Chola

Enter a better life

BETTER LIVES BETTER NATION

Cholamandalam Investment and Finance Company Limited

Annual Report 2022-2023

Chola

Enter a better life

Note: Across this report, the word 'Chola' refers to 'Cholamandalam Investment and Finance Company Limited.'

Forward-looking statement

In this Annual Report we may have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

BETTER LIVES BETTER NATION

For over four decades Chola has been committed to enriching millions of lives across India by providing financial assistance to fulfil their dreams, meet their long-term and short-term goals and to grow their business. Chola reaches out to the segments of society that has little or no access to credit, giving them hope for a better future. Chola plays a pivotal role in the shift to a better life. Customers come to Chola as truck drivers and transform as fleet owners, tenants become home owners, ideas and dreams become reality.

Chola believes that transforming the small business sector will empower the nation. Opening the tap to the untapped sectors is watering the roots to strengthen the tree. No nation can really progress unless its citizens progress. When you support people financially, you break barriers, open doors to a better life. Chola has been fuelling the aspirations and serving its customers through financial products that meet various needs, delivered with trust and responsibility. By empowering individuals and families, Chola believes that better lives will lead to a better nation.

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Mr. N. Ramesh Rajan
Mr. Anand Kumar
Ms. Bhama Krishnamurthy
Mr. M. A. M. Arunachalam
Mr. Rohan Verma
Mr. Ravindra Kumar Kundu

SECRETARY

Ms. P. Sujatha
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M/s. Price Waterhouse LLP
7th Floor, Menon Eternity, 165, St. Mary's road,
Alwarpet, Chennai – 600028

M/s. Sundaram & Srinivasan, Chartered Accountants,
23, CP Ramaswamy Road, Alwarpet, Chennai 600018

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER

L65993TN1978PLC007576

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited
(Unit: Cholamandalam Investment and Finance Company Limited)
Selenium Building Tower B, Plot 31-32, Financial District,
Nanakramguda, Serilingampally, Hyderabad,
Rangareddi, Telangana 500 032
Phone No.: 040-67162222 | 79611000
Toll Free No.: 18003094001| Fax No: 040-23001153

CHOLA'S STATEMENT OF PURPOSE

Believe

IN INDIA | IN CHOLA | IN YOURSELF

BELIEVE IN INDIA

Our beliefs are the heart of our passion, the genes of our genius. We believe India is rising and it will continue to rise. Because, the wisdom of our ancient civilization is now being powered by the aspirations of one of the world's youngest populations.

BELIEVE IN CHOLA

We believe that Chola is uniquely placed to fulfil these aspirations. Armed with a workforce, charged by the fearless spirit of youth, each of our business give wings, to the dreams of millions of young Indians. Dreams that will power and propel Chola to the pinnacle of progress. We believe we will achieve this fully, by championing our values. Values that allow us to be transparent and grow, so that young India with dreams, can come to us in faith and leave fulfilled.

This is our purpose.

And every great cause calls for great leadership. Marching under a banner of meritocracy, we believe in growing great leaders from within. Leaders who are young. Leaders who will make today better than yesterday.

Through transparency, through teamwork, we believe that each one of us is this leader. That each one of us can make a difference. Not just for our customers, but also for our country.

BELIEVE IN YOURSELF

Only one person controls your destiny. That person is you! Chola trusts you and believes in you, so believe in yourself. Believe that you will create Chola of the future.

ABOUT CHOLA

Vision

Enable Customers to Enter a Better Life.

Mission

Customer first

Switch from product focused to customer focused

Improving Efficiencies

Long term Customer focus requires profitability & sustainability

People Power

People are our Primary Asset.
Happier people = Happier Customers

Overview

Cholamandalam Investment and Finance Company Limited (Chola) was incorporated in 1978 as the financial services arm of the Murugappa Group. Chola commenced business as an equipment financing company and has today emerged as a comprehensive financial services provider offering vehicle finance, home loans, loan against property, SME loans, secured business & personal loans, consumer & small enterprises loans and a variety of other financial services to customers.

Chola operates from 1,191 branches across India with assets under management above ₹ 1,12,782 crore.

Chola has a growing clientele of over 25 lakh happy customers across the nation. Ever since its inception and all through its growth, Chola has kept a clear sight of its values. The basic tenet of these values is a strict adherence to ethics and a responsibility to all those who come within its corporate ambit - customers, shareholders, employees and society.

For more details, please visit www.cholamandalam.com

OUR PRODUCTS & SERVICES

COMMERCIAL VEHICLE LOANS

PASSENGER VEHICLE LOANS

TWO WHEELER LOANS

THREE WHEELER LOANS

TRACTOR LOANS

CONSTRUCTION EQUIPMENT LOANS

LOAN AGAINST PROPERTY

HOME LOANS

SME LOANS

CONSUMER & SMALL ENTERPRISE LOAN

SECURED BUSINESS & PERSONAL LOAN

Chola Securities
Let's Grow Together
STOCK BROKING

Payswiff
SUCCESS, CREDITED.
OFFLINE PAYMENT AGGREGATOR

Gaadi Bazaar.in
USED VEHICLE MARKETPLACE

ABOUT MURUGAPPA GROUP

Founded in 1900, the INR 547 Billion (INR 54,722 crore) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed companies traded in NSE & BSE. Headquartered in Chennai, the major companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions 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., Shanthi Gears Ltd., Tube Investments of India Ltd. and Wendt (India) Ltd.

The Group holds leadership position in several product lines including Abrasives, Technical Ceramics, Electro Minerals, Auto Components & Systems, Power Conversion Equipment, Transformers & Reactors for the Power T&D segment, Solutions for Railways in Rolling Stock & Signalling Equipment, Bicycles, Fertilisers, Sugar, Tea and Spirulina (Nutraceuticals). The Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, 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, Rhodius, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 59,000 employees.

For more details, visit **www.murugappa.com**

The Spirit of the Murugappa Group

Integrity

Responsibility

Passion

The five lights

The values, principles and beliefs that have always guided us and continue to show the way forward.

Respect

Quality

Integrity

We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

Quality

We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

Responsibility

We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that befits our size and also reflects our humility.

Passion

We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

Respect

We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

OUR JOURNEY

FY 1979-2005

- Commenced equipment financing
- Commenced Vehicle Finance business
- Started Chola Securities

FY 2006-2010

- JV with DBS Bank, Singapore
- Commenced Loan Against Property (LAP) Business

FY 2011-2015

- Mobile app rolled out for sales and collections
- Commenced Tractor Loans
- Commenced Home Loans Business
- Commenced Construction Equipment Loans
- Increased branch network to 534
- AUM crossed ₹ 25,000 crore
- Market Cap ₹ 8,400 crore

FY 2016-2020

- Launch of Gaadi Bazaar dealer platform
- AUM crossed ₹ 60,000 crore
- PAT crossed ₹ 1,000 crore
- Increased branch network to 1,091
- Maiden issue of Masala Bonds with CDC
- ECB with IFC & DFC
- Market Cap ₹ 12,500 crore+

FY 2021

- Increased branch network to 1,137
- AUM crossed ₹ 70,000 crore
- Market Cap ₹ 45,800 crore

FY 2022

- Acquired Payswiff Technologies Private Limited
- Launched Consumer & Small Enterprise Loans, Secured Business & Personal Loans and Small and Medium Enterprises Loans business
- AUM Crossed ₹ 76,000 crore
- Market Cap ₹ 58,900 crore+

FY 2023

- AUM crossed ₹ 1 lakh crore
- Increased branch network to 1,191
- Maiden public issue of NCDs
- Market Cap ₹ 62,600 crore+
- Reached customer base of 25 Lakhs

Message FROM THE CHAIRMAN

Dear Shareholders,

Despite macro-economic challenges such as the pandemic-induced contraction, international geopolitical conflicts, and monetary tightening & inflationary pressures, the Indian economy has shown signs of a broad-based recovery across various sectors. The resilience of our economy, along with strong fundamentals, has placed it in a favourable position compared to other emerging market economies. We are also reaping the benefits of increased formalization, improved financial inclusion, and enhanced proliferation of digital technologies.

In this recovering economy, I am delighted to bring to you an update that we achieved our best-ever disbursals, collections, and profitability. We are making progress towards our long-term vision of building an ecosystem model, with our new businesses starting to make significant contributions. During FY 23, we have successfully implemented multiple initiatives across employee productivity, branch expansion, IT enablement, and customer engagement to drive growth and enhance customer experience.

I would like to highlight a few key initiatives that we implemented during the year:

- Enhancement to the digital assets across our businesses, CSEL, SBPL, & SME
- First time introduction of our 'Direct-to-Customer' (D2C) journey – a cutting-edge initiative to cater directly to our customers, providing a best-in-class customer experience. D2C enables application within a few minutes, same-day disbursement, paving the way for scaling up to a wider customer base and reinforcing our commitment to innovation and customer satisfaction.
- Launched new-age customer mobile app, Chola ONE, which provides an exceptional digital journey for our customers and serves as a one-stop shop for all their financial needs.
- Adoption of Design Thinking and LEAN principles to improve productivity, reduce turnaround time, and deliver an optimal user experience through our efficient digital platform
- In line with our focus on the vehicle ecosystem, we continued to enhance and promote our GaadiBazaar offering. The Gaadi Bazaar platform provides a range of services and products related to vehicles, serving both retail customers and vehicle brokers and dealers.

Industry Review:

Improvement in economic activity, revival of construction / mining activities and semiconductor supplies were positives for the industry. Sale of commercial vehicles, passenger vehicles and two-wheelers registered double digit growth in FY 23. Rate increase during the year impacted the NBFCs. The progressive reforms introduced by the government for SME sector have been fruitful which is reflected in the business activity and improved credit uptake by enterprises across all the segments.

Vehicle Finance:

The light commercial vehicle segment witnessed a growth of 35% in FY 23, driven by an increase in private consumption, replacement demand, and growth in agriculture and allied sectors. The small commercial vehicle segment grew by 14% in FY 23 due to an increase in freight demand for essential goods and last-mile transportation needs.

The heavy commercial vehicle segment displayed significant growth of 24% in Q4 FY 23 and 50% in FY 23. The passenger vehicle (car and MUV) segment also performed well, with an 11% growth in Q4 FY 23 and an all-time high sale, achieving 27% growth in FY 23. This growth was led by strong underlying demand, easing of semiconductor supply, and improved sales of utility vehicles due to a shift in customer preferences.

The two-wheeler industry grew by 7% in Q4 FY 23 and 17% in FY 23, with improved demand sentiments compared to the previous year. The construction equipment segment grew by 21% in Q4 FY 23 and 26% in FY 23, supported by an overall improvement in the macroeconomic environment, a strong revival in construction activities, and a focus on completing infrastructure projects. The tractor industry grew by 19% in Q4 FY 23 and 12% in FY 23, supported by strong demand during the festive season, favourable monsoon conditions, and stable farm cash flows.

Loan Against Property

The Loan Against Property industry portfolio stands at over ₹ 8 lakh crore with NBFCs and HFCs having the highest market share of 44%, followed by private banks. The MSME LAP segment is expected to grow by 9-11% in fiscal 2024, driven by improved economic conditions and the normalization of business activities.

Housing Loans

The Indian Housing Finance market is estimated at around ₹ 26 lakh crore and grew at approximately 11-15% in FY 23. The affordable housing loan segment (sub ₹ 25 lakhs) contributed to 29% of the disbursements in FY 22, and this level of contribution is expected to be sustained.

Other Businesses

Disbursement growth in the consumer loan space is expected to be around 15-20%, with NBFCs increasing their market share by 100 bps in FY 24. This growth will be aided by an increase in Tier-2 Financing, small ticket loans, and a focus on young borrowers, where NBFCs have a sharper focus.

We remain committed to driving growth, leveraging digital innovation, and delivering exceptional customer experiences. Our strong performance in the face of challenges reflects the resilience and adaptability of our business model.

Company Review

Your company delivered the best-ever disbursals, collections, and profitability in Q4 FY 23 by gaining market share across product segments in Vehicle Finance and other business units. The AUM grew to ₹ 112,782 crore (Up by 36% YoY). FY 23 disbursements were at ₹ 66,532 crore as against ₹ 35,490 crore in the previous year (Up by 87% YoY). Consolidated Profit Before Tax (PBT) for FY 23 was at ₹ 3,615 crore as against ₹ 2,902 crore in the previous year (Up by 25% YoY).

Your company has been identified as an Upper Layer NBFC (NBFC-UL) by the Reserve Bank of India under the Scale Based Regulatory Framework for NBFCs. We kept ALM in focus, closely tracked RBI's commentaries, observed the market dynamics, and engaged in continuous dialogue with lenders to ensure a healthy ALM amidst the rising interest rate regime. Your company managed the mix of borrowings from different sources to optimise the cost of funds. We also monitored liquidity closely to ensure availability of funds at best rates to enable the growth.

During the year, we continued to emphasise on sustainable governance and growth in all aspects of its business. Our Environmental, Social, and Governance (ESG) framework will help to reinforce principles of ESG in all aspects of business, and focus our efforts on responsible products, improving efficiency, people power and environmental consciousness.

Our strong focus on CSR continued during the year, with all the programs approved by the board effectively implemented as we fully utilised our budget. We also participated in the efforts of the Government in providing support to the community.

Our employees are the greatest strength of Chola. As always, they have worked with extraordinary commitment during the last year, and I thank each one of them and their families for the contribution. I would also like to thank the board for their constant guidance and support. Further, I would specially like to thank RBI, bankers, and business partners for their continued support for our company over the years.

On behalf of the company and board of directors, I specifically thank the independent directors Mr. Ashok Kumar Barat who retired from the board upon completion of his tenure and Mr. Bharath Vasudevan who stepped down from the board for their guidance and support.

I express my deepest gratitude to all of you for your continued trust, support & patronage as we strive to transform Chola to be one of the most relevant NBFC in India.

Best Wishes

Vellayan Subbiah
Chairman

BOARD OF DIRECTORS

Mr. Vellayan Subbiah

(53 years) DIN: 01138759 | Chairman & Non-Executive Director

- Holds a Bachelor of Technology in Civil Engineering from IIT Madras and an MBA from the University of Michigan.
- Has over 26 years of experience in the varied fields of consulting, technology, projects, financial services and engineering in senior positions across different industries.
- Has worked with Mckinsey and Company, 24/7 Customer Inc. etc.
- Was a recipient of the Extraordinary Entrepreneur of the Year - TiECON 2014 Award.
- Was the Managing Director of Tube Investments of India Limited (TII) from August, 2017 to March, 2022. Is the Executive Vice Chairman of TII effective 1 April, 2022.
- Is the Chairman of CG Power and Industrial Solutions Limited and a director on the Boards of various other companies including SRF Limited and Cholamandalam Financial Holdings Limited.
- Was the Managing Director of Chola from August, 2010 to August, 2017. Has been the Chairman of Chola effective 12 November, 2020.

BOARD OF DIRECTORS

Mr. N. Ramesh Rajan

(66 years) DIN: 01628318 | Independent Director

- Graduate in Commerce, a fellow member of the Institute of Chartered Accountants of India.
- Has over 41 years of experience in the fields of audit, finance, strategy and operations.
- Was the Chairman and Senior Partner, PwC India responsible for overall strategy and operations of all PwC entities in India.
- As Chairman & Senior Partner had represented India on the Global Strategy Council of PwC International and served as a member on PwC's Central Cluster led by PwC, UK.
- Is the founder and senior partner of LeapRidge Advisors LLP.
- Is the Chairman of Indo National Limited and is also on the Boards of TTK Healthcare Limited, Rane (Madras) Limited, Rane Engine Valve Limited and Kineco Limited.
- Joined the Board of Chola on 30 October, 2018.

Ms. Bhama Krishnamurthy

(68 years) DIN: 02196839 | Independent Director

- Holds a Masters degree in science from Mumbai University.
- Had a career spanning over 37 years in IDBI (now IDBI Bank) and SIDBI, an Apex Development Bank for MSMEs in India covering almost all areas of development banking operations.
- Has varied management and leadership experience in resource raising, forex, treasury operations, risk management, credit function, branch operations and human resources division.
- Was on the Boards of various venture capital companies, CIBIL, SBI Global Factors as a nominee director of SIDBI.
- Is the part-time chairperson of CSB Bank Limited and is also on the boards of various companies including Network18 Media and Investments Limited, Five Star Business Finance Limited, Muthoot Microfin Limited, Thirumalai Chemicals Limited, Poonawalla Housing Finance Limited and e-Eighteen.com Limited.
- Joined the Board of Chola on 31 July, 2019.

Mr. Rohan Verma

(37 years) DIN: 01797489 | Independent Director

- Holds a Bachelor degree in Electrical Engineering from Stanford University and an MBA from London Business School.
- Is an Entrepreneur and a technology thought leader who created India's very first interactive mapping portal mapmyindia.com and has since built many technology innovations in the maps and location space.
- Is the chief executive officer and executive director of C.E. Info Systems Limited (MapmyIndia).
- Is the Founder and Chairman of Infidreams Industries Private Limited and is also on the board of Kogo Tech Labs Private Limited.
- Is a member of the FICCI Young Leaders Forum.
- Joined the Board of Chola on 25 March, 2019.

BOARD OF DIRECTORS

Mr. M. A. M. Arunachalam

(56 years) DIN: 00202958 | Non-Executive Director

- Mr. M.A.M. Arunachalam (also referred as Mr. Arun Murugappan) studied at the Doon School, Dehradun, holds a Bachelor degree in Commerce from Loyola College, Chennai and an MBA from the University of Chicago, USA.
- Is the Executive Chairman of Tube Investments of India Limited (TII) effective 1 April, 2022 and was the non-executive Chairman of TII from 11 November, 2020 till 31 March, 2022.
- Is the Chairman of Shanthi Gears Limited, Parry Enterprises India Limited, Cholamandalam Home Finance Limited and TI Clean Mobility Private Limited.
- Is also on the Boards of CG Power and Industrial Solutions Limited, Great Cycles and Creative Cycles.
- Joined the Board of Chola on 29 January, 2021.

Mr. Anand Kumar

(55 years) DIN: 00818724 | Independent Director

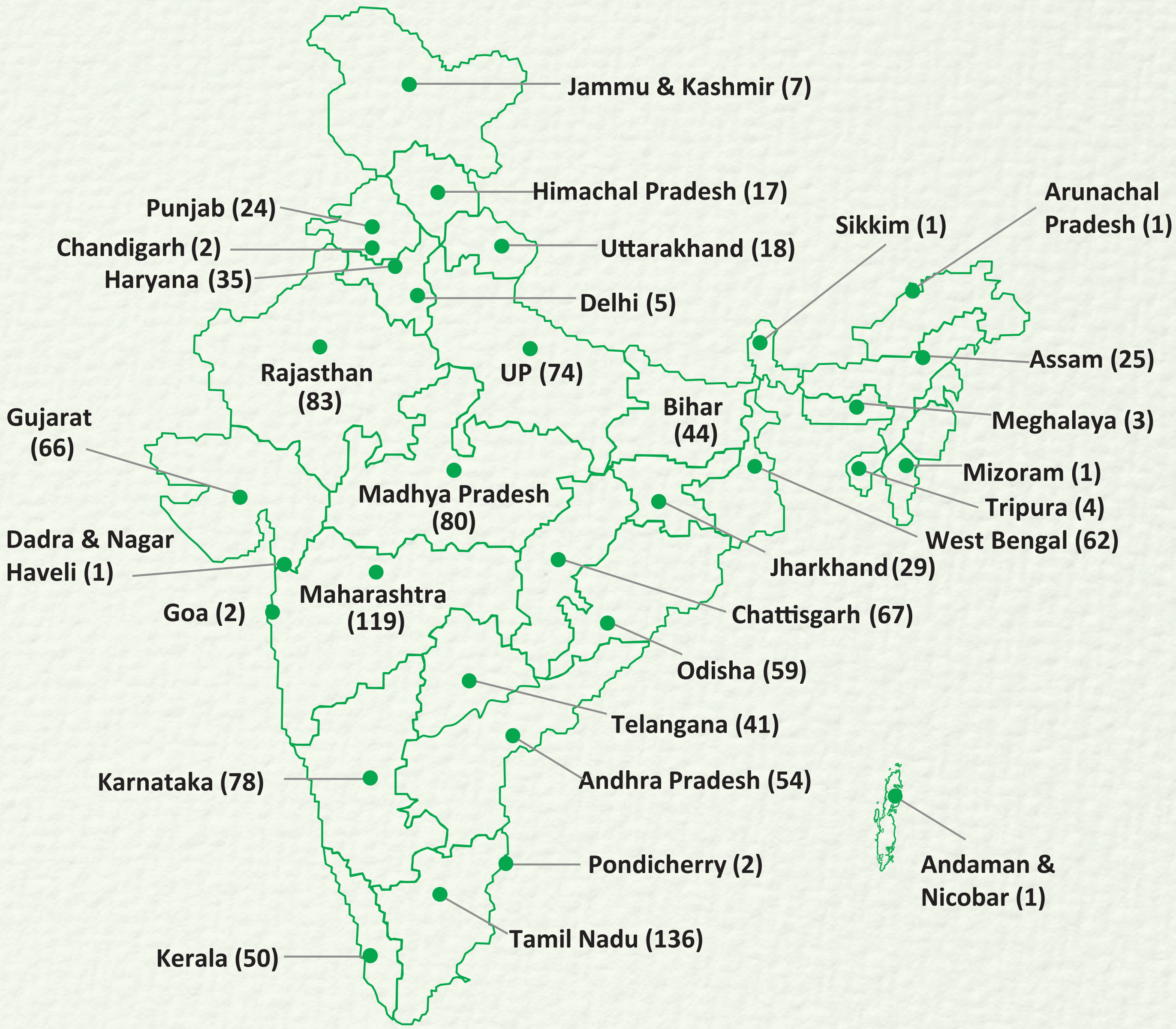
- Holds an MBA from Vanderbilt University, United States of America.
- Is a co-founder and Partner of Gateway Partners, an investment firm focused on growth capital and strategic opportunities across markets in Southeast Asia, South Asia, the Middle East and Africa.
- Has over 30 years of experience in investments, mergers & acquisitions, equity capital markets and leveraged finance in South and Southeast Asia with a strong network of relationships in the region.
- Prior to co-founding Gateway Partners in 2014, has held leadership positions in several leading investment banks including Standard Chartered Bank and Morgan Stanley.
- Is also on the Boards of TVS Supply Chain Solutions Limited, Medall Healthcare Private Limited, Tube Investments of India Limited and a few other companies in India and abroad.
- Joined the Board of Chola on 16 March, 2021.

