous year: ₹954.78 Crore). During the year, the Company obtained a term loan of ₹200 Crore to meet its funding requirements. Financial review of CFHL's subsidiary / associate and JV companies during the year is furnished below.

Cholamandalam Investment & Finance Company Limited (CIFCL)

CFHL holds 45.50% in the paid-up equity share capital of CIFCL as on March 31, 2020. Securities of CIFCL are listed and traded on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). CIFCL is treated as a subsidiary under Ind-AS. Rationale in this regard is provided under Note 23 of standalone financial statements.

During the year, the existing equity shares of CIFCL of ₹10/- each fully paid up were subdivided into five equity shares of face value of ₹2/- each fully paid up. The Company raised ₹1200 Crore by way of equity infusion

through qualified institutional placement (₹900 Crore) and preferential allotment (₹300 Crore) during the year to strengthen its capital adequacy requirement. CIFCL further raised funds through an issue of 'Masala bonds' of ₹400 Crore to augment its Tier II capital requirements.

Assets under Management grew by 12% to ₹60549 Crore (net) as at March 31, 2020 (previous year: ₹54279 Crore). Loan disbursements aggregated to ₹29091 Crore (previous year: ₹30451 Crore) registering a decline of 4% during the year. Profit after tax was ₹1052 Crore after a one-time provision of ₹504 Crore to cover contingencies due to COVID-19 and macro-economic factors. On a comparable basis, profit after tax for the year ended March 31, 2020 was ₹1387 Crore before the one-time provision as against ₹1186 Crore the previous year, registering a growth of 17%. Pursuant to RBI guidelines the Company offered moratorium to its customers for EMI repayments. CIFCL's liquidity position was strongly placed as at March 31, 2020 to meet its near term commitments. The Company did not avail moratorium on its borrowing obligations. As at end of the year, capital adequacy improved to 20.7% as against the statutory requirement of 15%.

CIFCL paid interim dividend in two tranches aggregating to ₹1.70 per equity share of face value of ₹2/- each. The first interim dividend at the rate of 50% (₹1/- per equity share) was approved in December 2019 and the second interim dividend at the rate of 35% (₹0.70 per share) was approved in February 2020. The Board of CIFCL has not recommended any final dividend for the year ended March 31, 2020.

CIFCL's subsidiary companies are Cholamandalam Securities Limited (CSEC) and Cholamandalam Home Finance Limited (CHFL). CSEC is engaged in stock broking and investment advisory services. The Broking business grew by 9% while wealth business dropped by 32% due to cap on upfront income and insurance distribution business scaled up significantly during FY 19-20. CSEC achieved a gross income of ₹23.58 Crore for the year ended March 31, 2020 and Profit Before Tax of ₹3.26 Crore as against ₹2.68 Crore in the previous year.

CHFL recorded a gross income of ₹38.61 Crore for the year ended March 31, 2020 and made a loss before tax of ₹0.77 Crore as against a loss of ₹11.0 Crore in the previous year. The Company had filed an application with the regulator seeking registration as a Housing Finance Company and the registration is awaited. Currently, the

Company continues its focus on growing insurance corporate agency business.

Cholamandalam MS General Insurance Company Limited (CMSGICL)

The Company holds 60% in the paid-up equity share capital of CMSGICL - a joint venture with Mitsui Sumitomo Insurance Company Ltd., Japan and is a material subsidiary of CFHL.

IRDAI has deferred the implementation of Ind-AS for insurance companies. Therefore, financials of CMSGICL have been restated as per Ind-AS for consolidation purposes and the figures reported for CMSGICL in the annual report are under Ind-AS.

CMSGICL achieved a gross written premium of ₹4824 Crore during the FY 19-20 (previous year: ₹4552 Crore), and the profit before tax was ₹216 Crore (previous year: ₹280 Crore). While Claims ratios were under control despite adverse environment of cyclones, higher discounts in motor own damage etc, business sourcing costs were higher impacting the underwriting results to remain flat at a negative of ₹218 Crore. Aided by over ₹5 billion of long term premium, investment income levels rose to ₹770 Crore from ₹566 Crore despite interest rates dropping during the year. ₹170 Crore was the gain on sale of debt investments for the year which largely helped in meeting the provisioning / write off of stressed debt assets.

With a view to conserve its resources, the Board of CMSGICL has not recommended dividend for FY 19-20.

Cholamandalam MS Risk Services Limited (CMSRSL)

The Company holds 49.5% in the paid-up equity share capital of CMSRSL, a joint venture with Mitsui Sumitomo Insurance Company Ltd., Japan and has a technical collaboration with Inter Risk, a group company of Mitsui Sumitomo Insurance Group.

CMSRSL achieved a revenue of ₹46.28 Crore (previous year: ₹40.82 Crore) and profit before tax of ₹5.62 Crore (previous year: ₹4.88 Crore) for the year ended March 31, 2020. CMSRSL recommended a dividend of ₹1.25 per share on its equity share of face value of ₹10/- each for the FY 19-20.

Cholamandalam Health Insurance Limited (Chola Health)

Chola Health was incorporated in July 2017 to offer health insurance services and the Company has invested 99.9% in its paid up capital. Chola Health is yet to commence its business operations.

DIVIDEND

The Company paid an interim dividend on the equity shares at the rate of 65% i.e., ₹0.65 per equity share of face value of ₹1/- each as approved by the Board of Directors on February 26, 2020 for the year ended March 31, 2020. The Board has recommended to confirm the interim dividend as the final dividend for FY 19-20.

CONSOLIDATED FINANCIAL RESULTS

Particulars	₹ in Crore)	
	2019-20	2018-19
Total Income	13135.73	10946.81
Total Expenses	11330.11	8812.02
Profit Before Share of Profits from Associate / Joint Venture and Tax	1805.62	2134.79
Share of Profit from Associate /Joint Venture (Net of Taxes)	1.27	1.11
Profit Before Tax	1806.89	2135.90
Tax Expense	(641.84)	(721.07)
Profit for the year	1165.05	1414.83
Minority Interest	(614.20)	(718.13)
Net Profit for the year attributable to owners of the company	550.85	696.70

BUSINESS REVIEW – SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

CFHL's subsidiary companies are Cholamandalam MS General Insurance Company Limited and Cholamandalam Health Insurance Limited. Under Ind-As, Cholamandalam Investment and Finance Company Limited is treated as a subsidiary company and Cholamandalam MS Risk Services Limited is a joint venture company of CFHL. There has been no change in the nature of business of these companies during the year. Business performance of these companies are detailed in earlier paragraphs of this report.

A report on the performance and financial position of each of the aforesaid companies as per section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, in the prescribed form AOC-1 is annexed to this Report as **Annexure A**. The consolidated financial statements of the Company, prepared in accordance with the Companies Act, 2013 ("the Act") and the relevant Accounting Standards, forms part of the annual report.

The annual report containing standalone and consolidated financial statements will be posted on the



Company's website, www.cholafhl.com. The annual accounts of the subsidiary companies will also posted on the Company's website and be made available for inspection by shareholders until the date of the Annual General Meeting ("AGM") through electronic mode.

COVID-19 – BUSINESS UPDATE / OUTLOOK

Spread of the COVID-19 pandemic impacted the regular operations of the Company and its subsidiary / associate / JV companies. In response to the nation-wide lock down announced by the Government, the Companies activated business continuity plan addressing financial planning, business strategy realignment, employee productivity re-focus, IT enablement and renewed customer engagement. To ensure safety of employees and in adherence to the Government norms various measures including the facility to work from home have been implemented. Since the pandemic and the lockdown imposed affected the tail end of the financial year, there is no impact on the standalone financial performance during FY 19-20. A note in this regard is included in the Standalone and Consolidated Audited Financial Statements for the year under review vide Note 1.4 and Note 4.1 respectively. Given the inherent uncertainty regarding the severity and duration of the pandemic, the Company will continue to monitor for any material changes to future economic conditions.

DIRECTORS

At the 70th AGM held on August 1, 2019 the appointment of Mr. Ashok Kumar Barat and Mr. B Ramaratnam as Independent Directors of the Company for a term of five years commencing August 1, 2018 and March 18, 2019 respectively, was approved. Further, Mr. Sridharan Rangarajan and Mr. V Ravichandran were appointed as directors liable to retire by rotation at the 70th AGM.

Ms. Shubhalakshmi Panse (DIN: 02599310), Independent Director, resigned from the Board on November 20, 2019. The Board places on record its appreciation for the contribution rendered by Ms. Panse during her tenure as an Independent Director and as a member of Board Committees.

Based on the recommendation of the Nomination & Remuneration Committee of the Board, Ms. Vasudha Sundararaman (DIN: 06609400) has been appointed as an additional director in the capacity of an Independent Director with effect from February 12, 2020 and holds office till the date of the ensuing 71st AGM. The Company has received a notice from a shareholder proposing the appointment of Ms. Vasudha as a director of the Company. The Board recommends her appointment as

a director of the Company and the resolution proposing her appointment forms part of the Notice for the 71st AGM of the Company.

As per the provisions of section 152 of the Act, Mr. Sridharan Rangarajan retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends the re-appointment of Mr. Sridharan Rangarajan as a director liable to retire by rotation and the resolution in this regard forms part of the notice for the 71st AGM of the Company.

Information as required to be disclosed under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), for appointment / reappointment of directors is provided in the Notice for AGM.

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors ("IDs"), Mr. Ashok Kumar Barat, Mr. B Ramaratnam and Ms. Vasudha Sundararaman have submitted declaration stating that they meet the criteria of independence as required under the provisions of section 149 of the Act and regulation 16 of the Listing Regulations. In the opinion of the Board, all the IDs possess integrity, expertise and relevant experience in their respective fields including the proficiency required to effectively discharge their roles and responsibilities in directing and guiding the affairs of the Company. All the IDs are registered in the independent directors' data bank maintained by the Indian Institute of Corporate Affairs as required under the Companies Act, 2013 and the Rules referred therein. The IDs are in the process of completion of the online proficiency self-assessment test as per the timeline notified by the Ministry of Corporate Affairs ("MCA").

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Companies Act, 2013, Mr. N Ganesh, Manager & Chief Financial Officer and Ms. E Krithika, Company Secretary are the key managerial personnel of the Company and there were no changes during the year.

Mr. Ganesh was appointed as the Manager of the Company with effect from August 9, 2017 for a period of three years. His tenure as Manager expires on August 8, 2020. Subject to the approval of shareholders, the Board at its meeting held on June 15, 2020 re-appointed Mr. N Ganesh as the Manager for a further period of three years with effect from June 15, 2020. Appropriate resolution seeking shareholders' approval is provided in the Notice for the 71st AGM of the Company.

STATUTORY AUDITORS

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 66th AGM held on August 10, 2015, for a period of five years and will complete their present term on conclusion of the ensuing 71st AGM of the Company. The Board pursuant to the recommendation of the Audit Committee, recommends the re-appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, as the Auditors of the Company for a second term of five years from the conclusion of the 71st AGM until the conclusion of the 76th AGM.

Appropriate resolution seeking shareholders' approval for the re-appointment of M/s. S.R. Batliboi & Associates LLP as the Auditors and authorisation to the Board to fix the remuneration payable to them, is provided in the Notice for the 71st AGM of the Company.

FINANCE

Deposits

The Company has not accepted any fixed deposits under Chapter V of the Companies Act, 2013 and as such no amount of principal and interest were outstanding as on March 31, 2020.

Particulars of Loans, Guarantees or Investments

The provisions of section 186 of the Act pertaining to investment and lending activities is not applicable to CFHL since the Company is an NBFC whose principal business is acquisition of securities. Information regarding investments made during the year is given in the financial statements. During the year the Company has not given any loans or guarantees under the provisions of section 186 of the Act.

Internal Financial Control Systems with reference to the Financial Statements

The Company has in place adequate internal financial controls to ensure reliability of financial and operational information and regulatory and statutory compliances. The Company's business processes are equipped with monitoring and reporting processes to ensure financial discipline and accountability. The internal financial control systems are monitored both by internal and statutory auditors of the Company. The statutory auditors of the company have also certified on the existence and operating effectiveness of the internal financial controls as on March 31, 2020.

Financial Ratios

In terms of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to disclose details of significant key financial ratios along with the detailed explanations therefor. The Company being an investment company and not having any trade receivables, debtors turnover ratio, inventory turnover ratio, interest coverage ratio, current ratio, operating margin ratio and net profit margin ratio are not applicable. The leverage ratio computed in accordance with RBI regulations is 0.03 as against the regulatory maximum of 2.5. Capital adequacy ratio of the Company as on March 31, 2020 was 478.51% as against the minimum RBI requirement of 30%. Return on net worth of the Company was 7.45% as at March 31, 2020 as against 6.25% as at March 31, 2019. Change in the rate was on account of higher receipt of dividend income during the year.

RISK MANAGEMENT

Managing risk is fundamental to any business, in general and in particular, to financial services industry. The Company has an established risk management framework which provides an integrated approach for identifying, monitoring and mitigating risks associated with its business and that of its subsidiaries / associates. Risks arising out of NBFC, insurance and risk management businesses of the investee companies are the dominant risks of the Company. The investee companies have their own risk management framework in line with its strategic business operations as appropriate to the industry in which they operate. Various risk exposures of CFHL include financial risks, governance risks, market risks, reputation risks and compliance risks. The Risk Management Committee (RMC) assists the Board to oversee various risks including review and analysis of risk exposures related to the Company and its subsidiary / associate companies. RMC is supported by the Asset Liability Committee (ALCO) constituted pursuant to the RBI guidelines. The ALCO monitors asset liability mismatches besides management of liquidity risks. A Risk Management Policy has been framed by the Board of Directors. The Company has also put in place a risk control matrix. The control measures basis the matrices, are tested by the internal auditor and reported to the Audit Committee. The Board reviews the risk framework on an annual basis.



INTERNAL CONTROL SYSTEM

Internal control systems of an organisation is looked at as the key to its effective functioning. The Company has in place internal control framework to ensure compliance with internal policies, regulatory matters and to safeguard reliability of financial reporting and its disclosures. An audit of systems and processes is conducted by the internal auditor of the Company and the key findings are reported to the Audit Committee every quarter.

The Audit Committee evaluates adequacy and effectiveness of the internal controls, recommends improvements and reviews the corrective action taken to address gaps, if any.

CORPORATE GOVERNANCE

The Company firmly believes in committing itself to maintaining high standards of corporate governance.

A report on corporate governance of the Company together with a certificate from the Auditors in accordance with the Listing Regulations is annexed to this Report as **Annexure B**. The Report further contains other details which are required to be provided in the Board's Report.

BOARD MEETINGS

Seven meetings of the Board were held during the year. Details of the Board meetings are disclosed in the Report on Corporate Governance.

COMPOSITION OF THE AUDIT COMMITTEE

The Board has constituted an Audit Committee in terms of the applicable provisions of the Act and the Listing Regulations. Details of terms of reference, composition and meetings of the committee are disclosed in the Report on Corporate Governance.

BOARD EVALUATION

Pursuant to the provisions of section 134 of the Act and regulation 17 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance, individual directors and its committees for FY 19-20. The manner in which evaluation has been carried out is provided in the Report on Corporate Governance.

POLICY ON BOARD NOMINATION AND REMUNERATION

The Board has framed a policy for selection and appointment of directors, senior management and their remuneration. Details of which are furnished in the Report on Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company being a part of the Murugappa Group, is known for its tradition of philanthropy and community service. The Company's philosophy is to reach out to the community through service-oriented philanthropic institutions in the fields of education and healthcare.

With the enactment of CSR provisions in the Companies Act, 2013, the Company has framed a CSR policy and the policy is available on the Company's website at, <http://www.cholafhl.com/article/investors/467>.

Pursuant to the provisions of section 135 of the Companies Act, 2013, atleast 2% of the average net profits of the Company shall be spent towards CSR activities. Accordingly, the Company has spent an amount of ₹11 Lakh on CSR projects / programmes approved by the CSR Committee during the year ended March 31, 2020 as against the statutory requirement of ₹6 Lakh. Detailed information on the CSR activities undertaken during the year is annexed to this Report as **Annexure C**.

RELATED PARTY TRANSACTIONS

All transactions that were entered into with related parties during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions during the year which may have a potential conflict with the interest of the Company at large. Necessary disclosures as required under the Indian Accounting Standard (IND AS) have been made in the notes to the financial statements. The Company has framed a policy on related party transactions. None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

HUMAN RESOURCES AND PARTICULARS OF EMPLOYEES

As on March 31, 2020, CFHL had two employees. The investee companies of CFHL continue to emphasise on resourcing and talent planning strategies based on their functional and general management requirements in preparing the organisation for the future. The information required to be disclosed under the provisions of section 197 of the Act read with rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure D**.

EMPLOYEE STOCK OPTION (ESOP) SCHEMES

The Company's ESOP Schemes viz., Employee Stock Option Plan 2007 (ESOP 2007) and Employee Stock Option Plan 2016 (ESOP 2016) have been approved by the shareholders. During the year there have been no

fresh grants under both the schemes. Details in respect of ESOP 2007 and ESOP 2016 as required under the SEBI (Share Based Employee Benefits) Regulations, 2014 are displayed on the Company's website at <http://www.cholafhl.com/article/investors/554>. Both the schemes are in compliance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share Based Employee Benefits) Regulations, 2014 respectively.

Vide the scheme of arrangement (demerger), employees of the Company were transferred to the resulting company, Tube Investments of India Ltd. The stock options granted by the Company prior to the effective date of demerger, i.e. August 1, 2017, continue to be held by the option grantees who are employees of the resulting company. During the year, upon exercise of stock options by the eligible option grantees, 7026 and 16770 equity shares were allotted under ESOP 2007 and ESOP 2016 schemes, respectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activity relating to consumption of energy or technology absorption etc. The Company does not have any foreign exchange earnings. There was a foreign exchange outgo, by way of repatriation of dividend, amounting to ₹0.007 Crore during the year (previous year ₹0.008 Crore).

WHISTLEBLOWER / VIGIL MECHANISM

In compliance with the provisions of section 177(9) of the Act, read with rules made thereunder and the Listing Regulations, the Company has established a whistleblower / vigil mechanism which inter alia facilitates its employees to report genuine concerns. The mechanism provides for adequate safeguards against victimisation of persons using the mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The policy is available on the Company's website at, <http://www.cholafhl.com/article/investors/34>.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a policy for prevention of sexual harassment at workplace. An Internal Complaints

Committee (ICC) is in place to redress complaints received regarding sexual harassment. The policy extends to all employees (permanent, contractual, temporary and trainees). During the year no referrals were received under the policy and no complaints were pending at the beginning of the year.

SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013, and the rules made thereunder, the Board appointed M/s Srinidhi Sridharan & Associates, Practising Company Secretaries, as the secretarial auditor to conduct secretarial audit of the Company for the year ended March 31, 2020. The Report issued by the secretarial auditor in the prescribed form MR-3 is annexed to this Report as **Annexure E**.

The said secretarial audit report does not contain any qualification or adverse remarks.

ANNUAL RETURN

The extract of annual return as required under section 92(3) of the Companies Act, 2013, in the prescribed form MGT-9 is annexed to this Report as **Annexure F**. Copy of the return is available on the Company's website, www.cholafhl.com.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER MARCH 31, 2020

There are no material changes and commitments, affecting the financial position of the Company which have occurred between March 31, 2020 and the date of this report.

BUSINESS RESPONSIBILITY REPORT

The Company abides by a set of enduring values and beliefs called the 'five lights' viz., the lights of integrity, passion, quality, respect and responsibility in order to be a socially responsible business, which would on a continuous basis, enhance the interests of all its stakeholders. By steadfastly upholding the principles of good and robust corporate governance ingrained with discipline, accountability, transparency and fairness, the Company constantly endeavours to sustain and enhance itself as a responsible corporate citizen.



In terms of regulation 34(2) of the Listing Regulations the annual report shall include a Business Responsibility Report (BRR) in the prescribed form. Accordingly, a BRR is annexed to this Report as **Annexure G**.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors confirm that the Company has in place a framework of internal financial control and compliance system, which is monitored and reviewed by the Audit Committee and the Board, besides the statutory, internal and secretarial auditors. Further, pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors confirm that:

- a) in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed and that there were no material departures therefrom;
- b) 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 March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) 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;
- d) they have prepared the annual financial statements on a going concern basis;
- e) 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 March 31, 2020; and
- f) 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 March 31, 2020.

DECLARATIONS / AFFIRMATIONS

- There were no significant material orders passed by the regulators or courts or tribunals impacting the Company's going concern status and its operations in future.
- The Company complies with all applicable laws, rules, circulars and regulations, including the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 ('Directions'), as amended from time to time, and does not carry on any activities other than those specifically permitted by the RBI for CICs.
- RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of any liability by the Company.

Neither there is any provision in law to keep, nor does the Company keep any part of the deposits with RBI and by issuing a Certificate of Registration to the Company, RBI neither accepts any responsibility nor guarantees the payment of deposits to any depositor or any person who has lent any sum to the Company.

ACKNOWLEDGEMENT

The Directors express their gratitude for the support and co-operation extended by the Ministry of Corporate Affairs, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and other statutory authorities. The Directors also wish to thank all investors, vendors, financial institutions, banks and joint venture partners for their continued support and faith reposed in the Company. The Directors also place on record their appreciation for the contribution made by the employees of the Company and its associate / subsidiaries across all levels.

On behalf of the Board

Place : Chennai
Date : June 15, 2020

M M Murugappan
Chairman

Form AOC – 1

ANNEXURE A

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures under Ind-AS

Part A - Subsidiaries

(₹ in Crore)

SN.	Particulars / Name of the Subsidiary	Cholamandalam Investment and Finance Company Ltd. (CIFCL)	Cholamandalam Securities Ltd.	Cholamandalam Home Finance Ltd.	Cholamandalam MS General Insurance Company Ltd.	Cholamandalam Health Insurance Ltd.
		Subsidiaries of CIFCL				
1	Reporting period of the subsidiary	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3	Share capital	163.98	22.50	42.40	298.80	0.05
4	Reserves & Surplus	8,007.86	5.21	5.79	1,306.61	(0.04)
5	Total Assets (Non-Current and Current Assets)	63,993.04	58.25	54.65	11,888.60	0.01
6	Total Liabilities (Non-Current and Current Liabilities)	55,821.20	30.54	6.46	10,283.19	-
7	Investments (Non-Current + Current Investments)	72.92	1.93	5.97	9,027.16	-
8	Turnover	8,652.89	23.59	38.61	4,484.71	-
9	Profit / (Loss) Before Tax	1,585.73	3.27	(0.77)	216.44	(0.01)
10	Provision / (Reversal) for Tax	533.36	1.01	0.07	91.46	-
11	Profit / (Loss) After Tax	1,052.37	2.26	(0.70)	124.98	(0.01)
12	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
13	% of shareholding	45.50%	100.00%	100.00%	60.00%	99.86%

Note:

- Names of subsidiaries which are yet to commence operations - Cholamandalam Health Insurance Limited
- Names of subsidiaries which have been liquidated or sold during the year - Nil

Part B - Associates and Joint Ventures

SN.	Particulars / Name of the Joint Venture	White Data Systems Private Limited (Associate of CIFCL)	Cholamandalam MS Risk Services Limited (Joint Venture Company)
1	Latest Audited Balance Sheet Date	31-Mar-2019	31-Mar-20
		The below data is furnished based on unaudited financial statements as of 31-Mar-2020	
2	Share of Associate / Joint Venture held by the company on the year end		
	No. of Shares	1275917	989979
	Amount of Investment (₹ in Cr.)	8.00	0.99
	Extent of Holding (%)	30.87%	49.50%
3	Description of how there is significant influence	By way of shareholding	By way of shareholding
4	Reason why the Associate / Joint venture is not consolidated	Not applicable	Not applicable
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in Cr.)	11.46	12.06
6	Profit / (Loss) for the year (₹ in Cr.)	(1.35)	4.00
	i. Considered in Consolidation	(0.42)	1.98
	ii. Not Considered in Consolidation	(0.93)	2.02

Note:

- Names of associates/joint ventures which are yet to commence operations - Nil
- Names of associates/joint ventures which have been liquidated or sold during the year - Nil

For and behalf of the Board

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : June 15, 2020

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer



Report on Corporate Governance

Corporate Governance is about transparency, accountability and reliability of any organisation. It is about how an organisation is managed through its business structure, culture and policies to enhance shareholders' value and protect the interests of other stakeholders. Key elements in corporate governance are timely and adequate disclosure, establishment of internal controls and high standards of accounting fidelity, product and service quality.

The Company being a part of Murugappa Group, has always believed in and practised various elements of corporate governance. It operates on well-defined policies and procedures to maintain highest standards of governance and is committed to uphold the core values of Murugappa Group viz., integrity, passion, responsibility, quality and respect. The Company firmly believes that good corporate governance practices help to enhance its performance and will continue to focus its efforts in maintaining high governance standards.

BOARD OF DIRECTORS

The Board provides strategic guidance on the affairs of the Company. The Company's Board comprises of eminent professionals from diverse areas viz., banking, finance, manufacturing and general management. The Company's independent directors possess several years of experience in financial services industry. They provide independent judgment, external perspective and objectivity on the issues which are placed before them.

Composition & Changes during the year

The Board has been constituted in an appropriate manner comprising of independent and non-independent directors including a woman director, to ensure proper governance and management. The directors are elected based on their qualification and expertise in varied fields as well as industry in which the company operates.

The Company's Board comprises of six directors viz., three independent and three non-independent directors. Mr. M M Murugappan, Promoter & Non-Executive Director is the Chairman of the Board. There is no relationship between the directors inter-se. None of the Directors on the Board hold directorships in more than ten public companies. Brief profile of the directors is provided in the annual report for information of the shareholders.

ANNEXURE B

Ms. Shubhalakshmi Panse, Independent Director, resigned from the Board on November 20 2019. The disclosure relating to her resignation is available at <http://www.cholafhl.com/docs/reasonforresg-Nov-21-2019.pdf>. The Company has received a confirmation from Ms. Panse that there are no other material reasons for her resignation.

The Board pursuant to the recommendation of Nomination & Remuneration Committee appointed Ms. Vasudha Sundararaman as an additional director in the capacity of an independent director with effect from February 12, 2020.

The composition of the Board is in compliance with the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). None of the Directors are related to each other.

Independent Directors

The Independent Directors, Mr. Ashok Kumar Barat, Mr. B Ramaratnam and Ms. Vasudha Sundararaman have submitted declaration confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations. The Board confirms that in its opinion the independent directors fulfil the conditions specified under the Act and the Listing Regulations and are independent of the management. None of the independent directors serve as an independent director in more than seven listed entities.

The Ministry of Corporate Affairs, considering the outbreak of COVID-19, granted relaxation for holding separate meeting of independent directors for the FY 19-20. However, in compliance with the requirements under the Act and the Listing Regulations, a separate meeting of independent directors was held on June 15, 2020 (earlier meeting scheduled on March 25, 2020, was deferred due to situation on account of COVID-19) without the attendance of non-independent directors and members of the management. At the said meeting, the independent directors reviewed the performance of the Chairman, non-independent directors and the Board as a whole during FY 19-20 and assessed the quality, quantity and timeliness of flow of information between the management and the Board.

Directorships and Committee memberships

Number of directorships and memberships / chairmanships of committees held by the directors and their shareholding in the Company as on March 31, 2020 are given in the table below:

SN.	Name of the Director	Category	No. of directorships* including CFHL (Out of which as Chairman)	No. of committee memberships including CFHL [§] (Out of which as Chairman)	No. of shares held in CFHL
1	Mr. M M Murugappan	Chairman / Promoter Director / NED	14(6)	6(4)	842405 equity shares of ₹1/- each
2	Mr. Ashok Kumar Barat	NED / ID	9	7(4)	Nil
3	Mr. B Ramaratnam	NED / ID	2	4(3)	Nil
4	Ms. Vasudha Sundararaman	NED / ID	1	1	Nil
5	Mr. Sridharan Rangarajan	NED	6	4	Nil
6	Mr. V Ravichandran	NED	6(1)	2(1)	4951 equity shares of ₹1/- each

NED : Non-Executive Director, ID : Independent Director

* includes directorships in public/private/section 8 companies and excludes foreign companies

§ includes only memberships in Audit Committee and Stakeholders Relationship Committee

Details of directorships held by the Board members in other listed entities as on March 31, 2020 are given in the table below:

SN.	Name of the Director	Category	Listed Entity
1	Mr. M M Murugappan	Chairman / NED	Tube Investments of India Limited
		Chairman / NED	Carborundum Universal Limited
		Chairman / NED	Cholamandalam Investment and Finance Company Limited
		Chairman / NED	Cholamandalam MS General Insurance Company Limited [#]
		Chairman / NED	Coromandel International Limited
		NED	Cyient Limited
2	Mr. Ashok Kumar Barat	NED / ID	Mahindra & Mahindra Limited
		NED / ID	Cholamandalam Investment and Finance Company Limited
		NED / ID	Bata India Limited
		NED / ID	DCB Bank Limited
		NED / ID	Birlasoft Limited
3	Mr. B Ramaratnam	NED / ID	Redington (India) Limited
4	Ms. Vasudha Sundararaman	NED / ID	-
5	Mr. Sridharan Rangarajan	NED	Cholamandalam MS General Insurance Company Limited [#]
6	Mr. V Ravichandran	Chairman / NED	E.I.D. Parry (India) Limited
		NED	Coromandel International Limited

NED : Non-Executive Director, ID : Independent Director

[#] Debt listed entity



MEETINGS AND ATTENDANCE

The Company has a well-established practice with regard to deciding the dates of meetings. Annual calendar for the meetings of the Board is finalised early in consultation with all Board members. However, in case of urgent business requirements, approval of the Board / Committee is taken by passing resolution(s) through circulation, as permitted by law, which is noted in the subsequent meeting. A minimum of four Board meetings are held each year. Review and approval of financial statements of the company, review of business operations of subsidiary / associate companies, approval of investments and approval of annual business plan constitute the primary business of the Board besides reviewing the compliance matters.

The Company ensures that timely and relevant information are made available to all directors in order to facilitate their effective participation and contribution during the meetings. Seven meetings of the Board were held during the year ended March 31, 2020 on the following dates: May 03, 2019, June 14, 2019, August 01, 2019, November 09, 2019, January 22, 2020, January 29, 2020 and February 26, 2020. Maximum gap between two Board meetings did not exceed one hundred and twenty days during the year.

The attendance (including attendance through video conferencing) of each director at the Board meetings held during the year ended March 31, 2020, and at the 70th Annual General Meeting (AGM) held on August 1, 2019 is given in the table below:

SN.	Name of the Director	No. of Board meetings attended (no. of meetings held during their tenure)	Attendance at the 70 th AGM
1	Mr. M M Murugappan	7(7)	Present
2	Ms. Shubhalakshmi Panse [®]	3(4)	Present
3	Mr. Ashok Kumar Barat	7(7)	Not attended
4	Mr. B Ramaratnam	6(7)	Present
5	Ms. Vasudha Sundararaman [§]	1(1)	Not applicable
6	Mr. Sridharan Rangarajan	7(7)	Present
7	Mr. V Ravichandran	5(7)	Present

[®] Resigned on November 20, 2019

[§] Appointed from February 12, 2020

Board - Skills / Expertise / Competencies

The core skills / expertise / competencies identified by the Board which in its opinion are pertinent for effective functioning of the Company are Finance, Governance, Strategy, General Management and Technology.

Areas of expertise of each director are given in the table below:

Name of the Director	Area of expertise
Mr. M M Murugappan	Finance, Governance, Strategy, General Management and Technology
Mr. Ashok Kumar Barat	Finance, Governance, Strategy and General Management
Mr. Ramaratnam	Finance, Governance, Strategy and Technology
Ms. Vasudha Sundararaman	Finance, Governance, Strategy and General Management
Mr. Sridharan Rangarajan	Finance, Governance, Strategy and Technology
Mr. V Ravichandran	Finance, Governance, Strategy and General Management

Board Training and Induction

At the time of appointment of a director on the Board, the incumbent director is provided with a directors' handbook comprising the compendium of the role, powers, duties and responsibilities of a director including code of conduct of the Company, the compliance obligations and disclosure requirements under the Companies Act, 2013 and the Listing Regulations. The handbook also provides the directors with an insight into the Group's practices.

A formal letter of appointment is given to independent directors at the time of appointment which lays the role and duties of an independent director. The terms and conditions of appointment of independent directors is available on the Company's website at <http://www.cholafhl.com/article/investors/466>. Key regulatory changes are circulated to the Board every quarter as part of agenda notes.

The Company has in place familiarisation programme for directors with regard to their roles, duties, rights, responsibilities in the company. Directors are familiarised with the organisational set-up, businesses including its associate / subsidiary / JV companies, the environment in which it operates and relevant information pertaining to the Company.

The details of familiarisation programme are available on the Company's website at:

<http://www.cholafhl.com/article/investors/858>

Board Evaluation

Pursuant to the provisions of section 134, schedule IV and the rules made thereunder of the Act and the Listing Regulations, performance evaluation of the Board as a whole, individual directors and committees of the Board has been carried out for the year ended March 31, 2020. A structured questionnaire covering various aspects of Board's functioning such as Board's structure, governance, dynamics & functioning and financial reporting process was used for completion of the evaluation process.

As a part of performance evaluation process, each director evaluated themselves, other Board members, the overall Board as well as the functioning of the committees of the Board in which they are members. Independent directors reviewed the performance evaluation of the Chairman, non-independent directors and the Board as a whole. The Board carried out performance evaluation of independent directors, the overall Board and its committees. The Chairman briefed the Board on the evaluation conducted.

COMMITTEES OF THE BOARD

Various committees have been constituted as per regulatory requirements and to support the Board in discharging its duties efficiently. The committees of the Board are Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Board at the time of constitution of committees approves the terms of reference of each committee. Minutes of the meetings of the Committee(s) are placed before the Board.

Audit Committee

The committee has been constituted in terms of section 177 of the Act and regulation 18 of the Listing Regulations.

Brief terms of reference

- ✦ Oversight of the Company's financial reporting process and disclosure of its financial information;
- ✦ Review of financial statements and auditors' report;
- ✦ Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ✦ Approval or any subsequent modification of transactions of the company with related parties;

- ✦ Scrutiny of inter-corporate loans and investments;
- ✦ Evaluation of internal financial controls and risk management systems;
- ✦ Review and monitor the auditor's independence and performance and effectiveness of audit process;
- ✦ Review of internal audit scope / plan and findings.

Composition

The committee comprises of four members viz., Mr. B Ramaratnam, Mr. Ashok Kumar Barat, Ms. Vasudha Sundararaman and Mr. Sridharan Rangarajan. During the year, Ms. Shubhalakshmi Panse resigned from the Board and ceases to be a Chairperson / Member of the committee with effect from November 20, 2019. Mr. Ramaratnam was elected as the Chairman of the Committee with effect from January 22, 2020.

Ms. Vasudha has been inducted as a committee member with effect from February 12, 2020. All committee members have financial and accounting knowledge. In order to acquaint the members of the Audit Committee of their roles and responsibilities, a hand book on Audit Committee is provided to members at the time of induction.

Meetings and Attendance

During the year ended March 31, 2020, the committee met six times. The Manager & Chief Financial Officer, the internal auditor and statutory auditors are invited to attend quarterly meetings of the Committee. The committee members had a meeting with the representatives of statutory auditors at separate session without the presence of management on May 3, 2019 and November 9, 2019.

The attendance (including attendance through video conferencing) of each member at the committee meetings held during the year is given in the table below:

Name of the Member	Category	No. of meetings attended (no. of meetings held during their tenure)
Ms. Shubhalakshmi Panse [®]	NED / ID	3(4)
Mr. B Ramaratnam	NED / ID	5(6)
Mr. Ashok Kumar Barat	NED / ID	6(6)
Ms. Vasudha Sundararaman [§]	NED / ID	-
Mr. Sridharan Rangarajan	NED	6(6)

NED : Non-Executive Director, ID : Independent Director

[®] Ceases to be a member from November 20, 2019

[§] Inducted as a member from February 12, 2020



Nomination & Remuneration Committee

The committee has been constituted in terms of section 178 of the Act and regulation 19 of the Listing Regulations.

Brief terms of reference

- ✦ Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for the directors, key managerial personnel and other employees;
- ✦ Identify persons who are qualified to become directors, recommend to the Board any new appointments including re-appointments;
- ✦ Formulation of criteria for evaluation of performance of independent directors and the Board;
- ✦ Devising a policy on Board diversity;
- ✦ Recommend to the Board, the remuneration including commission payable to non-executive directors subject to the statutory limits;
- ✦ Implement, administer and monitor the Employee Stock Option Plan / Schemes of the Company.

Composition

The committee comprises of three members viz., Mr. Ashok Kumar Barat, Mr. M M Murugappan and Ms. Vasudha Sundararaman. Mr. Barat is the Chairman of the committee. During the year Ms. Shubhalakshmi Panse resigned from the Board and ceases to be a member of the committee with effect from November 20, 2019. Ms. Vasudha has been inducted as a member of the committee with effect from February 12, 2020.

Meetings and Attendance

The committee met twice during the year ended March 31, 2020. The attendance (including attendance through video conferencing) of each member at the committee meetings held during the year is given in the table below:

Name of the Member	Category	No. of meetings attended (no. of meetings held during their tenure)
Mr. Ashok Kumar Barat	NED / ID	2(2)
Mr. M M Murugappan	NED	2(2)
Ms. Shubhalakshmi Panse [®]	NED / ID	1(2)
Ms. Vasudha Sundararaman [§]	NED / ID	NA

NED : Non-Executive Director, ID : Independent Director

[®] Ceases to be a member from November 20, 2019

[§] Inducted as a member from February 12, 2020

Remuneration to Directors

The success of the organisation in achieving good performance and governance depends on its ability to attract quality individuals as executive and independent directors. The compensation to the non-executive directors takes the form of commission on profits paid in proportion to their tenure on Board. Though the shareholders have approved payment of commission up to one per cent of the net profits of the Company for each year calculated as per the provisions of the Companies Act 2013, the actual commission paid to the directors will be restricted to a fixed sum. The sum is reviewed periodically taking into consideration various factors such as performance of the Company, time devoted by the directors in attending to the affairs and business of the Company and the extent of responsibilities cast on the directors under various laws and other relevant factors.

The non-executive directors are also paid sitting fees subject to the statutory ceiling for all Board and Committee meetings attended by them. Considering their enhanced roles and responsibilities, the commission payable to non-executive directors has been revised from ₹5,00,000/- to ₹7,50,000/- each from FY 19-20. During the year, the sitting fee payable to non-executive directors for attending the Board and Committee meetings has been revised. Directors are paid sitting fee of ₹50,000/- each for attending every meeting of the Board and Audit Committee and ₹30,000/- each for every meeting of other committees of the Board.

Details of commission provided for / sitting fees paid to non-executive directors during the year ended March 31, 2020 are given in the table below: (in ₹)

Name of the Director	Commission [®]	Sitting Fees paid	Total
Mr. M M Murugappan	750000	340000	1090000
Ms. Shubhalakshmi Panse	477459	165000	642459
Mr. Ashok Kumar Barat	750000	495000	1245000
Mr. B Ramaratnam	750000	445000	1195000
Ms. Vasudha Sundararaman	100410	50000	150410
Mr. Sridharan Rangarajan	750000	510000	1260000
Mr. V Ravichandran	750000	200000	950000
Total	4327869	2205000	6532869

[®] Commission subject to deduction of tax would be paid after adoption of accounts by shareholders at the 71st AGM

Policy - Board Diversity, Board Nominations and Remuneration

In compliance with the requirements of the Companies Act, 2013, the Board on recommendation of the Nomination & Remuneration Committee, has framed following policies:

- ▲ Board Diversity policy;
- ▲ Policy on Board nominations;
- ▲ Remuneration policy for Directors, Key Managerial Personnel and other employees of the Company.

The Board Diversity Policy sets out the approach to diversity on the Board of the Company in order to ensure a process which is transparent with diversity of thought, experience, knowledge, perspective and gender on the Board.

The Nomination & Remuneration Committee is responsible for identifying persons for nomination as directors and evaluating incumbent directors. The policy for Board nomination lays down qualifications, positive attributes and independence criteria for Board positions and re-appointment of directors. The Board, while considering a person for appointment as director, determines suitability of the person based on qualification, track record, expertise, integrity and also ensure that the appointee fulfills the 'fit and proper' status of Directors.

The remuneration policy provides a framework to ensure reasonableness and sufficiency of remuneration so that the Company attracts, retains and motivates resources. The policy reflects remuneration philosophy of the group and considers factors to ensure pay structures are appropriately aligned. The above policies are available on the Company's website at <http://www.cholafhl.com/article/investors/600>.

Stakeholders Relationship Committee

The committee has been constituted in terms of section 178 of the Act and regulation 20 of the Listing Regulations.

Brief terms of reference

- ★ Formulation of shareholders servicing plans and policies, approval of valid requests for transfer and transmission of shares, splitting and consolidation of shares etc;
- ★ Consider and resolve grievances of security holders of the Company including complaints relating to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends,

issue of new / duplicate certificates, general meetings etc;

- ★ Review adherence to the service standards in respect of various services rendered by the Registrar & Share Transfer Agent;
- ★ Approval of share transfers, transmissions and transpositions and delegation thereof.

Composition

The committee comprises of three members viz., Mr. M M Murugappan (Chairman), Mr. B Ramaratnam and Mr. Sridharan Rangarajan. Ms. E Krithika, Company Secretary is the Compliance Officer.