Mr. Ravindra Kumar Kundu

(55 years) DIN: 07337155 | Executive Director

- Graduate in Commerce and has completed Post Graduate Programme in Management for Senior Executives from the Kellogg School of Management, Indian School of Business and an Executive Programme in Global Business Management from the Indian Institute of Management Calcutta.
- Over 35 years of professional experience in automobile and financial services industry including 23 years in Chola.
- Joined Chola as Senior Executive - Marketing in the year 2000 and headed various functions including credit, collections before taking up the role of Business Head of Vehicle Finance division.
- Is the Chairman of Payswiff Technologies Private Limited.
- Is also on the Boards of Cholamandalam Securities Limited and Cholamandalam Home Finance Limited.
- Has been the Executive Director of Chola since 23 January, 2020.

OUR PRESENCE



- 1,191 branches across 29 States and 5 Union territories as on 31 March, 2023
- 80% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns

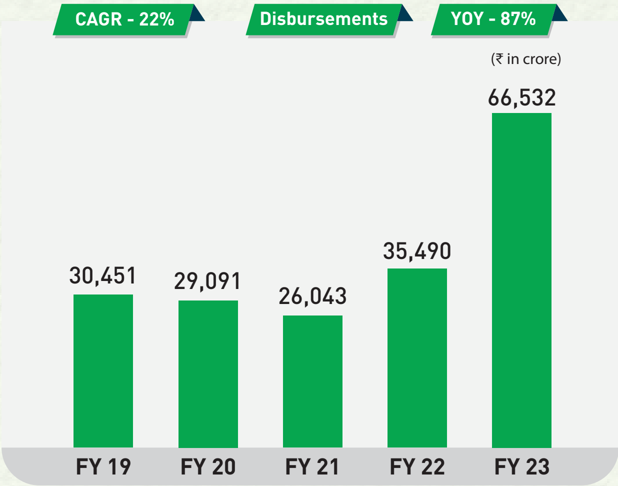
BUSINESS HIGHLIGHTS

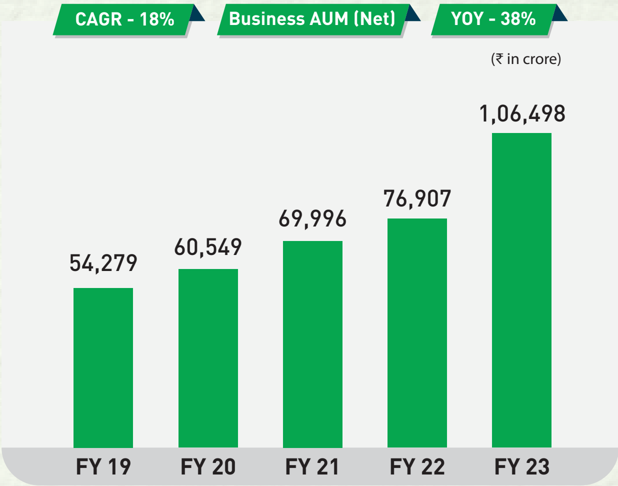
(₹ in crore)

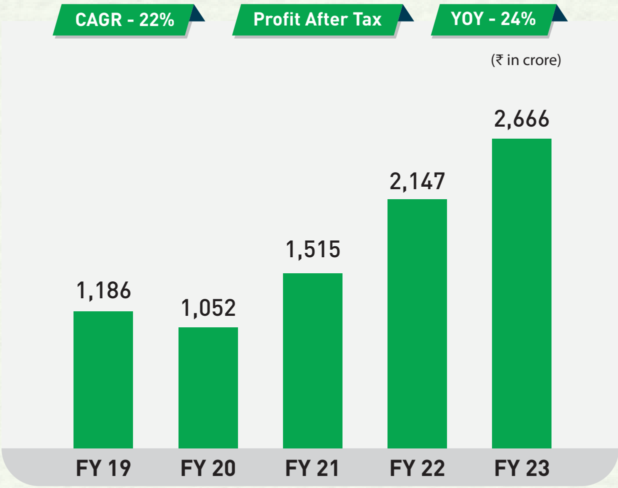
KEY FIGURES (STANDALONE)					
PARTICULARS	**FY 23**	**FY 22**	**FY 21**	**FY 20**	**FY 19**
Disbursement	66,532	35,490	26,043	29,091	30,451
Assets Under Management (AUM)	1,12,782	82,904	76,518	66,943	57,560
Net Income Margin (NIM)	7,229	5,840	5,000	4,123	3,460
Operating profit	4,449	3,771	3,416	2,545	2,190
Profit Before Tax (PBT)	3,600	2,891	2,038	1,586	1,823
Profit After Tax (PAT)	2,666	2,147	1,515	1,052	1,186
Key Ratios (in %) *					
NIM	7.7	7.9	7.3	6.9	7.0
Expense Ratio	3.0	2.8	2.3	2.6	2.6
Gross NPA / Gross Stage 3 Assets	4.6/3	6.8/4.4	4.0	3.8	2.7
Net NPA / Stage 3 (Net off ECL) Assets	3.1/1.6	4.8/2.6	2.2	2.2	1.7
Tier I Capital	14.8	16.5	15.1	15.3	12.4
Tier II Capital	2.3	3.1	3.9	5.4	4.9
Capital Adequacy Ratio	17.1	19.6	19.1	20.7	17.4
Return on Total Assets - PBT	3.8	3.9	3.0	2.7	3.7
Return on Equity	20.6	20.4	16.9	15.2	20.9
Growth Ratios (in %)					
AUM Growth	36.0	8.3	14.3	16.3	31.9
Disbursement Growth	87.5	36.3	-10.5	-4.5	21.3
Book Value per Share Growth	22.0	22.3	16.9	26.2	21.1
Branch Efficiency Ratios					
Branch Network (in nos.)	1,191	1,145	1,137	1,091	911
NIM per Branch (in crore)	6.1	5.1	4.4	3.8	3.8
PAT per Branch (in crore)	2.2	1.9	1.3	1.0	1.3

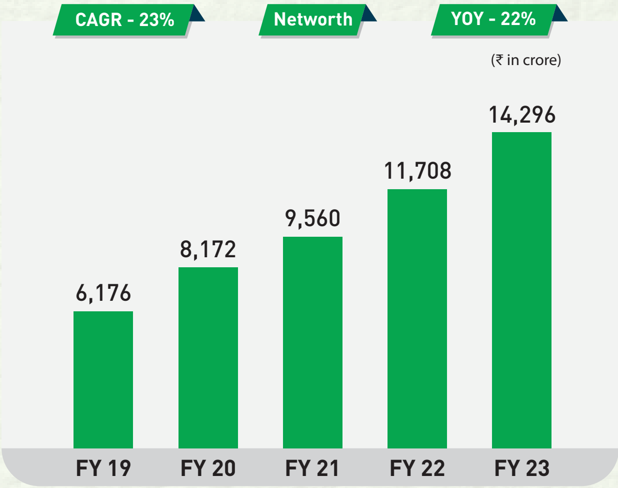
Note: Refer glossary section for terms and ratios

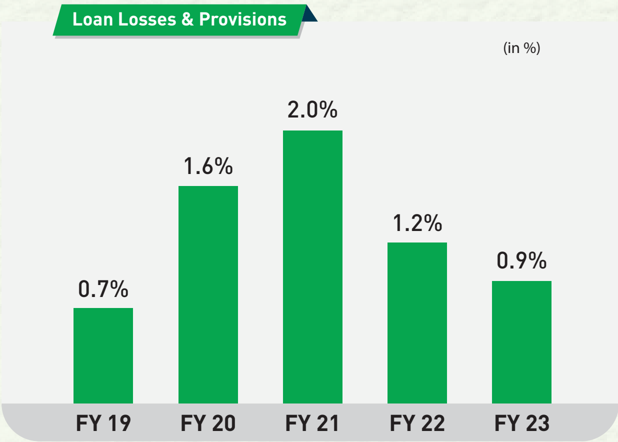
FINANCIAL SUMMARY

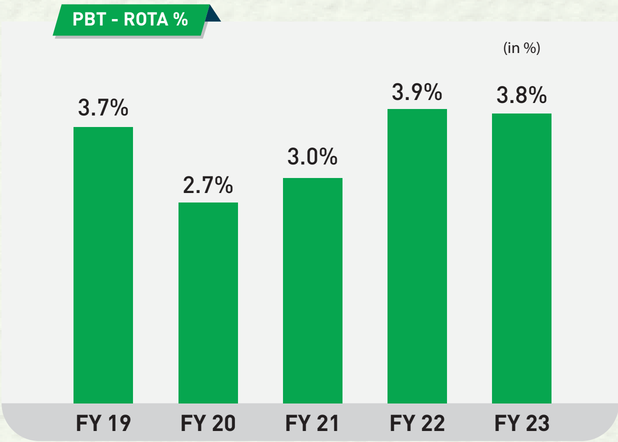












Note :
a. Refer glossary section for terms and ratios
b. YOY - Year on Year growth

DIGITAL TECHNOLOGY

In the post-pandemic environment, businesses are actively embracing digital solutions to improve processes and enhance customer experience. Chola is no exception to it and is implementing major digital initiatives across products and different lines of business. These initiatives focus on automation, data-driven capabilities, and cybersecurity measures. Chola's aim is to provide seamless digital experiences to customers while eliminating non-value added activities and improving process execution through technology tools and automation. The Company's vision is to establish a digitally-ready, automation-first, and data-driven technology capability with robust cybersecurity controls.

"Run the Business" Technology

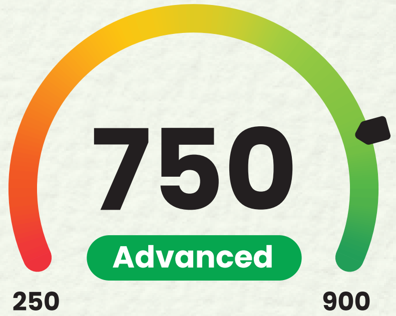
Expanding the digital service offerings across different products is a key objective. Regardless of the operational model, whether it's branch-based, integration-led partnership or technology-enabled direct-to-customer, digital offerings will enhance functions and deliver exceptional digital experiences to ecosystem partners. To achieve this, the company is developing a diverse suite of services that meet the needs of its partners while ensuring agility, security, and scalability. Transforming or migration of a large part of solutions to take advantage of cloud computing and cloud-native architecture is key step in this direction.

Internally, the Company is also focused on providing a delightful experience for employees. This involves improving the usability aspects for teams through design thinking and enhancing process efficiency using the LEAN methodology. By digitizing optimized processes, employees can deliver an improved experience to customers with increased productivity. Similarly, automation is a significant aspect of process & journey review, starting from repetitive actions and expanding to advanced automation areas. The company's ultimate goal is to achieve a higher level of system-led process automation, with human activity limited to specific long-tail scenarios.

In order to meet the organization's data management, access, and analytics needs, chola is in the process of establishing a scalable big-data repository. This repository, augmented with robust security measures and data access controls, will serve both business and regulatory requirements. It will enable improved decision making, customer engagement and offering of new products. Additionally, it will contribute to Core Financial Services Solution goal of providing seamless data services to customers regardless of their product relationship(s) with the company.

Cybersecurity is a top priority for Chola, given the changing digital landscape and increasing cyber incidents across the industry. Chola prioritize secure software development practices, enhance technology infrastructure, and educate stakeholders on good cyber and data handling practices. These initiatives have helped the company continuously improve its cyber security posture and attain a BitSight score of 750. Chola also utilized technology to achieve its ESG goals, such as wide adoption of remote collaboration tools, rollout of paperless processes, continuous adherence to e-waste disposal norms, and improved power utilization efficiency in computing.

BitSight Security Rating



Furthermore, the company fostering an innovation mindset and developing in-house expertise in digital technology. This enables the company to deliver differential impact for its businesses in the face of continuous technological advancements, changing business landscape, and rising customer digital engagement expectations.

By embracing digital transformation, leveraging data-driven insights, and maintaining strong cybersecurity measures, chola aim to exceed expectations while continuously meeting the evolving needs of customers, employees, and ecosystem partners.

"Change the Business" Technology

In our quest to be a technology-led financial services leader, Chola's digital initiatives focus on elimination of friction at process and data level for all participants across the product value chain – customers, employees, and ecosystem partners. For customers this includes digital processes that deliver seamless user experience across personal and financial profile portions of customer journey, offer a paperless flow during onboarding, and provide a wide array of digital options for disbursement & payment processing. The company continues to build its digital capability and offerings in the various ecosystems it participates in by pursuing continuous automation, transitioning to scalable cloud-native architecture and infrastructure, and using a data-driven approach to customer engagement and decision making.

Gaadi Bazaar – Chola's Digital Platform for Vehicle Ecosystem

E2E Auto ecosystem

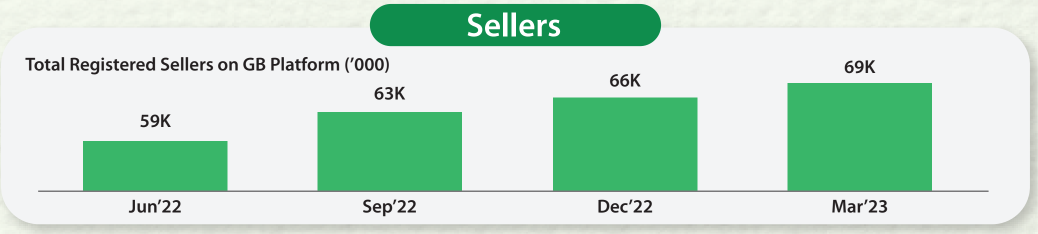
1. Used Vehicle Marketplace
2. Repo Platform
3. Dealer Portal (Trade Advance)
4. Customer Portal (Service requests, Online Collection, etc.)
5. End-to-End Digital Pre-Approved Loan

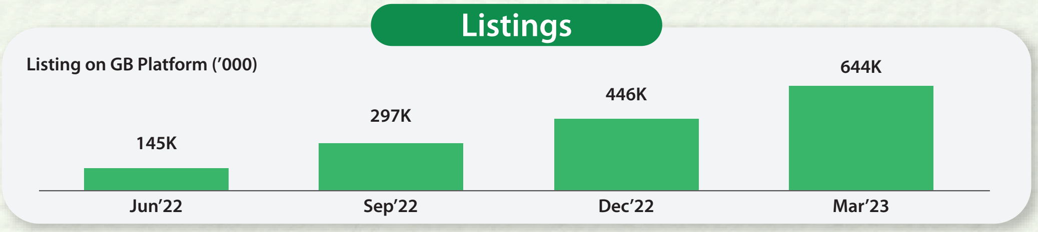
India is poised to be the third-largest market for automotives by 2025 on the back of rapid domestic growth. With the used car segment expected to grow at a CAGR of over 15% for the next few years, online platforms are projected to capture 15 - 20% market share of this untapped market by FY 25.

Given its historical roots in the Vehicle Finance space, Chola's GaadiBazaar.in acts as a new-age digital marketplace connecting buyers and sellers across the nation. Additionally, it offers services such as repo vehicle auctions, trade advances for dealers, and a customer portal for service requests and online transactions. With over 8.8 lakh monthly active users on the platform, Gaadi Bazaar provides a strong digital foundation for next phase of Chola's growth and establishes it as a key player in India's evolving automobile market.

Used Vehicle Marketplace

Gaadi Bazaar's standout feature is its comprehensive used vehicle marketplace for cars and commercial vehicles. Users can browse detailed vehicle listings with specifications, condition, and pricing - a first in India's commercial vehicle segment. Sellers can easily list their cars along with descriptions and high-quality images. With a large user base of 7000+ sellers, 9000+bidders, over 6 lakh active listings coupled with effective marketing, Gaadi Bazaar ensures maximum visibility for sellers' listings thereby increasing sales opportunities.





Repo Services

With a transparent bidding process, broad base of fee-paying subscribers, and average of 3000 vehicles sold monthly, Gaadi Bazaar's unique repo service allows dealers to participate in online auction events for a variety of repo vehicles, including cars, motorcycles, and commercial vehicles, enables buyers to find great deals while delivering better price realization to the company for its repo vehicles.

Dealer Portal Services

The dealer portal serves as a central hub for company dealers, enabling vehicle listings, lead generation, loan application, and trade advances. Dealers can utilize and thereafter repay trade advance by promoting company's financing options to customers. Company's strong financial support and engagement with the dealer network is showcased through ₹ 14,000+ crores of trade advance disbursments made online in FY 23.

Chola One – Chola's Digital App for Customers

Chola has many apps which revolutionized the way customers access financial services, providing a seamless and convenient platform to meet their diverse needs. Chola One App serves customers requiring personal loans with a completely online process with no paperwork and quick disbursal. With its user-friendly interface, comprehensive range of services and commitment to customer empowerment, the app has become an invaluable tool for individuals seeking efficient financial solutions. With a few simple taps, users can access their account information, make payments and track their financial activities in real-time.

Chola prioritizes customer support by providing personalized assistance throughout the financial journey. Customers can connect with dedicated support executives via chat, call, or email, ensuring prompt resolution of queries and concerns. The app also offers personalized recommendations and notifications tailored to individual preferences, keeping customers informed about relevant financial products, offers and updates.

The app incorporates robust security measures to safeguard customer information and financial transactions as part of the Company's focus on data security and privacy. Advanced encryption protocols and multi-factor authentication ensure that user data always remains protected. The app strictly adheres to industry best practices and regulatory guidelines to maintain highest standards of security and privacy. Chola One app undergoes regular updates to introduce new feature, functionality enhancements covering different products offered by the Company and improve user experience given Company's commitment towards continuous improvement and innovation. Customer feedback plays a vital role in shaping these upgrades and ensuring that the app continuously evolves with changing customer preferences and needs.

In line with the commitment to digital innovation, the company has also recently launched an end-to-end digital pre-approved loan product for existing personal vehicle customers on the Gaadi Bazaar platform. With user-friendly interface and intuitive set of features, customers can easily navigate the loan process from home on a device of their choice. This efficient digital solution saves time for customers while enhancing operational efficiency for the company. By automating loan journey steps and minimizing paperwork, the company delivers a swift service through digital disbursal of funds and help customers meet their financial needs without delay.

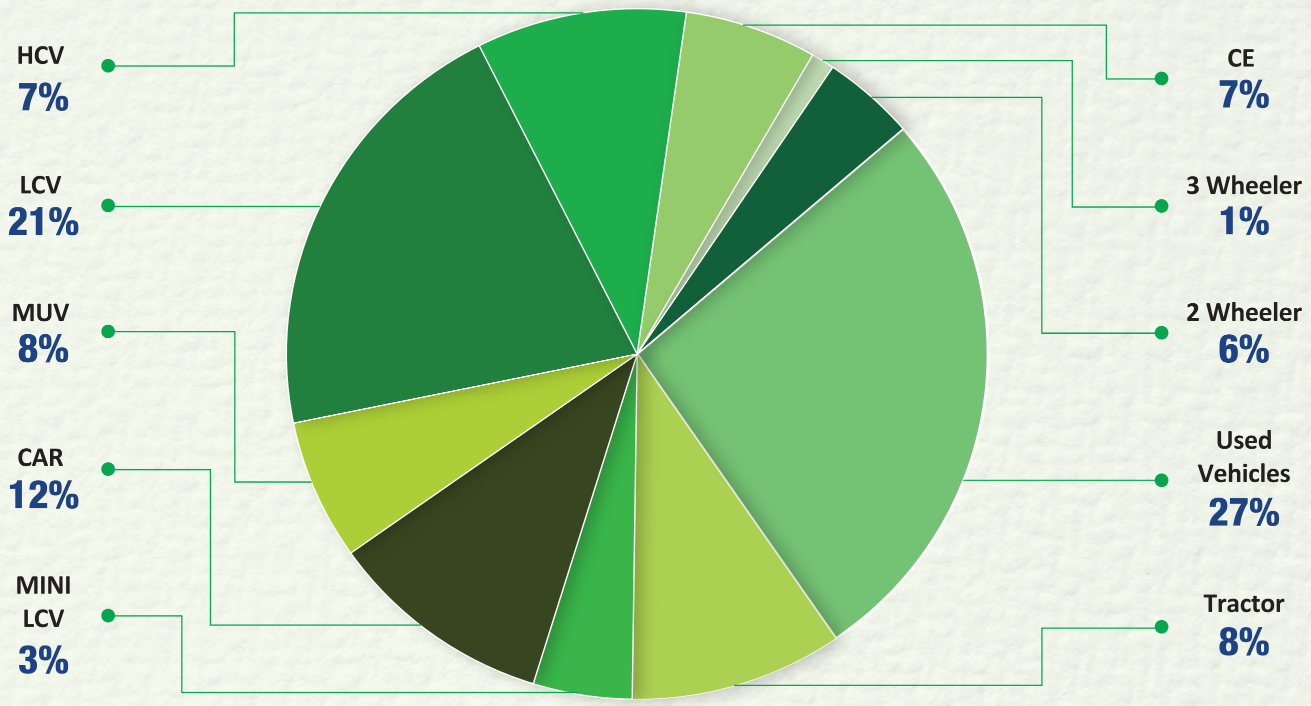
Customer related services on Gaadi Bazaar provide a convenient interface for vehicle loan customers to access the services. From a disbursement perspective, the customer platform has delivered a 7x growth in online disbursements for the financial year. Delivering on the company's aim of providing customers with multiple digital payment options, Gaadi Bazaar's customer services have facilitated over 580 crores of EMI and repo related online payments. Similarly, through API integrations with business applications, the platform has helped address 98% customer service request in an automated fashion, thereby providing positive experience and quick response times for the customer and cost-efficient customer service for Chola.

Digital Lead Generation

In addition to the end-to-end digital lending journey, Chola has also piloted digital lead generation across multiple lending products for existing and new customers. Combination of contemporary technology and strong data analysis enables precise segmentation and focused targeting in campaigns across multiple channels. Within a year, digital leads coupled with field conversions have moved up to around 15% of total disbursements.

BUSINESS REVIEW - VEHICLE FINANCE

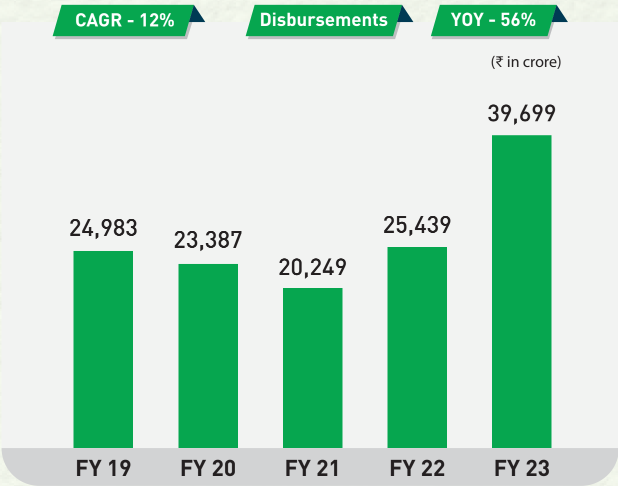
DIVERSIFIED ASSET PORTFOLIO

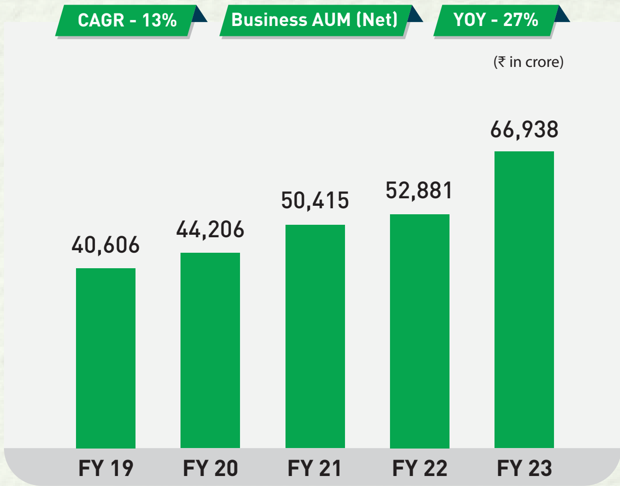


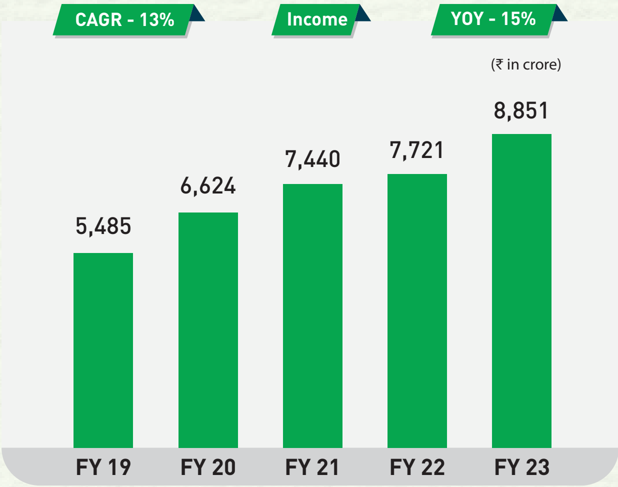
KEY DIFFERENTIATORS

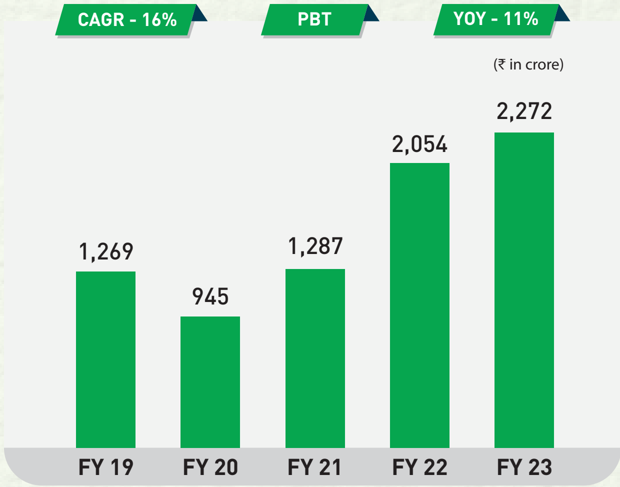
- Over three decades of experience in vehicle finance
- Dominant player with strong presence in rural, semi-urban and urban markets
- Strong & long-lasting relationships with dealers and manufacturers
- Tailored product customization and personalized offerings
- Efficient internal control systems for enhanced productivity & swift turnaround
- Data-driven underwriting and collections powered by advanced analytics
- Centralized lead generation through digital channels
- Robust Online to Offline (O2O) funnel process established for lead conversion
- Digitized customer journeys & automation of service requests

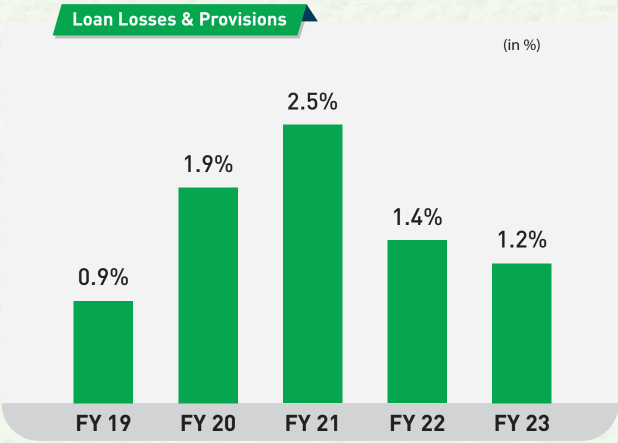
VEHICLE FINANCE - FINANCIAL SUMMARY

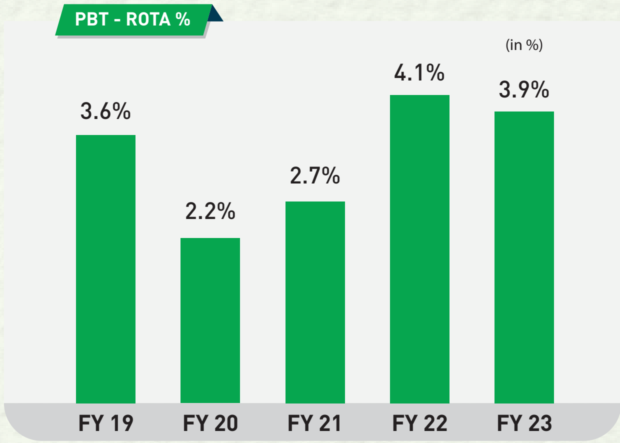












Note:
a. Refer glossary section for terms and ratios
b. Income and PBT are reported at Business AUM level
c. YOY - Year on Year growth

LOAN AGAINST PROPERTY

Chola is a major player in Indian NFBC LAP market with over ₹ 21,000 crore assets under management. With over 16 years of expertise, Chola LAP comes across as a trusted brand in LAP industry. It has wide-spread geographical presence across India with a strong footprint in rural and semi-urban locations.

Over 97% of LAP customers are self-employed non-professionals and 82% of the portfolio is financed against residential property as collateral.

Over the past few years, the business has undergone transformation in expanding the market presence, strengthening the collection process, introducing new product schemes, making the loan journey digital oriented and seamless for the customers. By embracing digital tools for on-boarding, verification and collections, LAP business commits to provide hassle free experience to both customers and channel partners.

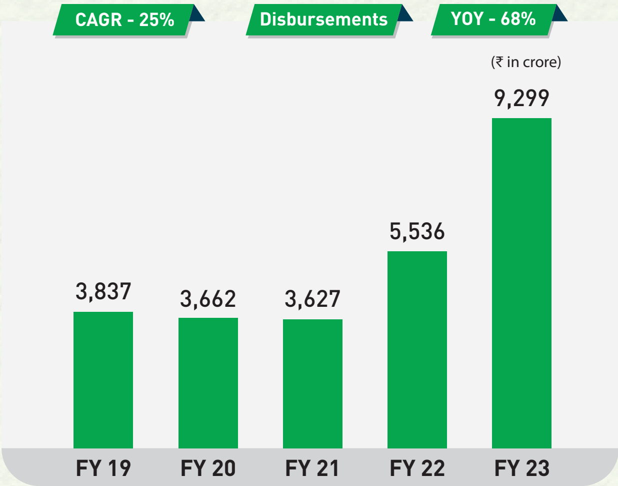
PRODUCTS

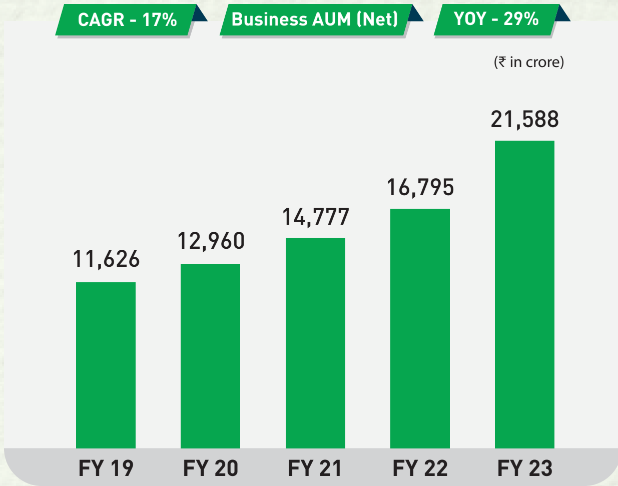
- Business loans against property (Prime LAP)
- Micro loans against property (Micro LAP)

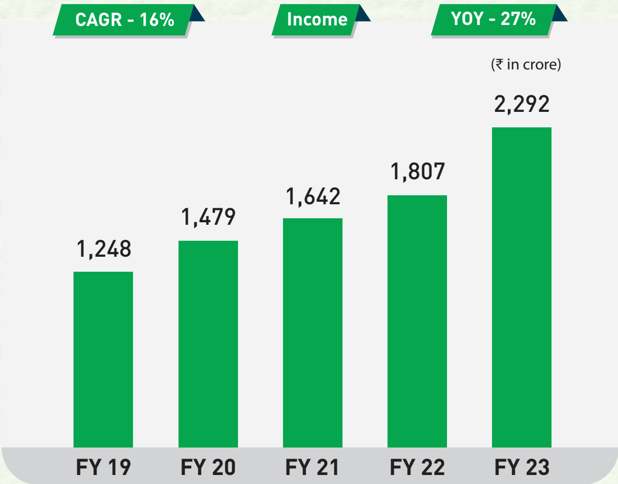
KEY DIFFERENTIATORS

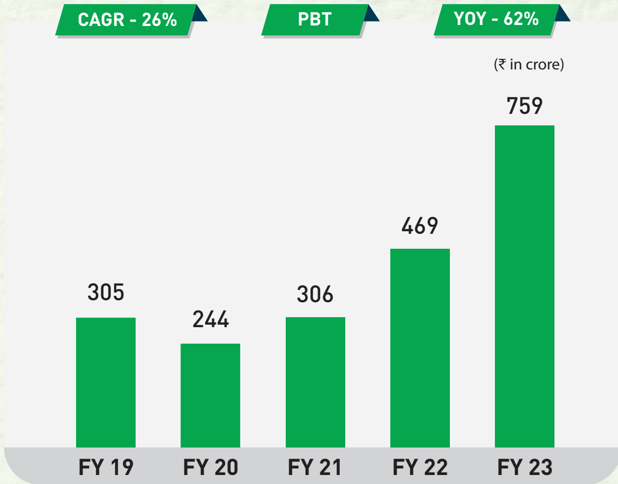
- **Strong footprint across India (587 branches and growing)**
- **Trusted brand with over 16 years expertise in LAP industry**
- **Customized product schemes to match customer's funding requirements**
- **Simplified loan processing with digital interface**

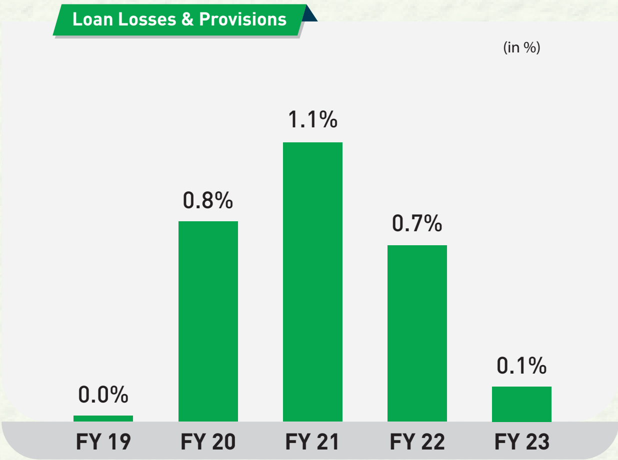
LOAN AGAINST PROPERTY - FINANCIAL SUMMARY

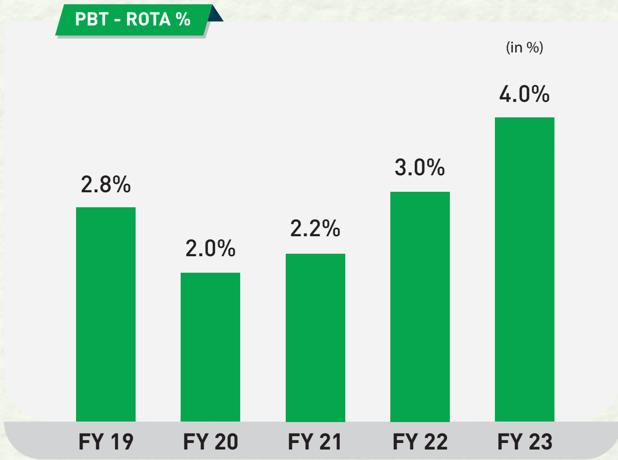












Note:
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c. YOY - Year on Year growth

HOME LOANS

Our mission is to enable lower and middle-income families achieve their dream of owning a home.

Over the past few years, Chola has become a leading Home Loans provider to lower middle-income families in urban and semi-urban markets with over ₹ 8000 crore AUM and thus contributing directly to "Better Lives, Better Nation."

The company's efforts was recognized by HUDCO (Housing and Urban Development Corporation Limited) as the "Best Performing Primary Lending Institution (PLIs) under PMAY (U) – CLSS" for the year 2022-2023 towards facilitating a home for customers.

The target group remains the lower middle income group customer. 93% of the portfolio comprises business owners with semi-formal income and significant business vintage and 25% of customers are first time borrowers. The Home Loans business leverages Chola's strength in reaching out and underwriting lower and middle-income borrowers across the country, penetrating to the smallest villages and towns.

Chola enjoys a significant presence in Tier II, III, IV towns and cities. The business has been strengthening the channel partner network in order to reach out to more customers. This year the business expanded its footprint in Uttar Pradesh, Bihar, West Bengal, Odisha, Assam, Jharkhand and strengthened the branch network in existing operational states. The Home Loans business is serviced through 501 touchpoints across 19 states.

Chola continues to build a strong ecosystem of channel partners, coupled with its digital offerings for customer service and on-boarding making it a trustworthy choice for pan India customers.

PRODUCTS

- Home Loans for Self-construction
- Loans for purchase of ready to occupy homes
- Balance transfer of existing home loans
- Loans for mixed use for residential and commercial

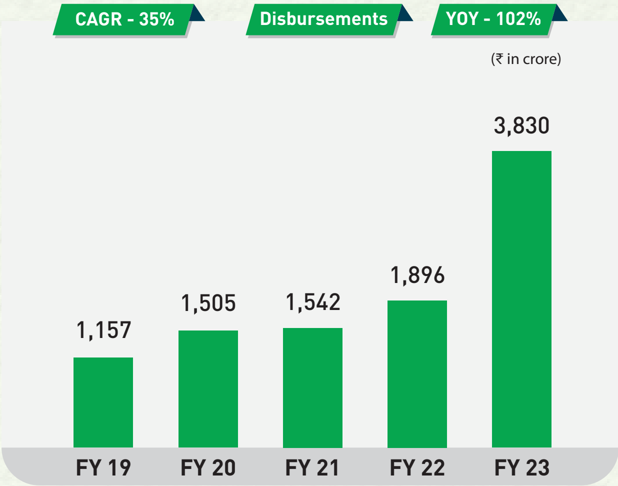
KEY DIFFERENTIATORS

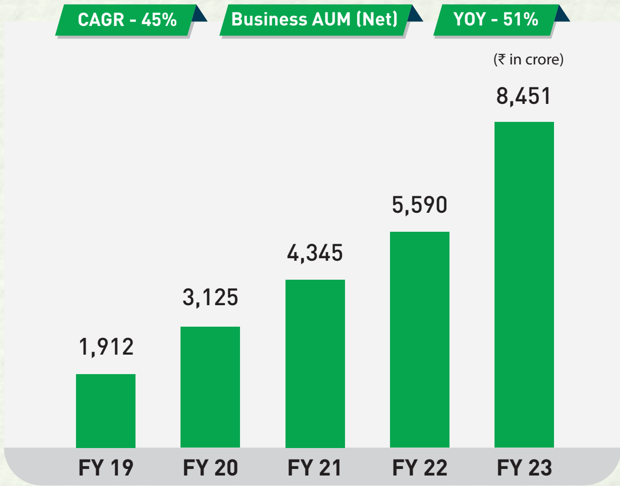
- Expertise in self-construction with a unique product offering
- Minimal documentation
- Loan eligibility based on in-person income assessment for small and micro business owners
- Customized eligibility for salaried customers including customers receiving salary in cash
- Transparent end-to-end digital onboarding
- Comprehensive Self-Service App for customers

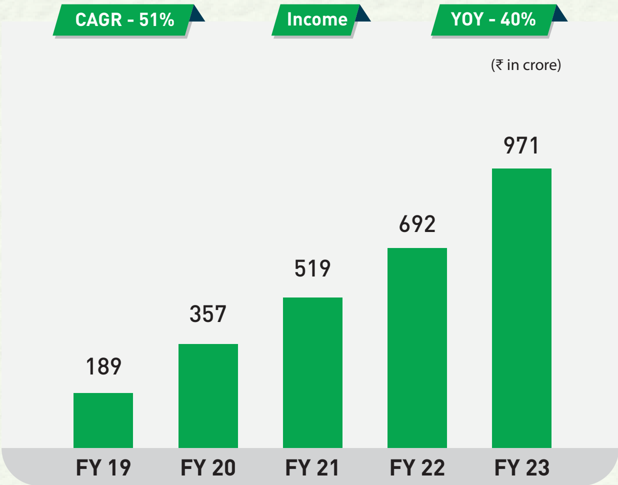
AWARDS

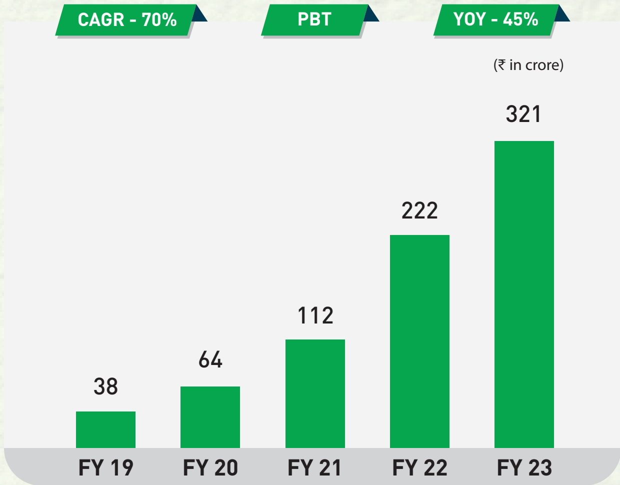
Best performing primary lending institutions (PLI's) - Under PMAY (U), CLSS

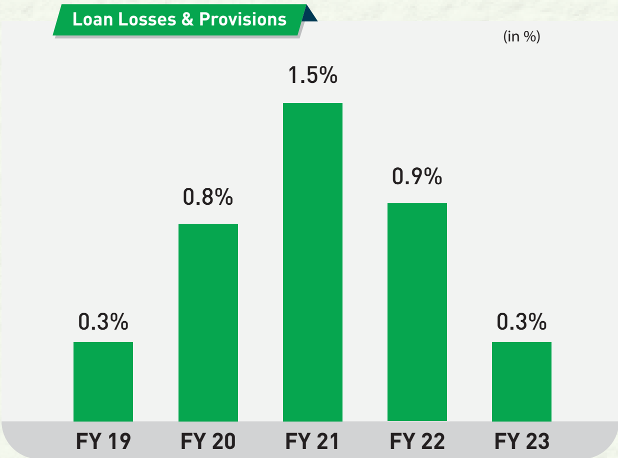
HOME LOANS - FINANCIAL SUMMARY

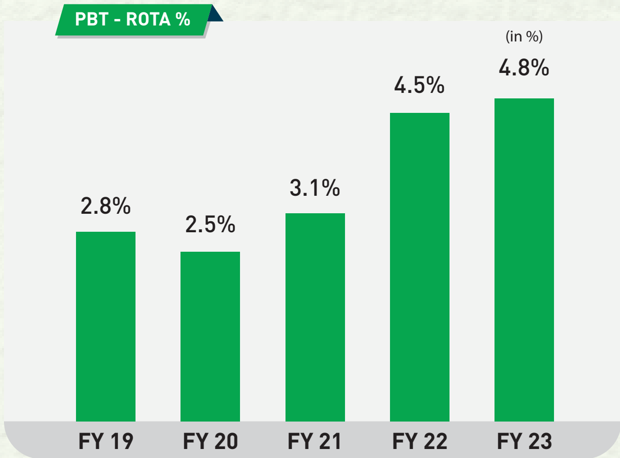












Note:

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CONSUMER & SMALL ENTERPRISE LOAN (CSEL)

In the Indian lending market, personal and professional loans is one of the fastest-growing segments. Despite this growth, there are a lot of individuals who do not have access to credit in India. In addition to this, the MSME segment is significantly under-penetrated in India with more than 60 percent of MSMEs not having access to formalized credit. Considering this back drop and the need for larger financial inclusion in the consumer and small enterprise space, Chola forged into this space in November 2021. CSEL division offers collateral free personal and professional loans to salaried & self-employed professionals and business loans to small businesses in the manufacturing, trading and services segments. The division reaches out to the prospective customers through traditional, direct to customer and digital partnership channels.