Meetings and Attendance

The committee met twice during the year ended March 31, 2020. The attendance of each member at the committee meetings held during the year is given in the table below:

Name of the Member	Category	No. of meetings attended (no. of meetings held during their tenure)
Mr. M M Murugappan	NED	2(2)
Mr. B Ramaratnam	NED / ID	2(2)
Mr. Sridharan Rangarajan	NED	2(2)

NED : Non-Executive Director, ID : Independent Director

Risk Management Committee

The committee has been constituted in terms of regulation 21 of the Listing Regulations.

Brief terms of reference

- ★ Review risk management policy and monitor its implementation;
- ★ Review process for systematic identification and assessment of the business risks including cyber security;
- ★ Periodic monitoring of critical risk exposures and report to the Board the details of any significant developments and action taken to manage the exposures.

Composition

The committee comprises of four members viz., Mr. M M Murugappan (Chairman), Mr. B Ramaratnam,



Mr. Sridharan Rangarajan and Mr. N Ganesh (Manager & Chief Financial Officer).

Meetings and Attendance

During the year ended March 31, 2020, the committee meeting was held on November 9, 2019 and the attendance of each member at the meeting is given in the table below:

Name of the Member	Category / Designation	No. of meetings attended (no. of meetings held during their tenure)
Mr. M M Murugappan	NED	1(1)
Mr. B Ramaratnam	NED / ID	1(1)
Mr. Sridharan Rangarajan	NED	1(1)
Mr. N Ganesh	Manager & CFO	1(1)

NED : Non-Executive Director, ID : Independent Director

Corporate Social Responsibility (CSR) Committee

The Committee has been constituted in terms of section 135 of the Act and the rules made thereunder.

Brief terms of reference

- ✦ Formulation and recommendation to the Board, a Corporate Social Responsibility Policy, indicating activities to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013;
- ✦ Recommendation of CSR budget to the Board;
- ✦ Monitor CSR activities undertaken by the Company from time to time.

Composition

The committee comprises of three members viz., Mr. M M Murugappan (Chairman), Mr. Ashok Kumar Barat and Mr. Sridharan Rangarajan.

Meetings and Attendance

During the year ended March 31, 2020, the committee meeting was held on May 3, 2019 and the attendance of each member at the meeting is given in the table below:

Name of the Member	Category	No. of meetings attended (no. of meetings held during their tenure)
Mr. M M Murugappan	NED	1(1)
Mr. Ashok Kumar Barat	NED / ID	1(1)
Mr. Sridharan Rangarajan	NED	1(1)

NED : Non-Executive Director, ID : Independent Director

SUBSIDIARY COMPANIES

Cholamandalam MS General Insurance Company Limited (MSGICL) is a material subsidiary of the Company as per regulation 16(1)(c) of the Listing Regulations. Mr. M M Murugappan and Mr. Sridharan Rangarajan are also on the Board of MSGICL. Pursuant to the Listing Regulations, policy on material subsidiaries has been formulated by the Board.

The policy is available on the Company's website at <http://www.cholafhl.com/article/investors/475>.

Cholamandalam Health Insurance Limited is a subsidiary of the Company. The Audit Committee reviews the financial statements of subsidiary / associate / joint venture companies and investments made by them. Minutes of board meetings of subsidiary companies are placed before the Board at its quarterly meetings along with a statement of significant transactions and arrangements if any, entered into by them. The Board reviews the business performance of major subsidiary and associate companies every half year.

RELATED PARTY TRANSACTIONS

All transactions which were entered into with related parties during the year were in the ordinary course of business and on an arms' length basis. In terms of section 177 of the Act and regulation 23 of the Listing Regulations, the Audit Committee reviews transactions with related parties every quarter. During the year there were no material transactions entered into with related parties which may have potential conflict with the interest of the Company. Disclosure of transactions with related parties as required under IND AS is set out under Note 23 of the financial statements in the annual report.

The Board has formulated a policy on related party transactions. Copy of the policy is available on the Company's website at:

<http://www.cholafhl.com/article/investors/476>.

CRITERIA FOR APPOINTMENT IN SENIOR MANAGEMENT

The Nomination & Remuneration Committee is responsible for identifying persons who are qualified to be appointed in senior management. The committee in terms of section 178 of the Act has formulated criteria for appointment of personnel in senior management comprising attributes viz., personal traits, competencies,

experience and background. These attributes are considered for nominating candidates in senior management position.

SUCCESSION PLANNING

The Company has a mechanism in place to ensure planned succession for appointments to the Board and to senior management.

MEANS OF COMMUNICATION

The audited as well as un-audited financial results of the Company are informed to the Stock Exchanges as soon as these are approved by the Board. Financial results are published in English in 'Business Standard' and 'The New Indian Express' and in Tamil in 'Dinamani'. A press release is given along with the publication of the quarterly / annual results, explaining the business environment and performance in order to enable the investing community to understand the financial results better.

The financial results, shareholding pattern, corporate governance report, corporate announcements and other communications to stock exchanges are available under the 'Investors' section on the Company's website. The investors' presentation and call transcripts are also posted on the Company's website. Disclosures and other communications are intimated in electronic mode through web portals of stock exchanges for dissemination of such information to the public at large.

The Company sends annual report, intimation of dividend payment, notices for general meetings and postal ballot by e-mail to those shareholders whose e-mail ids are registered with the Company / Depository Participants and in hard copies to those shareholders whose e-mail ids are not registered. In view of COVID-19, as permitted by the Ministry of Corporate Affairs, the Annual Report for FY 19-20 and the notice for 71st AGM is being sent by the Company in electronic form to the registered email addresses of the shareholders. Shareholders who have not registered their email, may refer the procedure to obtain the aforesaid documents provided in the notice for 71st AGM of the Company.

INVESTOR SERVICE

The Company attends to investors' queries / grievances in a timely manner and valid requests for share transfers and transmissions are processed within the regulatory time frame. KFin Technologies Private Limited (KFin) is the Company's Registrar and Share

Transfer Agent. Share transfers, transmissions, issue of duplicate share certificate(s), etc., as well as requests for dematerialisation / rematerialisation are processed by KFin at periodical cycles. No investor complaint was received during the year. Two investor complaints pending at the beginning of the year, were resolved and closed during the year. In order to expedite the redressal of complaints, if any, investors are requested to register their complaints to the exclusive e-mail id: investorservices@cfhl.murugappa.com for monitoring follow up action taken.

STATUTORY COMPLIANCE

The Company has systems in place to remain updated with changes in statutes and the means of compliance. An affirmation regarding compliance with the applicable statutes by the Compliance Officer is placed before the Board on a quarterly basis besides circulation of compliance highlights along with the agenda notes.

INTERNAL CONTROLS

The Company is conscious of the importance of internal processes and controls. The Company has adequate internal control systems and review mechanism in place commensurate with the nature of its business and size. These systems are regularly reviewed and improved upon. A certificate from the Manager & Chief Financial Officer with regard to financial statements and internal control systems has been submitted to the Board in terms of regulation 17(8) of the Listing Regulations.

DISCLOSURES REGARDING COMMODITY PRICE RISK AND HEDGING ACTIVITIES

The Company being an investment company does not have exposure to commodity risks and hedging activities.

WHISTLEBLOWER / VIGIL MECHANISM

The Company has established a whistleblower / vigil mechanism for the employees and the directors as an avenue to voice concerns relating to unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Ombudsperson appointed by the Board deals with the complaints received and ensures appropriate action. Report from Ombudsperson is placed before the Audit Committee every quarter. The mechanism also provides for adequate safeguards against victimisation of persons using the mechanism and provides direct access to the chairperson of the Audit Committee in exceptional cases. During the year,



no personnel have been denied access to the Audit Committee.

DIVIDEND DISTRIBUTION POLICY

The Company has framed a dividend distribution policy as required under regulation 43A of the Listing Regulations. Copy of the policy is available on the Company's website at <http://www.cholafhl.com/article/investors/601>.

CODE OF CONDUCT

The Board has laid down a code of conduct for all directors and senior management of the Company as required under regulation 17 of the Listing Regulations. The code is available on the Company's website at <http://www.cholafhl.com/article/investors/33>. The directors and the senior management personnel have furnished their affirmation of compliance with the code for the year ended March 31, 2020. A declaration of affirmation in this regard certified by the Manager & Chief Financial Officer, is annexed to this report.

PREVENTION OF INSIDER TRADING

The Company has framed and adopted a code of conduct to regulate, monitor and report trading by designated persons in the securities of the Company (Code for designated persons), as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations). The Code requires pre-clearance for dealing in the Company's shares for all transactions by the designated persons and prohibits the purchase or sale of Company securities by designated persons while in possession of unpublished price sensitive information (UPSI) in relation to the Company. Further, trading in Company's securities is also prohibited for designated persons during the period when the trading window is closed. A policy containing procedures for conduct of inquiry in case of leakage of UPSI or suspected leakage of UPSI forms part of the Code for designated persons.

Further, in terms of the aforesaid regulations, the Company has formulated a code for fair disclosure of UPSI and a policy for determination of 'legitimate purposes' for communicating / procuring UPSI. The Code for fair disclosure is available on the Company's website at <http://www.cholafhl.com/article/investors/493>.

FEES PAID TO STATUTORY AUDITORS / NETWORK FIRM / NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, for the year ended March 31, 2020 is furnished in the table below:

(₹ in Crore)	
Particulars	Amount
Fees for audit and related services paid to M/s S R Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	3.44
Other fees paid to M/s S R Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	0.96
Total	4.40

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The Company has complied with all mandatory requirements of corporate governance norms as required under the Listing Regulations.

NON-MANDATORY REQUIREMENTS

The quarterly financial results were published in leading newspapers and uploaded on the Company's website and any major developments were covered in the press releases issued by the Company and also posted on the Company's website. Expenses incurred by the directors in performance of their duties if any, are reimbursed. As the Company does not have a Managing Director (MD) / Chief Executive Officer (CEO), separate posts of Chairperson and MD / CEO does not arise. The Internal Auditor reports to the Audit Committee directly. Further, there are no audit qualifications on the Company's financial statements.

CERTIFICATION FROM THE STATUTORY AUDITORS

The statutory auditors have issued a certificate regarding compliance with the provisions relating to corporate governance as per Chapter IV of the Listing Regulations. The certificate is annexed to this report.

CERTIFICATION FROM THE PRACTICING COMPANY SECRETARY

In terms of the Listing Regulations, a certificate has been obtained from M/s Srinidhi Sridharan & Associates, Practicing Company Secretaries, that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such other statutory authority. The certificate is annexed to this report.

OTHER DISCLOSURES

A Management Discussion and Analysis Report highlighting the performance of individual businesses forms part of the Board's Report. The Company has complied with all regulatory requirements. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or

Securities and Exchange Board of India or any statutory authority, on any matter relating to the capital markets. The Company has not raised any funds through preferential allotment or qualified institutional placement during the year. There was no instance of non-acceptance by the Board of any recommendations of its Committees during the year.

GENERAL SHAREHOLDER INFORMATION

A separate section forms part of the Annual Report furnishing other details viz., last three Annual General Meetings, its time and venue, share price movement, distribution of shareholding etc., for shareholders' reference.

On behalf of the Board

Place : Chennai
Date : June 15, 2020

M M Murugappan
Chairman

Annexure to the Report on Corporate Governance

Declaration on Code of Conduct

To the Members of Cholamandalam Financial Holdings Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2020, as envisaged under regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Chennai
Date : June 15, 2020

N Ganesh
Manager & Chief Financial Officer



Annexure to the Report on Corporate Governance

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of

Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)

1. The Corporate Governance Report prepared by Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited) (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

- iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2019 to March 31, 2020:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Corporate Social Responsibility Committee; and
 - (g) Risk Management Committee.
 - v. Obtained necessary declarations from the directors of the Company;
 - vi. Obtained and read the policy adopted by the Company for related party transactions;
 - vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee;
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**

Partner

Membership Number: 083673

UDIN: 20083673AAAABC8124

Place : Chennai

Date : June 15, 2020



Annexure to the Report on Corporate Governance

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C sub clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members,

CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED

CIN: L65100TN1949PLC002905

(Formerly known as TI FINANCIAL HOLDINGS LIMITED)

Dare House, No.234, N S C Bose Road, Chennai- 600001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED (Formerly known as TI FINANCIAL HOLDINGS LIMITED) (CIN: L65100TN1949PLC002905)** having its Registered Office at Dare House, No.234, N S C Bose Road, Chennai - 600001 (hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such other statutory authority.

SN.	DIN	Name of the Director	Designation	Date of Appointment
1	00170478	M M Murugappan	Non-Executive-Chairman	11/11/2017
2	00492930	Ashok Kumar Barat	Non-Executive-Independent Director	01/08/2018
3	01814413	Sridharan Rangarajan	Non-Executive-Non-Independent Director	30/08/2018
4	07525213	Balasubramanyan Ramaratnam	Non-Executive-Independent Director	18/03/2019
5	00110086	V Ravichandran	Non-Executive-Non-Independent Director	18/03/2019
6	06609400	Vasudha Sundararaman	Non-Executive-Independent Director	12/02/2020

Ensuring the eligibility of, for the appointment/ continuity of, every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Srinidhi Sridharan & Associates**
Company Secretaries

CS Srinidhi Sridharan

CP No. 17990

ACS No. 47244

UIN: S2017TN472300

UDIN: A047244B000341824

Place : Chennai

Date : June 15, 2020

General Shareholder Information

Registered Office

'Dare House', No. 234, NSC Bose Road,
Chennai 600 001

Corporate Identification Number (CIN)

L65100TN1949PLC002905

ANNUAL GENERAL MEETING

Day : Wednesday
Date : August 12, 2020
Time : 3.30 pm
Mode : Through Video Conferencing / Other
Audio Visual means

FINANCIAL YEAR

April 1 to March 31

TENTATIVE CALENDAR FOR FY 2020-21

The tentative calendar for Board meetings for approving the quarterly financial results is given below:

Results for the first quarter

Ending 30th June, 2020 – 12th August, 2020

Results for the second quarter / half-year

Ending 30th September, 2020 – 3rd November, 2020

Results for the third quarter

Ending 31st December, 2020 - January / February, 2021

Results for the fourth quarter

Ending 31st March 2021 / Annual Results for FY 2020-21
- April / May, 2021

DIVIDEND

The Board of Directors had approved an interim dividend on the equity shares at the rate of 65% (₹0.65/- per equity share of ₹1/- each) on February 26, 2020 for FY 19-20, which was paid to shareholders on March 13, 2020. The Board has not recommended any final dividend for FY 19-20.

LISTING ON STOCK EXCHANGES

National Stock Exchange of India Limited	BSE Limited
Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai- 400 001.
Stock Code: CHOLAHLDNG	Scrip Code: 504973

Listing fee for the year ended March 31, 2021 has been paid to the above Stock Exchanges on time.

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Private Limited ('KFin') is the Registrar and Share Transfer Agent ('RTA') of the Company. The name of the Company's RTA had been changed to KFin Technologies Private Limited from Karvy Fintech Private Limited effective December 5, 2019 and the stock exchanges have been intimated in this regard. The shareholders are requested to address their share related requests / queries to the RTA.

Contact details of RTA

KFin Technologies Private Limited

(Unit : Cholamandalam Financial Holdings Limited)
Karvy Selenium Tower B, Plot 31-32, Financial District, Gachibowli, Hyderabad – 500 032, Telangana
Phone: 040-67161514, Fax: 040-23420814
Toll free: 1800-345-4001
E-mail: einward.ris@kfintech.com;
Website: <https://karisma.kfintech.com/>
Contact person: Mr. Rajkumar Kale - Senior Manager - Corporate Registry

TRANSFER OF DIVIDEND / SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of section 124 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more is required to be transferred from the unpaid dividend account of the Company to the Investor Education and Protection Fund ('IEPF') established by the Central Government.



The Company sends periodic intimation to the shareholders concerned, advising them to claim dividend from the Company. Further, the Company has published notices in newspaper regarding the due date for transfer of dividend and shares to the IEPF. The Company has transferred unclaimed / unencashed dividends upto the interim dividend for FY 2012-13, from time to time, to the IEPF. Members are requested to contact the Company or the Company's RTA to claim the unpaid dividend within the prescribed period.

Details of unclaimed / unpaid dividends lying with the Company as on March 31, 2019 is available on the Company's website at www.cholafhl.com/investors/706 and the Ministry of Corporate Affairs at www.iepf.gov.in. No claim shall lie against the Company for the amounts so transferred nor shall any payment be made in respect of such claims.

Details of dividend paid by the Company and the respective due dates for transfer of the unclaimed/ un-encashed dividend to the IEPF is given in the table below:

Financial year to which the dividend relates	Date of Declaration	Due date of transfer to IEPF
2012-13 - Final	02.08.2013	07.09.2020
2013-14 - Interim	04.02.2014	12.03.2021
- Final	06.08.2014	11.09.2021
2014-15 - Interim	04.02.2015	12.03.2022
- Final	10.08.2015	16.09.2022
2015-16 - Interim	04.02.2016	12.03.2023
- Final	08.08.2016	13.09.2023
2016-17 - Interim	06.02.2017	14.03.2024
2017-18 - Interim	05.02.2018	12.03.2025
- Final	31.07.2018	06.09.2025
2018-19 - Interim	04.02.2019	12.03.2026
- Final	01.08.2019	07.09.2026
2019-20 - Interim	26.02.2020	03.04.2027

During the FY 19-20, the Company has transferred 93040 equity shares of ₹1/- each pertaining to 87 shareholders, to the demat account of the IEPF. Members / claimants may claim their shares and dividend transferred to the IEPF by following the procedure for refund as detailed on the website of IEPF at www.iepf.gov.in. Details of the nodal officer of the Company for the purpose of IEPF is available on the Company's website. As at March 31, 2020, 744945 equity shares were lying in the IEPF account.

INSTRUCTIONS TO SHAREHOLDERS

(a) Mode of Dividend Payment

Shareholders can make use of National Automated Clearing House (NACH) facility to receive dividends directly to their bank accounts thereby avoiding the hassles relating to handling of physical warrants besides elimination of risk of loss in postal transit / fraudulent encashment of warrants. Accordingly, shareholders are requested to provide bank account details to their Depository Participants ('DPs') / RTA, to process the dividend payments through NACH mode. If there is any change in bank account details, shareholders are requested to advise their DPs / Company's RTA, as the case may be, immediately about the change.

In case of non availability of bank account details, dividend is paid to shareholders by way of warrants / cheques / demand drafts.

(b) Shareholders holding shares in physical form

Requests for change of address shall be sent to the Company's RTA, KFin, for facilitating them to forward the dividend warrants to the latest address of members. Members are also advised to intimate their bank account details to RTA, to enable incorporation of the same on dividend warrants. This would help prevent any fraudulent encashment of dividend warrants.

(c) Investor Service System

As per SEBI mandate, with effect from April 1, 2019, securities of listed companies can be transferred only in dematerialised form. In view of this requirement, members who hold shares in physical form are requested to get their shares dematerialized to avail the benefits of dematerialisation.

Request for transfer / transmission / transposition of shares and other requests from shareholders holding shares in physical form are processed by the Company's RTA, KFin. The Board has delegated powers to the Stakeholders Relationship Committee to approve requests of shareholders. Requests of transfer and transmission of shares are processed within the regulatory time frame. Periodical confirmation / reports with regard to share transfers are obtained for monitoring investor service system.

DETAILS OF SHAREHOLDERS' COMPLAINTS

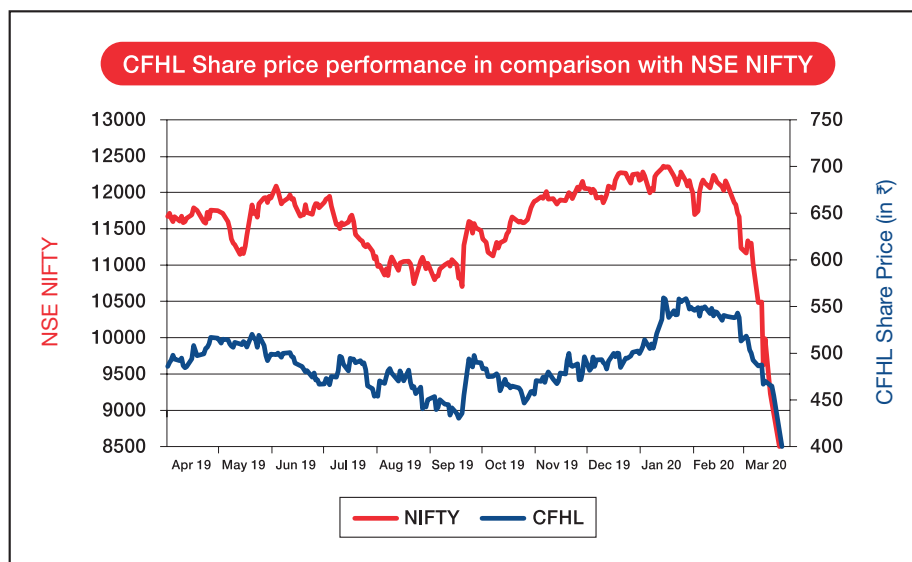
Complaints pending as on April 1, 2019	2
Complaints received during the year	Nil
Complaints resolved during the year	2
Complaints pending as on March 31, 2020	Nil

* 2 complaints which were pending in the beginning of the year related to non-receipt of share certificate pursuant to transfer and non-receipt of dividend & deletion of joint holder's name.

MARKET PRICE DATA AND COMPARISON

Monthly high and low price of the Equity Shares of the Company during FY 19-20 are as follows:

Month	National Stock Exchange of India Ltd.			BSE Ltd.		
	High (in ₹)	Low (in ₹)	Volume	High (in ₹)	Low (in ₹)	Volume
Apr-19	516.95	484.55	2775082	510.70	480.50	1413743
May-19	520.25	491.95	2271769	519.70	491.90	383910
Jun-19	500.75	466.75	1803107	505.00	466.05	6979
Jul-19	496.80	454.00	3502205	498.85	456.00	1366099
Aug-19	483.60	440.55	4352375	483.25	433.65	470525
Sep-19	497.75	430.35	1829114	499.90	429.50	181631
Oct-19	483.35	446.60	1258983	486.20	450.15	17188
Nov-19	499.99	467.25	1650482	500.00	466.40	210716
Dec-19	502.55	481.75	1892689	504.20	480.70	51700
Jan-20	559.25	503.15	4507998	559.95	503.15	1047471
Feb-20	549.90	513.00	2060115	549.55	508.00	123284
Mar-20	518.35	290.00	5824310	517.35	290.05	191257





SHAREHOLDING PATTERN AS ON MARCH 31, 2020

Category	No. of shares	% of shareholding
Promoter & Promoter Group	91589469	48.79
Mutual Funds /UTI	42809076	22.81
Banks, Financial Institutions, Insurance Companies	3831336	2.04
Foreign Institutional Investors	19326689	10.30
Bodies Corporate	5247442	2.80
Resident Individuals	19736891	10.52
Bank of New York Mellon (Depository for GDR holders)	23460	0.01
NRI and Others	5151667	2.73
Total	187716030	100.00

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

Category (Shares)	No. of shareholders	% to shareholders	No. of shares	% to Equity
upto 1 - 5000	20638	96.27	9257267	4.93
5001 - 10000	309	1.44	2266171	1.21
10001 - 20000	177	0.82	2525978	1.35
20001 - 30000	64	0.30	1544380	0.82
30001 - 40000	40	0.19	1416233	0.75
40001 - 50000	20	0.09	915939	0.49
50001 - 100000	50	0.23	3633618	1.94
100001 & Above	142	0.66	166156444	88.51
Total	21485	100.00	187716030	100.00

Shareholding mode	No. of shareholders	% to shareholders	No. of shares	% to Equity
Physical	711	3.31	1149336	0.61
Demat / electronic	20774	96.69	186566694	99.39
Total	21485	100.00	187716030	100.00

NOMINATION FACILITY

The shareholders holding shares in physical form may avail the nomination facility under Section 72 of the Companies Act, 2013. The nomination form (Form SH.13), along with instructions, will be provided to the members on request. The shareholders holding shares in dematerialized form are requested to forward their nomination instructions to the concerned depository participants. Nomination is optional and can be cancelled or varied by a shareholder at any time.

DEMATERIALISATION OF SHARES

The Equity Shares of the Company are compulsorily traded in dematerialised form. The code number allotted by the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) to Cholamandalam Financial Holdings Limited (formerly, TI Financial Holdings Limited) is ISIN INE149A01033.

RECONCILIATION OF SHARE CAPITAL AUDIT

The Company obtains a certificate on quarterly basis, from the Company Secretary in practice on reconciliation of share capital audit with regard to the total admitted equity share capital with NSDL and CDSL and those held in physical form, with the issued and listed capital under regulation 55A of the SEBI (Depositories and Participants) Regulation, 1996. The certificate is submitted to the stock exchanges and placed before the Board at its quarterly meetings.

GDR DETAILS

As at March 31, 2020, 23460 Global Depository Receipts (GDRs) were outstanding representing an equal number of underlying Equity Shares. The GDRs stand delisted/ withdrawn for trading from Luxembourg Stock Exchange, effective May 18, 2011.

COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is into investment business and has no exposure to commodity price risk and commodity hedging activities. Foreign currency trade exposures are monitored regularly.

DETAILS OF SPECIAL RESOLUTIONS PASSED DURING THE LAST THREE ANNUAL GENERAL MEETINGS

Date of AGM	Whether any Special Resolution was passed	Particulars
September 25, 2017	No	-
July 31, 2018	No	-
August 1, 2019	Yes	Approval of remuneration by way of commission to Non-Executive Directors

The shareholders approved the said special resolution with requisite majority.

POSTAL BALLOT

No postal ballot was conducted during the FY 19-20. Further, at present, there is no proposal to pass any resolution through postal ballot.

GENERAL BODY MEETING

The date, time and venue of the last three Annual General Meetings are given in the table below:

Year	Date	Time	Venue
2016-17	September 25, 2017	11.30 AM	T T K Auditorium, The Music Academy, No. 168 (Old No.306), T T K Road, Chennai - 600 014
2017-18	July 31, 2018	3.00 PM	
2018-19	August 1, 2019	3.00 PM	

UNCLAIMED SHARES

In accordance with regulation 34(3) and Schedule V - Part F of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details in respect of equity shares lying in the Unclaimed Suspense Account of the Company are given in the table below:

SN.	Particulars	No. of shareholders	No. of shares
1	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 01.04.2019	1073	1048496
2	Number of shareholders who approached for transfer of their shares from the Unclaimed Suspense Account during the year	65	74270
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	65	74270
4	Number of shareholders whose shares were transferred to the Investor Education & Protection Fund during the year	48	76870
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31.03.2020	960	897356

Shareholders who continue to hold the share certificates with face value of ₹10 / ₹2 each are entitled to claim the Equity Shares with face value of ₹1 each from the Unclaimed Suspense Account. The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such share claims the shares. On receipt of the claim, the Company will, after verification, arrange to credit the Equity Shares to the demat account of the shareholder concerned or deliver the share certificate to the shareholder in physical mode after re-materialisation.

Contact details:

For assisting and handling investor grievances:

Ms. E Krithika

Compliance Officer & Company Secretary

'Dare House', No.234, NSC Bose Road, Chennai - 600 001

E-mail : investorservices@cfhl.murugappa.com, krithikae@cfhl.murugappa.com

Phone: 044 - 4090 7638; Fax: 044 - 4211 0404



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

ANNEXURE C

1. **A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Outline of the Company's CSR Policy

The Murugappa Group is known for its tradition of philanthropy and community service. The Company being part of the Murugappa Group, has been earmarking a part of its income for carrying out its social responsibilities. The Company's philanthropic endeavours are a reflection of its spiritual conscience and this provides it a way to discharge its responsibilities to various sections of the society.

The CSR policy of the Company inter alia provides for identification of CSR projects and programs, modalities of execution and monitoring process. The policy gives an overview of the projects or programs, which would be undertaken by the Company from time to time. Improving access to education was the key focus area during the year.

The CSR policy is available on the Company's website at <http://www.cholafhl.com/article/investors/467>.

2. **The composition of the CSR Committee:**

Mr. M M Murugappan, Chairman

Mr. Ashok Kumar Barat

Mr. Sridharan Rangarajan

3. **Average net profit of the Company for last three financial years:** ₹278 Lakh

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹6 Lakh

5. **Details of CSR spent during the financial year:**

a. Total amount spent for the financial year: ₹11 Lakh

b. Amount unspent, if any : Nil

c. Manner in which the amount spent during the financial year is detailed below: (₹ in Lakh)

CSR Project/ Activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district where Project or Program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs - 1) Direct expenditure 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent - Direct (D) or through implementing agency (IA)
Education to girl children in rural areas	Education	Mirzapur District, Uttar Pradesh	11.0	11.0	11.0	IA (IIMPACT)

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

Not applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company:**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board

Place : Chennai

Sridharan Rangarajan

M M Murugappan

Date : June 15, 2020

Director

Chairman – CSR Committee

ANNEXURE D

Information under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Details of employees in terms of remuneration drawn during the financial year 2019-20 as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name (Age)	Designation / Nature of duties	Gross remuneration paid (in ₹)	Qualification and experience (years)	Date of commencement of employment / deputation	Previous employment
N Ganesh (47)	Manager & Chief Financial Officer	80,10,630	B.Com, ACA (24 years)	August 9, 2017	Cholamandalam Investment and Finance Company Limited
E Krithika (40)	Company Secretary	23,34,473	M.Com, ACS (14 years)	August 9, 2017	Cholamandalam MS General Insurance Company Limited

Notes:

- The Company has 2 employees who are the Key Managerial Personnel (KMPs). Details of the KMPs are furnished in the table above.
- Mr. Ganesh is employed on deputation basis from Cholamandalam Investment and Finance Company Limited (CIFCL). Remuneration of Mr. Ganesh represents the cost of deputation paid to CIFCL. Remuneration of Ms. Krithika given above includes salary, allowances, company's contribution to provident fund / gratuity fund and perquisites computed as per Income Tax Act / Rules.
- None of the above employees are related to any director of the Company and hold any shares in the Company.
- None of the above employees are vested with stock options under the Company's Employee Stock Option Schemes.

(ii) Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Category	Ratio
Mr. M M Murugappan	Chairman & Non-Executive Director	0.21:1
Ms. Shubhalakshmi Panse [#]	Independent Director	0.24:1
Mr. Ashok Kumar Barat	Independent Director	0.24:1
Mr. B Ramaratnam	Independent Director	0.24:1
Ms. Vasudha Sundararaman [*]	Independent Director	0.24:1
Mr. Sridharan Rangarajan	Non-Executive Director	0.24:1
Mr. V Ravichandran	Non-Executive Director	0.19:1

[#] Resigned on November 20, 2019

^{*} Appointed from February 12, 2020

Note: 1. Above remuneration includes sitting fees paid during the year.

2. Remuneration of directors is annualised.



(iii) Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer & Company Secretary in the financial year:

Directors are paid sitting fees at the same scale for attending Board and Committee meetings. In addition to sitting fees, a fixed sum is paid as a commission to all directors, proportionate to their tenure on the Board.

Name of the Director	Category	% increase
Mr. M M Murugappan	Chairman & Non-Executive Director	44.4
Ms. Shubhalakshmi Panse [#]	Independent Director	45.5
Mr. Ashok Kumar Barat	Independent Director	42.3
Mr. B Ramaratnam	Independent Director	50.0
Ms. Vasudha Sundararaman [*]	Independent Director	NA
Mr. Sridharan Rangarajan	Non-Executive Director	46.5
Mr. V Ravichandran	Non-Executive Director	53.8

[#] Resigned on November 20, 2019

^{*} Appointed with effect from February 12, 2020

Note: Sitting fees & Commission payable to NEDs were revised during the year.

Increase in remuneration of KMPs : Manager & CFO – 12.6%; Company Secretary - 18%

(iv) Percentage increase in median remuneration of employees in the financial year: 13.7%

(v) Number of permanent employees on the rolls of the Company as on 31.03.2020

Two employees i.e. the Manager & CFO and the Company Secretary.

(vi) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Not applicable since there are no employees other than the managerial personnel.

(vii) Affirmation

The Company affirms that the remuneration is in line with its Remuneration Policy.

On behalf of the Board

M M Murugappan
Chairman

Place : Chennai

Date : June 15, 2020

Secretarial Audit Report

ANNEXURE E

for the financial year ended 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI(Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

The Members,

CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED
(Formerly known as "TI FINANCIAL HOLDINGS LIMITED")
CIN: L65100TN1949PLC002905
Dare House, No.234, N S C Bose Road, Chennai - 600001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED** (Formerly known as "TI FINANCIAL HOLDINGS LIMITED") [Corporate Identification Number: L65100TN1949PLC002905] hereinafter called "the Company". Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA and hence, the requirement of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under does not arise;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the company during the audit period);
 - d) The Employee Stock Option Plan, 2016 approved under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Employee Stock Option Scheme, 2007 approved under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the company during the audit period);
- (vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following major heads/groups:
- a) Reserve Bank of India Act, 1934, Rules, Regulations, guidelines, circulars, directions, notifications made there under;
 - b) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
 - c) NBFC Auditors Report Reserve Bank Directions, 1998;
 - d) NBFC Public Deposits RBI Directions 1998.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Uniform Listing Agreement entered into with BSE Limited and the National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive and Independent Directors. The company has appointed "Manager" pursuant to Sections 196 and 203 of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The meeting convened at shorter notice and notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meeting are complied with. The necessary compliances of Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 have been complied with in respect of meetings convened through Video Conferencing / Audio Visual means.

Based on the verification of the records and minutes, the decisions at the Board / Committee Meetings were taken with the consent of the Board of Directors / Committee Members and no Director / Member had dissented on any of the decisions taken at such Board / Committee Meetings. Further in the minutes of the General Meeting, the Members who voted against the resolution(s) have been recorded.

We further report that based on review of compliance mechanism established by the Company we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that the above mentioned Company being a Listed entity, this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

and circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

We further report that as per the information and explanations provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that during the audit period, the Company has

1. Registered as a Core Investment Company and issued certificate of registration (COR) dated January 6, 2020 by the Reserve Bank of India under section 45IA of the Reserve Bank of India Act, 1934;
2. Obtained the approval of the Board of Directors at their meeting held on 14th June, 2019 to make a long term investment upto a sum not exceeding ₹35 Crores by way of purchase of upto 10,00,000 equity shares of ₹2/- each of Cholamandalam Investment and Finance Company Limited from Ambadi Investments Limited at the prevailing market price.

3. Obtained the approval of the Board of Directors at their meeting held on 22nd January, 2020 as follows:

- To make an investment in preferential issue of Cholamandalam Investment & Finance Company Limited aggregating to an amount of ₹350 Crores at a face value of ₹2/- each per equity share.
- To borrow an amount not exceeding ₹500 Crores by way of overdrafts, cash credits, term loan, commercial papers, inter corporate borrowings and such other facilities.

For **Srinidhi Sridharan & Associates**
Company Secretaries

CS Srinidhi Sridharan

CP No. 17990

ACS No. 47244

UIN: S2017TN472300

Place : Chennai

Date : June 15, 2020

UDIN: A047244B000341791



Form No. MGT-9 Extract of Annual Return

ANNEXURE F

as on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	Corporate Identification Number (CIN)	: L65100TN1949PLC002905
2	Registration Date	: 9 th September, 1949
3	Name of the Company	: Cholamandalam Financial Holdings Limited (Formerly, TI Financial Holdings Limited)
4	Category / Sub-Category of the Company	: Public Company / Limited by shares
5	Address of the Registered Office and contact details	: "Dare House", No. 234, N S C Bose Road, Chennai - 600 001 Phone: 044 42177770-5; Fax: 044 42110404 E-mail: investorservices@cfhl.murugappa.com
6	Whether listed company	: Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	: KFin Technologies Private Limited (Unit: Cholamandalam Financial Holdings Limited) Karvy Selenium Tower B, Plot 31-32, Financial District, Gachibowli, Hyderabad - 500 032, Telangana Phone : (040) - 67161514 Fax : (040) - 23420814 Toll free Number: 1800-345-4001 E-mail: einward.ris@kfintech.com Website: https://karisma.kfintech.com/ Contact person: Mr. Rajkumar Kale - Senior Manager - Corporate Registry

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
Investment Activity	6430	91.11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Cholamandalam Investment and Finance Company Ltd.* "Dare House", No.2, N S C Bose Road, Chennai - 600 001	L65993TN1978PLC 007576	Associate	45.50	2(6)
2	Cholamandalam MS General Insurance Company Ltd. "Dare House", No.2, N S C Bose Road, Chennai - 600 001	U66030TN2001PLC047977	Subsidiary	60.00	2(87)(ii)
3	Cholamandalam MS Risk Services Ltd. "Dare House", No.2, N S C Bose Road, Chennai - 600001	U74140TN1994PLC029257	Joint Venture	49.50	2(6)
4	Cholamandalam Health Insurance Ltd. "Dare House", No.2, N S C Bose Road, Chennai - 600001	U66020TN2017PLC117783	Subsidiary	99.86	2(87)(ii)

*Treated as a subsidiary under Ind-AS

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

(i) Category-wise Shareholding

SN.	Category of Shareholders	No. of shares held at the beginning of the year (01-Apr-2019)				No. of shares held at the end of the year (31-Mar-2020)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	13483452	-	13483452	7.18	10841722	-	10841722	5.78	(1.40)
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	72424485	-	72424485	38.59	73124485	-	73124485	38.95	0.36
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others :	5606730	-	5606730	2.99	7606230	-	7606230	4.05	1.06
	Sub-Total A(1) :	91514667	-	91514667	48.76	91572437	-	91572437	48.78	0.02
(2)	FOREIGN									
(a)	Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others :	17032	-	17032	0.01	17032	-	17032	0.01	-
	Sub-Total A(2) :	17032	-	17032	0.01	17032	-	17032	0.01	-
	Total A=A(1)+A(2)	91531699	-	91531699	48.77	91589469	-	91589469	48.79	0.02
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	31743146	-	31743146	16.91	42809076	-	42809076	22.80	5.89
(b)	Financial Institutions / Banks	903392	7350	910742	0.49	887860	7350	895210	0.48	(0.01)
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	2936126	-	2936126	1.56	2936126	-	2936126	1.56	-
(f)	Foreign Institutional Investors / Foreign Portfolio Investors	19317555	236660	19554215	10.42	19090029	236660	19326689	10.30	(0.12)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Others (includes Alternate Investment Funds)	1546551	-	1546551	0.82	1575049	-	1575049	0.84	0.02
	Sub-Total B(1) :	56446770	244010	56690780	30.20	67298140	244010	67542150	35.98	5.78
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	9672562	4140	9676702	5.16	5254902	4140	5259042	2.80	(2.36)
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹1 lakh	16719091	1003981	17723072	9.44	15865798	844156	16709954	8.90	(0.54)
(ii)	Individuals holding nominal share capital in excess of ₹1 lakh	5300007	-	5300007	2.82	3026937	-	3026937	1.61	(1.21)



SN.	Category of Shareholders	No. of shares held at the beginning of the year (01-Apr-2019)				No. of shares held at the end of the year (31-Mar-2020)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c)	Others:									
	Clearing Members	252252	-	252252	0.13	63404	-	63404	0.03	(0.10)
	Non Resident Indians	2129388	57030	2186418	1.17	2447787	57030	2504817	1.33	0.16
	Trusts	106046	-	106046	0.06	107725	-	107725	0.06	-
	Others (IEPF, QIB etc.,)	1363005	-	1363005	0.73	889072	-	889072	0.47	(0.25)
	Sub-Total B(2) :	35542351	1065151	36607502	19.51	27655625	905326	28560951	15.22	(4.29)
	Total B=B(1)+B(2) :	91989121	1309161	93298282	49.71	94953765	1149336	96103101	51.20	1.49
	Total (A+B) :	183520820	1309161	184829981	98.48	186543234	1149336	187692570	99.99	1.51
(C)	SHARES HELD BY CUSTODIANS FOR GDRS & ADRS									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	2862253	-	2862253	1.52	23460	-	23460	0.01	(1.51)
	Sub-Total C:	2862253	-	2862253	1.52	23460	-	23460	0.01	(1.51)
	GRAND TOTAL (A+B+C) :	186383073	1309161	187692234	100.00	186566694	1149336	187716030	100.00	

Note: The increase in paid up share capital is on account of allotment of shares to option grantees under the Company's ESOP Schemes.

(ii) Shareholding of Promoters

SN.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of shares	% of total shares of the company	% of the shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of the shares pledged/encumbered to total shares	
1	M V Murugappan [#]	863980	0.46	-	-	-	-	(0.46)
2	M V Subbiah	744150	0.40	-	171200	0.09	-	(0.31)
3	S Vellayan	430250	0.23	-	-	-	-	(0.23)
4	A Vellayan	631900	0.34	-	631900	0.34	-	-
5	V Narayanan	281140	0.15	-	281140	0.15	-	-
6	V Arunachalam	338990	0.18	-	338990	0.18	-	-
7	A Venkatachalam [*]	764610	0.41	0.020	764610	0.41	-	-
8	Arun Venkatachalam	198130	0.11	-	198130	0.11	-	-
9	M M Murugappan	842405	0.45	-	842405	0.45	-	-
10	M M Veerappan	-	-	-	-	-	-	-
11	M M Muthiah	-	-	-	-	-	-	-
12	M M Venkatachalam	407900	0.21	0.002	4000	0.00	0.002	(0.21)
13	M V Muthiah	-	-	-	-	-	-	-
14	M V Subramanian	-	-	-	-	-	-	-
15	M A Alagappan	840660	0.45	0.003	840660	0.45	0.003	-
16	Arun Alagappan	833090	0.44	-	833090	0.44	-	-

SN.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of shares	% of total shares of the company	% of the shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of the shares pledged/encumbered to total shares	
17	M A M Arunachalam	618820	0.33	-	618820	0.33	-	-
18	Valli Arunachalam	543330	0.29	-	543330	0.29	-	-
19	E.I.D. Parry (India) Ltd.	-	-	-	-	-	-	-
20	Coromandel International Ltd.	-	-	-	-	-	-	-
21	New Ambadi Estates Private Ltd.	-	-	-	-	-	-	-
22	Tube Investments of India Ltd.	-	-	-	-	-	-	-
23	Ambadi Enterprises Ltd.	1058200	0.56	-	1058200	0.56	-	-
24	Ambadi Investments Ltd.	70066595	37.33	-	70766595	37.70	-	0.37
25	Carborundum Universal Ltd.	1000	0.00	-	1000	0.00	-	-
26	M/s Murugappa & Sons# (M V Subbiah, M A Alagappan & M M Murugappan hold shares on behalf of the firm)	-	-	-	863980	0.46	-	0.46
Total		79465150	42.34	0.025	78758050	41.96	0.005	(0.38)

* Transfer of shares from Mr. M V Murugappan to M/s Murugappa & Sons (firm reconstituted during the year)

* Pledge released during the year

Note : The above table does not include holdings of promoter group aggregating to 12831419 shares (6.83%) as at March 31, 2020

(iii) Change in Promoters' Shareholding

SN.	Date	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in share holding	Cumulative shareholding during the year	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	01/04/2019	M V Murugappan	863980	0.46			
	06/03/2020				Decrease	(863980)	
	31/03/2020					-	-
2	01/04/2019	M V Subbiah	744150	0.40			
	03/06/2019				Decrease	(176460)	
	28/06/2019				Decrease	(396490)	
	31/03/2020					171200	0.09
3	01/04/2019	S Vellayan	430250	0.23			
	03/06/2019				Decrease	(430250)	
	31/03/2020					-	-
4	01/04/2019	M M Venkatachalam	407900	0.21			
	27/09/2019				Decrease	(403900)	
	31/03/2020					4000	0.002
5	01/04/2019	Ambadi Investments Ltd.	70066595	37.33			
	16/08/2019				Increase	700000	
	31/03/2020					70766595	37.70
6	01/04/2019	M/s. Murugappa & Sons	-	-			
	06/03/2020				Increase	863980	
	31/03/2020					863980	0.46


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

SN.	Shareholder's Name	Shareholding at the beginning (01-Apr-2019) / end of the year (31-Mar-2020)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-Apr-2019 to 31-Mar-2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	HDFC TRUSTEE COMPANY LIMITED - A/C HDFC BALANCED FUND	12237390	6.52	30/03/2019			12237390	6.52
				05/04/2019	(249500)	Sale	11987890	6.39
				22/11/2019	(100000)	Sale	11887890	6.33
				29/11/2019	(401642)	Sale	11486248	6.12
				20/12/2019	(158521)	Sale	11327727	6.03
				31/12/2019	(221000)	Sale	11106727	5.92
				03/01/2020	(902049)	Sale	10204678	5.44
				31/03/2020			10204678	5.44
				30/03/2019			7376923	3.93
2	RELIANCE CAPITAL TRUSTEE CO LTD. A/C RELIANCE BALANCED ADVANTAGE FUND	7376923	3.93	05/04/2019	220785	Purchase	7597708	4.05
				12/04/2019	21728	Purchase	7619436	4.06
				19/04/2019	100672	Purchase	7720108	4.11
				26/04/2019	448112	Purchase	8168220	4.35
				03/05/2019	334210	Purchase	8502430	4.53
				10/05/2019	468032	Purchase	8970462	4.78
				10/05/2019	(4698)	Sale	8965764	4.78
				17/05/2019	141032	Purchase	9106796	4.85
				24/05/2019	30421	Purchase	9137217	4.87
				24/05/2019	(181900)	Sale	8955317	4.77
				31/05/2019	2664	Purchase	8957981	4.77
				07/06/2019	22990	Purchase	8980971	4.78
				14/06/2019	(120)	Sale	8980851	4.78
				21/06/2019	41459	Purchase	9022310	4.81
				28/06/2019	598721	Purchase	9621031	5.13
				05/07/2019	700720	Purchase	10321751	5.50
				05/07/2019	(197670)	Sale	10124081	5.39
				12/07/2019	312	Purchase	10124393	5.39
				19/07/2019	641	Purchase	10125034	5.39
				26/07/2019	288	Purchase	10125322	5.39
				02/08/2019	8879	Purchase	10134201	5.40
				09/08/2019	233078	Purchase	10367279	5.52
				09/08/2019	(14409)	Sale	10352870	5.52
				16/08/2019	18920	Purchase	10371790	5.53
				23/08/2019	46583	Purchase	10418373	5.55
				30/08/2019	25331	Purchase	10443704	5.56
				30/08/2019	(50000)	Sale	10393704	5.54
				06/09/2019	200072	Purchase	10593776	5.64
				06/09/2019	(200000)	Sale	10393776	5.54
				13/09/2019	168	Purchase	10393944	5.54
				20/09/2019	168	Purchase	10394112	5.54
				27/09/2019	49274	Purchase	10443386	5.56
				04/10/2019	111674	Purchase	10555060	5.62
				11/10/2019	13998	Purchase	10569058	5.63
				18/10/2019	144	Purchase	10569202	5.63
				01/11/2019	100216	Purchase	10669418	5.68
				08/11/2019	72	Purchase	10669490	5.68
				15/11/2019	(312)	Sale	10669178	5.68
				22/11/2019	(293)	Sale	10668885	5.68
				29/11/2019	(6129)	Sale	10662756	5.68
		06/12/2019	208978	Purchase	10871734	5.79		
		06/12/2019	(1151)	Sale	10870583	5.79		
		13/12/2019	156837	Purchase	11027420	5.87		
		20/12/2019	124924	Purchase	11152344	5.94		
		27/12/2019	1572	Purchase	11153916	5.94		
		31/12/2019	23	Purchase	11153939	5.94		
		03/01/2020	690	Purchase	11154629	5.94		
		10/01/2020	381935	Purchase	11536564	6.15		
		17/01/2020	576173	Purchase	12112737	6.45		
		24/01/2020	897	Purchase	12113634	6.45		
		31/01/2020	50000	Purchase	12163634	6.48		
		31/01/2020	(759)	Sale	12162875	6.48		
		07/02/2020	492226	Purchase	12655101	6.74		

SN.	Shareholder's Name	Shareholding at the beginning (01-Apr-2019) / end of the year (31-Mar-2020)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-Apr-2019 to 31-Mar-2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				14/02/2020	34193	Purchase	12689294	6.76
				21/02/2020	(1058)	Sale	12688236	6.76
				28/02/2020	520043	Purchase	13208279	7.04
				28/02/2020	(126)	Sale	13208153	7.04
				06/03/2020	1070410	Purchase	14278563	7.61
				06/03/2020	(869589)	Sale	13408974	7.14
				13/03/2020	999910	Purchase	14408884	7.68
				13/03/2020	(891000)	Sale	13517884	7.20
				20/03/2020	332681	Purchase	13850565	7.38
				20/03/2020	(2132)	Sale	13848433	7.38
				27/03/2020	459720	Purchase	14308153	7.62
				27/03/2020	(161)	Sale	14307992	7.62
				31/03/2020	1219	Purchase	14309211	7.62
		14309211	7.62	31/03/2020			14309211	7.62
3	ICICI PRUDENTIAL SMALLCAP FUND	58	0.00	30/03/2019			58	0.00
				19/04/2019	355	Purchase	413	0.00
				26/04/2019	(355)	Sale	58	0.00
				17/05/2019	98	Purchase	156	0.00
				24/05/2019	49	Purchase	205	0.00
				07/06/2019	4404	Purchase	4609	0.00
				14/06/2019	63769	Purchase	68378	0.04
				21/06/2019	3697	Purchase	72075	0.04
				28/06/2019	4950	Purchase	77025	0.04
				05/07/2019	80049	Purchase	157074	0.08
				12/07/2019	2581	Purchase	159655	0.09
				19/07/2019	148646	Purchase	308301	0.16
				26/07/2019	1718666	Purchase	2026967	1.08
				02/08/2019	7635	Purchase	2034602	1.08
				09/08/2019	330906	Purchase	2365508	1.26
				16/08/2019	152987	Purchase	2518495	1.34
				23/08/2019	128346	Purchase	2646841	1.41
				30/08/2019	335277	Purchase	2982118	1.59
				06/09/2019	105374	Purchase	3087492	1.64
				20/09/2019	68747	Purchase	3156239	1.68
				27/09/2019	73	Purchase	3156312	1.68
				30/09/2019	47	Purchase	3156359	1.68
				04/10/2019	47	Purchase	3156406	1.68
				11/10/2019	47	Purchase	3156453	1.68
				18/10/2019	7	Purchase	3156460	1.68
				25/10/2019	47	Purchase	3156507	1.68
				01/11/2019	1	Purchase	3156508	1.68
				15/11/2019	748	Purchase	3157256	1.68
				15/11/2019	(1791)	Sale	3155465	1.68
				22/11/2019	47	Purchase	3155512	1.68
				22/11/2019	(2189)	Sale	3153323	1.68
				20/12/2019	(1851)	Sale	3151472	1.68
				27/12/2019	40	Purchase	3151512	1.68
				10/01/2020	47	Purchase	3151559	1.68
				17/01/2020	5742	Purchase	3157301	1.68
				24/01/2020	39733	Purchase	3197034	1.70
				31/01/2020	73989	Purchase	3271023	1.74
				07/02/2020	62586	Purchase	3333609	1.78
				14/02/2020	12765	Purchase	3346374	1.78
				14/02/2020	(23)	Sale	3346351	1.78
				28/02/2020	10252	Purchase	3356603	1.79
				06/03/2020	50120	Purchase	3406723	1.81
				13/03/2020	18469	Purchase	3425192	1.82
				20/03/2020	117964	Purchase	3543156	1.89
				27/03/2020	254788	Purchase	3797944	2.02
				31/03/2020	214924	Purchase	4012868	2.14
		4012868	2.14	31/03/2020			4012868	2.14
4	GAGANDEEP CREDIT CAPITAL PVT LTD	3371256	1.80	30/03/2019			3371256	1.80
				28/06/2019	(174000)	Sale	3197256	1.70
				12/07/2019	(359819)	Sale	2837437	1.51



SN.	Shareholder's Name	Shareholding at the beginning (01-Apr-2019) / end of the year (31-Mar-2020)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-Apr-2019 to 31-Mar-2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				19/07/2019	(40181)	Sale	2797256	1.49
				26/07/2019	(26738)	Sale	2770518	1.48
				02/08/2019	(373)	Sale	2770145	1.48
				23/08/2019	(270356)	Sale	2499789	1.33
				30/08/2019	(604)	Sale	2499185	1.33
				22/11/2019	(146000)	Sale	2353185	1.25
				31/01/2020	(375342)	Sale	1977843	1.05
				07/02/2020	(478658)	Sale	1499185	0.80
				14/02/2020	(42920)	Sale	1456265	0.78
				21/02/2020	(3371)	Sale	1452894	0.77
				28/02/2020	(2421)	Sale	1450473	0.77
				13/03/2020	(26306)	Sale	1424167	0.76
				20/03/2020	(3036)	Sale	1421131	0.76
				27/03/2020	(14724)	Sale	1406407	0.75
				31/03/2020	(475)	Sale	1405932	0.75
		1405932	0.75	31/03/2020			1405932	0.75
5	FRANKLIN INDIA EQUITY HYBRID FUND	3232219	1.72	30/03/2019			3232219	1.72
				13/12/2019	6072430	Purchase	9304649	4.96
				13/12/2019	(2950758)	Sale	6353891	3.38
				20/12/2019	281461	Purchase	6635352	3.53
				20/12/2019	(281461)	Sale	6353891	3.38
				17/01/2020	(50000)	Sale	6303891	3.36
				31/03/2020	50000	Purchase	6353891	3.38
		6353891	3.38	31/03/2020			6353891	3.38
6	LIFE INSURANCE CORPORATION OF INDIA	2936046	1.56	30/03/2019		no movement	2936046	1.56
				31/03/2020			2936046	1.56
7	UTI (MULTI ASSET FUND)	2925027	1.56	30/03/2019			2925027	1.56
				05/04/2019	(120027)	Sale	2805000	1.49
				19/04/2019	(100000)	Sale	2705000	1.44
				03/05/2019	(347500)	Sale	2357500	1.26
				10/05/2019	(425365)	Sale	1932135	1.03
				09/08/2019	(100000)	Sale	1832135	0.98
				16/08/2019	(150000)	Sale	1682135	0.90
				30/08/2019	(137523)	Sale	1544612	0.82
				06/09/2019	(184002)	Sale	1360610	0.72
				13/09/2019	(34161)	Sale	1326449	0.71
				20/09/2019	(558043)	Sale	768406	0.41
				22/11/2019	(100000)	Sale	668406	0.36
		668406	0.36	31/03/2020			668406	0.36
8	THE BANK OF NEW YORK MELLON	2862253	1.52	30/03/2019			2862253	1.52
				02/08/2019	(1000000)	Sale	1862253	0.99
				30/08/2019	(1000000)	Sale	862253	0.46
				31/01/2020	(838793)	Sale	23460	0.01
		23460	0.01	31/03/2020			23460	0.01
9	TOYOTA TSUSHO CORPORATION	2700000	1.44	30/03/2019			2700000	1.44
				31/03/2020			2700000	1.44
10	SHAMYAK INVESTMENT PRIVATE LIMITED	2348880	1.25	30/03/2019			2348880	1.25
				19/04/2019	(500000)	Sale	1848880	0.99
				26/04/2019	(500000)	Sale	1348880	0.72
				06/12/2019	(200000)	Sale	1148880	0.61
				20/12/2019	(200000)	Sale	948880	0.51
				03/01/2020	(348880)	Sale	600000	0.32
				17/01/2020	(500000)	Sale	100000	0.05
		100000	0.05	31/03/2020			100000	0.05
11	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	1934000	1.03	30/03/2019			1934000	1.03
				05/04/2019	66000	Purchase	2000000	1.07
				12/04/2019	10000	Purchase	2010000	1.07
				26/04/2019	322000	Purchase	2332000	1.24
				26/04/2019	(300000)	Sale	2032000	1.08
				03/05/2019	7611	Purchase	2039611	1.09
				10/05/2019	40400	Purchase	2080011	1.11
				17/05/2019	19989	Purchase	2100000	1.12
				24/05/2019	76428	Purchase	2176428	1.16
				31/05/2019	13300	Purchase	2189728	1.17

SN.	Shareholder's Name	Shareholding at the beginning (01-Apr-2019) / end of the year (31-Mar-2020)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-Apr-2019 to 31-Mar-2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				14/06/2019	10272	Purchase	2200000	1.17
				21/06/2019	53600	Purchase	2253600	1.20
				28/06/2019	28000	Purchase	2281600	1.22
				05/07/2019	118400	Purchase	2400000	1.28
				12/07/2019	26011	Purchase	2426011	1.29
				12/07/2019	(46300)	Sale	2379711	1.27
				19/07/2019	70289	Purchase	2450000	1.31
				26/07/2019	64755	Purchase	2514755	1.34
				09/08/2019	49200	Purchase	2563955	1.37
				30/08/2019	32976	Purchase	2596931	1.38
				06/09/2019	44073	Purchase	2641004	1.41
				13/09/2019	14600	Purchase	2655604	1.41
				20/09/2019	19396	Purchase	2675000	1.43
				27/09/2019	105067	Purchase	2780067	1.48
				30/09/2019	506	Purchase	2780573	1.48
				04/10/2019	109366	Purchase	2889939	1.54
				11/10/2019	38007	Purchase	2927946	1.56
				18/10/2019	62560	Purchase	2990506	1.59
				25/10/2019	65000	Purchase	3055506	1.63
				01/11/2019	35000	Purchase	3090506	1.65
				15/11/2019	10300	Purchase	3100806	1.65
				22/11/2019	15700	Purchase	3116506	1.66
				29/11/2019	49358	Purchase	3165864	1.69
				06/12/2019	15028	Purchase	3180892	1.69
				06/12/2019	(95000)	Sale	3085892	1.64
				13/12/2019	(105000)	Sale	2980892	1.59
				20/12/2019	9614	Purchase	2990506	1.59
				20/12/2019	(100000)	Sale	2890506	1.54
				27/12/2019	63000	Purchase	2953506	1.57
				03/01/2020	9000	Purchase	2962506	1.58
				03/01/2020	(50)	Sale	2962456	1.58
				10/01/2020	(97500)	Sale	2864956	1.53
				17/01/2020	(152450)	Sale	2712506	1.45
				24/01/2020	10000	Purchase	2722506	1.45
				24/01/2020	(250000)	Sale	2472506	1.32
				31/01/2020	540000	Purchase	3012506	1.60
				07/02/2020	300000	Purchase	3312506	1.76
				07/02/2020	(44869)	Sale	3267637	1.74
				21/02/2020	32231	Purchase	3299868	1.76
				28/02/2020	10145	Purchase	3310013	1.76
				06/03/2020	30493	Purchase	3340506	1.78
				13/03/2020	23469	Purchase	3363975	1.79
				20/03/2020	51531	Purchase	3415506	1.82
				27/03/2020	108554	Purchase	3524060	1.88
				27/03/2020	(200000)	Sale	3324060	1.77
				31/03/2020	25000	Purchase	3349060	1.78
		3349060	1.78	31/03/2020			3349060	1.78
12	HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	920735	0.49	30/03/2019			920735	0.49
				05/04/2019	412631	Purchase	1333366	0.71
				31/05/2019	45000	Purchase	1378366	0.73
				25/10/2019	111071	Purchase	1489437	0.79
				13/12/2019	95559	Purchase	1584996	0.84
				20/12/2019	240000	Purchase	1824996	0.97
				03/01/2020	43495	Purchase	1868491	1.00
				31/01/2020	38501	Purchase	1906992	1.02
		1906992	1.02	31/03/2020			1906992	1.02
13	KOTAK EQUITY OPPORTUNITIES FUND	1228407	0.65	30/03/2019			1228407	0.65
				12/07/2019	150000	Purchase	1378407	0.73
				08/11/2019	200000	Purchase	1578407	0.84
		1578407	0.84	31/03/2020			1578407	0.84



SN.	Shareholder's Name	Shareholding at the beginning (01-Apr-2019) / end of the year (31-Mar-2020)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-Apr-2019 to 31-Mar-2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
14	ANTARA INDIA EVERGREEN FUND LTD	1029207	0.55	30/03/2019			1029207	0.55
				26/04/2019	(668000)	Sale	361207	0.19
				17/05/2019	(200000)	Sale	161207	0.09
				18/10/2019	(10512)	Sale	150695	0.08
				25/10/2019	(7000)	Sale	143695	0.08
				01/11/2019	(4885)	Sale	138810	0.07
				15/11/2019	(7839)	Sale	130971	0.07
				22/11/2019	(44566)	Sale	86405	0.05
				13/12/2019	(13682)	Sale	72723	0.04
				20/12/2019	(23096)	Sale	49627	0.03
				27/12/2019	(49627)	Sale	0	0.00
				31/01/2020	838793	Purchase	838793	0.45
				27/03/2020	490000	Purchase	1328793	0.71
				31/03/2020	509111	Purchase	1837904	0.98
				31/03/2020	(263208)	Sale	1574696	0.84
		1574696	0.84	31/03/2020			1574696	0.84

v) Shareholding of Directors and Key Managerial Personnel (KMP)

SN.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. M M Murugappan, Non-Executive Director				
	At the beginning of the year	842405	0.45	-	-
	Date-wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	842405	0.45	842405	0.45
2	Ms. Shubhalakshmi Panse, Independent Director®				
	At the beginning of the year	-	-	-	-
	Date-wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	Mr. Ashok Kumar Barat, Independent Director				
	At the beginning of the year	-	-	-	-
	Date-wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	Mr. B Ramaratnam, Independent Director				
	At the beginning of the year	-	-	-	-
	Date-wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	Ms. Vasudha Sundararaman, Independent Director*				
	At the beginning of the year	-	-	-	-
	Date-wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Mr. Sridharan Rangarajan, Non-Executive Director				
	At the beginning of the year	-	-	-	-
	Date-wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	Mr. V Ravichandran, Non-Executive Director				
	At the beginning of the year	4951	0.002	-	-
	Date-wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	4951	0.002	4951	0.002

SN.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Key Managerial Personnel					
8	Mr. N Ganesh, Manager & Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Date-wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Ms. E Krithika, Company Secretary				
	At the beginning of the year	-	-	-	-
	Date-wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

@ Resigned on November 20, 2019

* Appointed from February 12, 2020

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹ in Crore)

Particulars	Secured	Unsecured	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount ¹	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
i) Addition	-	199.31	-	199.31
ii) Reduction	-	-	-	-
Net Change Indebtedness at the end of the financial year	-	199.31	-	199.31
i) Principal Amount ²	-	199.31	-	199.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.32	-	1.32
Total (i+ii+iii)	-	200.63	-	200.63
¹ Net of unamortised charges	-	-	-	-
² Net of unamortised charges	-	0.69	-	0.69

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager

(₹ in Crore)

SN.	Particulars of Remuneration	Manager
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of Income tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of Profit - others, specify	-
5	Others (deputation cost)*	0.80
	Total (A)	0.80
	Overall Ceiling as per the Act	4.39

* Represents cost of deputation paid / payable to Cholamandalam Investment & Finance Company Limited (includes remuneration as CFO)


B. Remuneration to the other Directors

(₹ in Crore)

Particulars of Remuneration	Name of the Director				Total Amount
	Ms. Shubhalakshmi Panse [®]	Mr. Ashok Kumar Barat	Mr. B Ramaratnam	Ms. Vasudha Sundararaman*	
Fees for attending Board/ Committee Meetings	0.016	0.049	0.045	0.005	0.115
Commission [#]	0.048	0.075	0.075	0.010	0.208
Others, please specify	-	-	-	-	-
Total (1)	0.064	0.124	0.120	0.015	0.323
Other Non-Executive Directors	Mr. M M Murugappan	Mr. Sridharan Rangarajan	Mr. V Ravichandran	Total Amount	
Fees for attending Board/ Committee Meetings	0.034	0.051	0.020	0.105	
Commission [#]	0.075	0.075	0.075	0.225	
Others, please specify	-	-	-	-	
Total (2)	0.109	0.126	0.095	0.330	
Total (B) = (1)+(2)					0.653
Overall Ceiling as per the Act					0.879

[®] Resigned on November 20, 2019

^{*} Appointed with effect from February 12, 2020

[#] Commission payable for FY 2019-20

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole-time Director

(₹ in Crore)

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	0.23	0.23
	(b) Value of perquisites under Section 17(2) of Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of Profit - others, specify	-	-	-
5	Others (deputation cost)*	0.80	-	0.80
	Total	0.80	0.23	1.03

^{*} Represents cost of deputation paid / payable to Cholamandalam Investment & Finance Company Limited (includes remuneration as Manager)

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

Business Responsibility Report

ANNEXURE G

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identification Number (CIN)	L65100TN1949PLC002905						
2	Name of the Company	Cholamandalam Financial Holdings Limited (Formerly, TI Financial Holdings Limited)						
3	Registered office address	'Dare House', No. 234, NSC Bose Road, Chennai - 600 001						
4	Website	www.cholafhl.com						
5	E-mail	investorservices@cfhl.murugappa.com						
6	Financial Year reported	April 1, 2019 to March 31, 2020						
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>NIC Code</th> <th>Group</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>K</td> <td>6430</td> <td>Investment Activity</td> </tr> </tbody> </table>	NIC Code	Group	Description	K	6430	Investment Activity
NIC Code	Group	Description						
K	6430	Investment Activity						
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Investment						
9	Total number of locations where business activity is undertaken by the Company	1						
	(a) Number of International Locations (Provide details of major 5)	Nil						
	(b) Number of National locations	1						
10	Markets served by the Company	National						

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital (INR)	₹18.77 Crore
2	Total Turnover (INR)	₹90.90 Crore
3	Total profit after taxes (INR)	₹83.33 Crore
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.13%
5	List of activities in which expenditure in 4 above has been incurred	Please refer CSR Report.

SECTION C: OTHER DETAILS

1	Does the Company have any subsidiary company/companies?	Yes. Please refer Board's report for details.
2	Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No



SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR:

(a)	Details of the director/directors responsible for implementation of the BR policy/policies	
1.	DIN	01814413
2.	Name	Sridharan Rangarajan
3.	Designation	Director
4.	Telephone Number	044 - 25306204
5.	E-mail Id	sridharanr@corp.murugappa.com
(b)	Details of the BR head	
		Same as above

2. Principle-wise (as per NVGs) BR Policy/ Policies:

The 9 areas of business responsibility enunciated under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs are:

Principle ("P")	Area of BR
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;
3	Businesses should promote the well-being of all employees;
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;
5	Businesses should respect and promote human rights;
6	Businesses should respect, protect and make efforts to restore the environment;
7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner;
8	Businesses should support inclusive growth and equitable development;
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2a. Details of compliance:

SN.	Questions	P.1	P.2	P.3	P.4	P.5	P.6	P.7	P.8	P.9
1	Do you have policy/policies for...	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy been formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national / international standards?	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Indicate the link for the policy to be viewed online?	http://www.cholafhl.com/article/investors/688								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Does the Company have in-house structure to implement the policy/policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	x	x	x	x	x	x	x	x	x

2b. If answer to Sl. No. 1 against any principle, is 'No', please explain why:

SN.	Questions	P.1	P.2	P.3	P.4	P.5	P.6	P.7	P.8	P.9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

a)	Indicate the frequency with which the Board of Directors, committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.	The BR performance is assessed annually.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The report is published annually and is available on the website of the Company at http://www.cholafhl.com/article/investors/688

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Ethics, Transparency & Accountability

a)	Does the policy relating to Ethics, Bribery and Corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Yes. The Company being a part of the Murugappa Group, is driven by the Group's guiding principles viz., integrity, passion, quality, respect and responsibility. The Company follows ethics, transparency & accountability in its business conduct. The code of conduct and policies have been framed to reinforce these values. The subsidiary / associate / joint venture companies are governed by their respective policies.
b)	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.	Nil



Principle 2 - Safety and sustainability of goods & services

a)	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Not applicable. The Company being a Core investment company, it offers financial and risk management services through its subsidiary / associate / joint venture companies. The services offered by these companies enhance the livelihood of people by mitigating financial need and insurance coverage of health and assets.
b)	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	Not applicable
	(i) Reduction during sourcing / production/ distribution achieved since the previous year throughout the value chain?	-
	(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	-
c)	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	Not applicable
d)	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company is a holding investment company with limited operations. Goods and Services are procured from local vendors including communities surrounding the work place, wherever feasible.
e)	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	Not applicable

Principle 3 - Promotion of wellbeing of employees

a)	Please indicate the total number of employees.	2
b)	Please indicate the total number of employees hired on temporary/contractual/casual basis.	Nil
c)	Please indicate the number of permanent women employees.	1
d)	Please indicate the number of permanent employees with disabilities.	Nil
e)	Do you have an employee association that is recognized by management?	No
f)	What percentage of your permanent employees is members of this recognized employee association?	Not applicable
g)	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.	No complaints relating to child labour, forced labour, involuntary labour and sexual harassment were received during the year.
h)	What percentage of your employees were given safety & skill up-gradation training in the last year?	Nil
	- Permanent Employees (includes women employees and employees with disabilities)	Not applicable
	- Casual/Temporary/Contractual Employees	Not applicable

Principle 4 - Responsiveness towards stakeholders

a)	Has the Company mapped its internal and external stakeholders?	Yes. The Company has processes and procedures in place to engage with the stakeholders.
b)	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	No. However, the company ensures that there is no discrimination against the marginalized stakeholders.
c)	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	Not applicable

Principle 5 - Promoting human rights

a)	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company's policy on human rights is imbibed in its values represented in the five lights guiding the Company, its group companies and their employees across all spheres. The alignment with this value system is expected out of every person dealing with the Company.
b)	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

Principle 6 - Protecting the environment

a)	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers/ Contractors/NGOs/others.	The Company being a holding investment company with limited number of employees, it does not have a direct environmental impact.
b)	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.?	No
c)	Does the Company identify and assess potential environmental risks?	No
d)	Does the Company have any project related to Clean Development mechanism?	Not applicable
e)	Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. ?	No
f)	Are the emissions/wastes generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable
g)	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.	Nil

Principle 7 - Responsibility towards public and regulatory policy

a)	Is your Company a member of any trade and chamber or association?	No
b)	Have you advocated/lobbied through above associations for the advancement or improvement of public good?	Not applicable



Principle 8 - Supporting inclusive growth and development

a)	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?	Yes. The Company has framed a Corporate Social Responsibility policy (CSR policy). CSR projects / programmes identified in line with the CSR policy are undertaken by the Company. Please refer CSR Report for further details.
b)	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Yes. Please refer CSR Report.
c)	Have you done any impact assessment of your initiative?	Impact assessment study is done for major initiatives of the Company.
d)	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Yes. Please refer CSR Report.
e)	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Initiatives are identified based on the requirement of the community such that the benefits out of them are of an enduring nature like supporting girl children education in rural areas.

Principle 9 - Providing value to customers & consumers

a)	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Nil
b)	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Not applicable, since the Company is into investment activity.
c)	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?	No
d)	Did your Company carry out any consumer survey/ consumer satisfaction trends?	No

INDEPENDENT AUDITOR'S REPORT

To the Members of Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited) ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone 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 standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its 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 Standalone 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexures to the Board's Report and Management Discussion and Analysis, Corporate Governance and General Shareholder Information and Business Responsibility Report included in the Annual Report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

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

Responsibilities of Management for the Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ✦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ✦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ✦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ✦ Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the standalone 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the 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 Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified

as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 25 to the Standalone Ind AS Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, 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 **Subramanian Suresh**
Partner

Membership Number: 083673

UDIN: 20083673AAAABE2283

Place : Chennai

Date : June 15, 2020



ANNEXURE 1 REFERRED TO IN OUR REPORT OF EVEN DATE

Re: Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited) (“the Company”)

- (i) The Company does not have any Property, Plant and Equipment and, accordingly, the requirements under clause 3(i) 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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Act 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 Act in respect of investments made 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). Accordingly, the provisions of clause 3(v) of the order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income tax and Goods and Service Tax (GST). The provisions relating to provident fund, employees’ state insurance, duty of customs, cess, wealth tax, duty of excise, value added tax are not applicable to the Company;
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax and goods and service tax 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 and goods and service tax that have not been deposited on account of any disputes.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by the way of Term Loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer / further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the 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 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) 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 / her.

- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**

Partner

Membership Number: 083673

Place : Chennai

Date : June 15, 2020

ANNEXURE-2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED (FORMERLY KNOWN AS TI FINANCIAL HOLDINGS LIMITED)

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

To the Members of Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited),

We have audited the internal financial controls over financial reporting of Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited) ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of

Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Ind AS Financial Statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 Standalone 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 Standalone 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 Standalone Ind AS Financial Statements.

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone 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 Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone 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 Standalone Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**

Partner

Membership Number: 083673

Place : Chennai

Date : June 15, 2020

Standalone Ind AS Balance Sheet

As at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Assets			
Financial Assets			
Cash and Cash Equivalents	3	9.41	0.42
Bank balances other than cash and cash equivalents	3	33.86	111.33
Investments	4	1,278.35	955.70
Other Financial Assets	5	0.02	-
		1,321.64	1,067.45
Non-Financial Assets			
Current tax assets (Net)		0.05	0.01
Deferred Tax Asset (Net)		0.34	0.26
Intangible Assets	6	0.03	-
Other Non-Financial Assets	7	0.04	0.06
		0.46	0.33
Total Assets		1,322.10	1,067.78
Equity and Liabilities			
Financial Liabilities			
Borrowings (other than debt securities)	8	200.63	-
Other Payables			
i) Total outstanding dues of micro and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		0.55	0.34
Other Financial Liabilities	9	1.91	2.25
		203.09	2.59
Non Financial Liabilities			
Provisions	10	0.01	-
Non Financial Liabilities	11	0.71	0.67
		0.72	0.67
Equity			
Equity Share Capital	12	18.77	18.77
Other Equity	13	1,099.52	1,045.75
Total Equity		1,118.29	1,064.52
Total Equity And Liabilities		1,322.10	1,067.78
Summary of Significant Accounting Policies	2		

The accompanying notes are forming part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

per **Subramanian Suresh**
Partner
Membership No: 083673

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : June 15, 2020

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer



Standalone Ind AS Statement of Profit and Loss

For the year ended March 31, 2020

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

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from Operations	14		
- Interest income		6.22	6.32
- Dividend income		76.59	58.09
- Net gain on fair value changes on financial instruments		0.01	1.16
- Service Income		8.06	7.93
Total Revenue from operations (I)		90.88	73.50
Other Income (II)	15	0.02	0.02
Total Income (III) = (I)+(II)		90.90	73.52
Expenses			
Finance cost	16	1.48	-
Employee Benefits Expense	17	1.03	0.91
Depreciation and amortisation expense	6	0.01	-
Other Expenses	18	1.45	1.70
Total Expense (IV)		3.97	2.61
Profit Before Tax (V) = (III) - (IV)		86.93	70.91
Income Tax			
- Current Tax	26	3.60	4.38
Net tax expense (VI)		3.60	4.38
Profit for the year (VII) = (V) - (VI)		83.33	66.53
Other Comprehensive income:			
Items that will not be reclassified to statement of profit and loss			
Net (loss)/gain in Fair value on Equity Instruments at Fair Value Through Other Comprehensive Income (FVTOCI)		(0.69)	(0.77)
Income tax effect of above items		0.08	0.09
Other Comprehensive income/(loss) for the year, net of tax (VIII)		(0.61)	(0.68)
Total Comprehensive income for the year, net of tax (VII + VIII)		82.72	65.85
Earnings per Equity Share of ₹1 each			
Basic		4.44	3.55
Diluted		4.44	3.55
Summary of Significant Accounting Policies	2		

The accompanying notes are forming part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Regn No.101049W/E300004

per **Subramanian Suresh**

Partner

Membership No: 083673

Place : Chennai

Date : June 15, 2020

Sridharan Rangarajan

Director

E Krithika

Company Secretary

For and on behalf of the Board of Directors

M M Murugappan

Chairman

N Ganesh

Manager & Chief Financial Officer

Standalone Ind AS Statement of Changes in Other Equity

For the year ended March 31, 2020

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

a) Equity Share Capital (Refer Note 12)	
Balances as on April 1, 2018	18.75
Add: Issue of share capital	0.02
Balances as on April 1, 2019	18.77
Add: Issue of share capital (₹23796 added during the year)	0.00
Balances as on March 31, 2020	18.77

b) Other Equity (Refer Note 13)

Particulars	Share application money pending allotment	Reserve and Surplus				Retained earnings	Other Comprehensive income	Total attributable to equity holders
		Statutory Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium			
Opening Balance as at April 01, 2018	-	19.20	19.97	6.15	199.72	407.30	2.14	1,000.78
Profit for the year	-	-	-	-	-	66.53	-	66.53
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	(0.68)	(0.68)
Addition during the year	0.30	-	-	-	4.88	-	-	5.18
Dividend	-	-	-	-	-	(23.45)	-	(23.45)
Dividend Distribution Tax	-	-	-	-	-	(2.61)	-	(2.61)
Transfer to reserves from retained earnings during the year	-	13.31	-	-	-	(13.31)	-	-
Closing balance as at March 31, 2019	0.30	32.51	19.97	6.15	204.60	434.46	1.46	1,045.75
Profit for the year	-	-	-	-	-	83.33	-	83.33
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(0.61)	(0.61)
Dividend	-	-	-	-	-	(24.40)	-	(24.40)
Dividend Distribution Tax	-	-	-	-	-	(5.02)	-	(5.02)
Allotment of shares against application money received	(0.30)	-	-	-	-	-	-	(0.30)
Addition during the year	-	-	-	-	0.77	-	-	0.77
Transfer to reserves from retained earnings during the year	-	16.67	-	-	-	(16.67)	-	-
Closing balance as at March 31, 2020	-	49.18	19.97	6.15	205.37	471.70	0.85	1,099.52

Summary of Significant Accounting Policies - Note 2

The accompanying notes are forming part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Regn No. 101049W/E300004

per **Subramanian Suresh**

Partner

Membership No: 083673

Place : Chennai

Date : June 15, 2020

Sridharan Rangarajan

Director

E Krithika

Company Secretary

For and on behalf of the Board of Directors

M M Murugappan

Chairman

N Ganesh

Manager & Chief Financial Officer



Standalone Ind AS Cash Flow Statement

For the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
Cash Flow from Operating Activities				
Profit Before Tax		86.93		70.91
Adjustments for:				
Finance Costs	1.48		-	
Net gain on fair value changes on financial instruments at Fair Value Through Statement of Profit and Loss ('FVTPL')	(0.01)		(1.16)	
Depreciation and amortisation expense	0.01		-	
Interest income on Deposits	(6.22)		(6.32)	
		(4.74)		(7.48)
Operating Profit Before Working Capital Changes		82.19		63.43
Adjustments for:				
(Increase)/Decrease in operating Assets				
- Financial Assets	(0.02)		0.04	
- Non Financial Assets	0.02		0.01	
- Investment in Bank Fixed Deposits / Unpaid dividend accounts (net of withdrawals)	76.22		(84.16)	
- Investment in Subsidiaries	(324.26)		(39.82)	
- Investment in Financial Instruments at FVTPL	(0.35)		(68.66)	
- Proceeds from Sale of Financial Instruments at FVTPL	1.29	(247.10)	94.19	(98.40)
Increase/(Decrease) in operating liabilities				
- Financial Liabilities	0.01		0.05	
- Trade Payables	0.21		(0.02)	
- Non Financial Liabilities	0.04		0.20	
- Provisions	0.01	0.27	-	0.23
Cash Flow generated / (used) in Operations		(164.64)		(34.74)
Interest Received on Bank Deposits	7.48		5.22	
Income taxes paid	(3.66)	3.82	(4.37)	0.85
Net Cash generated / (used) in Operating Activities (A)		(160.82)		(33.89)

Standalone Ind AS Cash Flow Statement

As at March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow from Investing Activities		
Purchase of intangible asset	(0.04)	-
Net Cash used in Investing Activities (B)	(0.04)	-
Cash Flow from Financing Activities		
Borrowings other than debt securities at amortised cost	199.15	-
Proceeds from issue of Share Capital (Including Securities Premium and Share application money received)	0.47	5.20
Dividends Paid (Including Distribution Tax and Unpaid dividends pertaining to earlier periods)	(29.77)	(25.96)
Net Cash from / (used) in Financing Activities (C)	169.85	(20.76)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	8.99	(54.65)
Cash and Cash Equivalents at the Beginning of the Year (Refer Note 3)	0.42	55.07
Cash and Cash Equivalents at the End of the Year (Refer Note 3)	9.41	0.42

Summary of Significant Accounting Policies - Note 2

The accompanying notes are forming part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

per **Subramanian Suresh**
Partner
Membership No: 083673

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : June 15, 2020

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer



Notes to Standalone Ind AS Financial Statements

1. Background and Corporate Information

Cholamandalam Financial Holdings Limited (“the Company”, formerly known as TI Financial Holdings Limited) (CIN: L65100TN1949PLC002905) is a Public Limited Company domiciled in India. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Registered Office of the Company is located at Dare House, No.234, NSC Bose Road, Chennai-600 001, Tamil Nadu.

Pursuant to a scheme of arrangement (“the Scheme”) the manufacturing business undertaking of the Company was vested in/ transferred to Tube Investments of India Limited (“the Resulting Company”) vide the order of the National Company Law Tribunal, Chennai (“NCLT”) dated July 17, 2017. The Scheme had an appointed date of April 1, 2016 and came into effect from August 1, 2017. The Company received certificate of registration dated January 06, 2020 as a non-deposit taking Systemically Important Core Investment Company (CIC-ND-SI), from the Reserve Bank of India (“RBI”) to carry on the business as a Non-Banking Financial Institution.

The Company undertakes financial services business through its Subsidiaries - Cholamandalam MS General Insurance Company Limited for general insurance business and Cholamandalam Investment and Finance Company Limited for lending operations. Risk advisory services is carried out through a joint venture entity Cholamandalam MS Risk Services Limited.

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and all values are rounded to the nearest crore, except when otherwise indicated.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on June 15, 2020.

1.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian

Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The standalone financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVTOCI) instruments and certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments).

The regulatory disclosures as required by Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 to be included as a part of the Notes to Accounts are prepared based on Ind AS financial statements in line with RBI notification dated March 13, 2020. Refer Note 31 for the disclosures.

1.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 20 to the financial statements.

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

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

1.3 Standards issued and effective for the year ended March 31, 2020

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

Ind AS 116 superseded Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 For

Notes to Standalone Ind AS Financial Statements

determining whether an arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions involving the Legal Form of a Lease) were considered. This new standard sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116, with the date of initial application being April 1, 2019. The Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short term leases). The Company has not applied the exemption granted for lease of low-value assets.