As of 31 March, 2023, the CSEL business has been serving more than 5 lakhs customers with an AUM of ₹ 5,527 trore. The business has expanded across the country covering 25 states and 4 union territories with over 175 branches. The division has entered into strategic partnerships with 9 leading Fintech companies to drive greater financial inclusion especially among those customers who are economically active but not having adequate access to formal credit. In FY 23, the division launched Direct to Customer (D2C) digital lending journey through the Chola One application.

The key strengths of the division includes transparent end to end digital process, superlative customer experience journey, strong data driven underwriting & risk management capabilities combined with the trust of Chola brand makes it well placed to become a leading player in this segment.

KEY DIFFERENTIATORS

- Quick loan processing with end-to-end digital process
- Convenient loan repayment options
- Presence in 800+ locations across the country

SECURED BUSINESS & PERSONAL LOAN (SBPL)

The micro business enterprise segment is majorly funded through unorganized lending like local money lenders, chit operators, relatives etc. SBPL division offers collateral backed business and personal loans on the basis of the credit assessment and cashflow projections of businesses.

As of 31 March, 2023, the SBPL business has over 10,000 customers with an AUM of ₹ 444 trore. The SBPL business using Chola's strong presence in tier II, III, IV & V cities have penetrated well across all zones and operates across 10 states. The business has commenced disbursements in over 170 branches. The loans offered include both business and personal loans against self-occupied residential property, however, significant proportion of the portfolio is from business loans. The customer onboarding was made hassle-free through digital innovations and by using handheld device.

KEY DIFFERENTIATORS

- Personalized doorstep service to customers
- Transparent end-to-end digital process
- Customized product for new to credit customers

SMALL AND MEDIUM ENTERPRISE LOANS (SME)

Eyeing the next phase of growth in the Small and Medium Enterprises ecosystem, Chola launched its SME loans business division. This division provides bouquets of products to meet the requirements of working capital and capex of SMEs.

Product & Customer Segment: The SME division focuses on the following product segments:

- **Supply Chain Finance:** Vendor and dealer finance is a part of supply chain finance. The product aims to cater to the MSME working capital requirements. Supply chain finance has also introduced inventory financing for automobile dealers based on agreements with automobile OEMs. The division has entered into partnership with Fintech companies to source supply chain financing loans. The company intends to boost MSMEs' access to working capital funds through these alliances and direct channels.
- **Term Loans:** Term loans are provided to MSME customers against industrial, commercial or residential property to cover capex and long-term working capital requirements.
- **Equipment Finance:** These are short-term loans made available to MSME clients against hypothecation of machinery used in the manufacturing of machine tools, plastic and packaging, textiles, medical equipment and printing. Chola collaborates with a select group of top OEMs in the industry to offer the facility in these targeted market categories.
- **Loan against Securities:** This division also offers loans to HNIs and promoters against the pledge of securities and mutual fund units.

KEY DIFFERENTIATORS

- Bouquet of products to meet the various needs of SME
- Trust of Chola brand
- Strong data-driven underwriting and risk management capabilities
- Strong experience in underwriting Self-employed non-professional segments
- Industry best turnaround time in providing facility to SMEs
- Flexible repayment
- Collections driven through multiple channels

OUR SUBSIDIARIES

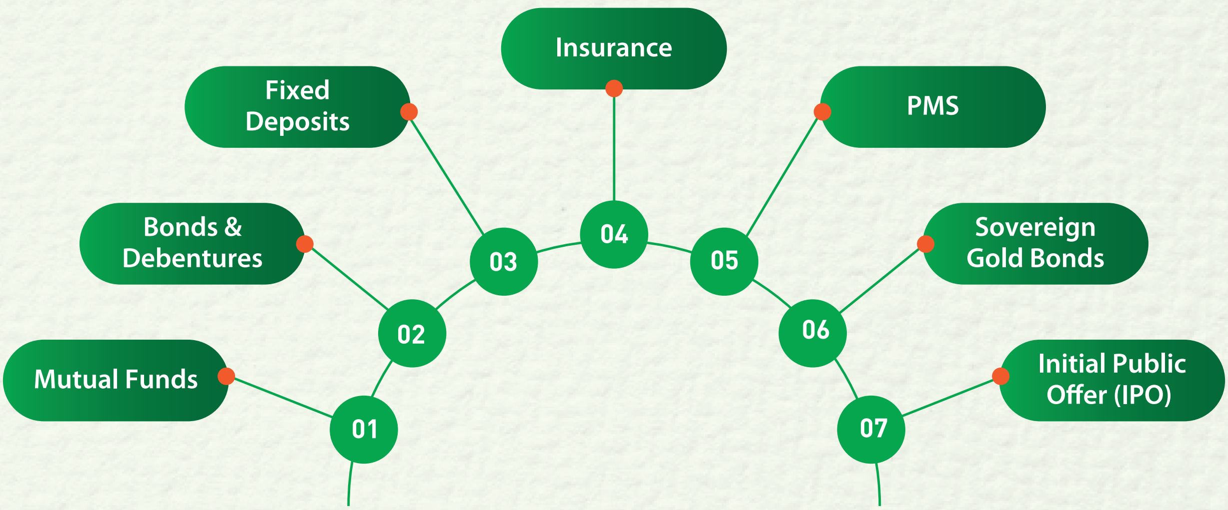
CHOLAMANDALAM SECURITIES LIMITED

Cholamandalam Securities Limited (CSEC) is a leading stock broker in Southern India with over 20 years of operations in the financial market. CSEC offers and distributes a wide range of financial products. CSEC is a member of National Stock Exchange of India Limited & BSE Limited, a depository participant registered with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL), a corporate agent with composite licence from Insurance Regulatory and Developement Authority of India and an AMFI registered Mutual Fund Distributor.

PRODUCTS OFFERED

- Stock Broking
- Depository Participant Services

PRODUCTS DISTRIBUTED



CHOLAMANDALAM HOME FINANCE LIMITED

Cholamandalam Home Finance Limited is a corporate agent with composite licence from Insurance Regulatory and Development Authority of India for distribution of insurance products.

PAYSWIFF TECHNOLOGIES PRIVATE LIMITED

Payswiff Techologies Private Limited (Payswiff) is engaged in the business of offline payment aggregator services and provides e-commerce solutions. Payswiff is an omni channel payment transaction solution that lets business owners accept payments from their customers in-store, at home deliveries, online and on-the-go using mPOS and POS solutions.

ENTERPRISE RISK MANAGEMENT (ERM)

The risk management process of the company is driven by a strong organisational culture and sound operating procedures involving corporate values, attitudes, competencies, internal control culture, effective internal reporting and contingency planning. Risk management is applied and integrated at both corporate and operational levels within the organization.

The risk management process broadly comprises of risk identification, risk measurement, risk monitoring, risk reporting and risk control/mitigation. The company has strong governance practices consistent with other principles and guidance embedded in the risk data aggregation capabilities and risk-reporting practices. The ERM team has a robust Management Information Reporting (MIS) system in place to provide the board and senior management clear, concise, timely and relevant information concerning the risks of the company.

The ERM team rigorously monitors continuity of business in critical areas including testing readiness for emergencies.

FINANCE

The Finance function continued their unstinted support to business teams during FY 23 and enabled the company to take informed decisions on business proposals and investments. During FY 23, ECL model was revamped factoring various unforeseen contingencies, upgraded enterprise-wide business planning method by adopting state of the art of technology tools, procure to pay and expense management system with API based validation process, adopting robotic process automation (RPA) based approach to automate routine activities resulting in better productivity. Constant efforts were made in reduction of contingent liabilities, training branch employees on various financial components and maintaining detailed business performance dashboard.

TREASURY

During the year, despite the increase in repo rates from 4% to 6.50% and the consequent impact in the cost of funds, the treasury function ensured a minimal impact on the company by negotiating rates of existing borrowings and ensuring the new borrowings were at finer rates. The Company's overall share of securitisation on total borrowings moved from 5% in FY 22 to 10% in FY 23. The Company was able to tap market borrowings regularly experiencing a good appetite for the company's securities. The company initiated an alternative sourcing of funds by launching the maiden public issue of NCDs by filing a shelf prospectus in FY 23 for ₹ 5,000 crore. The first tranche was launched in April 2023 and received a resounding response from the investors. The Company continues to maintain high levels of liquidity by having investments of ₹ 1,542 crore in Government Securities, ₹ 1,536 crore in T-bill and liquid cash of ₹ 1,965 crore resulting in a comfortable Liquidity Coverage Ratio (LCR).

OPERATIONS

Operations Team focused towards twin objectives of business enablement and customer delight. The increase in business volumes were met with increased productivity. During the year, operations leveraged the data through data analytics tools to tap customer needs, provide focussed solutions and also met additional business requirements.

Specific initiatives undertaken during the year were:

01 Internal robotic processes automation for quicker turnaround time

02 Digitalisation of disbursements

03 Branch based decentralised disbursement model

04 Implementation of faster and efficient communication with customers through use of digital technology, self-service options through customer app, Chat bot and WhatsApp.

The company also conducted public awareness campaigns at various branches and through digital media under the Nationwide Intensive Awareness Programme (NIAP) 2022 on prevention of frauds and to create awareness on the customer grievance redressal mechanism.

AWARDS

Best Kaizen for Productivity Improvement

15th CII National Competitiveness & Cluster Summit 2022

ISO-9001:2015 Certificate

ANALYTICS

The business analytics initiatives are oriented towards enabling disbursements, drive cost savings and deliver higher process efficiency. The horizontal initiatives enable creation of a data layer.

BUSINESS FOCUSED

Disbursement Focused
- Additional Loans
- New Acquisition
- Customer Retention

Cost Saving
- Late Bucket - Scrub/ Enrichment driven
- Skip Trace
- Fraud Models

Process Efficiency
- Propensity
- EWS / Roll Forward
- UW Models

HORIZONTAL

1 Continue Doing
- Data Acquistion
- Data Enrichment
- MIS Dashboards

2 Start POCs on
- Device Data Analytics
- Campaign Governance & Analytics
- Prospect Stimulation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Chola has adopted ESG for several years and continues to embed dimensions of sustainable governance and growth in all aspects of the business. The company ensures financial inclusion of marginalized groups of people through the following financial products and services that address the socio-economic realities.

- Vehicle loans for new to credit, women borrowers, low-income groups and electric vehicles.
- Loan against properties to small businesses.
- Housing loans to non-credit tested customers in Tier III to VI cities.
- Personal loans to address working capital/business expansion needs.
- Loan to SMEs constituted as micro-businesses such as supply chain finance, equipment finance, etc.
- Finance to small entrepreneurs/businesses lacking access to formal credit.

• Employee wellness initiatives through ISO 30408:2016 certified HR operations.

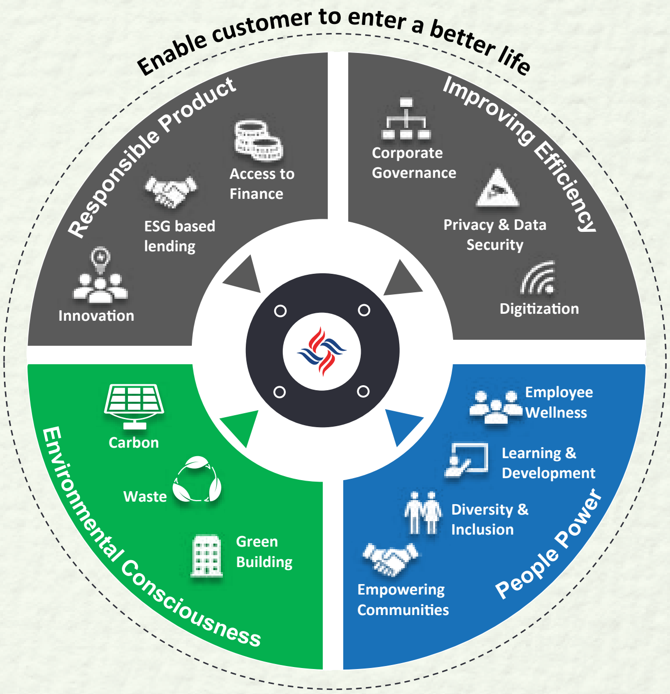
• Corporate social responsibility (CSR) programs for the betterment of marginalized communities.

• Ensure data privacy and security, digitalization and innovation.

• Sustainability planning is key to Chola's long-term operations and profitable growth. Several measures have been initiated to reduce company's environmental footprint and to decarbonize, in the years to come- water aerators, LED lighting, use of recycled papers, etc.

ESG Framework at Chola

Considering the DNA of Chola, an ESG framework along with well-defined focus areas and a road map to fulfil the priorities has been articulated.



This framework guides us to reinforce principles of ESG in all aspects of the company's business and focus its efforts on responsible products, improving efficiency, people power and environmental consciousness aligned with the expectations stated in the Business Responsibility and Sustainability Report (BRSR).

ESG performance report

- Chola released its first sustainability report in FY 21. The current status of the company's achievements against the targets set out in its sustainability report are summarised below:

TARGETS	ACHIEVEMENTS
EV loan disbursements increase by 5% Y-o-Y from 2023-25	EV loan disbursements were ₹ 115.38 crore in FY 23 as against ₹ 11.97 crore in FY 22
Information Security Management System (ISMS) - ISO 27001 certification by FY 25	This is underway and in progress for completion ahead of the timeline.

- Chola released its first BRSR for FY 22 as a management report. Details of Chola's ESG journey are available at https://www.cholamandalam.com/esg
- The highlights of ESG performance as disclosed in BRSR for FY 23 are summarized below:
  - Ethical Business - More than 80 training programmes for employees across grades.
  - Sustainability - Strong digitalization initiatives across all businesses.
  - Employee Wellness - Nil instances of work-related injury.
  - Responsiveness - HUDCO award as 'Best Performance Primary Lending Institution' under PMAY.
  - Human Rights - Workplace safety and healthy environment with nil adverse report.
  - Environment -
    - There was a decrease in energy consumption from 4.69 GJ (Gigajoule) to 4.63 GJ per crore of total income in FY 23.
    - The company has transitioned from paper-based processes to a digital process, resulting in saving of more than 40,000 paper sheets per year.
    - Recycling of wastes - Non-hazardous waste of 7.5 metric tonnes recycled during the year.
  - Business expansion through 226 branches in the under-banked districts.
  - Nil data breach during the year.

Recognition of Chola's ESG performance

Chola's progress in its ESG journey has been recognised by external ESG rating agencies (voluntary basis):

RATING AGENCY	CATEGORY	RATING
CRISIL	ESG rating - June 2022	Strong category (Categories - Leadership, Strong, Adequate and below average)
FTSE Russell	FTSE4Good index	Certificate of membership

CORPORATE SOCIAL RESPONSIBILITY (CSR)

HELPING PEOPLE "ENTER A BETTER LIFE"

Chola has been serving its customers through widespread branches across India. Chola's CSR initiatives are also as widespread as its branches. In the FY 23, Chola involved in projects for the Commercial Vehicle Crew Members (CVCMs) catering to their overall wellbeing in areas of health, education, Water, Sanitation and Hygiene (WASH) related projects. Chola has directed special attention to promoting sports especially among the rural youth and providing education to the differently abled.

Chola plants its philanthropic spirit in the hearts of its employees by encouraging them to volunteer in its social welfare drives. Most importantly, Chola emphasises Environmental, Social and Governance (ESG) aspects not only in its projects but also with its Implementing Partnering Agencies (IPAs). Chola believes in the importance of recycling efforts and alternative energy-sourced interventions. Chola's CSR programmes are designed to be in line with the Sustainable Development Goals (SDGs) prescribed by the United Nations (UN).

Work in Water, Sanitation and Hygiene (WASH)
Providing health and safety to the urban dwellers
13,182 Beneficiaries

Prayas - Financial literacy to all
Building a financially literate India
19,450 Beneficiaries

RAAHI Chola-Sightsavers-Truckers Eye Health
Serving the unsung heroes of our economy
1,24,510 Beneficiaries

Mini-Library for Anganwadis
Promoting young readers
2,040 Beneficiaries

BUILDING BRIDGE TO A BETTER LIFE

Mamatva - Strengthening Maternal Health
Serving for the better future of the nation
31 Beneficiaries

Free Yoga
Connecting to our roots
1,49,892 Beneficiaries

Arts in Education
Sowing the seed of creativity
289 Beneficiaries

My Dream Scholarship Program
Nurturing young minds to dream big
235 Beneficiaries

FINANCIAL HIGHLIGHTS

(₹ in crore)

FINANCIAL YEAR ENDED	2023	2022	2021	2020	2019
OPERATING RESULTS					
Total Income	12,978	10,139	9,576	8,715	7,049
Profit Before Tax (PBT)	3,600	2,891	2,038	1,586	1,823
Profit After Tax (PAT)	2,666	2,147	1,515	1,052	1,186
ASSETS					
Loans(net) - Ind AS / Receivables under financing activity - IGAAP	1,04,748	74,149	65,839	55,403	52,622
Cash, Bank and Cash Equivalents, Investment in Gsec, T-bill	6,039	5,764	6,778	6,959	3,675
Others	2,728	2,450	1,931	1,640	1,129
TOTAL ASSETS	**1,13,515**	**82,363**	**74,548**	**64,002**	**57,426**
LIABILITIES AND EQUITY					
Borrowings	97,356	69,174	63,730	55,005	50,567
Others	1,863	1,481	1,258	825	683
Equity	14,296	11,708	9,560	8,172	6,176
TOTAL LIABILITIES	**1,13,515**	**82,363**	**74,548**	**64,002**	**57,426**
KEY INDICATORS*					
Earnings per Equity Share - Basic (₹)	32.45	26.16	18.48	13.37	15.2
Earnings per Equity Share - Diluted (₹)	32.40	26.11	18.45	13.35	15.2
Dividend per Equity Share (%)	100%	100%	100%	85%	65%
Book Value per Equity Share (₹)	174.02	142.59	116.58	99.71	78.99

*Equity shares have been divided into face value of ₹ 2 per share, consequently previous year figures have been adjusted

Note: Numbers are as per IND AS from FY 18 onwards and rest of the years are as per IGAAP.

FINANCIAL HIGHLIGHTS

(₹ in crore)

FINANCIAL YEAR ENDED	2018	2017	2016	2015	2014
OPERATING RESULTS					
Total Income	5,529	4,660	4,194	3,691	3,263
Profit Before Tax (PBT)	1,401	1,106	871	657	550
Profit After Tax (PAT)	918	719	568	435	364
ASSETS					
Loans(net) - Ind AS / Receivables under financing activity - IGAAP	42,253	28,414	25,910	22,184	19,428
Cash, Bank and Cash Equivalents	888	471	490	341	801
Others	949	1,710	1,488	1,348	1,318
TOTAL ASSETS	**44,090**	**30,595**	**27,888**	**23,873**	**21,547**
LIABILITIES AND EQUITY					
Borrowings	38,330	24,109	22,576	19,475	18,093
Others	662	2,201	1,655	1,225	1,159
Equity	5,098	4,285	3,657	3,173	2,295
TOTAL LIABILITIES	**44,090**	**30,595**	**27,888**	**23,873**	**21,547**
KEY INDICATORS*					
Earnings per Equity Share - Basic (₹)	11.8	9.2	7.5	6.0	5.1
Earnings per Equity Share - Diluted (₹)	11.7	9.2	7.5	6.0	5.1
Dividend per Equity Share (%)	65%	55%	45%	35%	35%
Book Value per Equity Share (₹)	65.22	54.84	47.32	40.70	32.05

*Equity shares have been divided into face value of ₹ 2 per share, consequently previous year figures have been adjusted

Note: Numbers are as per IND AS from FY 18 onwards and rest of the years are as per IGAAP.

Board's Report

Your directors have pleasure in presenting the forty fifth annual report together with the audited accounts of the company for the year ended 31 March, 2023.

FINANCIAL RESULTS

₹ in crores

Particulars	2022-23	2021-22
Gross Income:	12,977.98	10,138.77
Profit Before Tax (PBT)	3,599.69	2,890.94
Profit After Tax (PAT)	2,666.20	2,146.71
Total Comprehensive income	2,700.01	2,267.95
Appropriation:		
Transfer to statutory and other reserves	1,540.00	1,430.00
Dividend – Equity	164.36	164.14

SHARE CAPITAL

During the year, there was an increase in paid up capital by ₹ 0.20 crores, consequent to allotment of shares upon exercise of stock options by employees under the company's employee stock option scheme.

OPERATIONS

Indian economy has moved on after its encounter with the COVID-19 pandemic, staging a full recovery in FY 22 ahead of many developing nations and positioned itself to ascend to pre-pandemic growth path in FY 23. Yet in the current year, India also faced the challenge of reigning in inflation that the European strife accentuated. RBI raised policy rates cumulatively by 250 bps during the financial year. Despite high inflation and high interest rates, release of pent-up demand was reflected in the housing market as demand for housing loans picked up. Sales of commercial vehicles have come close to pre-pandemic levels of over a million units in FY 23 due to improved fleet utilizations and passenger vehicles registering highest ever sales with nearly 3.9 million units sold in FY 23.

Your company has achieved its highest ever disbursals, collections and profitability in FY 23. The disbursements for FY 23 grew by 87% to ₹ 66,532 crores. Disbursements in Vehicle Finance (VF) business grew by 56% in FY 23 to ₹ 39,699 crores. Disbursements in Loan against property (LAP) business grew by 68% to ₹ 9,299 crores in FY 23. Disbursements in Home Loans (HL) stood at ₹ 3,830 crores in FY 23, which is a growth of 102% Year on Year (YoY). Disbursements in Small and Medium Enterprises (SME) stood at ₹ 6,388 crores in FY 23 which is a growth of 232% YoY. Disbursements in Consumer and Small Enterprise Loans (CSEL) and Secured Business & Personal Loans (SBPL) launched last year stood at ₹ 6,865 crores and at ₹ 451 crores respectively in FY 23.