The adoption of new lease standard, Ind AS 116, did not have impact in the financial statements of the Company.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

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

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

- How an entity considers changes in facts and circumstances

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

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

1.4 COVID-19 Impact

The COVID-19 pandemic has resulted in a significant decrease in economic activity across the country. The Government of India and the respective State Governments announced a strict lockdown to contain the spread of the virus which was further extended twice across the nation with some relaxations in specific areas. This has had a consequential impact on the regular operations of the company's material subsidiary companies. Our assessment based on estimates and judgments considering available information does not indicate any material impact on the carrying value of assets and liabilities as on the reporting date. However, considering the inherent uncertainty regarding the severity and duration of the pandemic, the actual impact could be different from these estimates. Further, the impact assessment as on date with the available information does not indicate any adverse impact on the ability of the Company or its subsidiaries to continue as a going concern.

2. Significant accounting policies

2.1 Financial instruments – initial recognition

2.1.1 Date of recognition

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.



Notes to Standalone Ind AS Financial Statements

2.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair Value Through Profit & Loss (FVTPL), transaction costs are added to, or subtracted from, this amount.

2.1.3 Measurement categories of financial assets and liabilities

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

- Amortised cost,
- FVTPL,
- FVTOCI

2.2 Financial assets and liabilities

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

The Company measures Bank balances, Loans and other financial investments at amortised cost if both of the following conditions are met:

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

The details of these conditions are outlined below.

2.2.2 Business model assessment

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

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher

level of aggregated portfolios and is based on observable factors such as:

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

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

2.2.3 The SPPI Test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the solely payments of principal and interest (SPPI) test.

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To

Notes to Standalone Ind AS Financial Statements

make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

2.3 Equity instruments (other than investments in subsidiaries, joint ventures and associates as referred to in Note 2.12) at Fair Value Through Other Comprehensive Income (FVTOCI)

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading but are held for strategic purpose. Such classification is determined on an instrument-by-instrument basis.

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

2.4 Borrowed funds (other than Debt securities)

After initial measurement, borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking the costs that are an integral part of the EIR.

2.5 Derecognition of financial assets and liabilities

2.5.1 Financial assets

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

2.5.2 Financial liabilities

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

2.6 Recognition of Income

A. Revenue (other than interest income and dividend income covered by Ind AS 109 - Financial Instruments) 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.

B. The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

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

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



Notes to Standalone Ind AS Financial Statements

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

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

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

2.6.1 Brand fee

Brand fee income is recognised as and when the services are rendered in accordance with the terms and conditions of the relevant agreement.

Interest income and dividend income covered by Ind AS 109.

2.6.2 Interest income

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account of fees and costs that are an integral part of the EIR.

2.6.3 Dividend Income

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

2.7 Taxes

2.7.1 Current tax

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

2.7.2 Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, 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

Notes to Standalone Ind AS Financial Statements

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.

2.8 Share Based Payments

Stock options are granted to the employees of the Resulting Company under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Company are

measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees. The compensation cost related to the Stock options allotted are being accounted for by the Resulting Company.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.9 Provisions and Contingent Liabilities

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

2.10 Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity holders of the Company when



Notes to Standalone Ind AS Financial Statements

the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.11 Determination of Fair value

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a

hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

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

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

Notes to Standalone Ind AS Financial Statements

2.12 Equity Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at Cost in the Financial Statements as permitted under Ind AS 27. These investments are assessed for impairment in the manner outlined in Note 2.17

Particulars	Relationship	Country of Incorporation	Proportion of ownership as at March 31, 2020
Cholamandalam Investment and Finance Company Limited	Subsidiary	India	45.50%
Cholamandalam MS General Insurance Company Limited	Subsidiary	India	60.00%
Cholamandalam Health Insurance Limited	Subsidiary	India	99.86%
Cholamandalam MS Risk Services Limited	Joint Venture	India	49.50%

2.13 Cash and Cash Equivalents

Cash and Cash equivalents comprise cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

2.14 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.

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

2.15 Goods and Service Tax (GST) Input Credit

Input Tax Credit is accounted for in the books in the period when the underlying service / supply received is accounted, and when there is no uncertainty in availing / utilising the same. Company avails eligible input credit as per the relevant Law and the ineligible credit is set off to respective expense.

2.16 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial

recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful life of 3 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised



Notes to Standalone Ind AS Financial Statements

in the statement of profit or loss when the asset is derecognised.

2.17 Impairment of Non- Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.18 Leases

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 for 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 right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less 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

Notes to Standalone Ind AS Financial Statements

commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

b. Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and 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.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. 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. The Lease Liability is disclosed as a part of Other Financial Liabilities.

c. Short-term leases and leases of low-value assets

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



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 3 - Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
– In Current Accounts	0.07	0.42
– In Deposit Accounts - with original maturity of less than 3 months	9.34	-
Total	9.41	0.42
Bank balances other than cash and cash equivalents		
– In Deposit Accounts		
– Original maturity more than 3 months	21.23	109.07
– Original maturity more than 3 months (under lien - as a collateral towards interest obligation on borrowings - Refer Note 8)	10.73	-
– In Unpaid dividend accounts	1.90	2.26
Total	33.86	111.33

Note 4 - Investments

Particulars	Number		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Investments at Cost:				
I. Investments-Equity				
Investment in Subsidiary Companies at Cost				
Equity Shares (Fully Paid) - Quoted				
Cholamandalam Investment and Finance Company Limited (Refer Note 23)	37,28,85,889	7,25,33,019	1,009.91	685.65
(Face value has been converted to ₹2 per share from ₹10 per share on June 18,2019)				
(Addition during the year- 1,02,20,794 shares)				
Equity Shares (Fully Paid) - Unquoted				
Cholamandalam MS General Insurance Company Limited (Face value of ₹10 per share)	17,92,82,861	17,92,82,861	265.24	265.24
Cholamandalam Health Insurance Limited (Face value of ₹10 per share)	49,940	49,940	0.05	0.05
Investment in Joint Venture at cost				
Equity Shares (Fully Paid) - Unquoted				
Cholamandalam MS Risk Services Limited (Face value of ₹10 per share)	9,89,979	9,89,979	0.99	0.99
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):				

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Number		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Equity Shares (Fully Paid) - Quoted				
Coromandel Engineering Co. Ltd. (Face value of ₹10 per share)	4,33,481	4,33,481	0.51	1.24
Carborundum Universal Limited (Face value of ₹10 per share)	6,000	6,000	0.13	0.25
Kartik Investments Trust Limited (Face value of ₹10 per share)	33,790	33,790	0.04	0.04
Equity Shares (Fully Paid) - Unquoted				
Murugappa Management Services Limited (Face value of ₹10 per share)	42,677	42,677	1.48	1.32
Indo Oceanic Shipping Company Limited (Cost ₹1 only) (Refer Note 2)	-	50,000	-	-
Chennai Willingdon Corporate Foundation (Cost ₹100 only) (Refer Note 2)	-	10	-	-
Total Investments Equity (I)			1,278.35	954.78

Notes:

- The Company has designated its equity investments as FVTOCI on the basis that these are not held for trading and held for strategic purposes.
- The Company has written off these investments during the year.
- All investments represented above are made in India.

Investments-Mutual Fund Units

Particulars	As at March 31, 2020	As at March 31, 2019
Unquoted securities (FVTPL)		
Aditya Birla Sunlife Cash plus-Growth-Direct Plan	-	0.92
Total Investments in Mutual Fund (II)	-	0.92
Total Investments - I + II	1,278.35	955.70
(i) Market Value of Quoted investment in Subsidiary	5,699.56	10,534.70
(ii) Cost of quoted investment in Subsidiary	1,009.91	685.65
(iii) Cost of unquoted investment in Subsidiary and Joint Venture	266.28	266.28
(iv) Market Value of Quoted investments - Investment at FVTOCI	0.68	1.53
(v) Cost of Quoted investments - Investment at FVTOCI	0.86	0.86
(vi) Cost of Unquoted investments - Investment at FVTOCI	0.78	0.78



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 5 - Other Financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured - considered good (unless otherwise stated)		
At amortised cost		
Other receivable	0.02	-
Total	0.02	-

Note 6 - Intangible Assets

Particulars	Computer Software
Gross carrying amount as at March 31, 2018	-
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2019	-
Additions	0.04
Disposals	-
Gross carrying amount as at March 31, 2020	0.04
Accumulated Amortisation and impairment	
Balance as at March 31, 2018	-
Amortisation for the year	-
Amortisation on disposals	-
Balance as at March 31, 2019	-
Amortisation for the year	0.01
Amortisation on disposals	-
Accumulated amortisation and impairment as at March 31, 2020	0.01
Net Written down Value as at March 31, 2020	0.03

Note 7 - Other Non Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured - considered good (unless otherwise stated)		
Prepaid expenses	0.02	0.02
Others	0.02	0.04
Total	0.04	0.06

Note 8 - Borrowings other than Debt Securities (at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Medium Term Loan from Financial Institution - Unsecured (Refer Note 8.1 below)	200.63	
Total	200.63	-

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 8.1

- The loan is taken in India
- The loan is repayable in 5 equal annual instalments starting from March 05, 2021
- The Effective Interest Rate of the loan is 11.29% p.a.
- The company has earmarked certain bank deposits as lien towards interest obligation on the borrowing(Refer Note 3).
- The Company has not defaulted in payment of interest in the current year.

Note 9 - Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid Dividends*	1.90	2.25
Others	0.01	-
Total	1.91	2.25

* There is no amount due and outstanding, to be credited to Investor Education and Protection Fund.

Note 10 - Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Compensated Absences	0.01	-
Total	0.01	

Note 11 - Other Non Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities	0.71	0.67
Total	0.71	0.67

Note 12 - Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Amount	Nos.	Amount
Authorised				
Equity Shares of ₹ 1 each	43,00,00,000	43.00	43,00,00,000	43.00
Total		43.00		43.00
Issued, Subscribed and Paid Up				
Equity Shares of ₹1 each	18,77,16,030	18.77	18,76,92,234	18.77
Total		18.77		18.77



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year	18,76,92,234	18.77	18,75,33,696	18.75
Issued during the year (Refer Note below)	23,796	0.00	1,58,538	0.02
Outstanding at the end of the year	18,77,16,030	18.77	18,76,92,234	18.77

Note: The Company has received an amount of ₹0.002 Crs on allotment of Shares under Employee Stock Options for the year ended March 31, 2020.

b) Terms/rights attached to Equity shares

The Company has only one class of equity shares having par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors 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.

c) Equity Shares held by Holding Company

Particulars	As at March 31, 2020	As at March 31, 2019
Ambadi Investments Limited	7,07,66,595	7,00,66,595

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity Shares				
Ambadi Investments Limited	7,07,66,595	37.70	7,00,66,595	37.33

e) Status on Global Depository Receipts (GDR)

The aggregate number of GDRs outstanding as at March 31, 2020 is 23,460 (as at March 31, 2019 - 28,62,253) each representing one Equity Share of ₹1 face value (Previous Year ₹1 face value). GDR % against total number of shares is 0.01% (as at March 31, 2019 - 1.52%). The GDRs carry the same terms / rights attached to Equity Shares of the Company.

Note 13 - Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Retained earnings (Refer Note 13.2)	471.70	434.46
Other reserves		
Capital Reserve (Refer Note 13.6)	19.97	19.97
Capital Redemption Reserve (Refer Note 13.7)	6.15	6.15
Securities Premium (Refer Note 13.5)	205.37	204.60
Statutory Reserve (Refer Note 13.4)	49.18	32.51
General Reserve (Refer Note 13.1)	346.30	346.30

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
FVTOCI Reserve (Refer Note 13.3)	0.85	1.46
Share Application Pending Allotment (Refer Note 13.8)	-	0.30
Total	1,099.52	1,045.75

Nature and Purpose of reserve

13.1 General Reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if dividend distribution in a given year is more than 10.00% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year. Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss to the General reserves.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	346.30	346.30
Additions during the year	-	-
Balance at the end of the year	346.30	346.30

13.2 Retained Earnings

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 below are not distributable in entirety.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	434.46	407.30
Profit for the year	83.33	66.53
Dividend payout for the year - Equity	(24.40)	(23.45)
Dividend Distribution Tax - Equity	(5.02)	(2.61)
Transfer to Statutory Reserve	(16.67)	(13.31)
Balance at the end of the year	471.70	434.46

13.3 FVTOCI Reserve

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	1.46	2.14
Fair Valuation of FVTOCI Investments	(0.61)	(0.68)
Balance at the end of the year	0.85	1.46



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

13.4 Statutory Reserve

As per the requirements of Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC is required to transfer 20% of the total profits after tax for the year to a specific reserve by name of Statutory Reserve. The Company based on the above regulation transferred an amount equivalent to 20% of the total profits after tax for the current year to such reserve.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	32.51	19.20
Transfer into reserve	16.67	13.31
Balance at the end of the year	49.18	32.51

13.5 Securities Premium

Securities premium is used to record the premium on issue of shares. This can be utilised only for specific purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	204.60	199.72
Additions pursuant to shares issued on account of exercise of ESOP	0.77	4.88
Balance at the end of the year	205.37	204.60

13.6 Capital Reserve

Capital Reserve represents the amount that has been received as a capital grant from the Government of Maharashtra for the set up of a unit in 2008-09 based on the fulfilment of certain conditions in connection with the set up of such unit. Pursuant to the Scheme of Arrangement for demerger in FY 2016-17, this amount has been retained in the Company.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	19.97	19.97
Additions during the year	-	-
Balance at the end of the year	19.97	19.97

13.7 Capital Redemption Reserve

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	6.15	6.15
Additions during the year	-	-
Balance at the end of the year	6.15	6.15

13.8 Share Application Pending Allotment

Pertains to money received for the allotment of shares pursuant to the Employee Stock Options Scheme. The money collected based on the exercise of the option as per the ESOP scheme will get included here and subsequently on allotment of shares, the balances will be appropriated to share capital and share premium balances.

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	0.30	-
Additions during the year	-	0.30
Reduction due to allotment during the year	(0.30)	-
Balance at the end of the year	-	0.30

13.9 Proposed dividend

An interim Dividend of ₹0.65 per equity share of the face value of ₹1/- each was declared by the Company at the meeting of Board of Directors held on February 26, 2020 for the financial year 2019-20 and the same has been paid. The Board of Directors in their meeting held on June 15, 2020 have recommended the same to be confirmed as final dividend for FY 2019-20.

Note 14 - Revenue from Operations

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income on:		
- Bank Deposits	6.22	6.32
Dividend Income from		
- Subsidiaries	76.34	57.84
- Joint Venture	0.25	0.25
- Others (₹24000 only, previous year ₹7500)	-	-
Net gain on fair value changes on FVTPL - Income from Mutual funds units (includes unrealised gain of ₹Nil (₹0.04 crs as of March 31, 2019)	0.01	1.16
Service Income		
-Income that are recognised over a period of time (Refer Note (a) below)	8.06	7.93
Total	90.88	73.50
Note (a) - Type of Service		
Brand fee		
Total revenue from contracts with customers	8.06	7.93
Geographical markets		
India	8.06	7.93
Outside India	-	-
Total revenue from contracts with customers	8.06	7.93
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	8.06	7.93

For the income that has been received during the year, there are no contract assets / contract liabilities that are outstanding as at March 31, 2020.

Information about Company's performance obligation

The performance obligation with respect to brand fee is rendered over annual periods through the contract term.



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 15 - Other Income

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Other Income	0.02	0.02
Total	0.02	0.02

Note 16 - Finance Costs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on financial liabilities measured at amortised cost - Borrowings other than debt securities	1.48	-
Total	1.48	-

Note 17 - Employee Benefit Expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, Wages and Bonus	1.03	0.91
Total	1.03	0.91

Note 18 - Other Expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Rent	0.01	0.01
Insurance	0.02	0.02
Travelling and Conveyance	0.02	-
Advertisement Expenses	0.04	0.02
Communication	0.04	0.05
Printing, Stationery	0.07	0.05
Auditors' Remuneration (Refer Note - (a))	0.17	0.14
Professional & Legal Expenses	0.18	0.12
Listing and filing fee	0.06	0.07
Expenditure on Corporate Social Responsibility (Refer Note - (b))	0.11	0.73
Directors Fees, allowances and expenses	0.65	0.37
Other Expenses	0.08	0.12
Total	1.45	1.70

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note - (a)

Auditor Remuneration

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
As Auditor:		
Statutory Audit	0.08	0.07
Audit of Consolidated Financial Statements	0.05	0.04
Tax Audit	0.01	0.01
Limited Reviews	0.02	0.02
Other Services / Certification	0.01	-
Total	0.17	0.14

Note - (b)

Corporate Social Responsibility

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(i) Gross amount required to be spent during the year	0.06	0.72
(ii) Amount spent during the year	0.11	0.73
- Education & Health	0.11	0.63
- Others	-	0.10

Note 19 - Fair value of financial instruments not measured at fair value

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

Particulars	Carrying Value		Fair Value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
Cash and Cash Equivalents	9.41	0.42	9.41	0.42
Bank balances Other than above	33.86	111.33	33.86	111.33
Investments	2.16	2.85	2.16	2.85
Other Financial Assets	0.02	-	0.02	-
Total	45.45	114.60	45.45	114.60
Financial liabilities				
Borrowings (other than debt securities)	200.63	-	200.63	-
Payables				
i) Trade Payables	-	-	-	-
ii) Other Payables	0.55	0.34	0.55	0.34
Other Financial Liabilities	1.91	2.25	1.91	2.25
Total	203.09	2.59	203.09	2.59



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

The management assessed that cash and cash equivalents including bank balances, other financial assets, trade payables and other 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:

- The fair values of quoted equity investments are derived from quoted market prices in active markets.
- The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.

Note 19.1 - Fair Values Hierarchy

a) Financial Assets carried at Fair Values

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
	March 31, 2020	March 31, 2019		
Asset measured at fair value:				
- Investments in quoted equity instruments at FVTOCI	0.68	2.45	Level 1	Quoted bid price in an active market. Refer Note (a)
- Investments in unquoted equity instruments at FVTOCI	1.48	1.32	Level 3	Fair Valuation through methods prescribed under Ind AS 109. Refer Note (b)

There are no movement / transfers between the level 1 and level 2 during the period.

Note:

- These investments in equity instruments are not for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Management believes that this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.
- These investment in equity are not significant in value and hence additional disclosures are not presented.

b) Financial Liabilities for which fair values are disclosed

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation Techniques & key inputs used
	March 31, 2020	March 31, 2019		
Liabilities for which fair values are disclosed	200.63	-	Level 2	Refer Note (a) below

Note: (a) The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.

There are no movement / transfers between the level 1 and level 2 during the period.

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 19.2 Summary of Financial assets and liabilities which are recognised at amortised cost

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets		
Cash and Cash Equivalents	9.41	0.42
Bank balances other than cash and cash equivalents	33.86	111.33
Other Financial Assets	0.02	-
Financial Liabilities		
Borrowings (other than debt securities)	200.63	-
Trade Payables	0.55	0.34
Other Financial Liabilities	1.91	2.25

Note 20 - Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	Amount	Maturity	
		Current	Non -Current
As on March 31, 2020			
Financial Assets			
Cash and Cash Equivalents	9.41	9.41	-
Bank balances Other than cash and cash equivalents	33.86	33.86	-
Investments	1,278.35	-	1,278.35
Other Financial Assets	0.02	0.02	-
Total Financial Assets	1,321.64	43.29	1,278.35
Non Financial Assets			
Current tax assets (Net)	0.05	-	0.05
Deferred Tax Asset (Net)	0.34	-	0.34
Intangible Assets	0.03	-	0.03
Other Non-Financial Assets	0.04	0.04	-
Total Non Financial Assets	0.46	0.04	0.42
Financial Liabilities			
Borrowings (Other than Debt Securities)	200.63	41.32	159.31
Payables			
i) Trade Payables	-	-	-
ii) Other Payables	0.55	0.55	-
Other Financial Liabilities	1.91	1.91	-
Total Financial Liabilities	203.09	43.78	159.31
Non Financial Liabilities			
Non Financial Liabilities	0.72	0.72	-
Total Non Financial Liabilities	0.72	0.72	-



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Amount	Maturity	
		Current	Non -Current
As on March 31, 2019			
Financial Assets			
Cash and Cash Equivalents	0.42	0.42	
Bank balances other than Cash and Cash Equivalents	111.33	111.33	
Investments	955.70	-	955.70
Other Financial Assets	-	-	-
Total Financial Assets	1,067.45	111.75	955.70
Non Financial Assets			
Current tax assets (Net)	0.01	-	0.01
Deferred Tax Asset (Net)	0.26	-	0.26
Other Non-Financial Assets	0.06	0.06	-
Total Non Financial Assets	0.33	0.06	0.27
Financial Liabilities			
Borrowings (Other than Debt Securities)	-	-	-
Payables			
i) Trade Payables	-	-	-
ii) Other Payables	0.34	0.34	-
Other Financial Liabilities	2.25	2.25	-
Total Financial Liabilities	2.59	2.59	-
Non Financial Liabilities			
Non Financial Liabilities	0.67	0.67	-
Total Non Financial Liabilities	0.67	0.67	-

Note 20.1 - Analysis of Financial Assets and Financial Liabilities by remaining contractual maturities

Particulars	Upto 1 Month	1 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
As on March 31, 2020						
Financial Assets						
Cash and Cash Equivalents	1.50	8.01	-	-	-	9.51
Bank balances other than Cash and Cash Equivalents	1.90	20.64	12.46	-	-	35.00
Investments	-	-	-	-	1,278.35	1,278.35
Other Financial Assets	0.02	-	-	-	-	0.02
Total Undiscounted Financial Assets	3.42	28.65	12.46	-	1,278.35	1,322.88
Financial Liabilities						
Borrowings (Other than Debt Securities)	-	10.67	50.61	202.83	-	264.11
Payables						
i) Trade Payables	-	-	-	-	-	-
ii) Other Payables	0.55	-	-	-	-	0.55

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Upto 1 Month	1 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Other Financial Liabilities	1.91	-	-	-	-	1.91
Total Undiscounted Financial Liabilities	2.46	10.67	50.61	202.83	-	266.57
As on March 31, 2019						
Financial Assets						
Cash and Cash Equivalents	0.42	-	-	-	-	0.42
Bank balances other than cash and cash equivalents	2.26	89.68	22.18	-	-	114.12
Investments	-	-	-	-	955.70	955.70
Other Financial Assets	-	-	-	-	-	-
Total Undiscounted Financial Assets	2.68	89.68	22.18	-	955.70	1,070.24
Financial Liabilities						
Borrowings (Other than Debt Securities)	-	-	-	-	-	-
Payables						
i) Trade Payables	-	-	-	-	-	-
ii) Other Payables	0.34	-	-	-	-	0.34
Other Financial Liabilities	2.25	-	-	-	-	2.25
Total Undiscounted Financial Liabilities	2.59	-	-	-	-	2.59

Note 21 - Significant accounting judgements, estimates and assumptions:

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

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

Fair value of financial instruments

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



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 22 - Standards issued but not yet effective

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

Note 23 - Disclosure in respect of Related Parties

a) List of Related Parties

I. Subsidiary Companies

- a. Cholamandalam Investment and Finance Company Limited (CIFCL)* and its Subsidiaries
 - i. Cholamandalam Home Finance Limited (formerly known as Cholamandalam Distribution Services Limited)
 - ii. Cholamandalam Securities Limited
 - iii. White Data Systems India Private Limited
(Subsidiary upto September, 2018 and Associate thereafter)
- b. Cholamandalam MS General Insurance Company Limited
- c. Cholamandalam Health Insurance Limited

II. Entity having Significant influence

- a. Ambadi Investments Limited

III. Subsidiaries of Entity having significant influence

- a. Parry Enterprises Limited
- b. Parry Agro Limited

IV. Joint Venture

- a. Cholamandalam MS Risk Services Limited

V. Key Management Personnel (Pursuant to Companies Act, 2013)

Mr. N. Ganesh - Manager & Chief Financial Officer

Ms. E. Krithika - Company Secretary

VI. Non-Executive Directors

- a. Mr. M. M. Murugappan
- b. Ms. Shubhalakshmi Panse (till November 20, 2019)
- c. Mr. Ashok Kumar Barat (w.e.f August 1, 2018)
- d. Mr. B Ramaratnam (w.e.f March 18, 2019)
- e. Mr. V Ravichandran (w.e.f March 18, 2019)
- f. Mr. Sridharan Rangarajan (w.e.f August 30, 2018)
- g. Mr. M B N Rao (till July 31, 2018)
- h. Mr. N Srinivasan (till July 31, 2018)
- i. Ms. Vasudha Sundararaman (w.e.f February 12, 2020)

*The Company holds 45.50% of the total shareholding in CIFCL as at March 31, 2020 (46.39% as at March 31, 2019) and has de-facto control as per the principles of Ind AS 110 and accordingly CIFCL has been referred to as a subsidiary in Ind AS Financial Statements.

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

b) During the year the following transactions were carried out with the related parties in the ordinary course of business: (₹ Crores)

Transaction	Related Party	2019-20	2018-19
Dividend Received	Cholamandalam Investment and Finance Company Limited	76.34	47.08
	Cholamandalam MS General Insurance Company Limited	-	10.76
	Cholamandalam MS Risk Services Limited	0.25	0.25
Dividend Payment	Ambadi Investments Limited	9.15	4.20
	Directors	0.11	0.08
	Relative of Directors and entities in which Directors are interested	0.07	0.08
Deputation charges for KMP	Cholamandalam Investment and Finance Company Limited	0.80	0.71
Remuneration to Key Management Personnel	Ms. E Krithika	0.23	0.20
Expense reimbursed	Cholamandalam Investment and Finance Company Limited	0.05	0.02
Reimbursement received	Cholamandalam MS General Insurance Company Limited	-	0.008
	Parry Enterprises Limited	0.002	0.03
Payment for services availed	Cholamandalam Securities Limited	0.001	0.003
	Cholamandalam MS General Insurance Company Limited	8.06	7.93
Brand fee Income	Cholamandalam MS General Insurance Company Limited	8.06	7.93
Market purchase of equity shares of CIFCL	Ambadi Investments Limited	24.26	39.82
Investment in equity shares of CIFCL	Cholamandalam Investment and Finance Company Limited	300.00	-
Commission and sitting fees	Non-executive directors	0.65	0.33

Note 24 - Earnings Per Share

Particulars	2019-20	2018-19
Profit after Tax - ₹ in Crores	83.33	66.53
Weighted Average Number of Shares		
- Basic	18,77,09,982	18,76,55,191
- Dilutive Impact on account of Options	18,076	28,861
- Diluted	18,77,28,058	18,76,84,052
Earnings per Share of ₹1 each		
- Basic	4.44	3.55
- Diluted	4.44	3.55

Note 25 - Contingent Liabilities

Pending litigations, in so far as they relate to the Manufacturing Business Undertaking, shall be borne by the Resulting Company as per the Scheme of Arrangement. Consequently, there are no contingent liabilities to be reported.



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 26 - Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for March 31, 2020 and March 31, 2019: (₹ Crores)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Accounting Profit before income tax	86.93	70.91
Corporate tax on Accounting Profit before tax 25.17% (Previous year 29.12%)	21.88	20.65
Adjustments to accounting profit:		
Dividend Income – Exempt from tax	(76.59)	(58.09)
Donation – Exempt from tax	-	(0.39)
Disallowance u/s 14A of the Income tax Act	3.97	2.61
Total adjustments to accounting profit	(72.62)	(55.87)
Tax on above total adjustments	(18.28)	(16.27)
Net Effective Income Tax	3.60	4.38

The Company has exercised the option permitted u/s.115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company recognised the provision for Income Tax for the year basis the rate prescribed in the said section. If the Tax rate had been retained as 29.12%, the tax charge for the year would have been higher by ₹0.56 crs.

Note 27 - Stock Options

The Stock Options were granted to the employees of the Manufacturing Business Undertaking which is transferred to the Resulting Company as referred to in Note 1 and the related details of movement in Stock Options are given below:

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2019	During the Year 2019-20			Options Outstanding as at 31-Mar-2020	Options vested but not exercised as at 01-Apr-2019	Options vested but not exercised as at 31-Mar-2020
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 8	29-Jan-11	4,776	-	-	4,776	-	4,776	-
Grant 12	02-Nov-11	31,494	-	18,328	2,250	10,916	31,494	10,916
Total		36,270	-	18,328	7,026	10,916	36,270	10,916

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2019	During the Year 2019-20			Options Outstanding as at 31-Mar-2020	Options vested but not exercised as at 01-Apr-2019	Options vested but not exercised as at 31-Mar-2020
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 2	15-Mar-17	1,09,080	-	30,720	16,770	61,590	1,09,080	61,590

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2018	During the Year 2018-19			Options Outstanding as at 31-Mar-2019	Options vested but not exercised as at 01-Apr-2018	Options vested but not exercised as at 31-Mar-2019
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 4	31-Jul-08	7,344	-	-	7,344	-	7,344	-
Grant 7	29-Jan-11	16,416	-	-	16,416	-	16,416	-
Grant 8	29-Jan-11	15,112	-	-	10,336	4,776	15,112	4,776
Grant 12	02-Nov-11	49,516	-	-	18,022	31,494	49,516	31,494
Total		88,388	-	-	52,118	36,270	88,388	36,270

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2018	During the Year 2018-19			Options Outstanding as at 31-Mar-2019	Options vested but not exercised as at 01-Apr-2018	Options vested but not exercised as at 31-Mar-2019
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted			
Grant 1	15-Mar-17	2,22,610	-	7,110	1,06,420	1,09,080	2,22,610	1,09,080

Employee Stock Option Plan 2007

Grant No.	Date of Grant	Weighted Average Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised	Options Forfeited / lapsed	Options Outstanding at the end of the year		Weighted Average Remaining Contractual Life (in Years)
							Vested	Yet to vest	
1	31-Oct-07	43.37	31-Oct-08	6,00,120	3,63,624	2,36,496	-	-	
2	31-Jan-08	45.61	30-Jan-09	1,05,460	81,324	24,136	-	-	
3									
Tr I	24-Mar-08	39.19	31-Oct-09	26,55,260	15,39,971	11,15,289	-	-	
Tr II	24-Mar-08	39.19	31-Oct-09	34,241	34,241	-	-	-	
4									
Tr I	31-Jul-08	30.67	31-Jul-09	3,86,900	2,84,961	1,01,939	-	-	
Tr II	31-Jul-08	30.67	31-Jul-09	9,344	9,344	-	-	-	
5	31-Oct-08	16.73	31-Oct-09	54,000	30,240	23,760	-	-	
6	30-Jan-09	21.42	30-Jan-10	28,100	23,323	4,777	-	-	
7									
Tr I	29-Jan-11	96.63	29-Jan-12	4,25,400	2,38,404	1,86,996	-	-	
Tr II	29-Jan-11	96.63	29-Jan-12	21,280	21,280	-	-	-	
Tr III	29-Jan-11	96.63	29-Jan-12	15,112	15,112	-	-	-	



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Grant No.	Date of Grant	Weighted Average Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised	Options Forfeited / lapsed	Options Outstanding at the end of the year		Weighted Average Remaining Contractual Life (in Years)
							Vested	Yet to vest	
8	29-Jan-11	96.63	29-Jan-12	1,92,400	80,916	1,11,484	-	-	
9	29-Jan-11	96.63	29-Jan-12	13,900	-	13,900	-	-	
10	02-May-11	96.91	02-May-12	55,000	19,680	35,320	-	-	
11	01-Aug-11	110.23	01-Aug-12	33,600	-	33,600	-	-	
12									
Tr I	02-Nov-11	98.74	02-Nov-12	1,26,800	48,148	78,652	-	-	
Tr II	02-Nov-11	98.74	02-Nov-12	51,516	22,272	18,328	10,916	-	1.45

Employee Stock Option Plan 2016

Grant No	Date of Grant	Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised & allotted	Options Cancelled / lapsed	Options vested and Outstanding at the End of the Year		Weighted Average Remaining Contractual Life (in Years)
							Vested	Yet to vest	
Tr I	15-Mar-17	416.86	15-Mar-18	2,37,960	-	2,37,960	-	-	-
Tr II	15-Mar-17	416.86	15-Mar-18	2,32,270	1,23,190	47,490	61,590	-	2.96

The Fair Value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grants using Black-Scholes model by an independent consultant.

The key assumptions used in Black-Scholes model for calculating the fair value as on the date of the grants are:

Employee Stock Option plan 2007

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grant (₹)	Fair Value of the Option (₹)
1	31.10.08	7.71	2.50	39.11	3.43	43.37	11.34
2	30.01.09	7.44	2.50	42.02	3.43	45.61	12.50
3							
Tr I	31.10.09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
Tr II	31.10.09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
4							
Tr I	31.07.09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
Tr II	31.07.09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grant (₹)	Fair Value of the Option (₹)
5	31.10.09	8.21 - 8.31	0.12 - 3.24	32.28 - 42.55	1.86	16.73	92.20 - 94.76
6	30.01.10	8.21 - 8.31	0.24 - 3.49	28.04 - 43.77	1.86	21.42	88.54 - 90.00
7							
Tr I	29.01.12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr II	29.01.12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr III	29.01.12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
8	29.01.12	8.21 - 8.26	1.24 - 4.48	31.69 - 43.79	1.86	96.63	27.22 - 52.67
9	29.01.12	8.21 - 8.26	1.24 - 3.48	31.69 - 43.79	1.86	96.63	27.22 - 46.62
10	02.05.12	8.21 - 8.25	1.37 - 5.74	31.38 - 47.27	1.86	96.63	27.90 - 56.06
11	01.08.12	8.21 - 8.25	1.49 - 5.99	31.76 - 47.01	1.86	110.23	21.93 - 53.00
12							
Tr I	02.11.12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75
Tr II	02.11.12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75

Employee Stock Option Plan 2016

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grant (₹)	Fair Value of the Option (₹)
1							
Tr I	15-Mar-18	6.75	3.50	31.49	0.25	416.86	134.16
Tr II	15-Mar-18	6.75	3.50	31.49	0.25	416.86	134.16

Note 28 - Financial Risk Management

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through a risk management framework, including ongoing identification, measurement and monitoring subject to risk limits and other controls. The Company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risk which the Company is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss and other comprehensive income, such as investments etc.,	Credit ratings	Setting limits on the amount of acceptable risk, diversification of investment limits, monitoring of counterparties basis credit rating.

The Board of Directors provide guiding principles for overall risk management, as well as policies covering specific areas, such as, credit risk, liquidity risk and investment of available funds.



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

a. Credit risk

The Company being an investment Company, credit risk refers to the risk that a counter party may default on its contractual obligations leading to a financial loss to the Company. Credit risk primarily arises from cash and cash equivalents, financial assets measured at amortised cost and financial assets measured at fair value through profit or loss.

b. Liquidity Risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the company on acceptable terms. The company has developed internal control processes and contingency plans for managing liquidity risk.

The Company's principal sources of liquidity are "cash and cash equivalents" and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period. Additionally, the Company has invested its surplus funds in fixed income securities or instruments of similar nature thereby ensuring safety of capital and availability of liquidity as and when required.

Refer Note 20.1 for the summary of maturity profile of undiscounted cashflows of the Company's financial assets and financial liabilities as at reporting period.

The Leverage Ratio is 0.03 as at March 31, 2020 as against the regulatory cap of 2.5

c. Interest rate risk

Interest rate risk is the fair value of future cash flows of a financial instrument which fluctuates because of changes in the market interest rates.

d. Price risk

The Company's exposure to equity securities risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio across sectors, which is as per the investment policy of the Company.

Majority of the Company's investment are publicly traded in the NSE and BSE.

As regards investments in unlisted privately held companies, the fair valuations are largely dependent on the investee Company's ability to achieve desired outcomes which measure the performance of the Company and bear out the valuation of its ownership interests. Hence, these are also exposed to market / operational risks of the investee companies.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its core investment activity and to maximize shareholder value.

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are reviewed on a periodic basis.

The Capital Ratio is 478.51% as at March 31, 2020 as against the regulatory minimum of 30%.

Note 29 - Changes in Liabilities arising from Financing Activities

Particulars	March 31, 2019	Cash Flow	March 31, 2020
Borrowings other than debt securities	-	199.15	199.15
Total	-	199.15	199.15

There are no changes in liabilities arising from Financing activities during the year ended March 31, 2019.

Note 30 - Segment reporting

The Company's main business is to invest in securities of Group Companies for strategic purposes. All other activities of the Company revolve around the main business. As such there are no separate reportable segments.

Note 31 - Additional Information as required by Reserve Bank of India, Master Direction - Core Investment Companies (Reserve Bank) Directions, RBI/DNBR/2016-17/39, Master Direction DNBR. PD. 003/03.10.119/2016-17, August 25, 2016

These disclosures have been prepared based on IndAS financial statements in line with RBI notification dated March 13, 2020.

SN.	Particulars	As at March 31, 2020	
		Amount outstanding	Amount overdue
	Liabilities:		
1	Loans and Advances availed by the CIC inclusive of interest accrued thereon but not paid:		
(a)	Debentures		
	- Secured	-	-
	- Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	-	-
(c)	Term Loans	200.63	-
(d)	Inter-Corporate Loans and Borrowings	-	-
(e)	Commercial Paper	-	-
(f)	Other Loans	-	-
	* Please see Note 1 below		



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

SN.	Particulars	Amount outstanding
	Assets:	
2	Break-up of Loans and Advances including Bills Receivables [other than those included in (4) below]:	
	a) Secured	-
	b) Unsecured	-
3	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	
	(i) Lease assets including lease rentals under Sundry Debtors:	
	(a) Financing lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under Sundry Debtors:	
	(a) Assets on hire	-
	(b) Repossessed assets	-
	(iii) Other loans counting towards asset financing activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
4	Break-up of Investments:	
	Current Investments:	
	1. Quoted:	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	2. Unquoted:	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	Long-term Investments:	
	1. Quoted:	
	(i) Shares : (a) Equity	1,010.59
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-

Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

SN.	Particulars	Amount outstanding
2.	Unquoted:	
	(i) Shares : (a) Equity	267.76
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-

5. Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
(d) Other than related parties	-	-	-
Total	-	-	-

6. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

Category	Market value/Break up or fair value or NAV (Refer Note 2 below)	Book value (net of provisions)
1. Related parties		
(a) Subsidiaries	6,663.05	1,275.20
(b) Companies in the same group	14.21	2.63
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	6,677.26	1,277.83

7. Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-



Notes to Standalone Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Notes:

1. As defined in Core Investment Companies (Reserve Bank) Directions, 2016.
2. Quoted investments are at market value and unquoted investments are at break up/fair value/NAV irrespective of whether they are classified as long term or current in (6) above.
3. The company does not have any exposure to real estate sector, both direct and indirect.
4. Maturity pattern of assets and liabilities is disclosed in Note 20.1
5. The Company received Certificate of Registration from RBI on Jan 6, 2020. Hence previous year information is not provided for the above.

Note 32 - Prior Period Comparatives

Previous year figures have been regrouped / re-classified wherever necessary to conform to this year's classification.

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Regn No.101049W/E300004

per **Subramanian Suresh**

Partner

Membership No: 083673

Place : Chennai

Date : June 15, 2020

Sridharan Rangarajan

Director

E Krithika

Company Secretary

For and on behalf of the Board of Directors

M M Murugappan

Chairman

N Ganesh

Manager & Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Cholamandalam Financial Holdings Limited (formerly known TI Financial Holdings Limited) (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) its associate and joint venture comprising of the Consolidated Balance sheet as at March 31 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid Consolidated 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 consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated Ind AS Financial Statements’ section of our report. We are independent of the Group, associate, joint venture in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are

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

Emphasis of Matter

We draw attention to Note 4.1a to the accompanying Consolidated Ind AS Financial Statements, which describes the impact of COVID-19 pandemic with respect to Cholamandalam Investment and Finance Company Limited’s (CIFCL) and its possible consequential implications on CIFCL’s operations and financial metrics, including CIFCL’s estimates of impairment of loans and that such estimates may be affected by the severity and duration of the pandemic.

We draw attention to Note 4.1c to the accompanying Consolidated Ind AS Financial Statements, wherein the Group has disclosed the impact due to the COVID-19 pandemic for Cholamandalam MS General Insurance Company Limited (MSGICL), a subsidiary company. The auditors of MSGICL have included an emphasis of matter paragraph in their auditors’ report on the financial statements of MSGICL for the year ended March 31, 2020, stating that the impact assessment carried out by the Management with available information did not indicate any material impact on the carrying value of assets and liabilities of MSGICL as on the reporting date or any adverse impact on ability of MSGICL to continue as going concern. Considering the uncertainties prevailing in the economic conditions globally and in India, such impact assessment done by the management of MSGICL is highly dependent on the circumstances as they evolve in subsequent period.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of



the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements section of our report,

including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
In connection with the Subsidiary Company – Cholamandalam Investment and Finance Company Limited ('CIFCL')	
Impairment of Financial Assets based on Expected Credit Loss ('ECL') (as described in Note 5.4 of the Consolidated Ind AS Financial Statements)	
<p>Financial instruments, which include loans to customers, represents a significant portion of the total assets of the CIFCL. CIFCL has loans aggregating ₹56,918.70 Crores as at March 31, 2020.</p> <p>Estimates regarding the impairment provision against financial assets are based on the expected credit loss model developed by the CIFCL based on the guiding principles prescribed under Ind AS 109. As explained in the notes to the financial statements for the year ended March 31, 2020, the impairment provision based on the expected credit loss model requires the management of the CIFCL to make significant judgments in connection with related computation. These include:</p> <p>(a) Segmentation of the loan portfolio into homogenous pool of borrowers;</p> <p>(b) Identification of exposures where there is a significant increase in credit risk and those that are credit impaired;</p> <p>(c) Determination of the 12 month and life-time probability of default for each of the segments identified; and</p> <p>(d) Loss given default for various exposures based on past trends / experience, management estimates etc.,</p>	<ul style="list-style-type: none"> • Understood CIFCL's key credit processes comprising granting, recording and monitoring of loans as well as impairment provisioning. • Read and assessed CIFCL's impairment provisioning policy as per Ind AS 109; • Obtained an understanding of the CIFCL's Expected Credit Loss ('ECL') methodology, the underlying assumptions and performed sample tests to assess the staging of outstanding exposures; • Assessed the Exposure at Default used in the impairment calculations on a test basis; • Obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults for various homogenous segments and performed test checks; • Obtained an understanding of the basis and methodology adopted by management to determine Loss Given Defaults for various homogenous segments based on past recovery experience, qualitative factors etc., and performed test checks; • Assessed the items of loans, credit related contingent items as at the reporting date which are considered in the impairment computation as at the reporting date; • Assessed the data used in the impairment computation (including the data integrity of information extracted from the Company's IT systems);

Key audit matters	How our audit addressed the key audit matter
<p>Additionally, the economic and business consequences of the COVID 19 pandemic as described in Note 4.1a to the Consolidated Ind AS financial statements, slowdown of economic activity, moratoriums granted to borrowers, the related regulatory directives and also the applicable accounting directions, further affect loan loss provisioning under the ECL approach.</p> <p>Note 5.4 to the Consolidated Ind AS Financial Statements explains the various matters that the management has considered for developing this expected credit loss model.</p> <p>As at March 31, 2020, CIFCL has made a provision for impairment loss aggregating ₹1,522.97 Crores against the loans outstanding. Due to the significance of the judgments used in both classification of loans into various stages as well as the computation of expected credit losses on such financial assets as per Ind AS 109, this has been considered as key audit matter.</p>	<ul style="list-style-type: none"> • Enquired with the management regarding significant judgments and estimates involved in the impairment computation and additional management overlay provision arising from the effects of the COVID-19 pandemic, and evaluated the reasonableness thereof • Assessed analytical reviews of disaggregated data to observe any unusual trends warranting additional audit procedures; and • Read the financial statement disclosures in respect of impairment losses on financial assets, including the specific disclosures made with regard to the impact of COVID 19 on ECL estimation
<p>Audit in an Information Technology (IT) enabled environment – including considerations on exceptions identified in IT environment</p>	
<p>CIFCL has information technology applications which are used across various class of transactions in its operations including automated and IT dependent manual controls that are embedded in them.</p> <p>Due to the pervasive nature and complexity of CIFCL's IT environment, we place significant emphasis on the information systems, the controls, and process around such information systems and the usage of information from such systems for the purpose of financial reporting by the management for our audit. Accordingly, this has been considered as a key audit matter.</p>	<p>In assessing the reliability of electronic data processing, we included specialized IT auditors in our audit team. Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> • Assessing the information systems and the applications that is available in CIFCL in two phases: (i) IT General Controls and (ii) Application level embedded controls; • The aspects covered in the IT systems General Control audit were (i) User Access Management (ii) Change Management (iii) Other related ITGCs; - to understand the design and the operating effectiveness of such controls in the system; • Understanding of the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting; • Performed tests of controls (including over compensatory controls wherever applicable) on the IT Application controls and IT dependent manual controls in the system. • Wherever applicable, we also assessed through direct sample tests, the information produced from these systems which were relied upon for our audit report
<p>Pending litigations with tax authorities (as described in Note 41(a) of the Consolidated Ind AS Financial Statements)</p>	
<p>CIFCL operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994 Goods and Services Tax Acts and VAT Acts of various states, as may be applicable</p>	<p>In assessing the exposure of the CIFCL for the tax litigations, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax / legal experts (as applicable);



Key audit matters	How our audit addressed the key audit matter
<p>The tax authorities under these legislations have raised certain tax demands on CIFCL in respect of the past periods. CIFCL has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2020 CIFCL has an amount of ₹677.08 Crores. pertaining to various pending tax litigations.</p> <p>Ind AS 37 requires management to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability. Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the financial statements, we have considered it to be a key audit matter.</p>	<ul style="list-style-type: none"> • Assessed the processes and entity level controls established by CIFCL to ensure completeness of information with respect to tax litigations; • Along with our tax experts, we undertook the following procedures: • Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the pending litigations, as made available to us by the management; • Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by CIFCL; • Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment; • Assessed the positions taken by the management in the light of the aforesaid information and based on the examination of the matters by our tax experts. • Read the disclosures included in the Consolidated Ind AS Financial Statements in this regard.
In connection with Subsidiary Company - Cholamandalam MS General Insurance Company Limited	
Valuation of Investments	
<p>The auditors of Cholamandalam MS General Insurance Company Limited ("MSGICL"), a subsidiary of the Holding Company have reported that the management's assessment of the value of investments as on the reporting date involves judgement which can materially impact the impairment loss, if any and the carrying value of investments</p>	<p>The audit response to this Key Audit Matter that has been identified by the auditors of MSGICL are as follows:</p> <ul style="list-style-type: none"> • Reviewed the accounting policies used by the Company for accounting and disclosing Investments for compliance with the accounting framework / IRDAI regulation. • Assessed the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, measurement, subsequent valuation and disclosure of investments as on the reporting date as per application regulations. • Traced the opening balance with audited closing balance of investment from previous year financial statements. Verified the movement in investments during the year on a test check basis using direct third-party confirmation, statement of accounts, bank statements and other relevant documents. Other substantive and analytical procedures were carried out to corroborate the management assertions pertaining to investments. • Reviewed the process followed by the management of the Company in valuing the investments and independently reperformed the valuation check on a sample basis to confirm their appropriateness

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> Investments identified for impairment provisioning / write off by the management of the Company are verified on a 100% basis by independently assessing the risk of impairment loss and probability of realization of investment value by considering publicly available information about the investee entities, directions issued by their regulators, Government of India and IRDAI. Reviewed the basis of assessment used by the Company's Investment committee and discussed the same with Chief Investment Officer and Chief Financial Officer. Checked the compliance with IRDAI prudential norms for provisioning in validating the adequacy of impairment provision / write off.
Valuation of outstanding claims ("OC") including claims incurred but not reported ("IBNR") and claims incurred but not enough reported ("IBNER")	
<p>The auditors of CMSGICL have reported that the total Outstanding Claims including IBNR and IBNER provisions has been considered as a key audit matter by the auditors since the valuation of Outstanding Claims including IBNR and IBNER are significant in magnitude and requires use of judgements and estimates. OC including IBNR/IBNER are estimates for settlement of claims in future which are impacted by number of factors which includes the trends in severity of historical claims, frequency of historical claims and IRDA regulations. In particular, the claims arising from death or disability covered under motor insurance contracts involves complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can materially impact the valuation of these liabilities.</p>	<p>The audit response to this Key Audit Matter that has been identified by the auditors of CMSGICL were as follows:</p> <ul style="list-style-type: none"> Assessing and testing the operating effectiveness of key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claim estimates recorded; Substantive tests were performed on the amounts recorded for a sample of OC, which are material to assess whether claims are appropriately estimated and recorded; Evaluating the competence, objectivity and independence of the independent actuary appointed by the management to review the adequacy of OC including IBNR and IBNER; Testing the completeness and accuracy of underlying insurance data provided by the management to the Actuary on a sample basis; Assessing the adequacy of Company's related disclosures by reference to relevant accounting standards and IRDA Regulations
Contingent Liability	
<p>The auditors of CMSGICL have reported that contingent liabilities as at March 31, 2020 as a key audit matter as CMSGICL has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p>	<p>The audit response to this Key Audit Matter that has been identified by the auditors of CMSGICL were as follows:</p> <ul style="list-style-type: none"> Reviewing the details of pending tax demands as at March 31, 2020. Involving our internal experts to consider legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions. Reviewing CMSGICL's correspondences with tax authorities, legal counsels, grounds of appeal filed with various appellate authorities and industry position on various tax disputes. Verifying the adequacy of disclosures in the financial statements in this respect.



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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Chairman's message, Performance in FY 20, Board's Report and Management Discussion and Analysis, Form AOC-1, General Shareholder Information and Business Responsibility report included in the Annual report but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated 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 Consolidated 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.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture 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. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint venture 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture 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 Consolidated 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 Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the

Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of ₹0.01 Crores as at March 31, 2020, total revenues of Nil and net cash outflows of ₹0.01 Crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Ind AS financial statements also include the Group's share of net profit of ₹2.02 Crores for the year ended March 31, 2020, as considered in the Consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements, other financial information have been audited by other auditors



and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and joint venture and, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture, is based solely on the reports of such other auditors.

- (b) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements and other financial information include total assets of ₹10,549.99 Crores as at March 31, 2020 and total revenues of ₹4,196.51 Crores, and net cash inflow of ₹84 Crores for the year ended on that date. These financial statements and other financial information have been prepared in accordance with the recognition and measurement principles of Generally Accepted Accounting Principles in India, which have been framed as per the requirements of Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (as amended) (the 'IRDA Act'), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Circulars / Orders / Directions issued by the Insurance Regulatory and Development Authority of India ('IRDAI' or 'the Authority') in this regard, and the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 ("Statutory GAAP") which have been audited by other auditors under generally accepted auditing standards applicable in India. The other auditors of this subsidiary in their report have reported that they have relied on the Subsidiary's appointed actuary's certificate on the estimate of claims Incurred but Not Reported [IBNR] and claims Incurred but Not Enough Reported [IBNER]. The appointed actuary has certified to the Subsidiary that the assumptions used for such valuation are appropriate and are in accordance with the requirements of the IRDAI and Institute of Actuaries of India in concurrence with IRDAI.

The Subsidiary's management has converted the financial statements of such subsidiary from Statutory GAAP to comply with the requirements of Indian Accounting Standards (Ind AS)

specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including incorporating necessary adjustments relating to liability adequacy test and disclosures relating to insurance liabilities as per Ind AS 104 based on the appointed actuary's certificate. We have audited these conversion adjustments made by the subsidiary management and have relied upon the appointed actuary's certificate in this regard.

Our opinion in so far as it relates to the balances and affairs of such subsidiary is based on the report of other auditors, the reliance on the appointed actuary's certificate and the conversion adjustments prepared by the management of the Subsidiary Company and audited by us.

- (c) The Consolidated Ind AS financial statements also include the Group's share of net loss of ₹0.42 crores for the year ended March 31, 2020, as considered in the Consolidated Ind AS financial statements, in respect of one associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors, the financial statements and other financial information certified by the management and the certificates provided by the appointed actuary as applicable

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and joint venture, as noted in the 'other matter' paragraph we report, to the

extent applicable, that:

- (a) We / the other auditors whose report we have relied upon 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 of the aforesaid Consolidated Ind AS Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid Consolidated 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 of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and its joint venture, none of the directors of the Group's companies and its joint venture, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and its joint venture, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the

Holding Company, subsidiaries and joint venture incorporated in India to its Manager / Directors in accordance with the provisions of Section 197 read with Schedule V to the Act

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:
 - i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture in its Consolidated Ind AS financial statements – Refer Note 41(a) to the Consolidated Ind AS Financial Statements;
 - ii. Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 7 to the Consolidated Ind AS Financial Statements in respect of such items as it relates to the Group and joint venture.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its joint venture, incorporated in India during the year ended March 31, 2020.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh

Partner

Membership Number: 083673

UDIN: 20083673AAAABF7401

Place of Signature: Chennai

Date: June 15, 2020



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED (FORMERLY KNOWN AS TI FINANCIAL HOLDINGS LIMITED)

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

To the Members of Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited) as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Cholamandalam Financial Holdings Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint venture which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its subsidiary companies, associate and joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies and joint venture which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system

over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to three subsidiary Companies and one joint venture incorporated in India, is based on the corresponding report of the auditors of such Subsidiary Companies and joint venture incorporated in India

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**

Partner

Membership Number: 083673

Place : Chennai

Date : June 15, 2020



Consolidated Ind AS Balance Sheet

As at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial Assets			
Cash and Cash Equivalents	6A	3,695.69	3,279.16
Bank balances other than Cash and Cash Equivalents	6B	3,618.49	666.31
Derivative financial instruments	7	114.20	88.69
Receivables			
i) Trade Receivables	8	15.03	41.28
ii) Other Receivables	8	48.18	39.08
iii) Insurance Contract Assets	9	287.79	444.16
iv) Reinsurance Assets	10A	658.80	957.68
Loans	11	55,395.73	52,610.77
Investment in Associate & Joint Venture	12A	36.83	35.56
Other Investments	12B	8,855.85	7,516.71
Other Financial Assets	13	530.30	262.79
		73,256.89	65,942.19
Non- Financial Assets			
Current tax assets (Net)		330.01	246.92
Deferred tax assets (Net)	14	687.13	608.07
Goodwill on Consolidation		42.72	42.72
Investment Property	15	28.96	28.96
Intangible Assets under development		10.60	13.97
Property, Plant and Equipment	16	370.06	197.32
Intangible assets	17	37.63	36.94
Reinsurance Assets	10B	600.65	421.23
Other Non-Financial Assets	18	478.54	398.89
		2,586.30	1,995.02
TOTAL		75,843.19	67,937.21
EQUITY AND LIABILITIES			
Financial Liabilities			
Derivative financial instruments	7	-	8.41
Payables			
(I) Trade Payables			
i) Total outstanding dues of micro and small enterprises		1.01	0.18
ii) Total outstanding dues of creditors other than micro and small enterprises		330.03	231.45
(II) Other Payables			
i) Total outstanding dues of micro and small enterprises		-	-

Consolidated Ind AS Balance Sheet

As at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ii) Total outstanding dues of creditors other than micro and small enterprises		99.62	223.15
(III) Other Insurers			
i) Total outstanding dues of micro and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		272.29	401.63
Debt Securities	19	7,135.18	13,961.82
Borrowings(Other than Debt Securities)	20	43,473.71	32,126.78
Subordinated Liabilities	21	4,508.58	4,358.68
Insurance Contract Liabilities	22	6,024.81	5,212.09
Other Financial Liabilities	22A	529.62	371.87
		62,374.85	56,896.06
Non-Financial Liabilities			
Provisions	23	107.59	87.13
Insurance Contract Liabilities	24	3,620.73	3,032.07
Other Non-Financial Liabilities	24	38.13	57.49
		3,766.45	3,176.69
Equity			
Equity share capital	25	18.77	18.77
Other Equity	26	4,571.81	3,924.83
		4,590.58	3,943.60
Non Controlling Interest		5,111.31	3,920.86
		9,701.89	7,864.46
TOTAL		75,843.19	67,937.21
Summary of significant accounting policies	5		

The accompanying notes are forming part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Regn No.101049W/E300004

per **Subramanian Suresh**

Partner

Membership No: 083673

Place : Chennai

Date : June 15, 2020

Sridharan Rangarajan

Director

E Krithika

Company Secretary

For and on behalf of the Board of Directors

M M Murugappan

Chairman

N Ganesh

Manager & Chief Financial Officer



Consolidated Ind AS Statement of Profit and Loss

For the year ended March 31, 2020

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

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations			
- Interest Income	27A	8,742.35	7,065.47
- Dividend Income	27D	2.24	2.97
- Net gain on derecognition of financial instruments under amortised cost category		247.27	86.70
- Gross Premium	27C	4,264.58	4,057.25
Premium ceded to reinsurers		(828.27)	(1,008.15)
Net Premium		3,436.31	3,049.10
- Fee & Commission income	27B	487.82	469.73
- Net gain on Fair value change on financial instrument	27E	143.01	127.31
- Service Income	27F	75.70	124.35
Total Revenue from operations (I)		13,134.70	10,925.63
Other income (II)	28	1.03	21.18
Total Income (III) = (I) + (II)		13,135.73	10,946.81
Expenses			
- Finance costs	29	4,592.40	3,586.87
- Insurance Claims (net of re-insurance)	30	2,571.92	2,340.84
- Impairment of Financial Instruments	31	1,177.99	350.24
- Employee benefits expense	32	837.29	758.90
- Depreciation and amortisation expense	16, 17	149.81	77.91
- Other expenses	33	2,000.70	1,697.26
Total Expenses (IV)		11,330.11	8,812.02
Profit before tax (V) = (III) - (IV)		1,805.62	2,134.79
Tax expense/(benefit)			
Current tax			
- Pertaining to profit for the current period		687.30	875.32
- Adjustment of tax relating to earlier periods		0.03	16.56
Deferred tax		(45.49)	(170.81)
Net tax expense (VI)		641.84	721.07
Profit before share of profit/(loss) of Associate & Joint Venture - A = (V) - (VI)		1,163.78	1,413.72
Share of profit/(loss) of associate & Joint venture (net) - after tax (B)		1.27	1.11
Profit for the year - (C) = (A) + (B)		1,165.05	1,414.83

Consolidated Ind AS Statement of Profit and Loss

For the year ended March 31, 2020

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

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Other Comprehensive income:			
i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations (net)		(5.41)	(8.02)
Tax on above adjustments		1.36	2.78
Net gain/(loss) on FVTOCI equity securities		(6.93)	(6.96)
Tax on above adjustments		0.08	0.09
ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Hedge Reserve		(92.32)	13.06
Tax on above adjustments		32.61	(4.36)
Other comprehensive income/(loss) for the year (D)		(70.61)	(3.41)
Total comprehensive income for the year (C + D)		1,094.44	1,411.42
Profit for the year attributable to			
Equity holders of the parent		550.85	696.70
Non-controlling interest		614.20	718.13
Other comprehensive income for the year, net of tax			
Equity holders of the parent		(32.64)	(2.03)
Non-controlling interest		(37.97)	(1.38)
Total comprehensive income for the year, net of tax			
Equity holders of the parent		518.21	694.67
Non-controlling interest		576.23	716.75
Earnings per equity share of ₹ 1 each			
- Basic (₹)		29.35	37.13
- Diluted (₹)		29.34	37.12
Summary of significant accounting policies	5		

The accompanying notes are forming part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

per **Subramanian Suresh**
Partner
Membership No: 083673

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : June 15, 2020

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer



Consolidated Ind AS Statement of Changes in Other Equity

For the year ended March 31, 2020

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

a) Equity Share Capital

Balances as on April 1, 2018	18.75
Add: Issue of Share Capital	0.02
Balances as on March 31, 2019	18.77
Add: Issue of Share Capital (₹ 23,796 added during the period)	-
Balances as on March 31, 2020	18.77

b) Other Equity

Particulars	Share application money pending allotment	Reserve and Surplus							Items of other comprehensive income			Total non-controlling interest	Total attributable to equity holders of the parent		
		Statutory Reserve	Capital Reserve	Capital Redemption Reserve	Capital Reserve on Consolidation	Debt Redemption Reserve	Securities Premium Account	General Reserve	Retained earnings	Share based payments reserve	Fair valuation of Investment			Effective portion of cashflow hedge	Total
Opening Balance as at April 01, 2018	-	839.66	20.01	39.15	-	10.00	1,392.39	2,690.73	1,371.43	10.46	13.93	(20.77)	6,366.99	3,279.41	3,290.84
Profit for the year	-	-	-	-	-	-	-	-	1,414.83	-	-	-	1,414.83	718.13	696.70
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(5.24)	-	(6.87)	8.70	(3.41)	(1.38)	(2.03)
Additions during the year	0.30	-	-	-	-	-	6.58	-	-	8.15	-	-	15.03	5.28	9.75
Adjustments on account of change in equity interest in subsidiaries/associate	-	-	-	-	(39.82)	-	-	-	-	-	-	-	(39.82)	(6.25)	(32.25)
Dividend including DDT	-	-	-	-	-	-	-	(112.51)	-	-	-	-	(112.51)	(74.33)	(38.18)
Transfer to reserves from retained earnings during the year	-	253.31	-	-	-	10.00	-	700.00	(963.31)	-	-	-	-	-	-
Closing balance as at March 31, 2019	0.30	1,092.97	20.01	39.15	(39.82)	20.00	1,398.97	3,390.73	1,705.20	18.61	7.06	(12.07)	7,641.11	3,920.86	3,924.83
Profit for the year	-	-	-	-	-	-	-	-	1,165.05	-	-	-	1,165.05	614.20	550.85
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(4.05)	-	(6.85)	(59.71)	(70.61)	(37.97)	(32.64)
Movement during the year	(0.20)	-	-	-	-	-	890.92	-	-	11.56	-	-	902.28	494.60	410.78

Consolidated Ind AS Statement of Changes in Other Equity

For the year ended March 31, 2020

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

Particulars	Share application money pending allotment	Reserve and Surplus							Items of other comprehensive income			Total non-controlling interest	Total attributable to equity holders of the parent	
		Statutory Reserve	Capital Reserve	Capital Redemption Reserve	Capital Reserve on Consolidation	Debt Redemption Reserve	Securities Premium Account	General Reserve	Retained earnings	Share based payments reserve	Fair valuation of Investment			Effective portion of cashflow hedge
Adjustments on account of change in equity interest in subsidiaries	-	-	-	-	(22.89)	-	-	-	-	-	-	(22.89)	228.81	(250.49)
Dividend including DDT	-	-	-	-	-	-	-	(140.71)	-	-	-	(140.71)	(109.19)	(31.52)
Transfer to reserves from retained earnings during the year	-	236.67	-	-	-	-	-	(836.67)	-	-	-	-	-	-
Closing balance as at March 31, 2020	0.10	1,329.64	20.01	39.15	(62.71)	20.00	2,289.89	3,990.73	1,888.82	30.17	0.21	9,474.23	5,111.31	4,571.81

Summary of Significant Accounting Policies - Note 5

The accompanying notes are forming part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Regn No. 101049W/E300004

per **Subramanian Suresh**

Partner

Membership No: 083673

Place : Chennai

Date : June 15, 2020

Sridharan Rangarajan
Director

E Krithika
Company Secretary

M M Murugappan
Chairman

N Ganesh
Manager & Chief Financial Officer

For and on behalf of the Board of Directors



Consolidated Ind AS Cash Flow Statement

For the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
Cash Flow from Operating Activities				
Profit Before Tax		1,805.62		2,134.79
Adjustments for :-				
Depreciation and amortisation expense	149.81		77.91	
Provisions/(reversal of provisions)				
- Impairment of financial instruments	1,177.99		350.24	
Finance Costs	4,592.40		3,586.87	
(Profit) / Loss on Sale of Property plant and equipment (Net)	(0.09)		0.08	
Fair value gain on loss of control in Subsidiary	-		(20.29)	
Net gain on fair value change in financial instruments	(141.61)		(127.31)	
Interest Income on deposits and investments	(861.78)		(599.86)	
Dividend on Investments	(2.24)		(2.97)	
Share based payment expense	11.61		8.11	
		4,926.09		3,272.78
Operating Profit Before Working Capital Changes		6,731.71		5,407.57
Adjustments for :-				
(Increase)/Decrease in operating Assets				
- Loans	(8,040.20)		(11,860.90)	
- Trade Receivables	17.15		29.16	
- Insurance assets	275.83		274.90	
- Other Financial Assets	(314.53)		(87.15)	
- Purchase / Sale / Maturity of Other Investments (Net)	(1,485.55)		(1,233.27)	
- Other Non Financial Assets	(80.47)	(9,627.77)	(43.40)	(12,920.66)
Proceeds from de-recognition of financial assets recognised at amortised cost		4,357.89		1,182.20
Increase/(Decrease) in operating liabilities				
- Payables		(158.87)		(161.58)
- Other Financial liabilities		(23.33)		101.60
- Provisions		20.46		12.39
- Insurance Contracts liabilities		1,401.38		1,134.46
- Other Non-Financial liabilities		(11.02)		1.60
Cash Flow used in Operations		2,690.45		(5,242.42)
Finance Costs paid		(4,708.78)		(3,686.45)
Interest Received on deposits and investments		883.12		561.56
Dividend received		2.24		2.97
Income tax paid (Net of refunds)		(781.21)		(909.88)
Net Cash Used in Operating Activities (A)		(1,914.18)		(9,274.22)

Consolidated Ind AS Cash Flow Statement

As at March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(97.93)	(84.68)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	1.44	3.08
Intangible assets under development	-	(11.57)
Net Cash Used in Investing Activities (B)	(96.49)	(93.17)
Cash Flow from Financing Activities		
Proceeds from issue of Share Capital (Including Securities Premium)	0.47	6.90
Proceeds from issue of Shares by subsidiary to non controlling interest	895.84	-
Proceeds from issue of debt securities	19,405.25	17,096.61
Redemption of Debt securities	(26,052.86)	(17,365.33)
Borrowing - Other than debt securities	45,113.24	29,850.62
Repayment of borrowing - Other than debt securities	(33,933.50)	(18,005.01)
Proceeds from issue of subordinated liabilities	450.00	821.00
Repayment of subordinated liabilities	(295.00)	(186.50)
Payment of Lease Liabilities	(65.97)	-
Purchase of shares in subsidiary from non-controlling interest	(24.26)	(39.82)
	5,493.21	12,178.47
Investment in Fixed Deposits (Net of withdrawals)	(2,924.71)	104.42
Dividends Paid (Including Distribution Tax)	(141.30)	(112.27)
Net Cash Flow From Financing Activities (C)	2,427.20	12,170.62
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	416.53	2,803.23
Cash and Cash Equivalents at the Beginning of the year	3,279.16	476.43
Less: Cash and bank balances on loss of control in subsidiary during the year	-	(0.50)
Cash and Cash Equivalents at the End of the year	3,695.69	3,279.16

Summary of significant accounting policies - Note 5

The accompanying notes are forming part of the financial statements

As per our report of even date

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

per **Subramanian Suresh**
Partner
Membership No: 083673

Place : Chennai
Date : June 15, 2020

Sridharan Rangarajan
Director

E Krithika
Company Secretary

For and on behalf of the Board of Directors

M M Murugappan
Chairman

N Ganesh
Manager & Chief Financial Officer



Notes to Consolidated Ind AS Financial Statements

1. Corporate Information

Cholamandalam Financial Holdings Limited (“the Company”, formerly known as TI Financial Holdings Limited) (CIN: L65100TN1949PLC002905) is a public limited company domiciled in India. The Company is listed on Bombay Stock Exchange and National Stock Exchange. The Registered Office of the Company is located at Dare House, No.234, NSC Bose Road, Chennai-600 001, Tamil Nadu.

Pursuant to a scheme of arrangement (“the Scheme”) the manufacturing business undertaking of the Company was vested in/ transferred to Tube Investments of India Limited (“the Resulting Company”) vide the order of the National Company Law Tribunal, Chennai (“NCLT”) dated July 17, 2017. The Scheme had an appointed date of April 1, 2016 and came into effect from August 1, 2017. The Company has obtained certificate of registration as a Core Investment Company from Reserve Bank of India (‘RBI’) on January 06, 2020.

The Company undertakes financial services business through its Subsidiaries - Cholamandalam MS General Insurance Company Limited for general insurance business and Cholamandalam Investment and Finance Company Limited for lending operations. Risk advisory services is carried out through a joint venture entity Cholamandalam MS Risk Services Limited. The Company and its Subsidiaries are together referred to as “the Group”

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and all values are rounded to the nearest crore, except when otherwise indicated.

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on June 15, 2020.

2. Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company, its subsidiaries (being the entities that it controls (including de facto control) and its Associate and Joint Venture as at 31 March 2020. Control is evidenced when the

Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

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

Notes to Consolidated Ind AS Financial Statements

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

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

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

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more

frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the Group loses control over a subsidiary, it:

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

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

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

Investments in Associate and Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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



Notes to Consolidated Ind AS Financial Statements

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

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

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

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the

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

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

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

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

Notes to Consolidated Ind AS Financial Statements

Note 3 - Particulars of consolidation

The financial statements of the following subsidiaries/Associate/Joint Venture (all incorporated in India) have been considered for consolidation:

Name of the Company	Percentage of voting Power as on	
	March 31, 2020	March 31, 2019
Subsidiary-Cholamandalam Investment and Finance Company Limited (CIFCL)	45.50%	46.39%
Subsidiaries of CIFCL (% Holding of CIFCL)		
Cholamandalam Home Finance Limited (CHFL) (formerly known as Cholamandalam Distribution Services Limited)	100.00%	100.00%
Cholamandalam Securities Limited (CSEC)	100.00%	100.00%
White Data Systems India Private Limited (Upto Sep 2018)	-	63.00%
Associate of CIFCL (% Holding of CIFCL)		
White Data Systems India Private Limited (from Oct 2018)	30.87%	30.87%
Subsidiary - Cholamandalam MS General Insurance Company Limited (MSGICL)	60.00%	60.00%
Subsidiary - Cholamandalam Health Insurance Limited	99.86%	99.86%
Joint Venture - Cholamandalam MS Risk Services Limited (CMSRSL)	49.50%	49.50%

Note 4 - Basis of Preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, fair value through profit and loss (FVTPL) instruments, derivative financial instruments and Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments).”

4.1 Impact of COVID-19 on Group's Operations

The COVID-19 pandemic has resulted in a significant decrease in economic activity across the country. The Government of India and the respective State Governments announced a strict lockdown to contain the spread of the virus which was further extended twice across the nation with some relaxations in specific areas.

CIFCL

4.1.a The COVID-19 pandemic has had a consequential impact on the regular operations of CIFCL, including

lending and collection activities. In respect of CIFCL's loan book, Management has made impairment provisions as more fully explained in Note 4.1.b to the financial statements. However, the full extent of impact of the COVID-19 pandemic on CIFCL's operations and financial metrics (including impact on impairment provisions on loans) will further depend on government and regulatory guidelines and future developments which are uncertain and incapable of estimation at this time.

4.1.b In terms of the COVID-19 Regulatory Package of the RBI, vide guidelines dated March 27, 2020 and April 17, 2020, and in accordance with the Scheme approved by CIFCL's Board of Directors ("Board"), CIFCL has granted to all eligible borrowers, moratorium of three months on the payment of all loan instalments falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020 the moratorium is being extended for a further period of three months, and in accordance with CIFCL's policy approved by its Board. In this connection, having regard to the guidance provided by the RBI and the Institute of Chartered Accountants of India, extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory Package of the RBI by itself



Notes to Consolidated Ind AS Financial Statements

is not considered to result in significant increase in credit risk as per Ind AS 109. Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of expected credit loss on loans, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic.

CIFCL, inter alia, has used relevant indicators of moratorium along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro economic conditions and has incrementally provided for an expected credit loss of ₹593.06 crores for the year ended March 31, 2020. However, considering the inherent uncertainty regarding the severity and duration of the pandemic and the resultant economic impact, CIFCL's actual impairment loss could be different from these estimates.

CMSGICL

4.1.c CMSGICL has used the principles of prudence in applying judgements, estimates and assumptions to assess and provide for the impact of the pandemic on the financial statements. Since the pandemic and the lockdown imposed affected the tail end of the financial year, the impact on the financial performance was not significant. Our assessment based on estimates & judgments considering available information does not indicate any material impact on the carrying value of assets and liabilities as on the reporting date.

However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with the current estimates. CMSGICL will continue to closely monitor developments/changes to the estimates- basis the future macro-economic impact. Further, the impact assessment as on date with the available information does not indicate any adverse impact on the ability of CMSGICL to continue as a going concern.

4.2 Standards issued and effective for the year ended March 31, 2020

New and amended standards and interpretations Ind AS 116

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 - Operating Leases-Incentives, Appendix B of Ind AS 17 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17 - Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Balance Sheet.

Lessor accounting under Ind AS 116 remains unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption in accordance with Para C8 (c) (ii) to Ind AS 116 with the date of initial application being 1st April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The Group has lease contracts for various items of Building. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases. Refer to Note 5.28 - Leases for the accounting policy beginning 1st April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as Finance Leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at

Notes to Consolidated Ind AS Financial Statements

the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1st April 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The Right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1st April 2019:

Right-of-use assets of ₹159.73 crores. were recognised and presented separately in the Balance Sheet. Corresponding lease liabilities of ₹168.77 crores were recognised.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that

affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

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

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the Financial Statements of the Group.

4.3 Presentation of financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in notes to the financial statements.

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



Notes to Consolidated Ind AS Financial Statements

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

Note 5 - Significant accounting policies

5.1 Financial instruments – initial recognition

5.1.1 Date of recognition

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

5.1.2 Initial measurement of financial instruments

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 Fair value through profit and loss (FVTPL), transaction costs are added to, or subtracted from, this amount.

5.1.3 Measurement categories of financial assets and liabilities

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

- Amortised cost
- FVTPL
- FVTOCI

5.2 Financial assets and liabilities

5.2.1 Bank balances, Loans and Trade receivables at amortised cost

The Group measures Bank balances, Loans and Trade receivables at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial

assets in order to collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

5.2.2 Business model assessment

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

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

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

The expected frequency, value and timing of sales are also important aspects of the Group's assessment

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

5.2.3 The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial

Notes to Consolidated Ind AS Financial Statements

assets to identify whether they meet the SPPI test.

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

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

5.2.4 Debt Instruments

Amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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 and losses arising from impairment are recognised in the statement of profit and loss.

FVTOCI

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 SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements

are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

5.2.5 Equity instruments at FVOCI

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

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

5.2.6 Debt securities and other borrowed funds

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



Notes to Consolidated Ind AS Financial Statements

5.2.7 Undrawn loan commitments

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

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

5.2.8 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line or changes the business model for managing those assets except where such sales are insignificant considering the size of the operations or exceptional situation for liquidating the assets in accordance with the Asset Liability Management policy of the Group. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations which is evident to external parties. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The Group did not reclassify any of its financial assets or liabilities in 2019-20 and 2018-19.

5.3 Derecognition of financial assets and liabilities

5.3.1 Derecognition of financial assets other than due to substantial modification

5.3.1.1 Financial assets

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

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

- The Group has transferred its contractual rights to receive cash flows from the financial asset (or) it retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

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

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

A transfer only qualifies for derecognition if either:

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

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third

Notes to Consolidated Ind AS Financial Statements

party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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

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

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

5.3.1.2 Financial liabilities

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

5.4 Impairment of financial assets

5.4.1 Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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

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

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

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

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

Stage 1:

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

Stage 2:

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

Stage 3:

Loans that has been credit-impaired are based on the following, for which it records an allowance for the LTECLs.

- a) Contractual payments of either principal or interest are past due for more than 90 days;



Notes to Consolidated Ind AS Financial Statements

- b) The loan is considered to be in default by the management.

The calculation of ECLs

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

The key elements of the ECL are summarised below:

PD:

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

EAD:

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

LGD:

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

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

The mechanics of the ECL method are summarised below:

Stage 1:

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible

within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

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

Stage 3:

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

Loan commitment:

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

5.4.2 Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates

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 made as temporary adjustments.

Notes to Consolidated Ind AS Financial Statements

5.5 Collateral repossessed

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

5.6 Write-offs

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

5.7 Restructured, rescheduled and modified loans

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

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

5.8 Insurance Contracts

5.8.1 Determination of Insurance contract

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event)

adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

5.8.2 Revenue Recognition

Gross premiums

- (i) Premium (net of GST/service tax) is recognised as income on assumption of risk covered as per the terms of the policy, after adjusting for unexpired risk at each contract entered into with the customer. Any cancellations or changes in premium are accounted for in the period in which they occur.
- (ii) Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis.

The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

Reinsurance ceded and Commission received on reinsurance

- (i) Reinsurance premium ceded is accounted in the year of commencement of risk in accordance with the treaty arrangements with the reinsurers. In case of re-insurance contracts of long term policies, cession is accounted for the proportionate period to which reinsurance cover is provided as per the treaty. Any related reinsurance cost is recognised when incurred and included in the premium on reinsurance ceded.
- (ii) Unearned reinsurance premiums are those proportions of premiums ceded in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies.



Notes to Consolidated Ind AS Financial Statements

- (iii) Reinsurance premiums and claims have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.
- (iv) Commission on reinsurance ceded (including for long term policies) is recognised as income on ceding of reinsurance premium. In case of treaties having sliding scale commission, initial recognition would be as per treaty terms and the same is reviewed as at each reporting period. Profit commission under reinsurance treaties wherever applicable, is accrued based on the computation as per their treaty terms and the same is included in Commission on reinsurance ceded.

5.8.3 Benefits and claims

Gross benefits and claims

General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Reinsurance Recovery:

Reinsurance Recovery is recognised for all insurance contract liabilities based on contractual agreements with the re-insurer.

5.8.4 Insurance Contract Acquisition costs

Long Term Policies: Direct costs relating to acquisition of new / renewal of insurance contracts are expensed over the policy period.

Other than Long Term Policies: Direct costs relating to acquisition of new / renewal of insurance contracts are expensed in the year in which they are incurred.

5.8.5 Insurance contract liabilities

Insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency.

The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and a reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims. Therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques based on directives/regulations applicable to actuaries issued by Insurance Regulatory Development Authority (IRDA) time to time. The liability is not discounted for the time value of money as per IRDA regulations. The liabilities are derecognised when the obligation to pay a claim is discharged or is repudiated.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed in accordance with the requirements of Ind AS 104 to determine whether there is any overall excess of expected claims and expenses of Management including deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related prepaid expenses) is inadequate, the deficiency is recognised in the statement of profit or loss by setting up a provision for premium deficiency.

The main assumption underlying claim projection techniques is that the past claims development experience can be used to project future claims development and hence ultimate claim costs. As such, these methods extrapolate the development

Notes to Consolidated Ind AS Financial Statements

of paid and incurred losses to calculate the expected ultimate claim cost.

5.8.6 Reinsurance ceded to reinsurance counterparties

The Company cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the statement of profit or loss.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

5.8.7 Insurance Receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss.

5.8.8 Insurance Payables

Insurance payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using EIR method.

5.8.9 Reinsurance-Off-setting

Reinsurance assets and income or expense from reinsurance contracts are not offset against related

insurance liabilities and the expense or income from the related insurance contracts, respectively.

5.8.10 Terrorism and Nuclear Pool

Premium received from customers on account of Terrorism cover and towards Nuclear policies has been ceded to General Insurance Corporation of India (GIC) Terrorism Pool and Nuclear Pool Account. The Company's share in the Terrorism Pool Account and Nuclear Pool Account with GIC, based on the statements of account received during the current year for the period upto December 31, 2018 and September 30, 2018 respectively.

The resultant surplus/ deficit is reflected as RI Receivable/ Payable on Terrorism and Nuclear Pool. The Company's share in the Terrorism Pool Account with GIC for the period January 1, 2019 to March 31, 2019 will be accounted on receipt of the relevant statements of account from GIC. The Company's share in the Nuclear Pool Account with GIC for the period October 1, 2018 to March 31, 2019 will be accounted on receipt of the relevant statements of account from GIC.

5.9 Hedge accounting

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

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



Notes to Consolidated Ind AS Financial Statements

the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

5.9.1 Cash flow hedges

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

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

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

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

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

5.10 Recognition of interest income

The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all

financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account of fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the life of the loan.

5.11 Taxes

5.11.1 Current Tax

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

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

5.11.2 Deferred Tax

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

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

- In respect of taxable temporary differences associated with investments in subsidiaries, and interest in joint venture 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

Notes to Consolidated Ind AS Financial Statements

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.

5.11.3 Minimum Alternative Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned 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 Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

5.12 Investment in Property

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

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

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

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

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



Notes to Consolidated Ind AS Financial Statements

5.13 Property, plant and equipment

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

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

Asset description	Estimated Useful Life
Buildings	60 years
Computer Equipment	3 years
Leasehold improvements	Lease period or 5 years whichever is lower
Furniture and Fixtures*	5 years
Vehicles*	4-5 years
Other Equipment*	2 to 5 years
Membership card of stock exchanges*	10 years
Electrical Equipments*	4 years

*Useful life of assets based on Management's estimation and which are different from those specified in schedule II. Estimated useful life of these assets based on usage and replacement policy of such assets.

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

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.

5.14 Intangible Assets

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

5.15 Impairment of non-financial assets

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

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

Notes to Consolidated Ind AS Financial Statements

companies or other available fair value indicators.

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

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

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

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is

recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

5.16 Retirement and other employee benefits

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

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

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

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



Notes to Consolidated Ind AS Financial Statements

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

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

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

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

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

5.17 Share Based Payments

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

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves/ stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled, in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired

and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

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

5.18 Provisions

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

Provision for Claw Back of Commission Income

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

5.19 Dividends on ordinary shares

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013 in India, a distribution is

Notes to Consolidated Ind AS Financial Statements

authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

5.20 Determination of Fair value

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

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

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

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

- **Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to

at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- **Level 2 financial instruments** - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- **Level 3 financial instruments** - Those that include one or more unobservable input that is significant to the measurement as whole.

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

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

5.21 Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive



Notes to Consolidated Ind AS Financial Statements

model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

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

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

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

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

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

Also refer 5.8.2 for revenue recognition on insurance contracts and 5.10 for recognition of interest income.

5.21.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

5.21.2 Service Income

- a) Fee income from loans are recognised upon satisfaction of following:
 - i) Completion of service and
 - ii) Certainty over realisation of the fee income.

- b) Servicing and collections fees on assignment are recognised upon completion of service.
- c) Advertising income is recognised over the contract period as and when related services are rendered.
- d) Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.
- e) Insurance contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods based on completion of such service.

5.21.3 Dividend Income

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

5.22 Input Tax credit (Service tax/ Goods and Service Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service / supply received is accounted, and when there is no uncertainty in availing / utilising the same. In certain circumstances, the Group can avail 50% of the input credit as per the applicable regulatory requirement hence it expenses off the balance 50% to the respective expense.