The business AUM of the company stood at ₹ 1,06,498 crores which is a growth of 38% YOY.

The profit before tax of the company for the year FY 23 is ₹ 3,599.69 crores as against ₹ 2,890.94 crores for FY 22, which is a growth of 24% YoY.

The company continued to hold a strong liquidity position with ₹ 5,042 crores as cash balance as at end of 31 March, 2023 (including ₹ 1,542 crore in Government securities and ₹ 1,536 crore invested in T-bill shown under investments), with a total liquidity position of ₹ 9,119 crores (including undrawn sanctioned lines). The Asset Liability Management (ALM) is comfortable with no negative cumulative mismatches across all time buckets.

OUTLOOK

GDP for the country is projected to grow at 6.5% during FY 24 supported by solid domestic demand and pick up in capital investment. The company will look to scale up through new product segments (CSEL, SME and SBPL) as well as improving efficiencies in existing segments (VF, LAP and HL). The company's strong sales and collections set-up combined with digital initiatives and branch reach will also support in improving efficiencies.

DIVIDEND

Dividend distribution policy

The company has formulated a dividend distribution policy in compliance with regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a copy of which is available on the website of the company. (weblink: *https://cholamandalam.com/files/dividend_distribution_policy)*

Payment of dividend

The company paid an interim dividend on the equity shares at the rate of 65% (₹ 1.30 per equity share) as approved by the Board on 31 January, 2023 for the year ended 31 March, 2023.

Your directors are pleased to recommend a final dividend of 35% (₹ 0.70 per equity share) on the equity shares of the company. With this, the total dividend will be 100% (₹ 2.00 per equity share) for the year ended 31 March, 2023.

TRANSFER TO RESERVES

The company transferred a sum of ₹ 540 crores to statutory reserve as required under the Reserve Bank of India Act, 1934 and ₹ 1,000 crores to general reserves.

FIXED DEPOSITS

The company is a non deposit taking NBFC. The company does not hold or accept deposits as of the date of balance sheet.

RBI LICENSE

The company is an NBFC - Investment and Credit Company (NBFC-ICC). During the year, the company has also obtained a license to carry on factoring business.

The company has been notified as an NBFC in Upper Layer (NBFC-UL) by the Reserve Bank of India under the recently implemented Scale Based Regulatory Framework for NBFCs.

CAPITAL ADEQUACY

The company's capital adequacy ratio was at 17.13% as on 31 March, 2023 as against the statutory minimum capital adequacy ratio of 15% prescribed by RBI. The Common Equity Tier 1 (CET1) capital was at 13.70% and Tier I capital was at 14.78% as against the statutory minimum requirement of 9% and 10% respectively. Tier II capital was at 2.35% as on 31 March, 2023.

EMPLOYEE STOCK OPTION (ESOP) SCHEME

Pursuant to the approval accorded by the shareholders on 3 January, 2017 the nomination and remuneration committee had formulated an employee stock option scheme 2016 (ESOP 2016).

During the year, the company made grants aggregating to 21,03,500 options to 242 employees. The total number of options issued as on 31 March, 2023 under ESOP 2016 scheme is at 54,03,455.

The scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI (SBEB) Regulations) and the Companies Act, 2013 (the Act).

The certificate from secretarial auditor M/s. R. Sridharan & Associates, company secretaries confirming implementation of ESOP 2016 scheme in accordance with the SEBI (SBEB) Regulations and shareholders resolutions has been obtained and will be available for inspection of the shareholders at the ensuing annual general meeting (AGM). The details of the scheme as on 31 March, 2023 are disclosed on the website of the company. (*weblink*: *https://cholamandalam.com/files/esop_scheme_chola)*

DIRECTORS

Re-appointment

Mr. M A M Arunachalam, director who retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment and is recommended to the shareholders for approval.

Mr. N Ramesh Rajan and Mr. Rohan Verma, independent directors complete their first term of 5 years on 29 October, 2023 and 28 March, 2024 respectively and being eligible have offered themselves for re-appointment for a second term of 5 years and are recommended to the shareholders for approval.

Retirement / Resignation

Mr. Ashok Kumar Barat, independent director retired from the board with effect from the close of business hours of 30 October, 2022, upon completion of his five-year term. Mr. Bharath Vasudevan, independent director resigned from the board with effect from the close of business hours of 31 March, 2023 to comply with his new employment terms. The disclosure relating to his resignation is available on the Company's website at *https://cholamandalam.com/files/resignation_of_independent_director*

The company has received confirmation from Mr. Bharath Vasudevan that there are no other material reasons for his resignation other than what has been stated in the resignation letter.

The board places on record its deep appreciation for the guidance and significant contributions made by Mr. Ashok Kumar Barat and Mr. Bharat Vasudevan during their tenure on the Board and as members of various committees.

DECLARATION FROM INDEPENDENT DIRECTORS

All the independent directors (IDs) have submitted their declaration of independence, as required pursuant to section 149(7) of the Act, confirming that they meet the criteria of independence as provided in section 149(6) of the Act. In the opinion of the board, the IDs fulfil the conditions specified in the Act and the rules made there under for appointment as IDs including integrity, expertise and experience and confirm that they are independent of the management. All the IDs of the company have registered their names with the data bank of IDs and are in the process of completion of 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 Act read with the rules made there under, the following employees are the whole time key managerial personnel of the company during FY 23:

a) Mr. Ravindra Kumar Kundu, Executive Director

b) Mr. D. Arulselvan, Chief Financial Officer and

c) Ms. P. Sujatha, Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

The directors' responsibility statement as required under section 134(5) of the Act, reporting the compliance with accounting standards, is attached and forms part of the board's report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no significant material changes and commitments affecting the financial position of the company that occurred between the end of financial year and the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis report (MDA), highlighting the business-wise details are attached and forms part of this report. MDA also contains the details of the risk management framework of the company including the development and implementation of risk management policy and the key risks faced by the company.

CORPORATE GOVERNANCE REPORT

A report on corporate governance as per the Listing Regulations is attached and forms part of this report. The report also contains the details as required to be provided on the composition and category of directors, number of meetings of the board, composition of the various committees, annual board evaluation, remuneration policy, criteria for board nomination and senior management appointment, whistle blower policy / vigil mechanism, disclosure of relationships between directors inter-se, state of company's affairs, etc.

The executive director and the chief financial officer have submitted a compliance certificate to the board regarding the financial statements and other matters as required under regulation 17(8) of the Listing Regulations.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The company being in top 1000 listed entities based on market capitalization, in terms of Regulation 34(2)(f) of SEBI Listing Regulations read with SEBI circular dated May 10, 2021, a business responsibility and sustainability report is attached and forms part of this report.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the Act and the relevant accounting standards and forms part of this annual report.

AUDITORS

M/s. Price Waterhouse LLP, and M/s. Sundaram & Srinivasan, chartered accountants are the joint statutory auditors of the company. They were appointed as joint statutory auditors at the 43rd AGM held on 30 July, 2021 for a period of three years commencing from the conclusion of 43rd AGM till the conclusion of 46th AGM. The statutory audit report is attached with financial statements and forms part of this report and does not contain any qualification, reservation or adverse remarks.

SECRETARIAL AUDIT

Pursuant to the provisions of the Act and the rules framed there under, M/s. R. Sridharan & Associates, company secretaries had undertaken a secretarial audit of the company for FY 23. The secretarial audit report is attached and forms part of this report and does not contain any qualification, reservation, or adverse remarks.

COST RECORD AND COST AUDIT

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148(1) of the Act is not applicable for the business activities carried out by the company.

ANNUAL RETURN

In accordance with sections 134(3)(a) and 92(3) of the Act, the annual return in form MGT-7 is placed on the website of the company and is available on the weblink: *https://cholamandalam.com/files/annual-return-fy-2022-2023*.

CORPORATE SOCIAL RESPONSIBILITY

The Murugappa group is known for its tradition of philanthropy and community service. The group's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education and healthcare as the core focus areas. The company upholds the group's tradition by earmarking a part of its income for carrying out its social responsibilities.

The company has been carrying out corporate social responsibility (CSR) activities for many years even before it was mandated under the Act. The company has in place a CSR policy. The policy along with composition of CSR committee and projects approved by the board are available on the website of the company. (*Weblink: https://cholamandalam.com/files/csr_policy*).

As per the provisions of the Act, the company is required to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years. This amount aggregated to ₹ 43.43 crores and the company had spent a marginally higher amount of ₹ 43.63 crores towards CSR activities during FY 23, the details of which are annexed to and forms part of this report.

INTERNAL FINANCIAL CONTROLS

Internal control framework including clear delegation of authority and standard operating procedures are established and laid out across all businesses and functions. The framework is reviewed periodically at all levels. The risk and control matrices are reviewed on a quarterly basis and control measures are tested and documented. These measures have helped in ensuring the adequacy of internal financial controls commensurate with the scale of operations of the company. The internal financial controls with reference to the financial statements were tested and reported adequate.

RELATED PARTY TRANSACTIONS

The company has in place a policy on related party transactions as approved by the board and the same is available on the website of the company (*weblink: https://cholamandalam.com/files/policy_on_related_party_transactions*).

All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no materially significant transactions with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large. There were no contracts or arrangements entered into with related parties during the year to be disclosed under sections 188(1) and 134(h) of the Act in form AOC-2. All proposed transactions with related parties were placed before the audit committee for prior approval at the beginning of the financial year/quarter. Omnibus approval for transactions that cannot be foreseen or envisaged were obtained as permitted under the applicable laws and the thresholds are periodically reviewed. The transactions entered into pursuant to the approval so granted were placed before the audit committee for its review on a quarterly basis.

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

During the year under review, the company had no major impact on account of conservation of energy or technology absorption. Foreign currency expenditure / remittances amounting to ₹ 1,725.48 crores towards repayment of overseas borrowing and interest, software license fees and other professional charges were incurred during the year under review. The company does not have any foreign exchange earnings.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Being an NBFC, the disclosures regarding particulars of loans given, guarantees given and security provided is exempted under the provisions of section 186(11) of the Act. With regard to investments made by the company, the details of the same are provided under Note 10 in standalone financial statements and Note 12 in consolidated financial statements of the company for the year ended 31 March, 2023.

DISCLOSURE OF REMUNERATION

The disclosure with respect to remuneration as required under section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and forms part of this report.

PARTICULARS OF EMPLOYEES

In accordance with section 136 of the Act, the financial statements are being sent to the members and others entitled thereto. The statement prescribed under rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection of the shareholders at the ensuing annual general meeting (AGM). If any member is interested in obtaining a copy, such member may send an e-mail to the company secretary in this regard.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

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

INTERNAL COMPLAINTS COMMITTEE

The company has in place a policy for prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The company has complied with the provisions relating to constitution of internal complaints committee (ICC) under the POSH Act. ICC has been set up to redress complaints received regarding sexual harassment. All employees including contract workers, probationer, trainee, apprentice or any person so employed at the workplace called by any other such name are covered under this policy. During the year, the company conducted workshops for employees creating awareness about POSH Act. During the calendar year ended 31 December, 2022 there were no referrals received by ICC.

OTHER DISCLOSURES

There was no fraud reported by auditors of the company as given under Section 143(12) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

During the year ended 31 March, 2023, the company had not made any application under the Insolvency and Bankruptcy Code, 2016 ("the Code"). As at 31 March, 2023, total number of applications filed and pending under the Code are 10 cases amounting to ₹ 49.65 crores. No proceeding is pending against the company under the Code. During the year, the company had not made any one-time settlement with banks or financial institutions.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES / ASSOCIATES AND JOINT VENTURES

CHOLAMANDALAM SECURITIES LIMITED (CSEC)

In FY 23, CSEC focused on (i) emerging as an integrated financial services player through Chola's trusted brand and deep-rooted reach across India by leveraging the Chola ecosystem (ii) creating customer journeys and technology enabled platforms for both sales assisted and direct to customer for onboarding, equity trading and mutual fund transactions (iii) expanded presence across the 4 zones to leverage on Chola ecosystem. CSEC achieved a gross income of ₹ 51.54 crores for the year ended 31 March, 2023 and made a PBT of ₹ 8.68 crores as against a PBT of ₹ 7.48 crores in the previous year. The mutual fund AUM was at ₹ 791 crores. CSEC did not declare any dividend during the year.

CHOLAMANDALAM HOME FINANCE LIMITED (CHFL)

CHFL recorded a gross income of ₹ 81.87 crores for the year ended 31 March, 2023 and made a profit before tax of ₹ 7.66 crores as against profit of ₹ 9.19 crores in the previous year. CHFL did not declare any dividend during the year. The company continues its focus on insurance corporate agency business.

WHITE DATA SYSTEMS INDIA PRIVATE LIMITED (WDSI)

WDSI recorded a gross income of ₹ 5.26 crores for the year ended 31 March, 2023 and made a loss of ₹ 5.41 crores as against a loss of ₹ 0.24 crores in the previous year. WDSI did not declare any dividend during the year.

During the year, the company had entered into a Share Swap Agreement with TVS Supply Chain Solutions Limited (TVSSCSL) for sale of 12,75,917 equity shares constituting 30.87% of the equity shares held by the company in WDSI to TVSSCSL at a price of ₹ 315.34 per share. As consideration for sale of WDSI shares, the company was issued 22,35,265 compulsory convertible preference shares of TVSSCSL with a face value of ₹ 1 each with a yield of 0.0001% at an issue price of ₹ 180 per share (with a conversion ratio of 1:1 where each compulsorily convertible preference share will convert into one equity share of ₹ 1 each of TVSSCSL) through preferential allotment via private placement. The transaction was completed on 20 April, 2023 and consequently WDSI ceased to be an associate of the company.

VISHVAKARMA PAYMENTS PRIVATE LIMITED (VPPL)

The company forms part of the consortium for retail payments – Vishvakarma Payments Private Limited (VPPL) that had applied for a New Umbrella Entity (NUE) License for retail payments with Reserve Bank of India in the year March 2021. The company holds 21% of equity share capital of VPPL. The application is pending for approval.

PAYSWIFF TECHNOLOGIES PRIVATE LIMITED (PTPL)

PTPL recorded a gross consolidated income of ₹ 230.27 crores for the year ended 31 March, 2023 and made a loss of ₹ 12.03 crores as against a loss of ₹ 42.51 crores in the previous year. The company made an additional investment of ₹ 6.81 crores during the year and holds 74.80% of the equity share capital of PTPL.

ACKNOWLEDGEMENT

The directors wish to thank the company's customers, vehicle manufacturers, vehicle dealers, channel partners, banks, mutual funds, other lenders, rating agencies and shareholders for their continued support. The directors also thank the employees of the company for their contribution to the company's operations during the year under review.

On behalf of the board

Place : Chennai
Vellayan Subbiah

Date : 3 May, 2023
Chairman

Directors' Responsibility Statement

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

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

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

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

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

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

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

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

On behalf of the board

Place : Chennai
Date : 3 May, 2023

Vellayan Subbiah
Chairman

Annexure-I
Secretarial Audit Report
for the financial year ended 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

To
The Members,
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
CIN: L65993TN1978PLC007576,
Dare House, No. 2 N.S.C Bose Road, Parrys, Chennai – 600001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED [Corporate Identification Number: L65993TN1978PLC007576]** (hereinafter referred as "the Company") for the financial year ended 31st March, 2023. 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 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, 2023 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, 2023 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 complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings. There was no Foreign Direct Investment and Overseas Direct Investment during the year under review;

(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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e) The Employee Stock Option Plan, 2016 approved under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g) 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; (Not applicable as the company is not registered as Registrar to an Issue and Share transfer Agent during the year under review).

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (not applicable during the year under review); and

i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (not applicable during the year under review);

(vi) Other laws specifically applicable to the Company are –

a) Reserve Bank of India Act, 1934, Rules, Regulations, guidelines, circulars, directions, notifications made thereunder.

b) Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

c) Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

d) NBFC Auditors Report Reserve Bank Directions, 2016

e) Framework for Scale Based Regulation for Non-Banking Financial Companies issued by Reserve Bank of India

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

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) (Revised effective from October 1, 2017) and the Guidance Note on Meetings of the Board of Directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (herein after referred as "Listing Regulations").

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as mentioned above.

We further report that

The Board of Directors of the company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Independent Director and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in the compliance with the provisions of the Act and the Listing Regulations.

Adequate notice is given to all directors before schedule of the Board/Committee 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. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Act and Secretarial Standards on Board Meeting are complied with.

During the year under review, Directors/Members have participated in the Board / Committees meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173(2) of the Act read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Members of the Committee dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the number of votes cast against the resolution(s) by the members have been recorded.

We further report that based on the review of compliance mechanism established by the Company and on the basis of our review and audit of the records and books, 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 the Listing Regulations 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 the Listing Regulations as amended during the period under review.

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

1. Obtained the approval of Board of Directors at their meeting held on 5th May, 2022, for purchase of 88973 equity shares of Payswiff Technologies Private Limited at a rate not exceeding ₹ 1622.66 per share in one or more tranches.

2. increased its overall borrowing limits from ₹ 75,000 crores to ₹ 1,10,000 crores vide shareholders approval at the 44th AGM held on 29th July, 2022.

3. Entered into a share swap agreement on 28th March, 2023 with TVS Supply Chain Solutions Limited (TVSSCSL), White Data Systems India Private Limited (WDSI) and other shareholders of WDSI for the sale of 12,75,917 equity shares constituting 30.87% held by the Company in WDSI to TVSSCSL. As consideration for sale of WDSI shares, the Company has been issued 22,35,265 Compulsory Convertible Preference Shares of TVSSCSL. Consequent to this, WDSI ceases to be an associate of the Company.

4. Issued secured redeemable non-convertible debentures for ₹ 7,457.00 Crores and unsecured redeemable non-convertible debentures for ₹ 1,020.00 Crores.

5. Redeemed secured redeemable non-convertible debentures for ₹ 2,942.30 Crores and unsecured redeemable non-convertible debentures for ₹ 378.00 Crores.

Place : Chennai
Date : 3 May, 2023

For **R. Sridharan & Associates**
Company Secretaries

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR NO.657/2020
UIN: S2003TN063400
UDIN: F004775E000244773

*This report is to be read with our letter of even date which is annexed as **ANNEXURE -A** and forms an integral part of this report.*

Annexure-A

To

The Members,

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

CIN: L65993TN1978PLC007576,

Dare House, No. 2 N.S.C Bose Road, Parrys, Chennai – 600001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai
Date : 3 May, 2023

For **R. Sridharan & Associates**
Company Secretaries

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR NO.657/2020
UIN: S2003TN063400
UDIN: F004775E000244773

Annexure-II

CSR Report

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the company:

The Murugappa group is known for its tradition of philanthropy and community service. The group takes pride in working and contributing towards the nation building. Inclusion has always been the central theme of its philanthropy.

Cholamandalam (Chola) believes in helping people to 'Enter a Better Life'. In line with that belief, Chola continues its tradition of philanthropy through its CSR activities that engages multiple stakeholders in projects / programmes and initiatives, both in width and in depth across India, in various geographies.

Some of the CSR projects undertaken by Chola take longer duration to yield life changing impacts. Hence, Chola endeavours to continue such efforts with periodical monitoring and course corrections in a bid to attain excellence.

Accordingly, during the financial year of 2022-23, CSR projects for the commercial vehicle crew members (CVCMs) in all dimensions, health and education, water, sanitation and hygiene (WASH) related projects were continued.

In addition, focus has been given to different themes across national sports, inclusive education for differently abled students and towards environment through recycling and alterative energy sourced intervention. Moreover, Chola engages its employees to volunteer in the CSR activities.

Chola emphasizes on environmental, social and governance (ESG) aspects in its projects and has also extended it to its implementing partnering agencies (IPAs).

Sustainable Development Goals (SDGs) and Environmental, Social and Governance (ESG):

Under corporate social responsibility, sustainability has become an increasingly critical consideration. The sustainable development goals (SDGs) allow us to align our corporate strategic goals with the globally agreed-upon sustainability principles.

The SDG framework assists Chola in developing, implementing, monitoring and reporting its CSR initiatives, enabling the company to remain invested in and deepen its connection with sustainable development over time.

Through its CSR focus areas and programs, Chola prioritises and promotes seven SDGs prescribed by the United Nations (UN) which include:

Goal 1. No Poverty

Goal 3. Good Health and Well-Being

Goal 4. Quality Education

Goal 5. Gender Equality

Goal 6. Clean Water and Sanitation

Goal 8. Decent Work and Economic Growth

Goal 10. Reduce Inequalities.

Chola is promoting the SDGs in the following Aspirational Districts:

State	Aspirational District
Telangana	Adilabad, Visakhapatnam, Warangal (Rural)
Bihar	Aurangabad, Muzaffarpur
Chhattisgarh	Korba

Chola is making efforts in contributing towards India's goal of achieving SDGs in the areas of health, education, women empowerment and road safety in all the identified districts.

Chola is emphasising on implementing a strong public health approach that addresses the needs of individuals and families living in the aspirational districts.

Key highlights:

6,36,887 Beneficiaries

34 Projects

18 States

7 SDGs Aligned

6 Aspirational Districts

Working for and with the CVCMs:

Achievement in 5 years

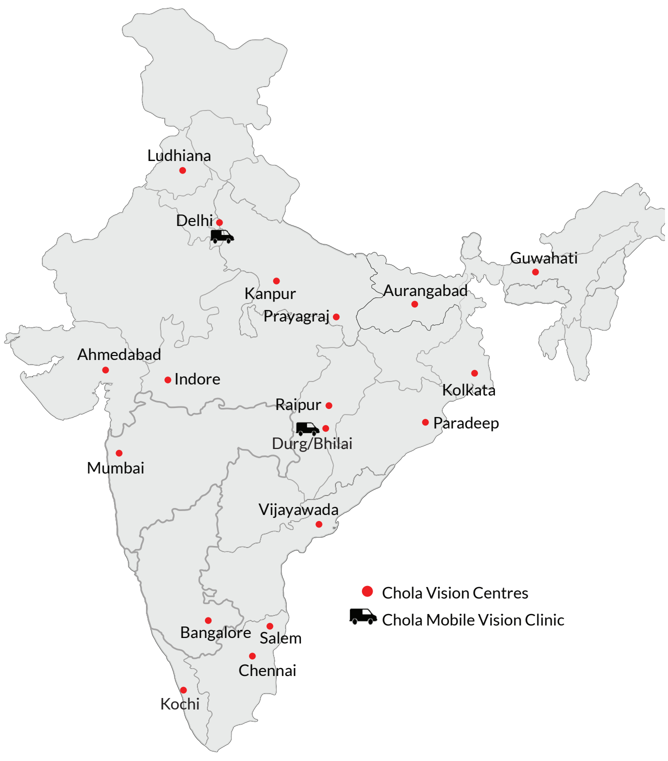
Screenings: 5,40,166

Refraction: 2,21,633

Spectacles: 2,12,169

Referrals: 35,114

Commercial vehicle crew members (CVCMs) are the unsung heroes of our economy. The drivers, helpers (cleaners) and mechanics forming part of the CVCMs remain largely unnoticed. Though they play a pivotal role in the nation's supply chain activities, a majority of these people are disadvantaged, marginalised and deprived of respect and a decent social status.