5.23 Foreign Currency transactions

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

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

Income and expenses in foreign currencies are initially recorded by the Group at the exchange rates prevailing on the date of the transaction.

Notes to Consolidated Ind AS Financial Statements

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

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

5.24 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.

5.25 Segment Information

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

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

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

5.26 Cash and Cash equivalents

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

5.27 Cash Flow Statement

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

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

5.28 Leases

The Group 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 for consideration.

Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group 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 Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less 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



Notes to Consolidated Ind AS Financial Statements

recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

b. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date. 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. The Lease Liability is disclosed as a part of Other Financial Liabilities.

c. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets Lease liabilities include these options when it is reasonably certain that they will be exercised. Lease payments on short-term and low-value leases are recognised as expense on a straight-line basis over the lease term.

5.29 Trade receivable

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

5A. Significant accounting judgements, estimates and assumptions

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

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

Notes to Consolidated Ind AS Financial Statements

amounts of assets and liabilities within the next financial year.

i. De-recognition of Financial instruments

The Group enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred.

This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Group has been exposed to. Based on this assessment, the Group believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Group hence it has been concluded that securitisation transactions entered by the Group does not qualify de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

ii. Fair value of financial instruments

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

iii. Impairment of financial asset

The measurement of impairment losses across all

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

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

The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment

The segmentation of financial assets when their ECL is assessed on a collective basis

Development of ECL models, including the various formulas and the choice of inputs

Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

The Company has considered the impact of Covid-19 pandemic and the moratorium given to borrowers pursuant to the Covid-19 regulatory package announced by Reserve Bank of India, in determination of impairment allowance for the year. Also refer note 4.1b

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

iv. Provisions and other contingent liabilities

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be possible or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to



Notes to Consolidated Ind AS Financial Statements

conclude on these estimates.

v. Evaluation of De-facto Control in the case of control over Cholamandalam Investment and Finance Company Limited (“CIFCL”)

The Group based on the nature and extent of holding in CIFCL, has evaluated the applicability of de-facto control over CIFCL as per the guidelines of Ind AS 110. In accordance with such guidelines, the control assessment is done in the context of the dispersion of the holdings of the other shareholders who have the right to vote, past experience/trends of voting pattern and the current ability of the group to direct the relevant activities unilaterally. Accordingly, CIFCL has been identified as a subsidiary based on the defacto control that the group is able to exercise.

vi. Insurance Contract Liabilities

For Insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date Incurred But Not Recorded (IBNR) and also claims Incurred But Not Enough Reported (IBNER). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder. The said liability is determined by Appointed Actuary based on actuarial principles. The Appointed Actuary has certified that the methodology and assumptions used to estimate the liability are appropriate and in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the applicable regulations.

The main assumption underlying these techniques is that a Group’s past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical

claims development is mainly analysed by accident years. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgements, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgement is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

vii. Leases

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

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

b. Estimating the incremental borrowing rate

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

5B Standards issued but not yet effective

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

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 6A - Cash And Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	3.33	50.07
<u>Balances with banks</u>		
- In Current Accounts	647.57	401.45
- In Deposit Accounts - Original maturity 3 months or less	3,035.64	2,742.62
Cheques, drafts on hand	9.15	85.02
Total	3,695.69	3,279.16

Note 6B - Bank Balances Other Than Cash And Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
- In Deposit Accounts - Original maturity more than 3 months	3,207.14	131.78
- Non current bank balances	8.37	8.19
- In earmarked accounts		
- In Unpaid Dividend Accounts	2.63	2.94
- Deposits with Banks under lien	389.70	520.55
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	0.08	0.08
<u>Other bank balances</u>		
- On client and exchange related accounts & other deposits	10.57	2.77
Total	3,618.49	666.31

Note 7 - Derivative financial instruments

Part I	As at March 31, 2020			As at March 31, 2019		
	Notional amounts	Fair Value -Assets	Fair Value -Liabilities	Notional amounts	Fair Value -Assets	Fair Value -Liabilities
(i) Derivatives - Cross Currency Interest Rate Swap	2,343.70	114.20	-	2,261.50	88.69	8.41
Total Derivative financial Instruments	2,343.70	114.20	-	2,261.50	88.69	8.41
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
Cash flow hedging:						
Cross currency interest rate swap	2,343.70	114.20	-	2,261.50	88.69	8.41
Total Derivative financial Instruments	2,343.70	114.20	-	2,261.50	88.69	8.41

The Group has a Board approved policy for entering into derivative transactions. Derivative transaction comprises of Currency and Interest Rate Swaps. The Group undertakes such transactions for hedging borrowings. The Asset Liability Management Committee and Business Committee of the respective companies periodically monitors and reviews the risks involved.



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 8 - Receivables (Unsecured)

Particulars	As at March 31,2020	As at March 31,2019
(i) Trade Receivables		
Considered Good	15.03	41.28
Doubtful	-	-
Subtotal (i)	15.03	41.28
(ii) Other Receivables		
Considered Good *	48.18	39.08
Doubtful	-	-
Subtotal (ii)	48.18	39.08
Total (i)+(ii)	63.21	80.36

* includes dues from related parties

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

Note 9 - Insurance Contract Assets

Particulars	As at March 31,2020	As at March 31,2019
Due from Insurers	50.23	18.16
Terrorism Pool Receivables	142.56	130.15
Less: Provision for Impairment	-	(0.55)
Terrorism Pool Receivables (Net of Provision)	142.56	129.60
Nuclear Pool Receivables	4.05	3.04
Premium Receivable		
- Considered Good	44.83	242.10
- Asset with significant increase in credit risk	50.27	55.87
Less: Provision for Impairment	(4.15)	(4.61)
- Assets with significant increase in credit risk (Net of Provisions)	46.12	51.26
- Credit impaired assets	-	-
Less: Provision for Impairment	-	-
- Credit Impaired Assets (Net of Provisions)	-	-
Total	287.79	444.16

Movement in Provision for Impairment

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
At the beginning of the year	5.16	4.61
Movement in Expected credit loss allowances on receivables	(1.01)	0.55
At the end of the year	4.15	5.16

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 10A - Reinsurance - Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Recoverable arising from Claims Outstanding (Refer Note 22 for movement in claims outstanding)	658.80	957.68
Total	658.80	957.68

Note 10B - Reinsurance - Non Financial Assets

Recoverable arising from Provision for premium deficiency	-	18.24
Recoverable arising from Provision for unearned premiums (Refer Note 24 for movement in provision for unearned premium)	600.65	402.99
Total	600.65	421.23

Note 11 - Loans

(At amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Bills Discounted	85.98	88.60
(ii) Term loans	56,832.72	53,452.88
Total (A) Gross	56,918.70	53,541.48
Less: Impairment Allowance for (i) & (ii)	(1,522.97)	(930.71)
Total (A) Net	55,395.73	52,610.77
(B) (i) Secured by tangible assets	56,634.36	53,031.06
(ii) Unsecured	284.34	510.42
Total (B) - Gross	56,918.70	53,541.48
Less: Impairment Allowance	(1,522.97)	(930.71)
Total (B) - Net	55,395.73	52,610.77

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

Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or pledge of securities and / or equitable mortgage of property and / or advances generated out of loans.

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

Particulars	As at March 31, 2020	As at March 31, 2019
Loan - Outstanding Value		
White Data System India Private Limited - Associate	3.40	3.40
Impairment Provision		
White Data System India Private Limited - Associate	-	-



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 11.1 - Loans

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

Particulars	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bill discounted								
Opening as on April 1, 2019	53.67	0.40	34.53	88.60	0.13	0.03	31.57	31.73
New assets originated / Increase in existing assets (Net)	51.23	0.42	2.50	54.15	0.31	0.04	1.00	1.35
Exposure de-recognised / matured / repaid	(53.49)	(0.39)	(2.89)	(56.77)	(0.13)	(0.03)	(2.30)	(2.46)
Transfer to Stage 3	-	-	-	-	-	-	-	-
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-	-	-	1.46	1.46
Closing as on March 31, 2020	51.41	0.43	34.14	85.98	0.31	0.04	31.73	32.08
Term loans								
Opening as on April 1, 2019	49,972.73	2,076.17	1,403.98	53,452.88	186.90	197.24	514.84	898.98
New assets originated / Increase in existing assets (Net)	25,491.93	258.34	95.14	25,845.41	286.40	39.82	40.31	366.53
Exposure de-recognised / matured / repaid	(20,604.21)	(1,133.88)	(484.97)	(22,223.06)	(132.14)	(50.73)	(74.97)	(257.84)
Transfer to Stage 1	596.40	(559.72)	(36.68)	-	61.61	(51.84)	(9.77)	-
Transfer to Stage 2	(1,845.91)	1,872.14	(26.23)	-	(8.11)	14.91	(6.80)	-
Transfer to Stage 3	(760.58)	(429.31)	1,189.89	-	(3.48)	(39.81)	43.29	-
Impact on account of exposures transferred during the year between stages	1.39	6.82	25.62	33.83	2.32	146.04	328.67	477.03
Impact of changes on items within the same stage	-	-	44.89	44.89	-	-	86.79	86.79
Write off	(168.42)	(70.34)	(82.47)	(321.23)	(2.59)	(22.21)	(55.80)	(80.60)
Closing as on March 31, 2020	52,683.33	2,020.22	2,129.17	56,832.72	390.91	233.42	866.56	1,490.89
Bills Discounted								
Opening as on April 1, 2018	103.16	8.50	23.43	135.09	0.26	0.62	12.70	13.58
New assets originated / Increase in existing assets (Net)	53.52	0.39	8.92	62.83	0.13	0.03	5.96	6.12
Exposure de-recognised / matured / repaid	(100.05)	(7.80)	(1.47)	(109.32)	(0.25)	(0.57)	(0.41)	(1.23)
Transfer to Stage 3	(2.96)	(0.69)	3.65	-	(0.01)	(0.05)	0.06	-
Impact on account of exposures transferred during the year between stages (net)	-	-	-	-	-	-	3.29	3.29
Impact of changes on items within the same stage	-	-	-	-	-	-	9.97	9.97
Closing as on March 31, 2019	53.67	0.40	34.53	88.60	0.13	0.03	31.57	31.73

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Term Loans								
Opening as on April 1, 2018	39,535.37	1,955.08	1,452.83	42,943.28	170.09	184.36	494.32	848.77
New assets originated / Increase in existing assets (Net)	27,396.05	281.54	54.73	27,732.32	57.32	59.97	18.90	136.19
Exposure de-recognised / matured / repaid	(15,268.59)	(1,131.92)	(558.52)	(16,959.03)	(18.41)	(39.55)	(60.74)	(118.70)
Transfer to Stage 1	564.48	(498.71)	(65.77)	-	62.06	(46.42)	(15.64)	-
Transfer to Stage 2	(1,715.30)	1,782.74	(67.44)	-	22.98	(8.50)	(14.48)	-
Transfer to Stage 3	(449.07)	(256.31)	705.38	-	(2.50)	(24.81)	27.31	-
Impact on account of exposures transferred during the year between stages (net)	0.03	2.00	18.25	20.28	(60.68)	105.96	149.21	194.49
Impact of changes on items within the same stage	-	-	41.44	41.44	(36.67)	(14.57)	28.85	(22.39)
Write off	(90.24)	(58.25)	(176.92)	(325.41)	(7.29)	(19.20)	(112.89)	(139.38)
Closing as on March 31, 2019	49,972.73	2,076.17	1,403.98	53,452.88	186.90	197.24	514.84	898.98

ECL across stages have been computed on collective basis.

Group uses Days past due of the customer to determine the credit quality of loans

Note 12A - Investments In Associate & Joint Venture

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Equity Instruments		
a) Associate	24.77	25.19
b) Joint Venture	12.06	10.37
Total (A)	36.83	35.56

Note 12B - Other Investments

Particulars	As at March 31, 2020	As at March 31, 2019
a) Debt Securities - At amortised cost	6,386.07	3,891.10
b) Debt Securities - FVTPL	2,506.59	3,400.96
c) Equity Instruments - FVTPL	78.16	149.46
d) Equity Instruments - FVOCI	10.09	19.16
e) Mutual funds - FVTPL	86.00	72.92
Total Other Investments (Gross)	9,066.91	7,533.60
Less: Impairment allowance	(211.06)	(16.89)
Total Other Investments (Net) (B)	8,855.85	7,516.71
Total Investments (A)+(B)	8,892.68	7,552.27

All Investments represented above are made in India

The Group has designated certain unquoted investments at FVOCI on the basis that these are not held for trading.



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to Investment at Amortised Cost

Particulars	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening as on April 1, 2019	3,530.85	215.34	144.91	3,891.10	2.15	0.24	14.50	16.89
New assets originated	3,339.67	-	47.90	3,387.57	-	-	-	-
Exposure de-recognised or matured	(726.75)	(52.08)	(26.41)	(805.24)	(0.09)	-	-	(0.09)
Transfer to Stage 1	115.92	(115.92)	-	-	0.01	(0.01)	-	-
Transfer from Stage 1 to Stage 2	(422.57)	422.57	-	-	(0.19)	0.19	-	-
Transfer from Stage 1 to Stage 3	(259.47)	-	259.47	-	(1.63)	-	1.63	-
Transfer from Stage 2 to Stage 3	-	(47.35)	47.35	-	-	(0.24)	0.24	-
Investments Written off	-	-	(87.36)	(87.36)	-	-	(87.36)	(87.36)
Increase in impairment allowance within the same stage	-	-	-	-	-	-	281.62	281.62
Closing as on March 31, 2020	5,577.65	422.56	385.86	6,386.07	0.25	0.18	210.63	211.06
Opening as on April 1, 2018	3,751.30	108.32	-	3,859.62	0.51	0.04	-	0.55
New assets originated	352.98	39.58	30.00	422.56	2.00	(0.01)	-	1.99
Exposure de-recognised or matured	(369.08)	-	-	(369.08)	(0.15)	-	-	(0.15)
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	(67.44)	67.44	-	-	(0.21)	0.21	-	-
Transfer to Stage 3	(136.91)	-	136.91	-	-	-	14.50	14.50
Investments Written off	-	-	(22.00)	(22.00)	-	-	-	-
Closing as on March 31, 2019	3,530.85	215.34	144.91	3,891.10	2.15	0.24	14.50	16.89

Note 13 - Other Financial Asset (at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured - considered good (unless otherwise stated)		
Security Deposits	59.82	40.45
Interest Only Strip receivable	357.82	90.62
Accrued Income on Debt Securities at FVTPL	38.31	85.33
Other Advances	74.35	46.39
Total	530.30	262.79

Note 14 - Deferred Tax

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Impairment on financial instrument	433.35	335.02
Unexpired Premium Reserve (UPR) difference	112.05	149.59
Provision for Contingencies and undrawn commitments	10.04	15.66
Provision for Compensated Absences and Gratuity	17.17	17.16

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value changes relating to Equity-FVTPL	7.25	-
Impact of Effective interest rate adjustment on Financial Assets	78.15	97.61
Contract liabilities as per IND AS 115	4.13	9.95
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	9.68	6.82
Carry forward of tax losses	2.54	2.99
MAT credit entitlement	2.93	3.27
Items recognised in OCI	27.62	-
Others	6.66	4.08
(A)	711.57	642.15
Deferred Tax Liability		
Impact of Effective interest rate adjustment on Financial Liabilities	4.24	8.56
Fair value changes relating to Equity & Debt instruments-FVTPL	9.71	18.75
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	0.75	-
Items recognised in OCI	-	6.55
Others	9.74	0.22
(B)	24.44	34.08
Net Deferred Tax Assets (A) - (B)	687.13	608.07

Particulars	As at March 31, 2020		As at March 31, 2019	
	Income Statement	OCI	Income Statement	OCI
Deferred Tax Assets				
Impairment on financial instrument	98.33	-	45.51	-
Unexpired Premium Reserve (UPR) difference	(37.54)	-	75.50	-
Provision for Contingencies and undrawn commitments	(5.62)	-	1.77	-
Provision for Compensated Absences and Gratuity	0.01	-	3.92	-
Fair value changes relating to Equity-FVTPL	7.25	-	-	-
Impact of Effective interest rate adjustment on Financial Assets	(19.46)	-	35.54	-
Contract Liability as per IND AS 115	(5.82)	-	-	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	2.86	-	(1.04)	-
Re-measurement gains / (losses) on defined benefit plans (Net)	-	1.36	-	2.78
Fair value changes relating to Equity-FVTOCI	-	0.08	-	0.09
Carry forward of tax losses	(0.45)	-	2.99	-
MAT credit entitlement	(0.34)	-	-	-
Others	2.58	-	0.29	-
(A)	41.80	1.44	164.48	2.87



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Income Statement	OCI	Income Statement	OCI
Deferred Tax Liability				
Impact of Effective interest rate adjustment on Financial Liabilities	(4.32)	-	(3.28)	-
Fair value changes relating to Equity & Debt instruments-FVTPL	(9.04)	-	12.81	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	0.75	-	(1.67)	-
Gain on de-recognition of loans	-	-	(14.04)	-
Others	8.92	-	(0.15)	-
Cashflow Hedge Reserve	-	(32.61)	-	4.36
(B)	(3.69)	(32.61)	(6.33)	4.36
Net Deferred Tax Assets (A) - (B)	45.49	34.05	170.81	(1.49)

Note 15 - Investment Properties

Particulars	Total
Gross carrying amount as at April 01, 2018	28.88
Additions*	0.08
Disposals	-
Gross carrying amount as at March 31, 2019	28.96
Additions*	-
Disposals	-
Gross carrying amount as at March 31, 2020	28.96
Accumulated depreciation and impairment	
Balance as at April 01, 2018	-
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2019	-
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2020	-
Net Carrying amount	
As at March 31, 2019	28.96
As at March 31, 2020	28.96

*Additions represents transfer from Property plant and Equipment

The Group's investment property consists of 4 properties, of which one is a vacant site and one is let out as at March 31, 2020.

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental Income	0.04	0.04
Direct Operating expense for property that generate rental income	0.01	0.01
Direct Operating expense for property that did not generate rental income	-	-

ii) Contractual obligations

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

iii) Leasing Arrangements

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

iv) Fair Value

Particulars	As at March 31, 2020	As at March 31, 2019
Investment Property	27.89	29.55

v) Sensitivity analysis

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair Value (₹ in Crs)	Sensitivity (₹ in Crs)
Investment property As at March 31, 2020	Based on Market value	Price per Sq. feet	₹7000 - ₹13,000 per Sq. ft.	5%	27.89	1.40
Investment property As at March 31, 2019	Based on Market value	Price per Sq. feet	₹7000 - ₹13,000 per Sq. ft.	5%	29.55	1.47

Note 16 - Property, Plant And Equipment

Particulars	Freehold Land	Buildings (Refer Note below)		Computer Equipment		Office Equipment		Furniture and Fixtures	Leasehold Improvements	Vehicles	Total Tangible asset
		Own Assets	Right of Use Asset	Own Assets	Right of Use Asset	Own Assets	Right of Use Asset				
Gross carrying amount as at April 01, 2018	45.36	59.21	-	51.01	-	18.72	-	14.56	34.44	12.39	235.69
Additions	-	-	-	23.17	-	6.87	-	5.32	10.76	7.31	53.43
Disposals	-	0.42	-	1.54	-	1.05	-	0.76	1.51	4.58	9.86
Gross carrying amount as at March 31, 2019	45.36	58.79	-	72.64	-	24.54	-	19.12	43.69	15.12	279.26
Additions	-	1.37	199.77	31.30	10.11	8.73	14.52	6.85	15.30	6.88	294.83
Disposals	-	3.98	1.93	1.04	-	1.36	-	0.85	1.75	2.80	13.71
Gross carrying amount as at March 31, 2020	45.36	56.18	197.84	102.90	10.11	31.91	14.52	25.12	57.24	19.20	560.38



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Freehold Land	Buildings (Refer Note below)		Computer Equipment		Office Equipment		Furniture and Fixtures	Leasehold Improvements	Vehicles	Total Tangible asset
		Own Assets	Right of Use Asset	Own Assets	Right of Use Asset	Own Assets	Right of Use Asset				
Accumulated depreciation / amortisation and impairment											
Balance as at April 01, 2018	-	1.08	-	18.50	-	5.69	-	6.90	9.02	0.46	41.65
Depreciation for the year	-	1.18	*	22.14	-	5.65	-	5.18	9.28	4.14	47.57
Depreciation on disposals	-	0.33	-	0.80	-	0.85	-	0.68	1.37	3.25	7.28
Balance as at March 31, 2019	-	1.93	-	39.84	-	10.49	-	11.40	16.93	1.35	81.94
Depreciation for the year	-	4.86	51.20	25.58	2.84	6.04	3.98	7.10	12.58	4.63	118.81
Depreciation on disposals	-	3.98	-	1.06	-	0.61	*	1.21	1.64	1.93	10.43
Balance as at March 31, 2020	-	2.81	51.20	64.36	2.84	15.92	3.98	17.29	27.87	4.05	190.32
Net Carrying amount											
As at March 31, 2019	45.36	56.86	-	32.80	-	14.05	-	7.72	26.76	13.77	197.32
As at March 31, 2020	45.36	53.37	146.64	38.54	7.27	15.99	10.54	7.83	29.37	15.15	370.06

Note:

- Details of Immovable properties of land and buildings whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security has been explained in Note 19.1
- Disposal of building (own assets) in 2018-19 includes transfer of ₹0.08 crores to Investment property.

Note 17 - Intangible Assets

Particulars	Computer Software
Gross carrying amount as at April 01, 2018	60.88
Additions	30.03
Disposals	1.11
Gross carrying amount as at March 31, 2019	89.80
Additions	31.69
Disposals	2.04
Gross carrying amount as at March 31, 2020	119.45
Accumulated Amortization and impairment	
Balance as at April 01, 2018	22.52

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Computer Software
Amortization for the year	30.34
Amortization on disposals	-
Balance as at March 31, 2019	52.86
Amortization for the year	31.00
Amortization on disposals	2.04
Balance as at March 31, 2020	81.82
Net Carrying amount	
As at March 31, 2019	36.94
As at March 31, 2020	37.63
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

Note 18 - Other Non Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured - considered good (unless otherwise stated)		
Prepaid expenses	335.51	244.48
Capital Advances	3.03	3.85
Other assets	140.00	150.56
	478.54	398.89

Note 19 - Debt Securities (At Amortised Cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Redeemable Non-Convertible Debentures		
Medium-Term - Secured	5,552.53	10,321.96
Commercial Papers - Unsecured	1,582.65	3,639.86
Total	7,135.18	13,961.82

All debt securities have been contracted in India

19.1 Security

- (i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge on assets under hypothecation relating to Vehicle Finance, Home Equity, Bills discounted and other loans and *pari passu* charge on immovable property situated at Chennai.
- (ii) The Group has not defaulted in the repayment of dues to its lenders.
- (iii) Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in Note 19.2 based on the Contractual terms basis.



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

19.2 Details of Debentures - Contractual principal repayment value (before inter-company eliminations)

(i) Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		March 31, 2020	March 31, 2019		
250	10,00,000	25.00	25.00	Nov-26	8.55
1,500	10,00,000	150.00	150.00	Apr-24	8.62
3,523	10,00,000	352.30	352.30	Sep-23	8.80
1,350	10,00,000	135.00	-	Feb-23	7.41
1,000	10,00,000	100.00	-	Dec-22	7.98
1,500	10,00,000	150.00	150.00	Nov-22	8.00
3,523	10,00,000	352.30	352.30	Sep-22	8.70
1,050	10,00,000	105.00	105.00	Mar-22	8.35 to 9.06
3,523	10,00,000	352.30	352.30	Sep-21	8.45
1,250	10,00,000	125.00	-	Aug-21	8
2,550	10,00,000	255.00	255.00	Jul-21	9.06
4,010	10,00,000	401.00	200.00	Jun-21	8.49 to 8.52
4,770	10,00,000	477.00	477.00	Apr-21	8.0874
1,500	10,00,000	150.00	-	Mar-21	8.85
600	10,00,000	60.00	60.00	Feb-21	9.09
1,350	10,00,000	135.00	-	Jan-21	8.11
3,500	10,00,000	350.00	350.00	Dec-20	8.00 to 8.98
1,750	10,00,000	175.00	175.00	Oct-20	7.75
2,200	10,00,000	220.00	220.00	Jun-20	8.10 to 9.10
4,800	10,00,000	480.00	480.00	May-20	8.12 to 8.90
800	10,00,000	80.00	80.00	Apr-20	8.11 to 9.02
500	10,00,000	-	50.00	Mar-20	9.02
9,850	10,00,000	-	985.00	Feb-20	7.97 to 8.85
5,500	10,00,000	-	550.00	Dec-19	7.97
2,750	10,00,000	-	275.00	Nov-19	8.10 to 9.10
5,750	10,00,000	-	575.00	Oct-19	8.05 to 8.20
5,850	10,00,000	-	585.00	Sep-19	8.06 to 8.46
2,250	10,00,000	-	225.00	Aug-19	7.50 to 9.90
7,300	10,00,000	-	730.00	Jul-19	7.80 to 9.90
2,750	10,00,000	-	275.00	Jun-19	9.13 to 9.90
6,750	10,00,000	-	675.00	May-19	8.03 to 9.20
1,100	10,00,000	-	110.00	Apr-19	8.00 to 9.20
		4,629.90	8,818.90		

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Redemption price ₹	Premium ₹
		March 31, 2020	March 31, 2019			
500	10,00,000	50.00	-	Jan-23	12,54,470	2,54,470
1100	10,00,000	110.00	110.00	May-21	12,94,211	2,94,211
1000	10,00,000	100.00	100.00	Mar-21	12,76,583	2,76,583
1150	10,00,000	115.00	115.00	Dec-20	11,92,230	1,92,230
2050	10,00,000	205.00	205.00	May-20	12,63,916	2,63,916
190	10,00,000	19.00	19.00	Apr-20	12,56,100	2,56,100
500	10,00,000	50.00	50.00	Apr-20	13,54,976	3,54,976
800	10,00,000	80.00	80.00	Apr-20	12,74,682	2,74,682
750	10,00,000	-	75.00	Sep-19	12,66,148	2,66,148
80	10,00,000	-	8.00	Jul-19	12,98,729	2,98,729
500	10,00,000	-	50.00	Jul-19	13,63,101	3,63,101
80	10,00,000	-	8.00	Apr-19	13,08,150	3,08,150
250	10,00,000	-	25.00	Apr-19	13,13,730	3,13,730
		729.00	845.00			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Put option date	Rate of interest %
		March 31, 2020	March 31, 2019			
15	10,00,000	-	1.50	Mar-21	Feb-20	8.85
10	10,00,000	1.00	1.00	Aug-23	Jul-21	9.06
		1.00	2.50			

Note 20 - Borrowings (Other than Debt Securities) at amortised cost

Particulars	As at March 31, 2020	As at March 31, 2019
A) Term Loans		
i) a) From Banks - Secured		
Ruppee Loans	34,412.47	21,975.92
Foreign currency Loans	117.88	2,004.67
External Commercial Borrowings	2,473.26	346.29
b) From Banks - Unsecured		
Ruppee Loans	-	150.00
ii) From Other Parties - Secured		
a) Financial Institutions - Ruppee Loans	1,632.58	934.81
b) Securitisation - Ruppee Loans	4,631.31	5,492.61



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
iii) From Other Parties - Unsecured		
a) Financial Institutions - Rupee Loans	200.63	-
b) Loan repayable on demand - Secured from Banks - Rupee Loans	5.58	1,222.48
	43,473.71	32,126.78
Borrowings within India	41,000.45	31,780.49
Borrowings Outside India	2,473.26	346.29
	43,473.71	32,126.78

20.1 Security

- (i) Secured term loans from banks and financial institution are secured by way of specific / *pari passu* charge on assets under hypothecation relating to automobile financing and loans against immovable property.
- (ii) Loan repayable on demand is in the nature of Cash Credit from banks are secured by way of floating charge on assets under hypothecation and other assets.
- (iii) The Group has not defaulted in the repayment of dues to its lenders.
- (iv) Securitisation borrowing represents the net outstanding value (Net of Investment in Pass-through Certificates) of the proceeds received by the Group from securitisation trust in respect of loan assets transferred by the Group pursuant to Deed of Assignment. The Group has provided Credit enhancement to the trust by way of cash collateral and Bank guarantee.
- (v) Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in Note 20.2 based on the Contractual terms basis.

20.2 Details of term loans - Contractual principal repayment value

Rate of Interest	Maturity	Instalments	Amount outstanding	
			March 31, 2020	March 31, 2019
Base Rate / MCLR	< 1 year	1	1,058.33	210.00
		2	1,387.50	-
		3	571.88	120.00
		4	533.34	200.00
	1 - 2 years	8	600.00	-
		1	929.17	600.00
		2	966.67	-
		4	1,920.84	600.00
2 - 3 years	8	8	600.00	-
		1	1,300.00	400.00
	3 - 4 years	2	2,487.51	-
		3	-	150.00
		4	795.82	-
		8	600.00	-
3 - 4 years	1	83.33	-	

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Rate of Interest	Maturity	Instalments	Amount outstanding	
			March 31, 2020	March 31, 2019
		2	1,633.34	-
		4	600.00	-
		6	-	1,000.00
		8	600.00	-
		16	-	250.00
	4 - 5 years	1	216.65	-
		2	900.00	-
		4	400.00	-
		6	-	800.00
		7	93.75	-
	> 5 Years	1	50.00	-
Base Rate/ MCLR + spread (0.05% to 0.92%)	< 1year	1	3,375.00	520.00
		4	800.00	-
	1 - 2 years	1	4,925.00	3,100.00
		3	187.50	-
		4	725.00	500.00
		6	125.00	-
	2 - 3 years	1	187.50	5,200.00
		2	300.00	-
		4	725.00	1,000.00
		6	125.00	-
		8	-	1,000.00
	3 - 4 years	1	125.00	1,000.00
		2	300.00	-
		4	725.00	-
		6	125.00	-
	4- 5 years	10	-	1,000.00
		20	-	3,000.00
	>5 Years	2	50.00	-
Rate based on T Bill + Spread	< 1 year	1	744.00	50.00
		2	325.00	-
	1 - 2 years	1	294.00	200.00
		3	-	30.00
		4	250.00	-
		5	-	83.34
	2 - 3 years	1	294.00	-
		2	125.00	-
		4	-	-



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Rate of Interest	Maturity	Instalments	Amount outstanding	
			March 31, 2020	March 31, 2019
Fixed Rate	3 - 4 years	3	-	282.00
	< 1year	1	-	740.00
		2	122.00	-
		4	280.00	-
	1 - 2 years	2	60.00	-
		4	404.00	-
	2 - 3 years	4	394.00	-
		10	-	300.00
		4	244.00	-
		16	-	630.00
3Months Repo	4 - 5 years	2	121.00	-
	< 1year	4	180.00	-
	1 - 2 years	1	300.00	-
		8	360.00	-
	2 - 3 years	8	360.00	300.00
Total			35,985.13	23,265.34
USD 2Y MIBOR + Spread	< 1year	1	40.00	-
	1-2 years	1	-	40.00
USD 3M LIBOR + Spread	< 1year	2	116.68	-
	1-2 years	5	-	200.00
USD 6M LIBOR + Spread	< 1year	1	-	1,475.00
	1-2 years	1	378.30	-
	2-3 years	1	1,361.88	346.50
	4 - 5 years	1	696.07	-
Total			2,592.93	2,061.50
Details of Securitised loan			Amount outstanding*	
Rate of Interest	Maturity		March 31, 2020	March 31, 2019
Fixed (4.9% to 8%)	Less than 1 year		1,580.12	1,908.54
	1-2 year		1,243.82	1,261.95
	2-3 year		542.13	569.71
	3-4 year		152.61	138.86
	4-5 year		55.93	65.06
	more than 5 years		172.22	267.00
Total			3,746.83	4,211.12
Floating Base Rate/ MCLR - spread	Less than 1 year		67.53	112.87
	1-2 year		79.28	119.21
	2-3 year		84.39	122.80

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Details of Securitised loan	Maturity	Amount outstanding*	
		March 31, 2020	March 31, 2019
Rate of Interest			
(0.75% to 2.65%)	3-4 year	90.88	120.60
	4-5 year	94.11	123.19
	more than 5 years	467.06	667.86
Total		883.25	1,266.53

* Represents amounts to be paid to the securitisation trust as per the securitisation cash flows net of amounts to be received against Investment in PTC.

20.3 Unsecured rupee loan from Financial Institution is repayable in 5 equal annual instalments beginning March 2021 with effective interest rate of 11.29%.

20.4 Loan repayable on demand represents cash credit and overdraft facilities

Note 21 - Subordinated Liabilities (at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Perpetual Debt - Unsecured	1,495.97	1,441.79
Subordinated Debt - Unsecured		
a) Rupee Denominated Bonds	406.77	-
b) Other Subordinated Debts	2,605.84	2,916.89
	4,508.58	4,358.68

21.1

- All Subordinated liabilities have been contracted in India.
- The Group has not defaulted in the repayment of dues to its lenders.
- Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in Note 21.2 based on the Contractual terms basis.

21.2 Details of Subordinated Liabilities - Contractual principal repayment value

(i) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		March 31, 2020	March 31, 2019		
400	1,00,00,000	400.00	-	Jan-30	9.25
3000	10,00,000	300.00	300.00	Aug-28	9.75
5300	10,00,000	530.00	530.00	Mar-28	9.05
1500	10,00,000	150.00	150.00	Aug-27	8.53
2500	10,00,000	250.00	250.00	Jun-27	8.78 to 8.80
100	10,00,000	10.00	10.00	Nov-26	9.20
150	10,00,000	15.00	15.00	Jun-24	11.00
50	10,00,000	5.00	5.00	May-24	11.00
250	10,00,000	25.00	25.00	Apr-24	11.00
250	10,00,000	25.00	25.00	Mar-24	11.00



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		March 31, 2020	March 31, 2019		
200	10,00,000	20.00	20.00	Feb-24	11.00
250	10,00,000	25.00	25.00	Jan-24	11.00
2000	10,00,000	200.00	200.00	Nov-23	9.08 to 9.20
500	10,00,000	50.00	50.00	Oct-23	9.08
150	10,00,000	15.00	15.00	Sep-23	11.00
600	10,00,000	60.00	60.00	Dec-22	11.05 to 11.25
3,150	10,00,000	315.00	315.00	Nov-21	10.02
1,000	10,00,000	100.00	100.00	Jun-21	11.30
1,000	10,00,000	100.00	100.00	May-21	11.30
100	10,00,000	10.00	10.00	Mar-21	11.00
100	10,00,000	10.00	10.00	Feb-21	11.00
150	10,00,000	15.00	15.00	Oct-20	11.00
500	10,00,000	50.00	50.00	Jul-20	10.70
115	10,00,000	11.50	11.50	May-20	11.00
1,000	10,00,000	100.00	100.00	Apr-20	11.00
750	10,00,000	-	75.00	Dec-19	11.50
700	10,00,000	-	70.00	Jun-19	11.40
1,500	10,00,000	-	150.00	May-19	11.70 to 11.75
		2,791.50	2,686.50		

(ii) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Redemption price ₹	Premium ₹
		March 31, 2020	March 31, 2019			
150	10,00,000	15.00	15.00	Nov-23	17,57,947	7,57,947
		15.00	15.00			

iii) Key terms of debentures issued by CMSGICL

Issue size (₹ Crores)	100.00
Security Name	8.75% Chola MS 2027
Coupon Rate	8.75%
Date of Allotment	May 25, 2017
Call option	At the end of five years from the Deemed date of allotment. Such call option may be exercised by the Issuer with the prior approval of IRDAI and in accordance with the IRDAI Regulations.
Type of Instrument	Unsecured, subordinated, fully paid-up, listed, redeemable and non-convertible debentures.
Security of debentures issued	The debenture issued is Unsecured, subordinated, fully paid-up, listed, redeemable and non-convertible debentures (the "Debentures"). The claims of the Debenture Holders shall be superior to the claims of the investors in preference shares and equity shares of the Issuer in that order but shall be subordinated to the claims of the policyholders and all other creditors.

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

(iv) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at		Maturity Date - Perpetual	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
		March 31, 2020	March 31, 2019		
1000	5,00,000	50.00	-	Dec-29	10.75
1120	5,00,000	56.00	56.00	Mar-29	10.83
5000	5,00,000	250.00	250.00	Feb-29	10.88
500	5,00,000	25.00	25.00	Aug-24	12.80
174	10,00,000	17.40	17.40	Jul-24	12.90
500	5,00,000	25.00	25.00	Jun-24	12.90
500	5,00,000	25.00	25.00	Feb-24	12.90
50	10,00,000	5.00	5.00	Jan-24	12.60
1,031	10,00,000	103.10	103.10	Dec-23	12.50 to 12.60
245	10,00,000	24.50	24.50	Oct-23	12.60
1,000	5,00,000	50.00	50.00	Oct-23	12.90
300	10,00,000	30.00	30.00	Feb-23	12.80
1,450	10,00,000	145.00	145.00	Dec-22	12.70 to 12.80
860	5,00,000	43.00	43.00	Sep-22	12.75
2,000	5,00,000	100.00	100.00	Aug-22	12.90
200	5,00,000	10.00	10.00	Mar-22	12.50
700	5,00,000	35.00	35.00	Jan-22	12.50
3,500	5,00,000	175.00	175.00	Dec-21	12.50 to 12.95
320	5,00,000	16.00	16.00	Aug-21	12.50
413	5,00,000	20.65	20.65	Jul-21	12.50
2,021	5,00,000	101.05	101.05	Jun-21	12.50
3,000	5,00,000	150.00	150.00	Oct-20	12.05
		1,456.70	1,406.70		

Group can redeem using Call option on the maturity date with prior approval of RBI.

Note 22 - Insurance Contract Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Claims Outstanding (Refer (i) below)	6,006.81	5,188.63
Unclaimed Amount of policy Holders (Refer (ii) below)	2.01	4.88
Agent's balances (Refer (iii) below)	15.99	18.58
Total	6,024.81	5,212.09



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

(i) Movement in Claims Outstanding

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year - Gross Liability	5,188.63	4,271.02
- Reinsurance Asset (Note 10A)	(957.68)	(955.54)
- Net Liability	4,230.95	3,315.48
Claims incurred in the current accident year	2,451.93	2,104.34
Adjustment to claims in prior accident years	125.36	231.16
Claims paid during the year	(1,460.23)	(1,420.03)
At the End of the year - Net Liability	5,348.01	4,230.95
- Gross Liability	6,006.81	5,188.63
- Reinsurance Asset (Note 10A)	(658.80)	(957.68)

(ii) Movement in Unclaimed Amount of policy Holders

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	4.88	15.68
Adjustments during the year	(2.87)	(10.80)
At the End of the year	2.01	4.88

(iii) Movement in Agent's balances

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	18.58	7.79
Adjustments during the year	(2.59)	10.79
At the End of the year	15.99	18.58

Note 22A - Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid Dividend	2.63	2.93
Advances from customers	19.99	19.91
Security Deposits received	2.16	2.21
Collections towards derecognised assets pending remittance	159.55	46.07
Lease liability	181.38	-
Other liabilities	163.91	300.75
	529.62	371.87

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 23 - PROVISIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
- Compensated Absences	67.90	48.25
	67.90	48.25
Other Provisions (Refer Note 42)		
Provision for Contingencies and Service Tax claims	38.38	38.37
Provision for Undrawn commitments	1.31	0.51
	39.69	38.88
	107.59	87.13

Note 24 - OTHER NON FINANCIAL LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Insurance Contract Liabilities		
Provision for unearned premiums (Refer Note (i) below)	3,300.21	2,740.98
Unallocated premium (Refer Note (ii) below)	178.82	136.77
Provision for premium deficiency (opening balance was fully utilised during the year)	-	23.60
Premium received in advance (Refer Note (iii) below)	141.70	130.72
Total (A)	3,620.73	3,032.07
Others		
Deferred Rent	-	8.34
Income received in advance	17.12	23.03
Statutory Liabilities	11.46	23.75
Other Liabilities	9.55	2.37
Total (B)	38.13	57.49
Total (A) + (B)	3,658.86	3,089.56

(i) Movement in Provision for Unearned Premium

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year - Gross Liability	2,740.98	2,246.97
- Reinsurance Asset (Note 10A)	(402.99)	(315.77)
- Net Liability	2,337.99	1,931.20
Premiums Written during the year	3,798.57	3,456.68
Premiums recognised during the year	(3,437.00)	(3,049.89)
At the End of the year - Net Liability	2,699.56	2,337.99
- Gross Liability	3,300.21	2,740.98
- Reinsurance Asset (Note 10B)	(600.65)	(402.99)



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

(iii) Movement in Prremium received in advance

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	130.72	151.47
Incurred during the year	1,253.61	762.38
Premium recognised during the year	(1,242.63)	(783.13)
At the End of the year	141.70	130.72

Note 25 - Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Amount	Nos.	Amount
AUTHORISED				
Equity Shares of ₹ 1 each with voting rights	43,00,00,000	43.00	43,00,00,000	43.00
		43.00		43.00
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 1 each with voting rights	18,77,16,030	18.77	18,76,92,234	18.77
		18.77		18.77

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year	18,76,92,234	18.77	18,75,33,696	18.75
Issued during the year - Employees Stock Option (ESOP) Scheme	23,796	0.00	1,58,538	0.02
Outstanding at the end of the year	18,77,16,030	18.77	18,76,92,234	18.77

Note : The Company has received an amount of ₹ 0.002 Crs on allotment of Shares under Employee Stock Option Scheme for the year ended March 31, 2020.

b) Terms/rights attached to Equity shares

The Company has only one class of equity shares having par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors 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.

c) Equity Shares held by Holding Company

Particulars	As at March 31, 2020	As at March 31, 2019
Ambadi Investments Limited	7,07,66,595	7,00,66,595

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

Equity Shares	As at March 31, 2020		As at March 31, 2019	
	Nos.	% holding in the class	Nos.	% holding in the class
Ambadi Investments Limited	7,07,66,595	37.70	7,00,66,595	37.33

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

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

e) Shares reserved for issue under options

Refer Note 43 for details of shares reserved for issue under options.

f) Status on Global Depository Receipts (GDR)

The aggregate number of GDRs outstanding as at March 31, 2020 is 23,460 (as at March 31, 2019 - 28,62,253) each representing one Equity Share of ₹1 face value (Previous Year ₹1 face value). GDR % against total number of shares is 0.01% (as at March 31, 2019 - 1.52%). The GDRs carry the same terms / rights attached to Equity Shares of the Company.