Chola drew a plan, driven by technology, to support this marginalised yet, very important part of society with its interventions in a holistic manner in the areas of health, education, financial well-being, and life skills all in a phased manner.

Thus, what started with simple health and eye-checkups, expanded to issuing free spectacles, retinopathy checkups (by creating static and mobile centres called Raahi Dristi Kendras), free heart surgeries for their children (Gift of Life project), strengthening mother and child care through advocacy, consultancy and nutritious food (Divine Mother and Child Health programme), scholarships for their children (My Dream Scholarship project), and financial literacy programmes for the drivers and their family members.

Health care domain:

The Covid-19 pandemic has changed the view on health care. While it has enabled cooperation, it has also exposed the systemic gaps in health governance. Chola's progress in achieving the health-related SDGs, especially the aspiration of universal health coverage (UHCs) was derailed by the pandemic. Safe and secure digital technologies can transform the health sector and help us reach these goals. For example, tele-medicine, tele-radiology and tele-dispensing can provide specialised health services in remote areas and digital technologies have the means to collect, analyse and disseminate data, so changes in population health can be identified, safe and secure digital health records empower citizens to access health services and enable consent-based access to patient's history to health care providers for quality personalised care.

Chola has partnered with several hospitals, institutions across India to provide financial support for rehabilitation of children recovering from cancer The expected impact is that with improved health care services, the nation will grow better with less absenteeism and more energetic productivity.

During the year, Chola has supported research in creating indigenous medical equipment that could help save the nation from not only shortages but also precious foreign exchange.

Education domain:

Chola focusses on impacting young minds through education in several ways.

Besides 'Education through Art' programme, chola provides scholarships through 'My Dream Scholarship' programme. The 'My Dream Scholarship' programme piloted in Tamil Nadu provides 100% scholarships for education fee of children of CVCMs in furthering their dreams of higher education. Chola also encourages research incubators through Indian Institute of Technology Madras (IIT-M) and agriculture-based research etc., Implementing Partnering Agencies (IPAs) such as Shri AMM Murugappa Chettiar Research Centre (MCRC).

Chola has continued supporting the cause of educating the differently abled and children in primary schools by way of learning through arts, supported in developing infrastructure of rural schools etc., during the year. Chola's intervention has reached out to 1,52,221 students through educational projects.

Activities in the area of education during the year are as tabled below:

Educational activities	Beneficiaries	Geographies
Arts in Education	289	Tamil Nadu
Free Yoga	1,49,892	Pan India
New class rooms at Government Girls Higher Secondary School, Mogappair	931	Tamil Nadu
CNC Tutor Machine for WORTH Technical Training Centre, Puducherry	32	Puducherry
Mini-Library for 40 Anganwadis	2,040	Maharashtra

Water, sanitation and hygiene (WASH) domain:

Chola's support continued for the rural and disadvantaged people in the states like Telangana and Odisha by providing purified drinking water to the villagers in a sustainable manner and by building toilets. Chola is also exploring ways of treating the sewage water in villages so that it does not pollute other water sources in the villages and has piloted a project in Assam.

Chola has been providing purified drinking water to villagers under its projects of Swaccha Maharashtra, Swaccha Odisha and Swaccha Telangana by providing drinking water facilities and water purifying plants where water is either not easily available or contaminated.

So far, Chola has provided such facilities in 12 villages in FY 22-23.

Activities in the area of WASH during the year are as tabled below:

Water, sanitation and hygiene activities	Beneficiaries	Geographies
Swachha Odisha Gram Vikas	207	Odisha
Swaccha Hathiyana Village	300	Assam
Swaccha Telangana Project-Phase VI	12,675	Telangana

In Odisha, apart from water, which is driven by solar energy, toilets are also provided in backward and underdeveloped areas, for the safety and health of the villagers, especially women and children.

Sports domain:

Corporate India has to contribute aggressively towards building a nation of the future not only through health and wellness but also through sports and fitness as well. Thus, it is imperative that sportsmanship is developed and more contribution is made towards sports in India. Chola aims to provide necessary financial and logistical support to select Indian athletes so that the country can take major strides towards becoming a sporting superpower.

Activities in the area of Sports during the year are as tabled below:

Sports activities	Beneficiaries	Geographies
Training fee paid to women golf players	3	New Delhi, Karnataka
Support towards Chess players	20	Tamil Nadu

Other domain such as arts, protection and conservation of nature etc.:

Chola continues to support activities involving arts, music, protection and conservation of wild life, flora and fauna in different geographies of India.

Details of other CSR interventions of Chola during the year:

Other domain activities	Impact	Geographies
Conservation in High Altitude and Oceans program	Community living in high altitude areas of Spiti	Spiti
Use of Technology to Conserve Flora and Fauna	Conservation of fish and coral reef in Lakshadweep islands	Lakshadweep
The Dakshina Chitra Museum	Scholarships from Chola to study Arts-Museum-Internships	Tamil Nadu
Hospital Clowning and Creative Therapy Workshops	Hospital Clowning for Cancer patients and children with blood disorders	Tamil Nadu
Mangala Isai Vizha	40 musicians of the instruments of Nadaswaram & Thavil	Tamil Nadu

Employee Volunteering Program:

Chola realizes that in addition to financing, human resource is also required to achieve its CSR goals. Employee Volunteering is an important part of Chola's ethos.

Chola's CSR team curates volunteering opportunities for employees across India. It constantly takes stock of who needs what support in the communities and open those opportunities to the Chola's employees for EVP. A match is then made with a cause of their (volunteers) choice. Chola works with youth, women and children from urban and rural communities, persons with disabilities, micro-entrepreneurs from low-income families, etc.

Looking into the future:

Chola will closely monitor the developments within India, also globally and contribute its mite in whichever sphere of activity it can, that includes its Corporate Social Responsibility (CSR) along with ESG aspects, in bringing support and succour to the disadvantaged, marginalised and underprivileged people to 'Enter a Better Life'.

Some of the programmes that are being conceptualized are:

Livelihood and financial inclusion:

Two-thirds of workers from unorganised sector do not have any post-school education and majority of them seek to learn valuable skills through their time on work. Chola aims to invest in the livelihood projects to tap the talent of the biggest workforce of unorganised sector of India.

Gender sensitisation & accessibility awareness programmes:

Chola is pondering on creating a gender sensitisation and accessibility awareness programme for workers and their families by having partnerships with civil society organisations (CSOs) and non-governmental organisations (NGOs) implementing partnering agencies (IPAs) to promote legal / economic / social rights of women and especially from marginal and vulnerable backgrounds, thereby increasing their potential to take up non-traditional livelihoods.

2. Composition of CSR Committee (as on March 31, 2023):

Sl. No.	Name of the Members	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Vellayan Subbiah	Non-executive / Promoter Director / Chairman	2	2
2	Ms. Bhama Krishnamurthy	Non-executive / Independent Director	2	2
3	Mr. M.A.M. Arunachalam	Non-executive / Promoter Director	2	2

3. The web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

https://www.cholamandalam.com/community-relations

4. Executive summary along with web-link of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

The programme objectives were evaluated using the REES framework. REES framework measures the performance of the projects on five parameters – Relevance, Effectiveness, Efficiency, Sustainability and Social Impact. Key findings of the impact assessment for eligible CSR activities undertaken during the FY 22 are given below.

Detailed report can be accessed at *https://cholamandalam.com/files/impact_assesment_reports*

Sl No	Project name	SDG linkage	Relevance	Effectiveness	Efficiency	Sustainability	Impact
1	Isha Sadhanapada	3	• Anxiety and stress are common mental health issues among people. • 7.5% of the Indian population suffers from various mental health issues (NIMHANS).	• Improved quality of sleep, energy levels and relationships. • Yoga contributed to better handling of situations and relationships.	• Minimal dropouts among registered participants. • Availability of upgraded technical equipment to carry out the program.	• Rigorous monitoring system in place. • Alumni interaction and feedback systems in place. • Free of cost program offered to people.	• Improved physical well-being. • Participant's energy and efficiency levels have improved. • Participant's overall mental health improved.

Sl No	Project name	SDG linkage	Relevance	Effectiveness	Efficiency	Sustainability	Impact
2	Isha Yoga for All Programme	3	• Sedentary lifestyle, poor nutrition, and high rates of lifestyle diseases contribute to poor health.	• 2,051 yoga sessions conducted. • 1,16,113 participants.	• Resources optimally deployed. • Learning yoga at participant's convenience.	• Large-scale awareness and sustained impact. • Technical team for the online spread. • Adequate channels in place to spread the program.	• Emotional ability and social relationships enhanced. • School children's academic performance and concentration improved.
3	CVCM Eye Health Project-Phase V	3	• Impaired vision contributing to road accidents. • 70,000 truck drivers underwent eye check-ups.	• More than 34,000 truck drivers.	• The program operated in 11 Static Vision Centres. • Spectacles provided to drivers as per the test report.	• Collaborative work with the government.	• Beneficiaries vision has improved. • Reduced likelihood of road accidents.
4	The Gift of Life-Phase III and IV	3	• Around nine out of 1,000 babies are born with congenital heart diseases (CHDs) (approximately 2 lakh babies each year). • 1/5th requiring early intervention but not receiving it due to lack of awareness and high surgery costs.	• 160 cost-effective surgeries for children with CHD. • Early detection of CHD. • Post Operative care facilities provided.	• Reduced financial burden. • Free of cost treatment to 160 children.	• Continued support from corporate, Government, and philanthropic institutions.	• Children's physical abilities improved. • Positive social and behavioral change among children.
5	Strengthening the Maternal Health Project	2,3,10	• Maternal mortality rate in Chhattisgarh (137 in 1 Lakh live births). • Issue of accessibility to quality health service due to distance.	• 167 healthy deliveries handled. • Efficient management of complications through early detection.	• Free institutional delivery and newborn care provided. • Both normal and C-section delivery services provided. • Free Antenatal Checkups, Scans, Food, Nutrient Support, and Medicine.	• Continued support from corporate, Government, and philanthropic institutions.	• Maternal and neonatal health outcomes improved. • Reduction in maternal mortality rates. • Program alleviated the financial stress of economically marginalized families. • The quality of life of beneficiaries improved.
6	Dialysis Centre-AMM Arunachalam Hospital	3	• High prevalence of kidney diseases in South India as per a study report from JIPMER "Tondaimandalam Nephropathy". • No dialysis unit in Nellikuppam earlier.	• Provision for free dialysis and good-quality treatment for the underprivileged. • The dialysis unit construction was completed and launched in January 2022.	• Appropriate fund utilization. • Timely completion.	• The availability of technical expertise regarding daily operations and staff.	• Improved health of kidney patients. • Accessibility to good dialysis treatment. • Reduced financial strain on the patient's family. • The quality of life of beneficiaries improved.

Sl No	Project name	SDG linkage	Relevance	Effectiveness	Efficiency	Sustainability	Impact
7	AMM Foundation- Sir Ivan Stedeford Hospital	3	• Need for a separate OPD and maternity ward. • Need for the upgradation of the Operation theatre and ICU. • Infrastructural need for fulfilling the multi-specialty requirement.	• Low registration fee (₹ 5/-). • Subsidized treatments for all ailments. • Surveyed patients were satisfied with the service. • Enhanced healthcare quality.	• Fund efficiently utilized. • Construction and installation of new machinery were well managed on time. • Adequate efficient staff.	• Continuation of stakeholder's support. • Presence of a strong administration team. • Permanent infrastructure and effective operating plan in place.	• Improved access to quality treatment. • Improved infrastructure with multi-specialty facilities. • 4,22,616 Out-Patients, 6,206 in-patients admissions, 1,412 deliveries, and 4,505 surgeries in 2021-2022.
8	Swaccha Odisha Gram Vikas Project –Phase V	6,7	• Stream water was the only source of drinking water. • Lack of toilet and fear of animal attack during open defecation.	• All 46 households were provided with toilet facilities and 300 litres of water tanks. • Supply of water by tapping solar energy.	• Optimum use of resources. • Construction of borewells and toilets. • Installation of water tanks, and solar panels.	• Presence of the Water and Sanitation Committee (Jal O Parimal Committee).	• Open defecation-free village. • Sufficient supply of drinking water. • Reduction of water-borne diseases.
9	Eureka School Infrastructural Development Project	4	• The only affordable English medium school in the region. • To accommodate school's increasing student enrollment.	• The classrooms were constructed as per the prescribed plan. • Professional construction firm hired to construct classrooms.	• The resources were effectively used to build the two classrooms. • Construction was closely monitored and accomplished on schedule.	• Periodic assessment of the performance of children and teachers. • The school has obtained permission from the Government for Primary school to ensure its sustainability.	• The addition of new classrooms made room for a library and computer lab. • Enrollment increased from 156 students in 2021 to 218 students in academic year 2022.
10	Interventions in School for differently abled	4,10,7	• Braille embosser machine to meet the demand for braille books in Chennai as the old machine was having frequent breakdowns. • The biogas plant to recycle the food waste. • The school bus was upgraded for improving accessibility for differently abled students.	• 74,038 pages printed from installation till 31st March 2022. • For the biogas plant, a record of the daily food waste and gas produced is maintained. • The school bus has been upgraded to enable access for the children with disabilities.	• All three projects - the braille embosser machine, the biogas plant, and the school bus was installed and purchased according to the agreed time.	• There is periodic maintenance undertaken for the school bus, biogas plant, and braille embosser machine. • The staff operating the school bus, biogas plant, and Braille embosser machine are dedicated and have been working with WORTH Trust for many years.	• The WORTH digitization unit is able to meet the demand for braille books. • The biogas plant has reduced food disposal costs. • The intellectually challenged students find the school bus convenient and helpful.

Sl No	Project name	SDG linkage	Relevance	Effectiveness	Efficiency	Sustainability	Impact
11	Swaccha Telangana Project Phase IV Purified water interventions	6,3	• According to CGWB, water in Telangana has high fluoride and TDS content. • The prevalence of digestive problems, kidney stones, dental fluorosis, and skeletal fluorosis. • Access to drinking water.	• Excellent community contribution by installing the ATW (Any Time Water) systems. • Improved quality of drinking water and decreased the risk of water-borne illnesses.	• ATW plants are cost-effective and well- utilized. • Almost every household uses an ATW card to get water, benefiting over 30,000 individuals.	• Effective village committees ensure maintenance and sustainability. • Meticulous monitoring by the implementing partner and the community.	• Restored the health of rural communities and improved their quality of life. • Lower healthcare expenses, and greater health were all promoted through ATW.
12	NCF-Elephant program at Valparai	15	• Increase in human - elephant conflicts. • Need for technology-based interventions and outreach programs. • Hesitations to enroll in the program.	• Highly effective in avoiding elephant encounters. • 305 subscribers added to the program.	• The funds and human resources are efficiently utilized. • Timely project management. • Community involved approach.	• Dependent on human resources to run the interventions. • Rigorous monitoring.	• No loss of human life during the assessment year. • No human encounters, after the inception of the intervention. • Model approach for other similar terrains.
13	NCF-High altitude program at Spiti	8,11,15	• Economic losses to the community and retaliatory predator kills. • Harm to the landscape and its biodiversity. • Human-wildlife co-existence.	• Community-led programs. • Increased awareness for peaceful co-existence.	• Community-involved approach. • Efficient system in the process management.	• Success relies on community involvement and support. • Continued financial dependence to support. • Contributes to the bigger aspect of climate change.	• Improved Biodiversity for wildlife conservation. • 72 Households and 11 villages positively impacted.
14	NCF-Oceans and Coasts Program	14	• Focus on the key elements of global climate change. • Understand factors affecting the community's economic ecosystem.	• Increased awareness among the community. • Advocacy through the presence of government bodies in policy modification of state-wise fishing laws.	• Funds and human resources competently utilized. • Expertise personnel and effective processes.	• Continued financial dependency. • Contributes to the bigger aspect of climate change.	• Long-term research-based studies. • Findings presented to government authorities.

5. a) **Average net profit of the company as per sub-section (5) of section 135 -** ₹ 2,171.70 crores
   b) **Two percent of average net profit of the company as per sub-section (5) of section 135 -** ₹ 43.43 crores
   c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years -** Nil
   d) **Amount required to be set off for the financial year, if any -** Nil
   e) **Total CSR obligation for the financial year (5b)+(5c)-(5d) -** ₹ 43.43 crores

6. a) **CSR amount spent on projects (both ongoing and other than ongoing projects) -** ₹ 42.18 crores
   b) **Amount spent in administrative overheads -** ₹ 1.10 crores
   c) **Amount spent on impact assessment, if applicable -** ₹ 0.35 crores
   d) **Total amount spent for the financial year (6a)+(6b)+(6c) -** ₹ 43.63 crores
   e) **CSR amount spent or unspent for the financial year:**

Total amount spent for the financial year (₹ in crores)	Amount Unspent (₹ in crores)				
	Total amount transferred to unspent CSR account as per section 135(6) of the act		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5) of the act		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
₹ 43.63	Nil				

f) **Excess amount for set off, if any**

Sl. No.	Particulars	Amount (₹ in crores)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 43.43
(ii)	Total amount spent for the Financial Year	₹ 43.63
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.20
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)- (iv)]	Nil

7. **Details of unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	2	3	4	5	6		7	8
Sl. No	Preceding financial year	Amount transferred to unspent CSR account under sub-section (6) of section 135 (in ₹)	Balance amount in unspent CSR account under sub-section (6) of section 135 (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to a funds as specified under schedule vii as per second provisio to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial year (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in Financial Year - No

The details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl No	Short particular of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

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

On behalf of the Board

Place : Chennai
Date : 3 May, 2023

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman - CSR Committee

Annexure-III

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 and forming part of the board's report for the year ended 31 March, 2023

Nature of Disclosure	Particulars		
a) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	**Name of the Director / Designation**	**% increase of Remuneration in 2023 as compared to 2022**	**Ratio of Remuneration to Median Remuneration of employees**
	Non-Executive Directors		
	Mr. Vellayan Subbiah, Non-executive Director / Chairman	Nil	12.69:1
	Mr. N. Ramesh Rajan, Non-executive / Independent Director	Nil	1.52:1
	Mr. Rohan Verma, Non-executive / Independent Director	Nil	1.27:1
	Ms. Bhama Krishnamurthy, Non-executive / Independent Director	Nil	1.27:1
	Mr. M.A.M. Arunachalam, Non-executive Director	Nil	1.27:1
	Mr. Anand Kumar, Non-executive / Independent Director	Nil	1.27:1
	Mr. Bharath Vasudevan, Non-executive / Independent Director	Nil	1.27:1
	Mr. Ashok Kumar Barat, Non-executive / Independent Director (Up to 30 October, 2022)	Nil	0.74:1
	Executive Director		
	Mr. Ravindra Kumar Kundu, Executive Director	24.77%	43.27:1
b) Percentage increase in remuneration of Chief Financial Officer and Company Secretary in the financial year	**Name of the Key Managerial Personnel / Designation**	**% increase in remuneration in 2023 as compared to 2022**	
	Mr. D. Arulselvan, Chief Financial Officer	26.58%	
	Ms. P. Sujatha, Company Secretary	18.69%	
c) Percentage increase in median remuneration of employees in the financial year	6%		

Nature of Disclosure	Particulars		
d) Number of permanent employees on the rolls of company (as of 31 March, 2023)	13,248		
e) 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	For employees other than managerial personnel who were in employment for the whole of FY 22 and FY 23, the average increase is 10.69%. The average increase for managerial personnel is 23.35%.		
f) key parameters for any variable component of remuneration availed by the director	The remuneration to the non executive director takes in the form of commission on profits. The remuneration to executive director comprises of fixed & variable components and stock options. The increments in salary is determined by the nomination & remuneration committee basis the company's performance, experience and pay scales prevailing in the industry.		
g) Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is in line with the remuneration policy of the company.		

On behalf of the board

Place : Chennai
Date : 3 May, 2023

Vellayan Subbiah
Chairman

Management Discussion and Analysis

MACROECONOMIC OVERVIEW

The Indian economy is staging a broad-based recovery across sectors, from pandemic-induced contraction, international geo-political conflict and inflation and is well positioned to ascend to the pre-pandemic growth path. It has been remarkably resilient to the deteriorating external environment, and strong macroeconomic fundamentals have placed it in good stead compared to other emerging market economies. The capital expenditure spends of Central Government and private corporates is one of the main growth drivers in the current year. This trend is expected to continue and the Indian economy is well placed to grow faster in the coming decade. It has started benefiting from the efficiency gains resulting from greater formalisation, higher financial inclusion, and use of digital technology.

Inflation, which emerged as a big challenge post the geo-political conflict has averaged at 6.8% between April-January FY 23 as compared to 5.3% in the same period last year. Inflation is likely to be the key monitorable from RBI's monetary policy trajectory point of view going forward. To fend off the inflationary pressures, RBI during the year raised the key repo rate by a cumulative 250 basis points to take it to 6.5%. The central bank has indicated that it will remain vigilant, monitor every incoming information and data, and act appropriately to maintain price stability in the interest of strengthening medium-term growth.

As the economy steps into a new fiscal year, the road ahead does not look easy with risks mainly emanating from global environment. However, fundamentals of the Indian economy remain resilient on the back of a strong reforms' impact from the PM Gati Shakti, National Logistics Policy and the PLI scheme to boost manufacturing output. The Government's continued heavy lifting on the capex front will also help drive in the private sector greenfield capex, which via its multiplier effect will help support domestic growth. RBI forecast for GDP growth for FY 24 is at 6.5% as against provisional estimate of GDP growth for FY 23 at 7.0%. India is likely to maintain its position as the fastest growing major economy.

INDUSTRY GROWTH PROSPECTS

Automobile Industry

Commercial vehicles, passenger vehicles and two-wheelers registered double digit growth in FY 23 due to improvement in economic activity, revival of construction / mining activities and improvement in semiconductor supplies. FY 23 was the first full year without any COVID impact after a gap of 2 years which served well for the automobile industry.

The domestic commercial vehicle industry grew by 34% in FY 23, supported by improvement in economic activity, replacement demand, pick-up in mining, infrastructure and construction activities resulting in healthy fleet demand and utilisation levels. Medium and heavy commercial vehicles (MHCV's) recorded a 50% growth, while light commercial vehicles (LCV's) grew by 35% and small commercial vehicles (SCV's) grew by 14%.

The commercial vehicle industry is expected to deliver double digit growth in FY 24 driven by freight demand, replacement demand, structural economic recovery and higher infra spends by the Government. However, increase in fuel prices and its impact on viability of fleet operators will remain a key challenge in FY 24.

The domestic car and utility vehicle industry had witnessed an all-time high sale with 27% growth in FY 23 supported by strong underlying demand, easing of semiconductor supply and improvement in sale of utility vehicles due to shift in customer preferences. Steady demand is expected in FY 24 with double digit growth.

Two-wheeler segment witnessed a 17% growth in FY 23 with improved demand sentiments over the previous year. This segment is expected to grow by 9 to 10% in FY 24 with expectation of improved rural demand.

Tractor Industry:

The domestic tractor industry had witnessed an all-time high sale with 12% growth in FY 23 supported by strong demand during the festive season, favourable monsoon and farm cash flows remaining stable. However, we expect moderation in demand during FY 24 due to uncertainities relating to monsoon.

Construction Equipment Industry:

The domestic construction equipment industry witnessed a growth of 26% in FY 23 supported by improvement in the overall macroeconomic environment, a strong revival in construction activities and thrust on completion of infrastructure projects. Healthy volume pickup with the run up to elections augur well for this industry in FY 24.

Loan Against Property

Loan Against Property industry portfolio stands at ₹ 8 lakh crore as per CIBIL September 2022 market sizing report. Out of this, NBFCs & HFCs have the highest share, contributing to 44% of entire market size, followed by private banks.

In FY 23, Banks registered strong growth in the segment due to lower cost of funds and adequate liquidity support.

CRISIL Research expects the LAP segment to grow by 9-11% in fiscal 2024 driven by improved economic conditions assisting in normalisation of business activities.

Housing Finance

The Indian Housing Finance market is estimated to be about ₹ 26 lakh crore and grew at around 11 - 15% in FY 23. Credit growth in banks outpaced that of HFCs/NBFCs. In terms of ticket size, the sub ₹ 25 lakh segment contributed to 29% of the disbursements during last FY and this level is expected to be sustained. Analysts expect the housing sector to grow 11 - 16% in FY 24 and affordable housing to grow at 18-22% in the same period.

In terms of asset quality, GNPA is expected to further reduce in FY 24, supported by controlled fresh slippages.

Personal and Professional Loan Segment

Personal & Professional Loans is one of the fastest-growing segments in India with over ₹ 3.5 lakh crore originations. Despite this growth, there are a lot of individuals who do not have access to credit in India. In addition to this, the MSME segment is significantly under-penetrated in India with more than 60% of MSMEs not having access to formalized credit.

As per market research reports, disbursement growth in the personal loan space is expected to reach 18 - 20% in FY 24 due to a healthy credit demand. NBFC's market share in terms of value in the personal loan space is currently at 21% and is expected to increase to 22% in FY 24. The reports also state that the business loan segment will see a growth of 15 - 18% in FY 24 and NBFCs are expected to grow faster in this space at 18 - 20%. Post covid business normalization has led to an improvement in economic conditions and a pick-up in demand for credit.

Digital lending in India is expected to hit $1.3 trillion by 2030. Digitalisation of existing processes would accelerate in both traditional and pure-digital businesses leading to faster disbursement & higher efficiencies. However, with the recent rise in popularity of pure digital loans, the RBI had introduced new regulatory guidelines for digital lenders in September 2022 to support orderly growth of credit delivery through digital lending methods while mitigating the regulatory concerns. In the long run, this would ensure that only structured and compliant players remain in the business.

Small and Medium Enterprises (SME)

The progressive reforms introduced by the Government for SME sector resurgence have been fruitful, as reflected in the vigorous business activity and improved credit uptake by enterprises across all the segments. This increasing demand and adequate supply by NBFCs will provide timely access to credit opportunities to SMEs, thereby contributing to the sustained growth of the sector and the economy to meet the Government's USD 5 trillion economy objective.

Demand for credit from the SME sector is high and supply by the credit industry remains stable while delinquencies have declined. The rapid pace of innovations driven by the Government and the lending ecosystem has significantly enabled the SME sector to continue its high growth trajectory. These innovations have provided capabilities for triangulating the power of financial, income and trade information so that credit institutions can get a unified view of the business entity, enabling improved risk differentiation for underwriting SME loans.

BUSINESS ANALYSIS

VEHICLE FINANCE (VF)

The vehicle finance disbursements during the year were at an all-time high of ₹ 39,699 crores as against ₹ 25,439 crores in the previous year with an impressive growth of 56%. The VF division was able to grow significantly in the new commercial vehicle and new passenger vehicle segment over last year by 60% and 78% respectively which also resulted in a higher market share. The used vehicle disbursements also grew by 41% over the previous year. Assets Under Management (AUM) for the business grew by 27% to ₹ 66,938 crores in FY 23 compared to ₹ 52,881 crores in FY 22. The PBT during the year was ₹ 2,272 crores as against ₹ 2,054 crores in the previous year with a growth of 11%. The VF division restricted gross stage 3 assets to 3.20% in FY 23 as against 3.90% in FY 22 through its intense focus on collections.

Vehicle Finance business will look to improve the marginal yields across its segments considering the increase in borrowing rates and focus on driving higher disbursals in the high yield segments which will help in maintaining NIM. To bring in more focus at product and DPD levels across buckets, the business will have product wise collection infrastructure to keep delinquency in control thereby arresting the flow in the early delinquency buckets.

The company's vast branch network helps in acquiring new customers and creates proximity with customers helping in better collection efficiency and higher repeat business. The VF division would continue to foray into the top of the pyramid customer segment by providing competitive pricing through the co-lending route which in turn will help the company to increase customer base, market share and also retain existing customers.

The vehicle finance business will continue to expand and strengthen its existing relationships with customers, manufacturers, brokers, and dealers by utilizing new tools and platforms. Digital lending platforms are being developed for existing customers for Do It Yourself (DIY) loans with zero human intervention. Analytics based pre-approved loan offers are being generated for both new and existing customers which simplifies the loan origination journey leading to enhanced customer experience. Gaadi Bazaar an in-house developed platform has enabled best price discovery for used vehicles through a seamless and transparent sale-purchase process, and creation of a customer, dealer/broker base which ensures higher stickiness.

The vehicle finance business with a robust collection mechanism, best-in-class credit underwriting, a strong risk assessment framework and an extensive penetration in the hinterland is expected to progress to the next level of growth in the coming years.

LOAN AGAINST PROPERTY (LAP)

India is set to reach $10 trillion economy by 2035. India's rural economy is a major component in achieving this milestone. As a step towards reaching this goal, loan against property business is ensuring to take formal credit access to rural locations where bank credit is not easily accessible. As of FY 23, LAP business has 501 branches in rural locations, which is 85% of total LAP branches across India. In FY 23, LAP business has disbursed ₹ 3,775 crores in rural locations, amounting to 41% of total disbursements.

LAP is one the major sources of funding for MSME community in India. LAP business is an active contributor to MSME growth by way of lending to them for business expansion and working capital requirements. 97% of LAP disbursements in FY 23 is towards Self Employed Non-Professionals (SENP) community.

As an enabler for empowering women entrepreneurs in India, the Company has disbursed to more than 2,200 women customers amounting over ₹ 1,000 crores. This contributes to 14% of total disbursements in FY 23.

LAP business has achieved ₹ 9,299 crores of disbursements in FY 23, which is 68% higher than FY 22 disbursements. Pan-India geographical penetration into new markets, introduction of localized credit policy in line with market developments, increased contribution from rural branches have led to this growth. Assets Under Management (AUM) for the business grew by 29% to ₹ 21,588 crores in FY 23 compared to ₹ 16,795 crores in FY 22, in-spite of the higher pre-closure and challenging macro-economic situation.

The business continues to focus on a systematic approach to build a healthy portfolio mix, with more than 80% of the portfolio being residential properties and an average loan ticket size of less than ₹ 50 lakhs. Portfolio Loan-to-Value (LTV) ratio at origination is consciously maintained at 50% levels which provides adequate security cover to the business. The business has further introduced new high yield product like Small and Emerging Group (SEG) and Micro LAP to increase the profitability.

The asset quality of this business has shown steady improvement with the net credit losses and stage 3 assets coming down significantly with consistent improvement in collection efficiency. Stage 3 assets of LAP business stands at 4.02% as of March 2023 compared to 6.60% as of March 2022.

HOME LOANS (HL)

As of March 31, 2023, the home loan business had 70,182 active accounts (53% growth Y-o-Y) with an AUM of ₹ 8,451 crores (51% growth Y-o-Y). 93% of the portfolio is from tier II, III, IV cities and towns. The disbursements grew 102% Y-o-Y from ₹ 1,896 crores in FY 22 to ₹ 3,830 crores in FY 23. The target group remains the lower middle-income group SENP customers. The average ticket size is ₹ 13.3 lakhs with an average LTV of 53%. 93% of the portfolio comprises business owners with semi-formal income and significant business vintage and 25% of customers are first time borrowers. The HL business leverages the company's strength in reaching out and underwriting lower and middle-income borrowers across the country, penetrating to villages and towns. The company offers loans for self-construction, purchase of resale flats / independent houses, purchase of new - flats / independent houses, balance transfer from other financiers, mortgage of existing house for business use and shop loans.

The company enjoys a significant presence in tier II, III, IV towns and cities. The business has been strengthening the channel partner network to reach out to more customers. This year, the business expanded its footprint in Uttar Pradesh, Bihar, West Bengal, Odisha, Assam, Jharkhand and also expanded the branch network further in states previously operational. HL customers are serviced through 501 touchpoints across 19 states. Given that these customers are mostly first-time buyers, the sales officers guides and facilitates the customer through the entire borrowing process. The business has also developed a strong collections and legal recovery team across geographies to ensure that asset quality is maintained.

CONSUMER & SMALL ENTERPRISE LOAN (CSEL)

As of March 31, 2023, the consumer and small enterprise loan business had crossed 5 lakh active customers with an AUM of ₹ 5,527 crores. The business has expanded across the country covering 25 states and 4 Union territories with over 175 branches. The division has entered strategic partnerships with 9 leading Fintech companies to drive greater financial inclusion especially among those customers who are economically active but not having adequate access to formal credit. During the year, the division entered into the direct to customer (D2C) digital lending space. Overall disbursements of the division crossed ₹ 6,865 crores in FY 23 with contribution from all zones in the country. The division achieved a profit before tax (PBT) of ₹ 62 crores by maintaining a tight control on asset quality that helped to maintain its stage 3 assets at 0.61%. The key strengths of the division such as its transparent end to end digital process, superlative customer experience journey, strong data driven underwriting & risk management capabilities combined with the trust of Chola brand makes it well placed to become a market leader in this segment.

SMALL AND MEDIUM ENTERPRISES LOAN (SME)

The small and medium enterprises finance disbursements during the year were at an all-time high of ₹ 6,388 crores as against ₹ 1,926 crores in the previous year with a growth of 232%. The SME division was able to grow significantly by onboarding new OEMs, Anchor Tie-ups, Fintech partnerships and through branch expansion.

The SME division continued its sharp focus on asset quality through a coordinated collection strategy, which helped in restricting gross stage 3 assets to 0.80%. Assets Under Management (AUM) for the business grew by 235% to ₹ 3,550 crores in FY 23 compared to ₹ 1,058 crores in FY 22.

SME Division's target customers are the small and medium group segment customers. The average ticket size is ₹ 1.50 crores with an average LTV of 60%-65% which reflects adequacy of headroom in case of marketability of the underlying assets.

SME Division will continue to focus on equipment finance, term loans and supply chain finance and also launch new product lines in the form of health care financing, lease rental discounting, leasing finance, factoring and solar financing etc.

SME Division enjoys a significant presence in tier I and tier II towns and cities. The business has been strengthening the sourcing partners network to reach out to more customers.

SECURED BUSINESS AND PERSONAL LOAN (SBPL)

As of March 31, 2023, the secured business and personal loan business had crossed 10,000 active accounts with an AUM of ₹ 444 crores. The average ticket size is around ₹ 4.42 lakhs with an average tenure of 69 months. The SBPL business, using the company's strong presence in tier II, III, IV & V cities, has penetrated well across all zones and made its presence in and across 10 states in FY 23. The business entered two new states viz., Bihar and Haryana in FY 23. The business has commenced disbursements over 170 branches. The loans offered are predominantly business loans against self-occupied residential property. The customer onboarding was made completely digital where the sales executives onboard the customer using handheld devices.

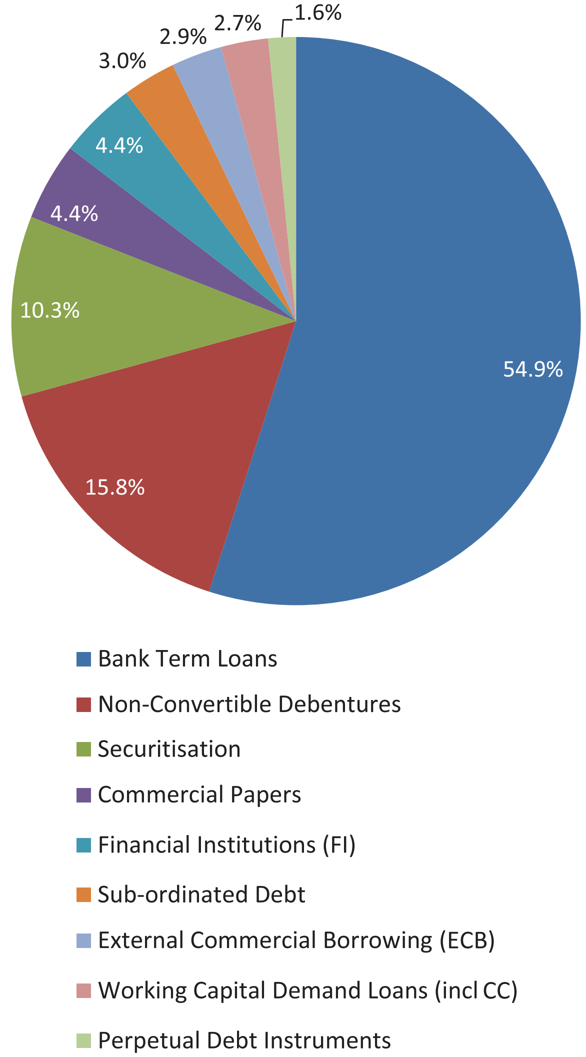
ASSET LIABILITY MANAGEMENT (ALM)

The start of FY 23 was the time when the economy was already showing signs of revival. Consumption and investment showed sustainable signs of picking up and the year saw RBI hiking the repo rate by 250 bps in FY 23. This led to the cost of funds going up significantly. The liquidity in the system which was in surplus of over ₹ 7 lakh crores as at the beginning of the financial year, reduced steeply during the year to low surplus levels by the year end.

The company kept ALM in focus, tracking RBI's commentaries, observing the market dynamics and engaging in continuous dialogue with lenders to ensure a healthy ALM amidst the rising interest rates which prevailed during the financial year. The yield curve flattened in the latter half of the year, rendering short term borrowings expensive. Banks shifted their pricing to MCLR basis, from market linked benchmarks. In the debt capital markets, spreads widened. The company capitalised on the appetite for priority sector assets and increased borrowings through the securitisation route, which came in at finer rates. The company managed the mix of borrowings from these sources to optimise the cost of funds, given the outlook of rising rates.

RESOURCES & TREASURY

During the year, the company raised funds from banks/ financial Institutions and from money markets to support the growth of its businesses at competitive interest rates without compromising the right mix of long and short-term borrowings, thereby maintaining a healthy asset liability position. The borrowing profile as on 31 March 2023, is given below:



BANK BORROWING

In FY 23, the company mobilised ₹ 31,457 crores (net) of medium-term loans, ECB & FCNR and ₹ 715 crores (net) as working capital / cash credit / short term loan facilities from banks. The company continued getting support for its money market issuances from banks through subscription of Commercial Papers (CPs) and Non-convertible Debentures (NCDs). The company continued to enjoy the steadfast support of the lending banks and the strong relationship bond helped scaling up the borrowing for FY 23.

MARKET BORROWING

During FY 23, the company raised CP of ₹ 15,800 crores and repaid ₹ 14,250 crores. CP outstanding as at the end of the year was ₹ 4,317 crores. Medium and long-term secured NCDs to the tune of ₹ 7,457 crores were mobilised at competitive rates. At the end of FY 23, outstanding NCD stood at ₹ 14,767 crores.

The tier II borrowings raised during the year was ₹ 530 crores of perpetual debt and ₹ 490 crores of sub-debt. As at the end of FY 23, tier II borrowings stood at ₹ 4,376 crores.

MOVEMENT IN INTEREST COST

The company maintained its strategy of reducing interest cost, leveraging market opportunities without compromising ALM requirements. This was achieved by selecting an appropriate sourcing strategy in response to the play of supply-demand dynamics in the market.

The company further endeavoured to broad-base the source of funds during the year. Towards this end, the mix of funds raised from securitisation doubled over FY 22 from 5% to 10%. ₹ 10,550 crores was raised through securitisation, capitalising on the market appetite for Priority Sector Assets. This was done at fine rates resulting in lower interest cost.

In March 2023, the company filed a shelf prospectus for public issue of Non-Convertible Debentures amounting to ₹ 5,000 crores. Under this shelf prospectus, a maiden issue of ₹ 1,000 crores was launched in April 2023 and received a resounding response.

As a percentage of average borrowings, interest cost stood at 7.0% in FY 23 as compared to 6.6% in FY 22.

CAPITAL ADEQUACY RATIO (CAR)

The company's capital adequacy ratio was at 17.13% as on 31 March, 2023 as against the statutory minimum capital adequacy of 15% prescribed by RBI. The Common Equity Tier 1 (CET1) capital was at 13.70% and tier I capital was at 14.78% as against the statutory minimum requirement of 9% and 10% respectively. Tier II capital was at 2.35% as on 31 March, 2023.

INVESTMENTS

The company's investments of ₹ 3,628 crores include investments in G-sec of ₹ 1541.34 crores, investments in treasury bill of ₹ 1536.27 crores, investments in subsidiaries, joint ventures, and associates of ₹ 550.41 crores.

FINANCIAL REVIEW

The company's aggregate disbursements grew by 87% from ₹ 35,490 crores in FY 22 to ₹ 66,532 crores in FY 23. The AUM for the company grew by 36% (YoY) and the growth of on-balance sheet assets was 39%. The business AUM (including on book and assigned net of provisions) in FY 23 grew by 38% and stood at ₹ 1,06,498 crores as against ₹ 76,907 crores in FY 22.

HUMAN RESOURCES (HR)

The last couple of years has brought about diverse changes in the HR industry. Diversity in organizations, the global pandemic, and practice of working from home have changed the operational landscape of HR function. The pandemic has changed the way the companies work; while 2021 was a year of reinventing HR and solidifying its new role, 2023 was all about how HR can add value to an organisation.

NBFCs have seen tremendous growth in the country. From few players, the sector has seen the emergence of new players accompanied by the demand for attracting and retaining talent.

Diversity and Inclusion Initiatives

The research reports states diversity and inclusion, especially in senior management, could provide actual business benefits, like improved productivity, profitability, and stability.

Innovative channels

Social media and video marketing channels are used for talent acquisition to reach the workforce apart from the traditional methods. During the year, the company launched an innovative and targeted hiring campaign on Facebook, LinkedIn, and other social media platforms for large-scale hiring in mass positions across the country. The company recognises that women form an integral part of today's workforce, especially in the financial services sector. A large chunk of this pool, however, is seen to "drop out" of the work force after a mid-management level, primarily to raise a family. There is a huge talent pool of women with tremendous talent who want to return to the workspace, which the company encourage. Further, returning employees form yet another pool of talent that is being recognised by Chola. The company also encourage referrals recruitment through employees, weightage on experience over academic qualification, etc. This helps to increase hiring process efficiency as well as lowers the training period and costs. FY 23 witnessed a 36% increase in headcount as compared to FY 22. These reimagination initiatives helped the company in bringing in diversity and exploring new channels of hirings.

Talent Management

People Strategy is a flagship project which the entire organization has collaborated with an objective to enhance productivity and retain talent. This project has resulted in enhancement of productivity, defining a structure of deployments for vehicle finance business (VF). The learnings from VF have been taken to home loans and loan against property business. Automatic Career Progression is one of the key interventions aimed at retention of talent. Under this scheme, employees are made clear on the skills that are to be acquired to progress to the next level. Performance parameters for assessment has been clearly defined and communicated.

Learning and Development (L & D)

L & D initiatives during the year through a mix of methodologies were implemented in the form of digital and vernacular language immersions, virtual programs, experiential and outbound interventions, individual and group coaching exercises etc.

The behavioural and leadership competence of the mid-level managers were honed with specific inputs on building high performance teams and aided with inputs to ensure that they can build and manage large teams to sustain desired performance levels.

Curating an Environment to Work In

Throughout the pandemic, the company remained supportive and focused on keeping up employee morale and motivation high. Mental fitness has become a big focus area now, talking about it with employees and encouraging them to seek help has become more critical. Chola continues to place safety and well-being of the employees as high priority. Campaigns for safety and health camps were organized throughout the year to educate and bring in awareness to employees.