Note 25 - Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Amount	Nos.	Amount
AUTHORISED				
Equity Shares of ₹ 1 each with voting rights	430,000,000	43.00	430,000,000	43.00
		43.00		43.00
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 1 each with voting rights	187,716,030	18.77	187,692,234	18.77
		18.77		18.77

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

Particulars	March 31, 2020		March 31, 2019	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year	187,692,234	18.77	187,533,696	18.75
Issued during the year - Employees Stock Option (ESOP) Scheme	23,796	0.00	158,538	0.02
Outstanding at the end of the year	187,716,030	18.77	187,692,234	18.77

Note : The Company has received an amount of ₹ 0.002 Crs on allotment of Shares under Employee Stock Option Scheme for the year ended March 31, 2020.

b) Terms/rights attached to Equity shares

The Company has only one class of equity shares having par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors 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.

c) Equity Shares held by Holding Company

Particulars	As at March 31, 2020	As at March 31, 2019
Ambadi Investments Limited	70,766,595	70,066,595



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity Shares				
Ambadi Investments Limited	70,766,595	37.70	70,066,595	37.33

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

e) Shares reserved for issue under options

Refer Note 43 for details of shares reserved for issue under options.

f) Status on Global Depository Receipts (GDR)

The aggregate number of GDRs outstanding as at March 31, 2020 is 23,460 (as at March 31, 2019 - 28,62,253) each representing one Equity Share of ₹1 face value (Previous Year ₹1 face value). GDR % against total number of shares is 0.01% (as at March 31, 2019 - 1.52%). The GDRs carry the same terms / rights attached to Equity Shares of the Company.

Note 26 - Other Equity

26a. Statutory Reserve

As per the requirements of Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC is required to transfer 20% of the total profits after tax for the year to a specific reserve by name of Statutory Reserve. Two entities (CFHL & CIFCL) in the group, based on the above regulation transferred an amount equivalent to 20% of the total profits after tax for the current year to such reserve.

26b. Capital Reserve

Capital Reserve represents the amount that has been received as a capital grant from the Government of Maharashtra for the set up of a unit in 2008-09 based on the fulfillment of certain conditions in connection with the set up of such unit. Pursuant to the Scheme of Arrangement for demerger in FY 2016-17, this amount has been retained in the Company.

26c. Capital Reserve On Consolidation

Capital reserve on consolidation represents the effect on reserves on account of additional investment in CIFCL during the year 2018-19 & 2019-20.

26d. Debenture Redemption Reserve

As one of the entity (MSGICL) in the group has issued has issued redeemable non-convertible debentures, it has created Debenture Redemption Reserve (DRR) in accordance with the requirements of The Companies (Share capital and Debentures) Rules, 2014. Pursuant to amendment vide Ministry of Corporate Affairs notification no. G. S. R 574 (E) dated August 16, 2019 of Companies (Share Capital and Debenture) Rules, 2014 MSGICL is not required to create any additional DRR. Other entities in the group are either exempt or creation of DRR is not applicable. Accordingly the group continues to hold the existing DRR of ₹20 crores as at March 31, 2020.

26e. Capital Redemption Reserve

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

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

26f. Securities Premium Account

Securities Premium Account is used to record the premium on issue of shares. The reserve can be utilised only for specific purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

26g. General Reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.00% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year. Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss to the General reserves.

26h. Share Based Payments Reserve

Under IND AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service. Stock options granted but not vested as on the transition date were valued for expired period, calculated from the grant date till date of transition, and were credited to Share Based Payment reserve.

26i. Retained Earnings

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.

26j. Cashflow hedge reserve

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

26k. FVOCI reserve

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

26l. Share Application Money pending Allotment at the end of the year

Pertains to money received for the allotment of shares pursuant to the Employee Stock Options Scheme. The money collected based on the exercise of the option as per the ESOP scheme will get included here and subsequently on allotment of shares, the balances will be appropriated to share capital and share premium balances.

26m. Proposed Dividend

An interim Dividend of ₹0.65 per equity share of the face value of ₹1/- each was declared by the Company at the meeting of Board of Directors held on February 26, 2020 for the financial year 2019-20 and the same has been paid. The Board of Directors in their meeting held on June 15, 2020 have recommended the same to be confirmed as final dividend for FY 2019-20.



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from Operations		
Note: 27A Interest - on financial assets measured at amortised cost		
(a) Loans		
-Bills Discounting	7.21	10.27
-Term Loans	7833.75	6,455.34
(b) Debt Securities	604.27	501.70
(c) Alternate Investment Fund & Long term Financial Assets	2.97	0.89
(d) Terrorism Pool	3.48	7.90
(e) Bank Deposits		
-Bank Deposits under lien	38.45	43.84
-Other Bank Deposits free of lien	212.61	45.53
(f) Other Deposits		
-Deposits with FIs	39.61	-
Total (A)	8,742.35	7,065.47
Note: 27B Fees & Commission income *		
-Term Loans	189.87	186.32
-Reinsurance Commission	275.28	260.68
-Other Services	22.67	22.73
Total (B)	487.82	469.73
*Services are transferred at a point in time		
Note: 27C Premium earned (net of re-insurance) (C)		
Total (C)	3,436.31	3,049.10
Gross Earned Premium		
Premium from Direct Business Written	4,812.33	4,541.11
Premium on re-insurance accepted	11.47	10.95
Gross Written Premium	4,823.80	4,552.06
Adjustments for Change in Provision for Unexpired Risks	559.22	494.81
Total Premium Earned (Gross)	4,264.58	4,057.25
Less: Premium ceded to reinsurers	1,025.92	1,095.37
Adjustments for Change in Provision for Unexpired Risks-RI ceded	197.65	87.22
Total Premium income	3,436.31	3,049.10
Note: 27D Investment income		
-Dividend income	2.24	2.97
Total (D)	2.24	2.97
Note: 27E Net gain on fair value changes		
Profit on Sale of Investments - Equity Instruments		
- Realised Gains/(Loss) on Sale of Equity Instruments	27.72	65.37
- Fair Value changes of Equity Instruments	(40.37)	
Profit on Sale of Investments - Debt Instruments		

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
- Realised Gains/(Loss) on Sale of Debt Instruments - FVTPL	135.77	15.93
- Realised Gains/(Loss) on Sale of Debt Instruments - At amortised cost	30.16	-
- Fair Value changes of Debt Instruments through Profit and Loss Account	(10.27)	46.01
Total (E)	143.01	127.31
Note: 27F Service Income		
(a) Servicing and Collection fee on Assignment	4.85	2.42
(b) Other Service Income	70.85	88.00
(c) Freight Income	-	33.93
Total (F)	75.70	124.35
Note: Timing of revenue recognition		
Services transferred at a point of time	72.70	118.29
Services transferred over a time	3.00	6.06
Total	75.70	124.35

Details related to services transferred over a time

a) Contract balances

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liabilities	16.41	22.41

Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) we perform under the contract.

b) Movement in Contract liability during the period

Particulars	As at March 31, 2020	As at March 31, 2019
Contract liability at the beginning of the year	22.41	28.47
Revenue Recognised during the period year	6.00	6.06
Contract liability at the end of the year	16.41	22.41

Particulars	2019-20	2018-19
c) Total Revenue from contracts with Customer	324.40	371.62

d) Due to Group's nature of business and the type of contracts entered with the customers, the Company does not have any difference between the amount of revenue recognized in the statement of profit and loss and the contracted price.

e) Impairment recognised for Contract asset is Nil (Nil - March 31, 2019)

f) Performance Obligation:

Servicing and Collection fee on Assignment: to collect the receivable from the customer and transfer the same to the assignee representative.

Other Servicing Income: To provide required details to the customer and enable space for advertising at the branches.

g) There are no significant return / refund / other obligations for any of the above mentioned services.



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 28 - Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Fair Value Gain on loss of control in Subsidiary	-	20.29
Rent	0.09	0.29
Profit on sale of Fixed Assets (Net)	0.09	-
Miscellaneous Income	0.85	0.60
Total	1.03	21.18

Note 29 - Finance Costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on financial liabilities measured at amortised cost		
- Debt Securities	1,018.21	1,745.84
- Borrowings Other than Debt securities	3,123.84	1,492.69
- Subordinated Liabilities	413.52	324.82
Others		
- Bank charges	20.42	23.52
- Interest on lease liability	16.41	-
	4,592.40	3,586.87

Note 30 - Gross Incurred Claims

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross claims paid	2,369.53	2,240.79
Changes in Gross claims outstanding	1,416.00	913.31
Change in premium deficiency provision	(23.60)	(247.82)
Gross Incurred claims	3,761.93	2,906.28
RI Recovery		
RI Recovery on Claims paid	909.37	820.76
Change in premium deficiency provision	(18.24)	(253.18)
Change in contract liabilities ceded to reinsurers	298.88	(2.14)
Net Incurred Claims	2,571.92	2,340.84

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 31 - Impairment on Financial Instruments

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loss Assets Written Off (Net) -Loans *	304.27	242.48
Impairment provision- Loans-measured at amortised cost	593.08	68.86
Impairment provision- Terrorism Pool Assets /other assets / receivables	(0.89)	0.55
Impairment provision- Debt Securities-measured at amortised cost**	194.17	16.35
Investments Written Off**	87.36	22.00
	1,177.99	350.24

* Includes Loss on disposal of repossessed vehicles - Gross - ₹53.04 crores for the year ended March 31, 2020 (₹ 99.59 crores - March 31, 2019)

** CMSGICL has invested in debt securities of certain companies aggregating ₹495.22 Crores as at 31 Mar 2020 which have defaulted repayment of principal and payment of interest to CMSGICL and certain securities/downgraded to default category by credit rating agencies. These investments are classified as Stage 3 Assets as per Company's Impairment policy which is in line with requirements of Ind AS 109. Accordingly, related provision for impairment of ₹196.13 Crores has been created, wherever required, and write-off of assets aggregating to ₹87.36 Crores were recognised during the financial year ended 31 March 2020 (cumulative provision as at 31 Mar 2020 is ₹210.63 Crores and cumulative write-off as at 31 March 2020 - ₹109.36 Crores). The management is confident of recovery of the carrying amounts of such investments as at March 31, 2020 and is continuously reviewing and taking appropriate steps for the recovery of the same.

Note 32 - Employee Benefits Expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Bonus and Commission	747.97	686.12
Contribution to Provident and Other Funds		
-Employees' Provident Fund	40.09	27.13
-Superannuation Fund	3.33	7.26
Share based employee payments	11.61	8.11
Gratuity Expense	11.39	8.27
Staff Welfare Expenses	22.90	22.01
	837.29	758.90



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 33 - Other Expenditure

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent and facility charges	12.85	67.26
Rates and Taxes	14.55	8.06
Energy cost	18.08	15.51
Repairs and Maintenance	6.63	5.56
Communication Costs	40.00	33.76
Business development expense	0.27	0.34
Brokerage	1.61	1.77
Freight charges	-	33.69
Commission on insurance business	291.18	235.19
Printing and Stationery	19.37	17.60
Advertisement and publicity Expenses	196.18	247.46
Directors Fees, allowances and expenses	1.52	1.02
Marketing expenses	439.45	304.63
Auditors' Remuneration	2.31	1.38
Legal and Professional Charges	68.45	69.05
Insurance	15.12	11.15
Travelling and Conveyance	69.58	59.27
Information Technology Expenses	66.73	58.70
Loss on Sale of Property, Plant and Equipment (Net)	-	0.08
Recovery Charges	289.59	202.94
Corporate Social Responsibility Expenditure	34.74	29.60
Outsource cost	361.20	249.13
Miscellaneous Expenses (Note 33.1)	51.44	44.90
	2,000.85	1,698.05
Less : Expenses Recovered	(0.15)	(0.79)
	2,000.70	1,697.26

Note :

33.1 Miscellaneous Expenses includes:

Donation to electoral trust	5.00	-
Other donations	-	0.50

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 34 - Earnings Per Share

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Profit After Tax (₹ Crs)	550.85	696.70
Weighted Average Number of Equity Shares (Basic)	18,77,09,982	18,76,55,191
Add: Dilutive effect relating to ESOP	18,076	28,861
Weighted Average Number of Equity Shares (Diluted)	18,77,28,058	18,76,84,052
Earnings per Share – Basic (₹)	29.35	37.13
Earnings per Share – Diluted (₹)	29.34	37.12
Face Value Per Share (₹)	1	1

Note:

Earnings per Share calculations are done in accordance with Ind AS 33 “Earnings per Share”.

Note 35 - Income tax reconciliation

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Accounting profit before tax from continuing operations	1,805.62	2,134.79
Income tax rate of 25.17% (March 31, 2019 – 29.12%)	454.47	621.65
Effects of:		
Difference in tax base for Donation & CSR expense	3.71	5.14
Share based payment expense – No deduction claimed under tax	2.90	2.79
Deduction u/s 35(1)(ii)	-	(1.89)
Deduction u/s 80JJA	(0.19)	(3.60)
Tax free interest income accrued	(5.02)	13.30
Dividend Income – exempt from tax	(0.41)	0.83
Exempt income on short term capital gains	-	1.52
Prior period provision accounted	-	0.60
Dividend distribution tax attributable to dividend received from subsidiary	12.70	-
Effect of enacted tax rate on opening deferred tax asset	169.75	-
Different tax rate adopted by Subsidiaries *	-	88.05
Other adjustments	3.93	(7.32)
Income tax expense reported in statement of Profit and Loss	641.84	721.07

* The Statutory Income tax rate for the Company for March 31, 2019 was 29.12%, whilst for the subsidiaries it was 34.94%



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 36 - Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(A) Securitisation

The group has transferred certain loans, however the Group has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

Particulars	As at March 31, 2020	As at March 31, 2019
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	4,928.03	5,642.73
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	4,631.31	5,492.61
Fair value of assets	4,859.91	5,871.98
Fair value of associated liabilities	4,655.51	5,508.60
Net position at Fair Value	204.40	363.38

(B) Direct bilateral assignment

The Group has transferred some loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Group's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	As at March 31, 2020	As at March 31, 2019
Assignment		
Carrying amount of de-recognised financial asset	5,125.85	1,671.17
Carrying amount of Retained Assets at amortised cost	557.89	190.20

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Assignment		
Gain on sale of the de-recognised financial asset	247.27	86.70

Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 37 - Micro, Small & Medium Enterprises

Based on and to the extent of the information received by the Group 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.

The relevant particulars are furnished below:

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers under MSMED Act, as at the year end	1.01	0.18
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Note 38 - Retirement Benefit

A) Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions. During the year, the Group recognised ₹ 40.09 Crores (Previous Year - ₹ 27.13 Crores) to Provident Fund under Defined Contribution Plan, ₹ 3.33 Crores (Previous Year - ₹ 7.26 Crores) for Contributions to Superannuation Fund and ₹ 1.08 Crores (Previous Year - ₹ 2.08 Crores) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

B) Gratuity

The Group's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is funded with Life Insurance Corporation of India (LIC). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans :



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Details of Actuarial Valuation:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Projected Benefit Obligation at the beginning of the year	57.95	41.95
Current Service Cost	10.46	7.85
Interest Cost	4.21	3.06
Remeasurement Losses/(Gains)		
a) Effect of changes in demographic assumptions	(0.20)	1.38
b) Effect of experience adjustments	0.51	5.66
c) Effect of changes in financial assumptions	4.74	0.28
Benefits paid	(2.80)	(2.40)
Transfer in / Out	(0.19)	0.17
Projected Benefit Obligation at the end of the year	74.68	57.95
Change in Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	45.18	40.74
Expected Returns on Plan Assets	3.38	2.64
Employer's Contribution	13.06	4.73
Benefits paid	(2.80)	(2.40)
Return on plan assets (excluding interest income)	0.36	(0.70)
Transfer in / Out	-	0.17
Fair Value of Plan Assets at the end of the year	58.38	45.18
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	58.38	45.18
Liability at the End of the Year	74.68	57.95
Amount Recognised in the Balance Sheet	(16.30)	(12.77)
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	10.46	7.85
Net interest (income) / expense	4.21	3.06
Expected Return on Plan Assets	(3.28)	(2.64)
Net Cost recognized in the statement of Profit and Loss	11.39	8.27
Remeasurement Losses /(Gains)		
a) Effect of changes in demographic assumptions	(0.20)	1.38
b) Effect of experience adjustments	0.51	5.66
c) Return on plan assets (excluding interest income)	0.36	0.70
d) Effect of changes in financial assumptions	4.74	0.28
Net cost recognised in Other Comprehensive Income	5.41	8.02
Assumptions		
Discount Rate	6.27% to 6.45% p.a.	7.00% to 7.30% p.a.
Future salary increase	7.00% to 7.50% p.a.	7.50% p.a.

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Attrition Rate		
Senior management	13% p.a.	13% p.a.
Middle management	13% p.a.	13% p.a.
Others	13% to 15% p.a.	13% to 17% p.a.
Expected rate of return on Plan Assets	7.50% p.a.	7.50% p.a.
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2006-08) Ultimate
Expected Payment for future years		
Within the next 12 months (next annual reporting period)	8.96	7.31
Between 2 and 5 years	37.70	28.40
Between 5 and 10 years	33.41	26.66
Beyond 10 Years	33.63	27.58
Total Expected Payments	113.70	89.95

Sensitivity Analysis:

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 0.50% - 1%)	81.87	91.57	54.62	60.38
Salary Growth Rate (+/- 0.50% - 1%)	90.98	82.24	60.58	54.44
Attrition Rate (+/- 5% - 50% of attrition rates)	83.98	89.90	56.44	58.35
Mortality Rate (+/- 5% - 10% of mortality rates)	73.38	73.38	56.45	56.45

Notes:

- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- The Group's best estimate of contribution during the next year is ₹ 26.23 Crores.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
- The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

C) Compensated Absences

Assumptions	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate	6.27% to 6.45% p.a.	7.26% to 7.60% p.a.
Future salary increase	7.00% to 7.50% p.a.	5.50% to 7.50% p.a.
Attrition Rate		
Senior management	13% to 15% p.a.	11% to 13% p.a.
Middle management	13% to 15% p.a.	11% to 13% p.a.
Others	13% to 15% p.a.	11% to 13% p.a.
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2006-08) Ultimate

Notes:

- The Group has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2020.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 39 - Segment Information

The Group's operations are organised into two primary products/service segments viz. Financial Services and Insurance and allied services. Other business segments of the Group presented under others includes risk services, broking and distribution services.

During year ending March 31, 2020, the nature of segments are as under:

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

Particulars	Year ended March 31, 2020					
	Financing	Insurance	Others	Unallocable	Inter-segment revenue	Total
Revenue from Operations						
- Interest Income	8,124.66	633.36	6.22	-	(21.89)	8,742.35
- Dividend Income	0.37	1.62	76.59	-	(76.34)	2.24
- Net gain on derecognition of financial instruments under amortised cost category	247.27	-	-	-	-	247.27
- Premium Income (net)	-	3,437.00	-	-	(0.69)	3,436.31
- Fee & Commission Income	248.70	275.28	-	-	(36.16)	487.82
- Net gain on Fair value change on financial instrument	15.69	136.93	0.01	-	(9.62)	143.01
- Service & Other Income	75.70	-	8.72	-	(7.69)	76.73
Segment revenue from Operation	8,712.39	4,484.19	91.54	-	(152.39)	13,135.73
Segment Expenses	7,124.17	4,267.75	4.62	-	(66.43)	11,330.11
Segment Profit before taxation	1,588.22	216.44	86.92	-	(85.96)	1,805.62
Tax expense						641.84
Share of Profit from Associate / Joint Venture						1.27
Profit for the year						1,165.05

Particulars	Year ended March 31, 2019					
	Financing	Insurance	Others	Unallocable	Inter-segment revenue	Total
Revenue from Operations						
- Interest Income	6,565.96	513.10	6.32	-	(19.91)	7,065.47
- Dividend Income	0.23	2.36	58.09	-	(57.71)	2.97
- Net gain on derecognition of financial instruments under amortised cost category	86.70	-	-	-	-	86.70
- Premium Income (net)	-	3,049.89	-	-	(0.79)	3,049.10
- Fee & Commission Income	247.27	260.68	-	-	(38.22)	469.73
- Net gain on Fair value change on financial instrument	63.34	53.04	1.16	-	9.77	127.31
- Service and Other Income	124.35	-	29.11	-	(7.93)	145.53

Particulars	Year ended March 31, 2019					Total
	Financing	Insurance	Others	Unallocable	Inter-segment revenue	
Segment revenue from Operations	7,087.85	3,879.07	94.68	-	(114.79)	10,946.81
Segment Expenses	5,256.32	3,598.76	23.79	-	(66.85)	8,812.02
Segment Profit / (loss) before taxation	1,831.53	280.31	70.89	-	(47.94)	2,134.79
Tax expense						721.07
Share of Profit from Associate / Joint Venture						1.11
Profit for the year						1,414.83

Particulars	Financing	Insurance	Others	Unallocable	Total
As on March 31, 2020					
Segment Assets	63,362.09	11,558.79	57.60	-	74,978.48
Unallocable Assets	-	-	-	1,059.86	1,059.86
Inter-segment Assets				(195.15)	(195.15)
Total Assets					75,843.19
Segment Liabilities	55,849.17	10,283.19	204.09	-	66,336.45
Unallocable Liabilities	-	-	-	-	-
Inter-segment Liabilities				(195.15)	(195.15)
Total Liabilities					66,141.30
As on March 31, 2019					
Segment Assets	56,868.19	10,267.82	125.98	-	67,261.99
Unallocable Assets	-	-	-	897.71	897.71
Inter-segment Assets				(222.49)	(222.49)
Total Assets					67,937.21
Segment Liabilities	51,281.23	9,010.74	3.27	-	60,295.24
Unallocable Liabilities	-	-	-	-	-
Inter-segment Liabilities				(222.49)	(222.49)
Total Liabilities					60,072.75

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

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

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



Note 40 - Disclosure in respect of Related Parties

a) List of Related Parties

I. Entity having Significant influence

- a. Ambadi Investments Limited

II. Subsidiaries of Entity having significant influence

- a. Parry Enterprises Limited
- b. Parry Agro Limited

III. Entity having Substantial voting power in Subsidiary

- a. Mitsui Sumitomo Insurance Company Limited

IV. Joint Venture

- a. Cholamandalam MS Risk Services Limited

V. Associate

- a. White Data Systems India Private Limited

VI. Key Management Personnel (Pursuant to Companies Act, 2013)

Mr. N Ganesh - Manager & Chief Financial Officer

Ms. E Krithika - Company Secretary

VII. Non-Executive Directors

- a. Mr. M. M. Murugappan
- b. Ms. Shubhalakshmi Panse (till November 20, 2019)
- c. Mr. Ashok Kumar Barat (w.e.f August 1, 2018)
- d. Mr. B Ramaratnam (w.e.f March 18, 2019)
- e. Mr. V Ravichandran (w.e.f March 18, 2019)
- f. Mr. Sridharan Rangarajan (w.e.f August 30, 2018)
- g. Mr. M B N Rao (till July 31, 2018)
- h. Mr. N Srinivasan (till July 31, 2018)
- i. Ms. Vasudha Sundararaman (w.e.f. February 12 , 2020)

Note:

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

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

a) Transactions during the year

Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019
Dividend Payments (Equity Shares)		
a) Ambadi Investments Limited	16.23	8.76
b) Parry Enterprises Limited (₹ 0.0004 Crores for year ended March 31, 2020 and ₹. 0.0003 Crores March 31, 2019)	0	0
c) Mitsui Sumitomo Insurance Company Limited	-	7.17
d) Directors	0.11	0.08
e) Relative of directors and other entities in which directors are interested	0.07	0.08
Dividend Receipts (Equity Shares)		
a) Cholamandalam MS Risk Services Limited	0.25	0.25
Expenses – Reimbursed		
a) Parry Enterprises Limited	-	0.03
b) Mitsui Sumitomo Insurance Company Limited	1.38	1.43
c) Cholamandalam MS Risk Services Limited	0.63	0.72
Services Received		
a) Parry Enterprises Limited	32.82	40.62
b) Parry Agro Limited	-	0.20
c) White Data Systems India Private Limited	0.32	0.33
Interest Income		
a) White Data Systems India Private Limited	0.28	0.18
Services Paid – Technical & Advisory fee		
a) Cholamandalam MS Risk Services Limited	2.38	2.53
Expenses recovered – Rent receipts		
a) Parry Enterprises Limited	0.01	0.01
b) Mitsui Sumitomo Insurance Company Limited	1.51	1.43
c) Cholamandalam MS Risk Services Limited	0.30	0.44
Expenses recovered – Reimbursement of expense		
a) White Data Systems India Private Limited	-	0.16
Expenses incurred - Premium paid		
a) Parry Enterprises Limited	0.46	-
b) Parry Agro Limited	0.01	-
c) Cholamandalam MS Risk Services Limited	0.04	0.03
Expenses recovered – Management expenses		
a) Mitsui Sumitomo Insurance Company Limited	0.46	0.06
Advances/Loans given		
a) Mitsui Sumitomo Insurance Company Limited	0.56	-
b) Parry Enterprises Limited	2.39	-
c) White Data Systems India Private Limited	3.40	9.00
d) Cholamandalam MS Risk Services Limited	-	2.35



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019
Advances/Loans recovered		
a) Mitsui Sumitomo Insurance Company Limited	0.56	-
b) Parry Enterprises Limited	2.55	-
c) White Data Systems India Private Limited	3.40	5.72
d) Cholamandalam MS Risk Services Limited	-	6.83
Reinsurance Ceded		
a) Mitsui Sumitomo Insurance Company Limited	58.94	46.30
Reinsurance Commission Received		
a) Mitsui Sumitomo Insurance Company Limited	10.55	10.62
Reinsurance Recovery Claims		
a) Mitsui Sumitomo Insurance Company Limited	40.13	29.86
Gross Insurance Claims		
a) Parry Enterprises Limited	0.08	-
Net Insurance Claims		
a) Parry Enterprises Limited	0.01	-
Market purchase of Equity Shares of CIFCL from Ambadi Investments Limited	24.26	39.82
Commission and Sitting fees to Non-executive directors	0.65	0.33

c) Balances Outstanding at the year end

Particulars	As at March 31, 2020	As at March 31, 2019
Loan Receivables		
a) White Data Systems India Private Limited	3.40	3.40
Other Receivables /(Payable)		
a) Parry Enterprises Limited	0.45	0.61
b) Mitsui Sumitomo Insurance Company Limited	0.22	0.12
c) Cholamandalam MS Risk Services Limited	0.03	-
d) White Data Systems India Private Limited	(0.07)	-
Receivable due from other entities carrying on insurance business		
a) Mitsui Sumitomo Insurance Company Limited	11.61	0.29

d) Key Managerial Personnel

Nature of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
Short- term employee benefits	1.02	0.09
Post-employment pension (defined Contribution)	0.01	0.01

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 41 - Contingent Liabilities and Commitments

a) Contested Claims not provided for:

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax and Interest on Tax issues where the Group has gone on appeal	609.77	422.91
Decided in the Group's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	218.98	212.92
Sales Tax issues pending before Appellate Authorities in respect of which the Group is on appeal.	26.60	50.81
Service Tax issues pending before Appellate Authorities in respect of which the Group is on appeal.	262.77	263.53
Disputed claims against the Group lodged by various parties under litigation (to the extent quantifiable)	85.26	67.61
Order in respect of alleged violations of the Provisions of SEBI Act	0.07	0.07
Appeal pertaining to Service Tax payable on turnover charges and ineligible Service Tax Input Credit	0.68	0.68

- i) The Group is of the opinion that the above demands are not sustainable and expects to succeed in its appeals / defence.
- ii) It is not practicable for the Group to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.
- iii) The Group does not expect any reimbursement in respect of the above contingent liabilities.
- iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

b) Commitments

Particulars	As at March 31, 2020	As at March 31, 2019
Capital commitments	32.30	28.19
Investment commitment to Faering Capital India Evolving Fund	-	0.16
Disbursements – Undrawn lines	845.35	733.45

- c) The Supreme Court had passed judgement on February 28, 2019 that all allowances paid to employees are to be considered for the purposes of PF wage determination. There are numerous interpretative issues relating to the above judgement. As a matter of caution, the Group has complied the same on prospective basis from the date of the Supreme Court order.

d) Bank Guarantee:

Particulars	As at March 31, 2020	As a March 31, 2019
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	16.25	16.39



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 42 - Changes in Provisions

Particulars	As at March 31, 2019	Additional Provision	Utilisation / Reversal	As at March 31, 2020
Provision for Contingencies and Service Tax claims	38.37	0.01	-	38.38
Provision for Undrawn commitments	0.51	0.80	-	1.31

Particulars	As at April 1, 2018	Additional Provision	Utilisation / Reversal	As at March 31, 2019
Provision for Contingencies and Service Tax claims	38.14	0.23	-	38.37
Provision for Undrawn commitments	0.12	0.39	-	0.51

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

The undrawn commitments provided by the Group are predominantly in the nature of limits provided for Automobile dealers based on the monthly loan conversions and partly disbursed loans for immovable properties. These undrawn limits are converted within a short period of time and do not generally remain undisbursed / undrawn beyond one year from the reporting date. The undrawn commitments amount outstanding as at March 31, 2020 is ₹ 845.35 Crores (₹733.45 Crores as at March 31, 2019).

The Group creates expected credit loss provision on the undrawn commitments outstanding as at the end of the reporting period and the related expected credit loss on these commitments as at March 31, 2020 is ₹ 1.31 Crores (₹ 0.51 Crores as at March 31, 2019).

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 43 - ESOP disclosure of Cholamandalam Financial Holdings Limited.

The stock options granted by the Group and related movements are given below:

a) Company's stock options.

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options Outstanding as at April 01, 2019	During the Year 2019-20			Options Outstanding as at March 31, 2020	Options vested but not exercised as at April 01, 2019	Options vested but not exercised as at March 31, 2020	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted					
Grant 8	29-Jan-11	4,776	-	-	4,776	-	4,776	-	96.63	-
Grant 12	2-Nov-11	31,494	-	18,328	2,250	10,916	31,494	10,916	98.74	1.45
Total		36,270	-	18,328	7,026	10,916	36,270	10,916		

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options Outstanding as at April 01, 2019	During the Year 2019-20			Options Outstanding as at March 31, 2020	Options vested but not exercised as at April 01, 2019	Options vested but not exercised as at March 31, 2020	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted					
Grant 1	15-Mar-17	109,080	-	30,720	16,770	61,590	109,080	61,590	416.86	2.96

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options Outstanding as at April 01, 2018	During the Year 2018-19			Options Outstanding as at March 31, 2019	Options vested but not exercised as at April 01, 2018	Options vested but not exercised as at Mar 31, 2019	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted					
Grant 4	31-Jul-08	7,344	-	-	7,344	-	7,344	-	-	-
Grant 7	29-Jan-11	16,416	-	-	16,416	-	16,416	-	-	-
Grant 8	29-Jan-11	15,112	-	-	10,336	4,776	15,112	4,776	96.63	0.83
Grant 12	2-Nov-11	49,516	-	-	18,022	31,494	49,516	31,494	98.74	2.45
Total		88,388	-	-	52,118	36,270	88,388	36,270	-	-



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options Outstanding as at April 01, 2018	During the Year 2018-19			Options Outstanding as at March 31, 2019	Options vested but not exercised as at April 01, 2018	Options vested but not exercised as at Mar 31, 2019	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted					
Grant 1	15-Mar-17	222,610	-	7,110	106,420	109,080	222,610	109,080	416.86	3.96

b) Stock Options of Cholamandalam Investment and Finance Company Limited (CIFCL)

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at March 31, 2019	During the Year 2019-20				Options outstanding As at March 31, 2020	Options vested but not exercised As at March 31, 2020	Options unvested As at March 31, 2020	Exercise Price	Weighted Average Remaining Contractual Life
			Addition in number of options on account of share split*	Options Granted	Options Forfeited/ Expired	Options Exercised and allotted					
GT 27 JAN 2011A	27-Jan-11	9,163	36,652	-	-	22,695	23,120	-	38	-	
GT 27 JAN 2011B	27-Jan-11	5,976	23,904	-	-	29,880	-	-	38	-	
GT 30 APR 2011	30-Apr-11	7,948	31,792	-	-	14,500	25,240	-	33	-	
GT 27 OCT 2011	27-Oct-11	7,936	31,744	-	-	9,920	29,760	-	31	-	
Total		31,023	124,092	-	-	76,995	78,120	-	-	-	

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at March 31, 2019	During the Year 2019-20				Options outstanding As at March 31, 2020	Options vested but not exercised As at March 31, 2020	Options unvested As at March 31, 2020	Exercise Price	Weighted Average Remaining Contractual Life
			Addition in number of options on account of share split*	Options Granted	Options Forfeited/ Expired	Options Exercised and allotted					
GT25JAN2017	25-Jan-17	472,842	1,891,368	-	17,920	227,690	2,118,600	1,376,010	742,590	202	0.82 years
GT30JAN2018	30-Jan-18	49,040	196,160	-	-	6,715	238,485	146,535	91,950	262	0.84 years
GT30JAN2018A	30-Jan-18	17,960	71,840	-	-	-	89,800	35,920	53,880	262	1.34 years
GT23APR2018	23-Apr-18	8,980	35,920	-	-	-	44,900	8,980	35,920	312	1.19 years
GT26JUL2018	26-Jul-18	54,972	219,888	-	-	-	274,860	68,715	206,145	299	0.82 years
GT30OCT2018	30-Oct-18	73,460	293,840	-	-	-	367,300	73,460	293,840	254	1.71 years
GT19MAR2019	19-Mar-19	117,692	470,768	-	-	-	588,460	146,060	442,400	278	2.09 years
GT30JUL2019	30-Jul-19	-	-	31,632	-	-	31,632	-	31,632	248	0.83 years
GT05NOV2019	5-Nov-19	-	-	275,600	-	-	275,600	-	275,600	316	2.30 years
GT23JAN2020	23-Jan-20	-	-	53,000	-	-	53,000	-	53,000	317	2.52 years
Total		794,946	3,179,784	360,232	17,920	234,405	4,082,637	1,855,680	2,226,957	-	-

*Equity shares of face value of ₹10/- have been split into face value of ₹2 per share on June 17, 2019, pursuant to resolution passed through postal ballot on June 3, 2019

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at March 31, 2018	During the Year 2018-19			Options outstanding As at March 31, 2019	Options vested but not exercised As at March 31, 2019	Options unvested As at March 31, 2019	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Forfeited/ Expired	Options Exercised and allotted					
Gt 25 Apr 2008	25-Apr-08	300	-	-	300	-	-	-	192	-
GT 27 JAN 2011A	27-Jan-11	15,625	-	-	6,462	9,163	9,163	-	188	-
GT 27 JAN 2011B	27-Jan-11	5,976	-	-	-	5,976	5,976	-	188	-
GT 30 APR 2011	30-Apr-11	14,357	-	400	6,009	7,948	7,948	-	163	-
GT 27 OCT 2011	27-Oct-11	8,036	-	-	100	7,936	7,936	-	155	-
Total		44,294	-	400	12,871	31,023	31,023	-	-	-

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at March 31, 2018	During the Year 2018-19			Options outstanding As at March 31, 2019	Options vested but not exercised As at March 31, 2019	Options unvested As at March 31, 2019	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Forfeited/ Expired	Options Exercised and allotted					
GT25JAN2017	25-Jan-17	522,653	-	34,940	14,871	472,842	170,418	302,424	1,010	1.32 years
GT30JAN2018	30-Jan-18	55,920	-	6,880	-	49,040	12,260	36,780	1,310	1.34 years
GT30JAN2018A	30-Jan-18	26,940	-	8,980	-	17,960	3,592	14,368	1,310	1.96 years
GT23APR2018	23-Apr-18	-	8,980	-	-	8,980	-	8,980	1,562	1.77 years
GT26JUL2018	26-Jul-18	-	54,972	-	-	54,972	-	54,972	1,497	1.45 years
GT30OCT2018	30-Oct-18	-	73,460	-	-	73,460	-	73,460	1,269	2.29 years
GT19MAR2019	19-Mar-19	-	117,692	-	-	117,692	-	117,692	1,390	2.67 years
Total		605,513	255,104	50,800	14,871	794,946	186,270	608,676		



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

The Fair Value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grants using Black-Scholes model by an independent consultant. The related compensation cost, if any, is being accounted for by the Resulting Company.

The key assumptions used in Black-Scholes model for calculating the fair value as on the date of the grants are:

a) Company's Stock Options

Employee Stock Option plan 2007

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grand (₹)	Fair Value of the Option (₹)
1	31-Oct-08	7.71	2.50	39.11	3.43	43.37	11.34
2	30-Jan-09	7.44	2.50	42.02	3.43	45.61	12.50
3							
Tr I	31-Oct-09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
Tr II	31-Oct-09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
4							
Tr I	31-Jul-09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
Tr II	31-Jul-09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
5	31-Oct-09	8.21 - 8.31	0.12 - 3.24	32.28 - 42.55	1.86	16.73	92.20 - 94.76
6	30-Jan-10	8.21 - 8.31	0.24 - 3.49	28.04 - 43.77	1.86	21.42	88.54 - 90.00
7							
Tr I	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr II	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr III	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
8	29-Jan-12	8.21 - 8.26	1.24 - 4.48	31.69 - 43.79	1.86	96.63	27.22 - 52.67
9	29-Jan-12	8.21 - 8.26	1.24 - 3.48	31.69 - 43.79	1.86	96.63	27.22 - 46.62
10	2-May-12	8.21 - 8.25	1.37 - 5.74	31.38 - 47.27	1.86	96.63	27.90 - 56.06
11	1-Aug-12	8.21 - 8.25	1.49 - 5.99	31.76 - 47.01	1.86	110.23	21.93 - 53.00
12							
Tr I	2-Nov-12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75
Tr II	2-Nov-12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75

Employee Stock Option plan 2016

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grand (₹)	Fair Value of the Option (₹)
1							
Tr I	15-Mar-18	6.75	3.50	31.49	0.25	416.86	134.16
Tr II	15-Mar-18	6.75	3.50	31.49	0.25	416.86	134.16

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

b) Stock Options of Cholamandalam Investment and Finance Company Limited (CIFCL)

ESOP 2007

Date of Grant	Variables					Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield			
30-Jul-07	7.10% - 7.56%	3-6 years	40.64% -43.16%	5.65%	193.40	61.42	
24-Oct-07	7.87% -7.98%	3-6 years	41.24% -43.84%	5.65%	149.90	44.25	
25-Jan-08	6.14% -7.10%	3-6 years	44.58% -47.63%	5.65%	262.20	78.15	
25-Apr-08	7.79% - 8.00%	2.5-5.5 years	45.78% - 53.39%	3.97%	191.80	76.74	
30-Jul-08	9.14% - 9.27%	2.5-5.5 years	46.52% - 53.14%	3.97%	105.00	39.22	
24-Oct-08	7.54% - 7.68%	2.5-5.5 years	48.20% - 55.48%	3.97%	37.70	14.01	
27-Jan-11							
- Tranche I	8%	4 years	59.50%	10%	187.60	94.82	
- Tranche II	8%	3.4 years	61.63%	10%	187.60	90.62	
30-Apr-11	8%	4 years	59.40%	25%	162.55	73.07	
28-Jul-11	8%	4 years	58.64%	25%	175.35	79.17	
27-Oct-11	8%	4 years	57.52%	25%	154.55	67.26	
Variables							Post Modification
Risk Free Interest Rate						7.92%-8.12%	
Expected Life						0.12 years- 6.25 years	
Expected Volatility						28.28%-63.00%	
Dividend Yield						1.18%	
Price of the underlying share in market at the time of the option grant.(₹)						212.05	



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Date of Grant	Variables						Fair Value of the Option (₹)
	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)		
25-Jan-17	6.36% - 6.67%	3.5 - 6.51 years	33.39% -34.47%	0.54%	1,010.00	401.29	
30-Jan-18	7.11%-7.45%	3.5 - 5.50 years	30.16%-31.46%	0.42%	1,309.70	496.82	
30-Jan-18	7.11%-7.45%	3.5 - 5.50 years	30.16%-31.46%	0.42%	1,309.70	531.84	
23-Apr-18	7.45%-7.81%	3.51 -6.51 years	30.33%-32.38%	0.42%	1,562.35	646.08	
26-Jul-18	7.71%-7.92%	3.51 -5.51 years	30.56%-31.83%	0.43%	1,497.30	586.32	
30-Oct-18	7.61%-7.85%	3.51 -6.51 years	32.34%-32.70%	0.51%	1,268.50	531.36	
19-Mar-19	6.91% - 7.25%	3.51 -6.51 years	32.19% -32.59%	0.47%	1,390.05	564.13	
30-Jul-19	6.15% - 6.27%	3.51 -4.51 years	32.21% -32.93%	0.52%	248.20	83.66*	
5-Nov-19	6.15% - 6.27%	3.51 -4.51 years	32.21% -32.93%	0.52%	316.00	112.09*	
23-Jan-20	6.15% - 6.27%	3.51 -4.51 years	32.21% -32.93%	0.52%	317.00	109.51*	

* Fair value option of equity shares issued under this grant is post share split with a face value of ₹ 2/- each

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 44 - Change in liabilities arising from financing activities

Particulars	March 31, 2019	Cash flows	Exchange Difference	Other	March 31, 2020
Debt Securities. Borrowings other than debt securities and Sub-ordinated liabilities.	50,447.28	4,687.13	126.23	(143.17)	55,117.47

Particulars	April 1, 2018	Cash flows	Exchange Difference	Other	March 31, 2019
Debt Securities. Borrowings other than debt securities and Sub-ordinated liabilities.	38,199.97	12,211.39	137.79	(101.87)	50,447.28

- (i) Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.,
(ii) Total Liabilities comprises of Debt securities, Borrowings (other than debt securities) and Subordinated Liabilities.

Note 45 - Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	Maturity		
	Amount	Within 12 months	After 12 months
As on March 31, 2020			
Financial Assets			
Cash and Cash Equivalents	3,695.69	3,695.69	-
Bank balances Other than Cash and Cash Equivalents	3,618.49	3,254.41	364.08
Derivative financial instruments	114.20	114.20	-
Receivables			
i) Trade Receivables	15.03	15.03	-
ii) Other Receivables	48.18	48.18	-
iii) Insurance Contract Assets	287.79	133.55	154.24
iv) Re-insurance Assets	658.80	41.18	617.62
Loans	55,395.73	12,279.03	43,116.70
Investment in Associate & Joint Venture	36.83	-	36.83
Other Investments	8,855.85	3,508.65	5,347.20
Other Financial Assets	530.30	235.52	294.78
Total Financial Assets	73,256.89	23,325.44	49,931.45
Non- Financial Assets			
Current tax assets (Net)	330.01	-	330.01
Deferred tax assets (Net)	687.13	-	687.13
Goodwill on Consolidation	42.72	-	42.72
Investment Property	28.96	-	28.96
Intangible assets under development	10.60	-	10.60
Property, Plant and Equipment	370.06	-	370.06



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Maturity		
	Amount	Within 12 months	After 12 months
Other Intangible assets	37.63	-	37.63
Re-insurance Assets	600.65	169.72	430.93
Other Non-Financial Assets	478.54	262.66	215.88
Total Non- Financial Assets	2,586.30	432.38	2,153.92
Financial Liabilities			
Derivative financial instruments	-	-	-
Payables			
i) Trade Payables	331.04	331.04	-
ii) Other Payables	99.62	99.62	-
iii) Other Insurers	272.29	272.29	-
Debt Securities	7,135.18	4,095.98	3,039.20
Borrowings(Other than Debt Securities)	43,473.71	11,938.49	31,535.22
Subordinated Liabilities	4,508.58	520.23	3,988.35
Insurance Contract Liabilities	6,024.81	393.51	5,631.30
Other Financial Liabilities	529.62	428.51	101.11
Total Financial Liabilities	62,374.85	18,079.67	44,295.18
Non-Financial Liabilities			
Provisions	107.59	107.59	-
Insurance Contract Liabilities	3,620.73	1,894.17	1,726.56
Other Non-Financial Liabilities	38.13	18.35	19.78
Total Non-Financial Liabilities	3,766.45	2,020.11	1,746.34

Particulars	Maturity		
	Amount	Within 12 months	After 12 months
As on March 31, 2019			
Financial Assets			
Cash and Cash Equivalents	3,279.16	3,279.16	-
Bank balances Other than Cash and Cash Equivalents	666.31	319.10	347.21
Derivative financial instruments	88.69	72.29	16.40
Receivables			
i) Trade Receivables	41.28	41.28	-
ii) Other Receivables	39.08	39.08	-
iii) Insurance Contract Assets	444.16	249.82	194.34
iv) Re-insurance Assets	957.68	64.99	892.69
Loans	52,610.77	16,407.61	36,203.16
Investment in Associate & Joint Venture	35.56	-	35.56

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Maturity		
	Amount	Within 12 months	After 12 months
Other Investments	7,516.71	3,902.71	3,614.00
Other Financial Assets	262.79	172.85	89.94
Total Financial Assets	65,942.19	24,548.89	41,393.30
Non- Financial Assets			
Current tax assets (Net)	246.92	-	246.92
Deferred tax assets (Net)	608.07	-	608.07
Goodwill on Consolidation	42.72	-	42.72
Investment Property	28.96	-	28.96
Intangible assets under development	13.97	-	13.97
Property, Plant and Equipment	197.32	-	197.32
Other Intangible assets	36.94	-	36.94
Re-insurance Assets	421.23	162.45	258.78
Other Non-Financial Assets	398.89	225.81	173.08
Total Non- Financial Assets	1,995.02	388.26	1,606.76
Financial Liabilities			
Derivative financial instruments	8.41	-	8.41
Payables			
i) Trade Payables	231.63	231.63	-
ii) Other Payables	223.15	223.15	-
iii) Other Insurers	401.63	401.63	-
Debt Securities	13,961.82	9,559.94	4,401.88
Borrowings(Other than Debt Securities)	32,126.78	8,650.72	23,476.06
Subordinated Liabilities	4,358.68	471.64	3,887.04
Insurance Contract Liabilities	5,212.09	375.55	4,836.54
Other Financial Liabilities	371.87	369.15	2.72
Total Financial Liabilities	56,896.06	20,283.41	36,612.65
Non-Financial Liabilities			
Provisions	87.13	87.13	-
Insurance Contract Liabilities	3,032.07	1,169.41	1,862.66
Other Non-Financial Liabilities	57.49	36.64	20.85
Total Non-Financial Liabilities	3,176.69	1,293.18	1,883.51



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 46 - Non-Controlling Interest

Financial information of Subsidiaries having Non-Controlling Interest is given below.

As at March 31, 2020

Name of the Subsidiary	Country of Incorporation	As on March 31, 2020	Profit allocated to non controlling interest	Other comprehensive income allocated to non controlling interest	Total comprehensive income allocated to non controlling interest
Cholamandalam Investment and Finance Company Limited (CIFCL)	India	54.50%	564.21	(37.86)	526.35
Cholamandalam MS General Insurance Company Limited (MSGICL)	India	40.00%	49.99	(0.11)	49.88

As at March 31, 2019

Name of the Subsidiary	Country of Incorporation	As on March 31, 2020	Profit allocated to non controlling interest	Other comprehensive income allocated to non controlling interest	Total comprehensive income allocated to non controlling interest
Cholamandalam Investment and Finance Company Limited (CIFCL)	India	53.61%	638.85	(1.13)	637.72
Cholamandalam MS General Insurance Company Limited (MSGICL)	India	40.00%	79.28	(0.25)	79.03

The summarised financial information of the Subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

As at March 31, 2020

Summarised Statement of Profit and Loss

Particulars	CIFCL	MSGICL
Income	8,712.51	4,484.71
Expenses	7,124.29	4,268.27
Profit Before Tax	1,588.22	216.44
Tax Expense	534.08	91.46
Share of Loss from associate	(0.42)	-
Profit for the year	1,053.72	124.98
- attributable to the owners of the company	475.86	74.99
- attributable to the non-controlling interest	564.21	49.99
Other Comprehensive Income		
- attributable to the owners of the company	(32.48)	(0.16)
- attributable to the non-controlling interest	(37.86)	(0.11)
Total Comprehensive Income		
- attributable to the owners of the company	443.38	74.83
- attributable to the non-controlling interest	526.35	49.88

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Summarised Balance Sheet

Particulars	CIFCL	CMSGICL
Financial Assets	63,048.05	10,345.75
Non Financial Assets	1,000.98	1,542.85
Financial Liabilities	55,720.24	6,645.50
Non Financial Liabilities	128.93	3,637.69
Total Equity		
- attributable to the owners of the company	3,730.71	963.25
- attributable to the non-controlling interest	4,469.15	642.16

Summarised Cash Flow Statement

Particulars	CIFCL	CMSGICL
Net cash inflow in operating activities	(2,058.34)	187.55
Net cash outflow from investing activities	(70.48)	(26.56)
Net cash inflow in financing activities	2,451.81	(76.43)
Net Increase / (Decrease) in Cash and Cash equivalents	322.99	84.56

As at March 31, 2019

Summarised Statement of Profit and Loss

Particulars	CIFCL	CMSGICL
Income	7,108.83	3,618.67
Expenses	5,277.30	3,338.37
Profit Before Tax	1,831.53	280.30
Tax Expense	634.59	82.10
Share of Loss from associate	(0.35)	-
Profit for the year	1,196.59	198.20
- attributable to the owners of the company	557.74	118.92
- attributable to the non-controlling interest	638.85	79.28
Other Comprehensive Income		
- attributable to the owners of the company	(0.98)	(0.37)
- attributable to the non-controlling interest	(1.13)	(0.25)
Total Comprehensive Income		
- attributable to the owners of the company	556.76	118.55
- attributable to the non-controlling interest	637.72	79.03

Summarised Balance Sheet

Particulars	CIFCL	CMSGICL
Financial Assets	56,668.74	9,360.87
Non Financial Assets	821.38	1,130.58
Financial Liabilities	51,152.30	5,963.84
Non Financial Liabilities	129.11	3,046.90
Total Equity		
- attributable to the owners of the company	2,880.13	888.43
- attributable to the non-controlling interest	3,328.58	592.28



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Summarised Cash Flow Statement

Particulars	CIFCL	CMSGICL
Net cash inflow in operating activities	(9,254.26)	701.39
Net cash outflow from investing activities	(73.94)	(675.08)
Net cash inflow in financing activities	12,190.59	(30.56)
Net Increase / (Decrease) in Cash and Cash equivalents	2,862.39	(4.25)

Note 47A - Investment in an associate

As at April 01, 2018, the Group had 63% interest in White Data Systems India Private Limited (“WDSI”) and this entity was treated as a subsidiary in the consolidated financial statements. During the financial year 2018-19, pursuant to investment by another entity in WDSI, the Group’s interest in WDSI has reduced from 63% to 30.87%, resulting in loss of control of the Group in WDSI. In view of this change in status, the retained interest of the Group in WDSI aggregating to 30.87% interest has been fair valued and a resultant fair value gain of ₹20.29 crores have been recognised in the consolidated statement of profit and loss for the previous year.

Particulars	₹ in crs
Fair value of Net assets on the date of Investment by other entity	82.74
Group's share on the date of loss of control	30.87%
Fair value of Net assets attributable to Group	25.54
Add: Net liabilities on the date of loss of control	2.78
Less: Non-Controlling Interest	(1.03)
Less: Goodwill recognised earlier on acquisition of WDSI	(7.00)
Fair value gain on loss of control in subsidiary	20.29

The Group has recognised the value of investment in associate at fair value on the date of loss of control and the same is carried at cost as at reporting date.

Particulars	March 31, 2020	March 31, 2019
Value of Investment in Subsidiary on the date of loss of control	25.54	25.54
Less: Cumulative Share of Loss of from Associate	(0.77)	(0.35)
Amount recognised in the Balance Sheet	24.77	25.19

The Group has a 30.87% interest in White Data Systems India Private Limited, which is in the business of providing freight data solutions encompassing technology, certification and finance offering in India. The WDSI has dedicated logistics platform “i-loads”, seamlessly connects load providers, logistics agents, brokers and transporters through its disruptive technology. It is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group’s investment in White Data Systems India Private Limited:

Particulars	March 31, 2020	March 31, 2019
Current assets	43.66	43.33
Non-current assets	6.58	5.40
Current liabilities	(12.25)	(10.67)
Non-current liabilities	(0.28)	(0.28)
Equity	37.71	37.78
Proportion of the Group’s ownership	30.87%	30.87%
Group's share in the Equity of the associate	11.64	11.66

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	March 31, 2020	March 31, 2019
Revenue from contracts with customers	47.33	71.80
Other Income	0.19	0.93
Depreciation & amortization	(0.98)	(0.87)
Finance cost	(0.29)	(1.40)
Employee benefit expense	(2.25)	(3.50)
Other expense	(45.53)	(72.04)
Profit before tax	(1.53)	(5.08)
Income tax expense	0.18	0.03
Profit for the year (continuing operations)	(1.35)	(5.05)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	-	(0.03)
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	(0.18)	-
Total comprehensive income for the year (continuing operations)	(1.53)	(5.08)
Total comprehensive income from the date on which status changed from subsidiary to associate till March 31, 2019	-	(1.13)
Group's share of loss considered in the consolidated statement of Profit and loss	(0.42)	(0.35)

The associate had no contingent liabilities or capital commitments as at March 31, 2020 or March 31, 2019.

Note 47B - Investment in Joint Venture

As at March 31, 2020, the Group has 49.50% interest in Cholamandalam MS Risk Services Limited ("CMSRSL") and this entity has been treated as Joint Venture in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's investment in CMSRSL:

Particulars	March 31, 2020	March 31, 2019
Current assets	26.73	23.89
Non-current assets	18.94	14.37
Current liabilities	(10.46)	(8.92)
Non-current liabilities	(10.85)	(8.39)
Equity	24.36	20.95
Proportion of the Group's ownership	49.50%	49.50%
Group's share in the Equity of the Joint Venture	12.06	10.37
Particulars	March 31, 2020	March 31, 2019
Revenue from Operations	46.29	40.82
Other Income	2.61	2.58
Employee benefit	(23.41)	(19.23)
Other expense	(19.87)	(19.29)
Profit before tax	5.62	4.88
Income tax expense	(1.53)	(1.35)
Profit for the year (continuing operations)	4.09	3.53



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	March 31, 2020	March 31, 2019
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	(0.09)	0.03
Total comprehensive income for the year (continuing operations)	4.00	3.56
Group's share of profit	1.98	1.76
Less: Dividend	(0.29)	(0.29)
Group's share of profit (considered in the consolidated statement of Profit and loss)	1.69	1.47

The Group has the following share of contingent liabilities and capital commitments in the Joint venture as at March 31, 2020.

Particulars	March 31, 2020	March 31, 2019
Contested Liabilities Not provided for in respect of Income Tax matters pending before Appellate Authorities	2.00	3.96
Capital commitments	0.14	-

Note 48 - Capital Management

The Group maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), compliance with solvency requirements prescribed by the Insurance Regulatory and Development Authority of India (IRDAI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Group's capital is monitored by the Board using, among other measures, the regulations issued by RBI and IRDAI.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The Group has complied in full with the capital and solvency requirements prescribed by RBI and IRDAI respectively over the reported period.

48.1 Risk Management

The Group 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 Group is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining value as well as in identifying opportunities. Risk management is therefore made an integral part of the Group's effective management practice.

Risk Management Framework: The Group'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.

The Group has a well-established risk reporting and monitoring framework which highlights the movement of top critical risks. This provides the level and direction of the risks, which are arrived at based on the two-level risk thresholds for the identified Key Risk Indicators and are aligned to the overall Group's risk appetite framework approved by the board. The Group also developed such risk reporting and monitoring mechanism for the risks at business / vertical level. The Group identifies and monitors risks periodically. This process enables the Group to reassess the top critical risks in a changing environment that need to be focused on.

Risk Governance structure: The Group's risk governance structure operates with a risk management committee with clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the Group directly as well as through a board constituted risk management committee. The committee, reviews the risk management policy, implementation of risk management framework, monitoring of critical risks, and review of various other initiatives with a structured annual plan. The key risks faced by the Group are credit risk, liquidity risk, interest rate risk, operational risk, foreign currency risk, insurance risk,

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

reputational and regulatory risk, which are broadly classified as credit risk, market risk, operational risk, liquidity risk, foreign currency risk and insurance risk.

48.2 Credit Risk

Lending

Credit risk in lending business arises when a borrower is unable to meet financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

The Group has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The Group has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises. Also, being in asset financing business, most of the Group's lending is covered by adequate collaterals from the borrowers. The Group developed application scoring model to assess the credit worthiness of the borrower for underwriting decisions for its vehicle finance, home equity and home loan business.

The Group also has a well-developed business planning model for the vehicle finance portfolio, to help business teams plan volume with adequate pricing of risk for different segments of the portfolio.

Insurance - Investments

Insurance Business is subject to credit risk in connection with issuers of securities held in its investment portfolio and reinsurers. Losses may occur when a counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Company to record realized or unrealized losses and increase provisions for asset default, adversely impacting earnings

Governance structure, in the form of Investment Committee and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. All Regulatory and Internal norms are built in the Investment system which monitors the investment limits and exposure norms on a daily basis

The policyholders' funds are invested in accordance with regulatory norms. Investment policy and most of the investment is made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

48.3 Market Risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices.

Lending

The Group's exposure to market risk is a function of asset liability management activities. The Group is exposed to interest rate risk and liquidity risk.

The Group continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the Group's risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee.

Insurance

The Group is exposed to financial and capital market risks – the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

The Group has investment policy in place which deals with guidelines set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

Equity Price Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market. The Company's equity price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices. The Group has no significant concentration of equity price risk.

48.4 Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations js uniformly affected by changes in economic, political or other conditions.

Lending

The Group has retail lending business on pan India basis targeting primarily customers who either do not get credit or sufficient credit from the traditional banking sector. Vehicle Finance (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors, Construction Equipment and Trade advance to Automobile dealers) is lending against security (other than for trade advance) of Vehicle/ Tractor / Equipment and contributes to 73% of the loan book of the Group as of March 31, 2020 (74% as of March 31, 2019). Hypothecation endorsement is made in favour of the Group in the Registration Certificate in respect of all registerable collateral. Portfolio is reasonably well diversified across South, North, East and Western parts of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Muti Utility Vehicles, three-wheeler and Small Commercial Vehicles, Refinance against existing vehicles, older vehicles (first time buyers), Tractors and Construction Equipment have portfolio share between 5% and 22% leading to well diversified sub product mix.

Home Equity is mortgage loan against security of existing immovable property (primarily self occupied residential property) to self-employed non- professional category of borrowers and contributes to 22% of the lending book of the Group as of March 31, 2020 (21% as of March 31, 2019). Portfolio is concentrated in North (41%) with small presence in East (4%). The remaining is evenly distributed between South and Western parts of the country.

The Concentration of risk is managed by Group for each product by its region and its sub-segments. Group did not overly depend on few regions or products as of March 31, 2020.

Insurance - Investments

It is the Group's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Company's rating policy. The attributable risk ratings are assessed and updated regularly.

During the year, no credit exposure limits were exceeded. The Group actively manages its product mix to ensure that there is no significant concentration of credit risk.

48.5 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks,

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks.

The operational risks of the Group are managed through comprehensive internal control systems and procedures and key back up processes. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process. In order to further strengthen the control framework and effectiveness, the Group has established risk control self-assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

The Group also undertakes Risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of self-certification and internal financial controls adherence, thereby, reducing enterprise exposure.

The Group has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc. Periodic testing is carried out to address gaps in the framework, if any. DR and BCP audits are conducted on a periodical basis to provide assurance regarding the effectiveness of the Group's readiness.

48.6 Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Lending

Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Group has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The Group also has lines of credit that it can access to meet liquidity needs.

Insurance

The Group's primary funding obligations for insurance business arise in connection with the payment of policyholders' dues and sources of available cash flow include premium receipts and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales)

An asset-liability mismatch occurs when the financial terms of insurance business assets and liabilities do not correspond. These can lead to non-payment / deferment of claims, expenses etc. Through effective cash management and capital planning, the Group ensures that, it is properly funded and maintains adequate liquidity to meet obligations. Based on the Group's historical cash flows and liquidity management processes, the cash flows from operating activities will continue to provide sufficient liquidity to satisfy debt service obligations and to pay other expenses as they fall due. A well defined Asset Liability Management framework enables periodic monitoring of the Asset-Liability position of the Company.

48.7 Foreign Currency Risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arise majorly on account of foreign currency borrowings. The Group manages this foreign currency risk by entering in to cross currency swaps and forward contract. When a



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

derivative is entered in to for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Group holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

48.8 Insurance Risk

The principal risk, the Group faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by frequency of claims and severity of claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of frequency and severance considered based on past trends. The general insurance claim liabilities are sensitive to the key assumptions. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities. It is not possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

For sensitivity analysis and claims development table, refer note below. The method used for deriving sensitivity information and significant assumptions did not change during the presented periods.

Sensitivity Analysis of claims outstanding Liabilities*

As at March 31, 2020

Scenario	Increase/ (Decrease) in Net Liabilities	Increase/ (Decrease) in Gross Liabilities	Increase/ (Decrease) in Profit before taxes	Increase/ (Decrease) in Equity
Increase in Insurance Claims Liability Estimate by 2.5%	86.36	92.54	(86.36)	(64.63)
Increase in Insurance Claims Liability Estimate by 5%	172.73	185.08	(172.73)	(129.26)
Decrease in Insurance Claims Liability Estimate by 2.5%	(86.36)	(92.54)	86.36	64.63
Decrease in Insurance Claims Liability Estimate by 5%	(172.73)	(185.08)	172.73	129.26

As at March 31, 2019

Scenario	Increase/ (Decrease) in Net Liabilities	Increase/ (Decrease) in Gross Liabilities	Increase/ (Decrease) in Profit before taxes	Increase/ (Decrease) in Equity
Increase in Insurance Claims Liability Estimate by 2.5%	63.84	74.26	(63.84)	(41.53)
Increase in Insurance Claims Liability Estimate by 5%	127.68	148.52	(127.68)	(83.06)
Decrease in Insurance Claims Liability Estimate by 2.5%	(63.84)	(74.26)	63.84	41.53
Decrease in Insurance Claims Liability Estimate by 5%	(127.68)	(148.52)	127.68	83.06

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Insurance Liability (Claims) Development pattern*

As at March 31, 2020

Ultimate Net Loss Cost - Re-estimated	YE 31- Mar-13	YE 31- Mar-14	YE 31- Mar-15	YE 31- Mar-16	YE 31- Mar-17	YE 31- Mar-18	YE 31- Mar-19	YE 31- Mar-20
End of Accident Year	634.27	931.59	1,016.41	1,190.33	1,552.59	1,906.10	2,104.34	2,451.93
One Year Later	674.81	941.44	978.76	1,193.30	1,529.45	1,890.66	2,117.02	-
Two Year Later	689.02	1,001.35	993.57	1,215.88	1,598.50	1,891.36	-	-
Three Year Later	695.58	988.15	1,023.83	1,250.45	1,630.91	-	-	-
Four Year Later	697.34	1,026.21	1,080.25	1,279.59	-	-	-	-
Five Year Later	712.52	1,076.15	1,096.81	-	-	-	-	-
Six Year Later	735.96	1,089.41	-	-	-	-	-	-
Seven Year Later	740.15	-	-	-	-	-	-	-

As at March 31, 2019

Ultimate Net Loss Cost - Re-estimated	YE 31- Mar-12	YE 31- Mar-13	YE 31- Mar-14	YE 31- Mar-15	YE 31- Mar-16	YE 31- Mar-17	YE 31- Mar-18	YE 31- Mar-19
End of Accident Year	419.33	634.27	931.59	1,016.41	1,190.33	1,552.59	1,906.10	2,104.34
One Year Later	423.47	674.81	941.44	978.76	1,193.30	1,529.45	1,890.66	-
Two Year Later	442.75	689.02	1,001.35	993.57	1,215.88	1,598.50	-	-
Three Year Later	445.61	695.58	988.15	1,023.83	1,250.45	-	-	-
Four Year Later	448.92	697.34	1,026.21	1,080.25	-	-	-	-
Five Year Later	461.01	712.52	1,076.15	-	-	-	-	-
Six Year Later	463.35	735.96	-	-	-	-	-	-
Seven Year Later	459.86	-	-	-	-	-	-	-

* The sensitivity analysis of claims outstanding liability and insurance liability (claim) development table are presented net off re-insurance.

48.9 Disclosure of Effects of Hedge Accounting Cash flow Hedge as at March 31, 2020

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	9	0	2,229.53	-	September 25, 2020 to June 03, 2024	114.20	(210.38)	Borrowings

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Effectiveness recognised in profit and loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	(92.32)	-	-	NA



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

As at March 31, 2019

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	5	1	1,826.31	354.91	November 07, 2019 to March 18, 2022	80.28	(84.15)	Borrowings

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Effectiveness recognised in profit and loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	13.06	-	-	NA

48.10 Collateral and Other Credit Enhancements

Although collateral can be an important mitigation of credit risk, it is the Group's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The Group obtains first and exclusive charge on all collateral that it obtains for the loans given. Vehicle Finance and Home Equity loans are secured by collateral at the time of origination. In case of Vehicle loans, Group values the vehicle either through proforma invoice (for new vehicles) or using registered valuer for used vehicles. In case of Home equity loans, the value of the property at the time of origination will be arrived by obtaining two valuation reports from Group's empanelled valuer.

Hypothecation endorsement is obtained in favour of the Group in the Registration Certificate of the Vehicle/ Tractor / Equipment funded under the vehicle finance category. Immovable Property is the collateral for Home Equity loans. Security Interest in favour of the Group is created by Mortgage through deposit of title deed which is registered wherever required by law. In respect of Other loans, Home loans follow the same process as Home Equity and pledge is created in favour for the Group for loan against securities.

The Group does not obtain any other form of credit enhancement other than the above. 99% of the Group's term loan are secured by way of tangible Collateral.

Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the customer / borrower.

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 49 A - Analysis of Financial Assets and Financial Liabilities by remaining contractual maturities

As at March 31, 2020

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	3,085.69	586.03	-	-	-	-	-	3,671.72
Bank balances other than Cash and Cash Equivalents	33.97	131.25	3,051.16	78.59	223.84	115.02	162.64	3,796.47
Derivative financial instruments	-	-	17.11	-	78.16	18.93	-	114.20
Receivables								
i) Trade Receivables	15.03	-	-	-	-	-	-	15.03
ii) Other Receivables	48.18	-	-	-	-	-	-	48.18
iii) Insurance contract assets	42.50	16.60	20.83	53.62	7.63	-	146.61	287.79
iv) Reinsurance assets	8.51	12.11	10.32	10.24	120.08	135.58	361.96	658.80
Loans	1,910.07	1,158.74	2,963.55	11,970.25	34,840.77	13,326.17	15,835.34	82,004.89
Investment in Associate & Joint Venture	-	-	-	-	-	-	36.83	36.83
Other Investments	2,790.54	266.17	312.23	605.82	2,046.31	800.29	5,117.58	11,938.94
Other Financial Assets	110.92	5.85	42.44	75.39	192.13	100.98	116.89	644.60
Total Undiscounted financial assets	8,045.41	2,176.75	6,417.64	12,793.91	37,508.92	14,496.97	21,777.85	103,217.45
Financial Liabilities								
Derivative financial instruments	-	-	-	-	-	-	-	-
Payables								
(I) Trade Payables								
i) Total outstanding dues of micro and small enterprises	1.01	-	-	-	-	-	-	1.01
ii) Total outstanding dues of creditors other than micro and small enterprises	274.10	27.96	16.78	11.19	-	-	-	330.03
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
ii) Total outstanding dues of creditors other than micro and small enterprises	97.70	-	-	1.92	-	-	-	99.62
(II) Other Insurers								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	23.90	71.60	35.80	71.50	69.49	-	-	272.29
Debt Securities	282.02	1,901.42	93.48	2,034.24	3,030.05	374.88	29.26	7,745.35
Borrowings (Other than Debt Securities)	945.91	1,381.94	3,800.28	8,610.36	26,541.02	8,079.90	843.73	50,203.14
Subordinated Liabilities	113.70	96.22	146.36	447.61	1,977.26	1,238.18	2,707.74	6,727.07
Insurance Contract Liabilities	95.56	110.44	94.10	93.41	1,094.88	1,236.12	3,300.30	6,024.81
Other Financial Liabilities	281.04	58.42	18.03	35.97	119.90	31.84	5.15	550.35
Total Undiscounted financial liabilities	2,114.94	3,648.00	4,204.83	11,306.20	32,832.60	10960.92	6886.18	71,953.67
Total net Undiscounted financial assets/ (liabilities)	5,930.47	(1,471.25)	2,212.81	1,487.71	4,676.32	3536.05	14891.67	31,263.78

As at March 31, 2019

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	959.74	2,353.34	-	-	-	-	-	3,313.08
Bank balances other than Cash and Cash Equivalents	9.33	119.72	97.42	125.21	222.26	29.22	193.94	797.10
Derivative financial instruments	-	-	-	72.29	16.40	-	-	88.69
Receivables								
i) Trade Receivables	41.28	-	-	-	-	-	-	41.28
ii) Other Receivables	39.08	-	-	-	-	-	-	39.08
iii) Insurance Contact Assets	56.70	72.00	42.70	78.42	61.70	-	132.64	444.16
iv) Reinsurance assets	17.46	23.02	22.65	1.86	180.24	198.04	514.41	957.68

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Loans	3,477.36	4,012.95	5,550.41	10,370.25	28,117.45	8,933.63	12,756.88	73,218.93
Investment in Associate & Joint Venture	-	-	-	-	-	-	35.56	35.56
Other Investments	3,652.58	222.56	262.37	406.20	2,433.94	888.09	1,521.52	9,387.26
Other Financial Assets	128.92	14.62	10.06	19.25	56.80	13.18	32.55	275.38
Total Undiscounted financial assets	8,382.45	6,818.21	5,985.61	11,073.48	31,088.79	10,062.16	15,187.50	88,598.20
Financial Liabilities								
Derivative financial instruments	-	-	-	-	8.41	-	-	8.41
Payables								
(I) Trade Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	231.79	-	-	-	-	-	-	231.79
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	0.18	-	-	-	-	-	-	0.18
ii) Total outstanding dues of creditors other than micro and small enterprises	176.30	23.46	14.08	9.39	-	-	-	223.23
(III) Other Insurers								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	39.30	177.00	176.90	3.20	5.23	-	-	401.63
Debt Securities	1,357.95	1,830.58	3,040.85	3,841.48	4,148.09	909.99	104.29	15,233.23
Borrowings (Other than Debt Securities)	1,751.49	1,048.14	2,303.79	5,707.39	20,587.47	3,875.98	1,328.33	36,602.59
Subordinated Liabilities	13.66	319.53	84.27	315.16	1,980.24	1,428.36	2,318.07	6,459.29
Insurance Contract Liabilities	113.58	125.54	123.93	12.50	976.54	1,072.93	2,787.07	5,212.09
Other Financial Liabilities	368.91	-	-	-	2.52	0.21	-	371.64



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Total Undiscounted financial liabilities	4,053.16	3,524.25	5,743.82	9,889.12	27,708.50	7,287.47	6,537.76	64,744.08
Total net Undiscounted financial assets/ (liabilities)	4,329.29	3,293.96	241.79	1,184.36	3,380.29	2,774.69	8,649.74	23,854.12

Note 49B - Disclosures in connection with IND AS 116 - Leases

The Group has taken office premises on lease for its operations.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and right to use asset included in Property, Plant and Equipment and the movements during the period:

Other Disclosures

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

Particulars	Amount		
	Building	Office Equipment	Computer Equipment
Opening Balance	143.56	9.67	6.50
Depreciation charge for the Period	(51.20)	(3.98)	(2.84)
Additions during the Period	62.15	4.85	3.61
Adjustment/Deletion	(7.87)	-	-
Closing Balance	146.64	10.54	7.27

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

Particulars	Amount
Current liabilities	70.26
Non Current Liabilities	111.12
Total Lease liabilities	181.38

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

Particulars	Amount
Opening Balance	168.77
Interest Expense	16.41
Lease Payments [Total Cash Outflow]	(65.97)
Additions during the year	70.04
Adjustment/Deletion	(7.87)
Closing Balance	181.38

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

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

Particulars	Amount
Less than one year	72.78
One to five Years	133.10
More than Five years	6.18
Total	212.06

(v) The following are the amount recognised in the Profit or Loss statement

Particulars	Amount
Depreciation expense of right-of-use assets	58.02
Interest expense on lease liabilities	16.41
Expense relating to short-term leases (included in other expenses)	0.08
Expense relating to leases of low-value assets (included in other expenses)	-
Variable lease payments (included in other expenses)	-
Total amount recognised in profit or loss	74.51

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 12%.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to the lease liabilities as and when they fall due.

The Group has several lease contracts that includes extension and termination contracts. These options are negotiated by the Management to provide flexibility in managing the leased-asset portfolio and align with Group's business needs. Management exercises significant judgement in determining whether these extension and termination are reasonably certain to be exercised. Also refer note 4.2 & 5A (vii)



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 50

Note 50.1 - Fair value of financial instruments

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	March 31, 2020		March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents	3,695.69	3,695.69	3,279.16	3,279.16
Bank balances Other than Cash and Cash Equivalents	3,618.49	3,618.49	666.31	666.31
Derivative financial instruments	114.20	114.20	88.69	88.69
Receivables				
i) Trade Receivables	15.03	15.03	41.28	41.28
ii) Other Receivables	48.18	48.18	39.08	39.08
iii) Insurance Contract Assets	287.79	287.79	444.16	444.16
iv) Reinsurance Assets	658.80	658.80	957.68	957.68
Loans	55,395.73	54,696.35	52,610.77	52,809.75
Investment in Associate & Joint Venture	36.83	36.83	35.56	35.56
Other Investments	8,855.85	8,485.87	7,516.71	7,146.22
Other Financial Assets	530.30	530.30	262.79	262.79
Total Financial Assets	73,256.89	72,187.53	65,942.19	65,770.68
Financial Liabilities				
Derivative financial instruments	-	-	8.41	8.41
Payables				
i) Trade Payables	331.04	331.04	231.63	231.63
ii) Other Payables	99.62	99.62	223.15	223.15
iii) Other Insurers	272.29	272.29	401.63	401.63
Debt Securities	7,135.18	7,134.93	13,961.82	13,917.49
Borrowings(Other than Debt Securities)	43,473.71	43,434.20	32,126.78	32,105.12
Subordinated Liabilities	4,508.58	4,508.16	4,358.68	4,380.15
Insurance Contract Liabilities	6,024.81	6,024.81	5,212.09	5,212.09
Other Financial Liabilities	529.62	529.62	371.87	371.87
Total Financial Liabilities	62,374.85	62,334.67	56,896.06	56,851.54

The Management assessed that cash and cash equivalents, bank balance other than Cash and cash equivalents, receivable, other financial assets, payables and other financial liabilities approximates their carrying amount largely due to 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 of financial assets or liabilities disclosed under level 2 category.

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

- i) Derivatives are fair valued using market observable rates and published prices
- ii) The fair value of loans have been estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product.
- iii) The fair value of debt securities, borrowings other than debt securities and subordinated liabilities have been estimated by discounting expected future cash flows using discounted rate near to report date based on comparable rate / market observable data.
- iv) The fair values of quoted equity investments are derived from quoted market prices in active markets.

Note 50.2 - Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2020

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVTOCI Equity Instruments	14.64	8.86	4.30	1.48
FVTPL Equity Instruments	78.16	78.16	-	-
FVTPL Debt Instruments	2,506.59	-	2,506.59	-
FVTPL Mutual Funds	86.00	86.00	-	-
Derivative financial instruments	114.20	-	114.20	-
Assets for which fair values are disclosed				
Investments-At Amortised Cost	5,818.34	-	5,818.34	-
Investment Properties *	27.89	-	-	27.89
Loans	54,696.35	-	54,696.35	-

There have been no transfers between different levels during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2020

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	-	-	-	-
Liabilities for which fair values are disclosed				
Debt Securities	7,134.93	-	7,134.93	-
Borrowings (Other than Debt Securities)	43,434.20	-	43,434.20	-
Subordinated Liabilities	4,508.16	-	4,508.16	-

There have been no transfers between different levels during the period.



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2019

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVTOCI Equity Instruments	19.16	12.66	5.16	1.34
FVTPL Equity Instruments	149.46	149.46	-	-
FVTPL Debt Instruments	3,400.96	3,400.96	-	-
FVTPL Mutual Funds	72.92	72.92	-	-
Derivative financial instruments	88.69	-	88.69	-
Assets for which fair values are disclosed				
Investments-At Amortised cost	3,518.72	-	3,518.72	-
Investment Properties *	29.55	-	-	29.55
Loans	52,809.75	-	52,809.75	-

There have been no transfers between different levels during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2019

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	8.41	-	8.41	-
Liabilities for which fair values are disclosed				
Debt Securities	13,917.49	-	13,917.49	-
Borrowings (Other than Debt Securities)	32,105.12	-	32,105.12	-
Subordinated Liabilities	4,380.15	-	4,380.15	-

There have been no transfers between different levels during the period.

Note 50.3 Summary of Financial assets and liabilities which are recognised at amortised cost

Particulars	As at	
	March 31, 2020	March 31, 2019
Financial Assets		
Cash and Cash Equivalents	3,695.69	3,279.16
Bank balances other than Cash and Cash Equivalents	3,618.49	666.31
Loans	55,395.73	52,610.77
Investments	6,175.01	3,874.21
Other Financial Assets	530.30	262.79
Financial Liabilities		
Debt Securities	7,135.18	13,961.82
Borrowings(Other than Debt Securities)	43,473.71	32,126.78
Subordinated Liabilities	4,508.58	4,358.68
Other Financial liabilities	529.62	371.87

Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 50.4 - Refer Note 15 for sensitivity analysis for investment property, whose fair value is disclosed under the level 3 category.

Note 51 - Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

As at March 31, 2020

Name of the entity	Net Assets (i.e. total assets less total liabilities)		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
I. Parent								
Cholamandalam Financial Holdings Limited	(1.00%)	(115.18)	(2.00%)	(12.96)	0.86%	(0.61)	(1.24%)	(13.57)
II. Subsidiaries								
Cholamandalam Investment and Finance Company Limited	40.00%	3,894.54	41.00%	474.75	45.16%	(31.88)	40.47%	442.87
Cholamandalam MS General Insurance Company Limited	8.00%	774.38	8.00%	87.80	0.21%	(0.15)	8.01%	87.65
Cholamandalam Health Insurance Company Limited	0.00%	0.01	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Non-Controlling Interests in all subsidiaries	53.00%	5,111.31	53.00%	614.20	53.77%	(37.97)	52.65%	576.23
III. Associate & Joint Venture								
White Data Systems India Private Limited	0.00%	24.77	0.00%	(0.42)	0.00%	-	(0.04%)	(0.42)
Cholamandalam MS Risk Services Limited	0.00%	12.06	0.00%	1.69	0.00%	-	0.15%	1.69
Total Share of Holding and Non-Controlling Interest	100.00%	9,701.89	100.00%	1,165.05	100.00%	(70.61)	100.00%	1,094.44

As at March 31, 2019

Name of the entity	Net Assets (i.e. total assets less total liabilities)		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
I. Parent								
Cholamandalam Financial Holdings Limited	1.98%	155.31	0.10%	1.60	19.94%	(0.68)	0.07%	0.92
II. Subsidiaries								
Cholamandalam Investment and Finance Company Limited	39.13%	3,077.62	38.16%	539.86	10.56%	(0.36)	38.22%	539.50
Cholamandalam MS General Insurance Company Limited	8.58%	675.09	10.90%	154.15	29.03%	(0.99)	10.85%	153.16
Cholamandalam Health Insurance Company Limited	0.00%	0.02	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Non-Controlling Interests in all subsidiaries	49.86%	3,920.86	50.76%	718.13	40.47%	(1.38)	50.78%	716.75
III. Associate & Joint Venture								
White Data Systems India Private Limited	0.32%	25.19	(0.02%)	(0.35)	0.00%	-	(0.02%)	(0.35)
Cholamandalam MS Risk Services Limited	0.13%	10.37	0.10%	1.46	0.00%	-	0.10%	1.46
Total Share of Holding and Non-Controlling Interest	100.00%	7,864.46	100.00%	1,414.83	100.00%	(3.41)	100.00%	1,411.42



Notes to Consolidated Ind AS Financial Statements

(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 52 - Goodwill

The Goodwill of ₹39.08 crores recognised with respect to CIFCL represents the significant portion of the total Goodwill carried by the Group. The quoted market value of shares of CIFCL as on March 31, 2020 is significantly higher than the acquisition price. Accordingly, based on the assessment of goodwill done by the group, it believes that the carrying amount of goodwill is recoverable and no impairment has been considered.

The Goodwill of ₹3.64 crores recognised on the acquisition of other subsidiary – CMSGICL is not significant and the Group believes that the carrying amount of the Goodwill is recoverable.

Note 53 - Events after reporting date

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

Note 54 - Prior period information

Previous year figures have been regrouped / re-classified wherever necessary to conform to this year's classification.

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Regn No.101049W/E300004

For and on behalf of the Board of Directors

per **Subramanian Suresh**

Partner

Membership No: 083673

Sridharan Rangarajan

Director

M M Murugappan

Chairman

Place : Chennai

Date : June 15, 2020

E Krithika

Company Secretary

N Ganesh

Manager & Chief Financial Officer



CAUTIONARY STATEMENT:

Certain expectations and projections regarding the future performance of the Company referenced in the Annual Report constitute forward-looking statements. These expectations and projections are based on currently available competitive, financial and economic data, along with the Company's operating plans and are subject to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.



Cholamandalam Financial Holdings Limited

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