TECHNOLOGY INITIATIVES

Technology plays an integral role as the company continues its digital transformation across our three-pronged business approach – traditional phygital, ecosystem partnerships, and direct to customers. In the current climate, a strong technology platform, an engaging digital experience for customers, and data-led product & service offering will be essential to win over customers.

As India takes over as the most populous country in the world, the demand for capital across large enterprises, SMEs, and individuals will dictate the need for a resilient technology infrastructure providing scalable and accessible service to the customers across digital channels. As part of our quest to deliver seamless digital experience, enhancements to core systems as well as infusion of new technology solutions as well as data-led approach has helped create a platform for improving customer experience across the stages of onboarding, product offering, acquisition, and ongoing customer servicing. The company continues to make extensive use of Design Thinking and LEAN principles to deliver optimum user experience on top of an efficient digital platform.

The company has also embarked upon a new-age customer mobile App, Chola ONE - as a face of our CSEL business focused on personal and business loans. Based on an event-driven micro services architecture with numerous API integrations, the App allows users to complete a fully digital loan journey in a matter of minutes. The App also includes numerous payment options for the customers spanning UPI, QR code, payment gateway, and net-banking. The company will progressively enhance Chola One App to provide a seamless customer experience by making it the unified platform for customers to access services related to any Chola product.

As part of its ongoing focus on the vehicle ecosystem, the company continues to enhance and promote its GaadiBazaar offering. GaadiBazaar platform provides a bouquet of services and products in the vehicle ecosystem spanning new, used, and repo vehicles while serving both retail customers as well vehicle brokers and dealers.

Over the course of the last financial year, significant enhancements on the digital front have been put in place for new businesses of CSEL, SBPL and SME. The increase in scale of co-lending, manufacturer integrations in the vehicle ecosystem space, and rise of digital lending applications is leading to large scale system-to-system based integration for lending. To be a digital partner of choice in such an environment, the company has significantly enhanced its integration platform and built an API-ready set of services for rapid and scalable integration with ecosystem partners across different lines of business. Tech integrations have been done at every step of the business processes from credit underwriting until the loan closure between the systems of Chola and its ecosystem partners delivering a seamless experience to customers while accelerating go to market launch for such partnerships.

Besides driving changes to external facing applications, the company is also rigorously driving automation across different parts of the business and supporting functions. The ability to use API for improved data validation and data quality, robotic process automation (RPA) for automating repetitive manual tasks, cognitive tools for minimizing manual intervention has helped drive greater efficiency in operations in tandem with ability to scale and reduction in human processing errors.

The company is carrying out a key transformation of its data infrastructure and building an integrated data repository to serve business & compliance reporting as well as analytical needs. The transformative nature of AI / ML and the rapid rise of newer technologies like GPT (Generative Pre-trained Transformer) will imply the need for a rich and high-quality data repository that these technologies can work upon.

As technology becomes the core fabric for business operations, the need for security in every aspect of solution – design, development, testing, deployment, and operations – is essential for resiliency. The company will continue its efforts around strong technology controls, secure development, structured technology & security operations for system availability, data sanctity, and appropriate & timely handling of security incidents.

RISK MANAGEMENT

Risk forms a critical element and in developing risk management policy, the company has the following key objectives –

- Improve business performance by informed and improved decision making and planning
- Add sustainability to all the activities of the organization
- Enhance risk awareness amongst all employees
- Have an early warning mechanism of spotting potential problems
- Prioritize the allocation of resources
- Promote a more innovative / conservative/ cautious culture with proper understanding of risks

The following shall be the guiding principles of the credit risk management framework of the company –

- All business decisions will be made with thorough understanding & appropriate risk mitigants
- The risk mitigation measures adopted by the company will be embedded in the business processes of the company
- Risk tolerance levels will be regularly reviewed and decided upon depending on the change in company's strategy
- All risk management activity will be aligned to corporate objectives, organisational priorities and shall be designed to protect and enhance the reputation and standing of Chola
- Organizational strategic business planning exercises and other lending related procedures shall embed risk analysis for informed decisions

Core credit strengths in underwriting

- High level of industry experience
- Stable credit manpower
- Use of qualitative and digital skills
- Robust mechanism for portfolio & analytics

Risk management is applied and integrated at both corporate and operational levels within the organization.

RISK MANAGEMENT PROCESS

The risk management process of the company is driven by a strong organisational culture and sound operating procedures involving corporate values, attitudes, competencies, internal control culture, effective internal reporting and contingency planning.

The risk management process broadly comprises of the following steps:

- Risk identification
- Risk measurement
- Risk monitoring
- Risk reporting
- Risk control/ mitigation

CREDIT RISK

The company's credit risk management builds on the principles of –

(1) appropriate risk diversification within the scope of the mission

(2) thorough risk assessment at the credit appraisal stage

(3) risk-based pricing and risk mitigation

(4) continuous risk monitoring at the individual counterparty level as well as portfolio level

(5) avoidance of undesirable risks to the extent possible

Credit risk is defined as the potential loss arising from a borrower or counterparty failing to meet its obligations in accordance with the agreed terms. The company is exposed to credit risk in both its lending and treasury activities, as borrowers and treasury counterparties could default on their contractual obligations.

Credit risk may also materialise in the form of rating downgrades, cross-default on payment obligations or during the transaction settlement process. Overall, credit risk is a function of the amount of credit exposure and the credit quality of the borrower or transaction.

The key parameters to access the credit risk are the Expected Credit Loss (ECL) and the Net Non-Performing Assets which are regulatory parameters.

OPERATIONAL RISK

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements. Operational risks are those that arise out of inappropriate controls, human failure, technical errors, frauds, impairments, and force majeure.

The company's operational risk management focuses on proactive measures to ensure business continuity, the accuracy of information used internally and reported externally, a competent and well-informed staff and its adherence to established rules and procedures as well as on security arrangements to protect the physical and IT infrastructure of the Company.

The company focuses on the following core procedures to manage the operational risk faced by the company:

- Development of manuals, standard operating procedures and keeping such documents and provide appropriate training on procedures to staff to create the risk culture through-out the organisation
- Emphasis on process design that has a maker-checker mechanism and sound internal audit system
- Ensure appropriate complaints handling mechanism and emphasis on the whistle blower policy
- Internal audit of branches, frequency and coverage based on grading determined by key factors
- Process of fraud investigation and action on employees
- Independent disciplinary committee to take decisions on fraud related matters

RESULT OF OPERATIONS

The company's balance sheet size has steadily grown, compared to the previous year. A summarised version of the same is given below:

STATEMENT OF PROFIT & LOSS

₹ in Crores

Particulars	Mar-22	Mar-23	Growth %
Disbursements	**35,490**	**66,532**	**87%**
Income	10,139	12,978	28%
Cost of Funds	-4,299	-5,749	34%
Net Margin	**5,840**	**7,229**	**24%**
Operating Expenses	-2,069	-2779	34%
Provisions and Losses	-880	-850	-3%
Profit Before Tax (PBT)	**2,891**	**3,600**	**25%**
Current and Deferred Tax	-744	-934	25%
Profit After Tax (PAT)	**2,147**	**2,666**	**24%**

BALANCE SHEET

₹ in Crores

Particulars	Mar-22	Mar-23	Growth %
Assets			
Business Assets	74,149	1,04,748	41%
Cash & Bank Balances	4,220	2,961	-30%
Other Assets	3,994	5,806	45%
TOTAL	**82,363**	**1,13,515**	**38%**
Liabilities			
Networth	11,708	14,296	22%
Borrowings	65,740	87,373	33%
Securitisation	3,433	9,983	191%
Other Liabilities	1,482	1,863	26%
TOTAL	**82,363**	**1,13,515**	**38%**

KEY OPERATING MEASURES

Particulars	Mar-22	Mar-23	Change*
Net Income Margin	7.9%	7.7%	-0.19%
Operating Expenses to Assets	-2.8%	-3.0%	-0.17%
Return on Total Assets - PAT	2.9%	2.8%	-0.05%
Return on Equity - PAT	20.4%	20.7%	0.28%
Profit Before Tax to Income	28.5%	27.7%	-0.78%
Total Assets under Management - ₹ in crores	82,904	1,12,782	36%
Gross Stage 3 Assets	4.4%	3.0%	-1.36%
Stage 3 (Net off ECL) Assets	2.6%	1.6%	-1.01%
Provision Coverage	39.7%	46.0%	6.33%
Earnings Per Share - Basic in ₹	26.2	32.6	24%
Book Value Per share	142.6	174.0	22%
Price to Book Ratio (no. of times)	5.0	4.4	-13%
Market Capitalisation - ₹ in crores	58,915	62,607	6%
CAR	19.6%	17.1%	-2.49%

Note: *With respect to values, it is growth between periods and with respect to ratios, it is movement between periods

CONSOLIDATED RESULTS

The consolidated profit after tax for the year under review was ₹ 2,664.85 crores, as against ₹ 2,153.51 crores in FY 22.

On behalf of the board

Place : Chennai
Date : May 3, 2023

Vellayan Subbiah
Chairman

Report on Corporate Governance

Corporate governance is about commitment to values and ethical business conduct. It is also about how an organization is managed viz., its corporate and business structure, culture, policies, and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial position of the company, performance and ownership forms part of the corporate governance.

CORPORATE GOVERNANCE PHILOSOPHY

The company is committed to the highest standards of corporate governance in all its activities and processes.

The company's commitment to ethical and lawful business conduct is a fundamental shared value of the board, the senior management, and all employees of the company. The company has always believed in and practices the highest standards of corporate governance. The board recognizes that governance expectations are constantly evolving such as fast changing regulations, ESG, digital interruptions etc., and is committed to keep high standards of transparency and dissemination of information under continuous review to meet both letter and spirit of the law and its own demanding levels of business ethics.

The company believes that sound corporate governance practices help to enhance consistent performance and are crucial to the smooth and efficient operations of the company and its ability to attract investments, protect the rights of its stakeholders and provide better shareholder value. Everything the company does is defined and conditioned by the high standards of governance, which serve its values. The company firmly believes in and follows the below principle:

"The fundamental principle of economic activity is that no man you transact with will lose; then you shall not."

The corporate governance philosophy of the company is driven by the following fundamental principles:

- Adhere to corporate governance standards beyond the letter of law;
- Maintain high degree of transparency and disclosures;
- Maintain a clear distinction between personal interest and corporate interest;
- Have a transparent corporate structure driven by business needs; and
- Ensure compliance with applicable laws.

BOARD OF DIRECTORS

The corporate governance practices of the company ensure that the board of directors (the board) remains informed, independent, and involved in the company and that there are ongoing efforts towards better governance to mitigate "non-business" risks.

The board is fully aware of its fiduciary responsibilities and recognizes its responsibilities to shareholders and other stakeholders to uphold the highest standards in all matters concerning the company and has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review mechanisms.

The board is committed in representing the long-term interests of the stakeholders and in providing effective governance over the company's affairs and exercise reasonable business judgment on the affairs of the company. The company's day to day affairs is managed by the executive director (ED) and an experienced competent management team, under the overall supervision of the chairman and the board. The company has in place an appropriate risk management framework covering various risks that the company is exposed to, including fraud risks, which are discussed and reviewed by the management on an ongioing basis and by the, audit committee, risk management committee and the board every quarter.

Composition

The board has been constituted in a manner as per regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (Listing Regulations) and the Companies Act, 2013 (the Act). The board has a mix of executive / non-executive and independent directors, including a woman independent director to ensure proper governance and management.

The board members have collective experience in diverse fields like banking and financial services, audit, finance, risk, compliance, data science and technology. The directors are appointed based on their qualification, expertise and experience in varied fields. None of the directors are inter-se related.

Core Skills / Expertise / Competencies

In terms of Listing Regulations, the following are the list of core skills / expertise / competencies identified by the board in the context of the company's business and sector for effective functioning:

Core skills / expertise / competencies	Status
Finance	Competency available
Strategy, planning and marketing	
Technology	
Governance & Risk	
Management and leadership	

The names of directors who have the above skills / expertise / competencies are as follows:

Name of the director	Skills/expertise/competencies
Mr. Vellayan Subbiah	Finance, strategy, planning, governance & risk, technology, management and leadership
Mr. N. Ramesh Rajan	Finance, governance & risk, management and leadership
Ms. Bhama Krishnamurthy	Finance, governance & risk, management and leadership
Mr. Rohan Verma	Technology, strategy, planning & marketing, management and leadership
Mr. M.A.M. Arunachalam	Finance, management & leadership, governance & risk, strategy, planning and marketing
Mr. Anand Kumar	Finance, strategy, planning & marketing, governance & risk, technology, management and leadership
Mr. Bharath Vasudevan#	Finance, technology, strategy, planning & marketing, governance & risk, management and leadership
Mr. Ravindra Kumar Kundu	Finance, management & leadership, strategy, planning, marketing, governance & risk and technology

 # Mr. Bharath Vasudevan - Resigned as independent director of the company effective close of business hours on 31 March, 2023.

Formal induction and familiarisation programme for directors

The company's independent directors are eminent professionals with several decades of experience in banking and financial services industry, technology, finance, governance, risk management, analytics, data science and management areas and are fully conversant and familiar with the business of the company. The company has an ongoing familiarisation programme for all directors with regard to their roles, duties, rights, responsibilities in the company, nature of the industry in which the company operates, the business model of the company, etc. The programme is embedded in the regular meeting agenda where alongside the review of operations, information on the industry, competition and company strategy are presented on a quarterly basis. The details of the familiarisation programme attended by directors are available on the website of the company *(weblink: https://cholamandalam.com/files/familiarisation_programme)*.

At the time of induction of a director on the board of the company, a formal invitation to join the board of the company is sent out along with a brief introduction about the company. A copy of the company's latest annual report and the schedule of the upcoming board / committee meetings for the calendar year are forwarded to the director. The director is explained in detail the compliances required of him / her under the Act, the Listing Regulations and other relevant regulations and his / her affirmation is taken with respect to the same.

By way of an introduction, the company conducts a familiarisation program covering all the businesses, functions and regulations impacting the company to new directors. Additionally, the company's code of conduct which *inter-alia* explains the values and beliefs of the company, functions, duties, and responsibilities as a director of the company, including the duties of independent directors in terms of the Act is given to the director at the time of joining and on an annual basis.

Further, there is a detailed quarterly discussion and presentation on review of operations of the company and the regulatory updates impacting the business which helps the director familiarize himself / herself with the company, its business, and the regulatory framework in which the company operates.

The details of directors as of 31 March, 2023, including the details of their other board directorship and committee membership reckoned in line with regulation 26 of the Listing Regulations and the Act as well as their shareholdings are given below:

Name of the director	Executive / Non-executive / Independent / Promoter	No. of directorship including Chola* (Out of which as chairman)	No. of shares held in the company	No. of board committee membership including Chola** (Out of which as chairman)
Mr. Vellayan Subbiah	Non-executive / Promoter director/ Chairman	9 (2)	Nil	3 (1)
Mr. N. Ramesh Rajan	Non-executive / Independent director	6 (1)	Nil	7 (4)
Ms. Bhama Krishnamurthy	Non-executive / Independent director	8 (1)	Nil	6 (1)
Mr. Rohan Verma	Non-executive / Independent director	4	Nil	1
Mr. M.A.M. Arunachalam	Non-executive / Promoter director	10 (5)	65,000	5 (1)
Mr. Anand Kumar	Non-executive / Independent director	5	Nil	2
Mr. Bharath Vasudevan	Non-executive / Independent director	1	Nil	Nil
Mr. Ravindra Kumar Kundu	Executive Director	7 (3)	1,71,885	1

**For the purpose of directorship / committee membership, all public / private companies and section 8 companies have been considered.*
***only chairmanship / membership of audit committee and stakeholders' relationship committee have been considered.*

The names of the other listed entities where the directors are holding directorship as at 31 March, 2023 are given below:

Name of the director	Name of the listed entity	Category of directorship
Mr. Vellayan Subbiah	SRF Limited	Non-executive Director
	Tube Investments of India Limited	Executive Vice Chairman / Promoter
	Cholamandalam Financial Holdings Limited	Non-executive Director / Promoter
	CG Power and Industrial Solutions Limited	Non-executive Director / Chairman / Promoter
Mr. N. Ramesh Rajan	Indo - National Limited	Non-executive / Independent Director / Chairman
	TTK Healthcare Limited	Non-executive / Independent Director
	Rane (Madras) Limited	
	Rane Engine Valve Limited	
Ms. Bhama Krishnamurthy	CSB Bank Limited	Non-executive / Independent Director
	Network 18 Media & Investments Limited	
	Thirumalai Chemicals Limited	
	Five Star Business Finance Limited	
Mr. Rohan Verma	C.E. Info Systems Limited	Chief Executive Officer and Executive Director / Promoter
Mr. M.A.M. Arunachalam	Tube Investments of India Limited	Executive Chairman / Promoter
	CG Power and Industrial Solutions Limited	Non-executive Director / Promoter
	Shanthi Gears Limited	Non-executive Chairman / Promoter
Mr. Anand Kumar	Tube Investments of India Limited	Non-executive / Independent Director
Mr. Bharath Vasudevan	-	-
Mr. Ravindra Kumar Kundu	-	-

In the opinion of the board, the independent directors of the company fulfill the conditions specified in Listing Regulations / Companies Act, 2013 and are independent of the management of the company. All the board members, including independent directors, have the opportunity and access to interact with the management.

Separate meeting of independent directors

During the year, in line with the requirement under section 149(8) and schedule IV of the Act, the independent directors had a separate meeting on 20 March, 2023, without the presence of other directors and management team.

Board Meetings

The board meets at regular intervals with an annual calendar and a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The board is regularly briefed and updated on the key activities of the business and is provided with comprehensive briefings and presentations on operations, asset liability management, risk & IT framework, new products, fraud control, quarterly financial statements and other matters concerning the company. Besides, information about statutory compliance, minutes of all the subsidiary companies and committees of the board and information as required under the Listing Regulations are also provided to the directors on a quarterly basis. The board at every meeting also reviews the important regulatory changes and correspondence between two meetings.

The board and the committee have a system of communication and follow up on actions taken by the management as suggested by the board / committees and the same is updated to them at the subsequent meetings.

The dates of the board meetings are fixed in advance for the calendar year to enable maximum attendance from directors. During the year, the board met five times on 5 May, 2022, 29 July, 2022, 1 November, 2022, 31 January, 2023 and 20 March, 2023.

The Companies Act, read with the relevant rules made there under and the Listing Regulations, facilitates the participation of a director in board / committee meetings through video conferencing or other audio-visual means. Accordingly, the company provided the option to directors to participate in meetings through video conferencing.

The board periodically reviews the matters required to be placed before it and *inter-alia* reviews and approves the quarterly financial statements, corporate strategies, business plan, annual budgets, revised estimates and capital expenditures. It monitors the overall performance and reviews other matters which require the board's attention.

The board also takes on record the declarations and confirmations made by the executive director, chief financial officer, and company secretary regarding compliances of all laws on a quarterly basis.

Certificate from Company Secretary in Practice

Mr. R. Sridharan of M/s. R. Sridharan & Associates has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect has been enclosed with this report.

COMMITTEES OF THE BOARD

The board has constituted various committees to support the board in discharging its responsibilities. There are seven committees constituted by the board - audit committee, stakeholders' relationship committee, corporate social responsibility committee, nomination and remuneration committee, risk management committee, IT strategy committee and business committee.

The board at the time of constitution of each committee defines the terms of reference and the role and responsibilities of the Committees and delegates powers which is reviewed by the board from time to time. Various recommendations of the committees are submitted to the board for approval. During the year, the board had accepted all recommendations of the committees.

AUDIT COMMITTEE

Terms of Reference

The committee acts as a link between the board, the statutory auditors, and the internal auditors. The role of the audit committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements, adequacy of internal financial controls and risk management systems, review and approval of transactions with related parties, findings of internal audits / investigations, whistle blower policy, monitoring the usage of funds from issue proceeds, review the financial statements, in particular, the investments made by the unlisted subsidiary companies, review of usage of loans, advances received, investment in the subsidiaries exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, review of compliance with the provisions of SEBI Prohibition of Insider Trading Regulations at least once a financial year. Besides, the committee recommends the appointment / removal of chief compliance officer, chief financial officer and the joint statutory auditors, the internal auditors and fixing their remuneration and review of the effectiveness of audit process, consider and comment on cost benefits / impact of schemes involving merger and demerger, approval of risk based internal audit plan, review of performance of internal auditor, formulation of quality assurance and improvement program of the internal audit function, review of consolidated position of major risks faced by the organization, review of pending high and medium risk observations.

Composition & Meetings

As at 31 March, 2023 the committee comprised of four non-executive directors - three independent directors and one promoter director. The committee comprised of Mr. N. Ramesh Rajan, independent director as the chairman, Ms. Bhama Krishnamurthy, Mr. Anand Kumar, and Mr. M.A.M. Arunachalam, as its members and Mr. Vellayan Subbiah, chairman of the board, Mr. Rohan Verma, Mr. Bharath Vasudevan, directors and Mr. Ravindra Kumar Kundu, executive director as permanent invitees. The company secretary acts as the secretary to the committee. During the year, the committee met nine times. All members of audit committee have knowledge of financial management, audit, and accounts. The joint statutory auditors, the internal auditors and senior management are invited to attend the meetings of the committee. The company has in place a system for a meeting of the independent directors of the committee with the joint statutory auditors and internal auditors without the presence of non-independent directors and management team. The committee met the joint statutory auditors as well as internal auditors during the year.

NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The role of the committee is to determine the company's policy on remuneration to executive directors and senior management, including periodic increments in salary and implementation of compensation policy of the company. The committee is also empowered to determine the annual commission / incentives of the executive directors and the minimum remuneration of the executive directors in the event of inadequacy of profits besides implementing, remuneration including commission payable to non-executive directors, administering, and monitoring the employee stock option plan / scheme of the company. The terms of reference *inter-alia* includes to consider and recommend persons who are qualified for board positions, evaluate directors performance prior to recommendation for re-appointments, assess the fit and proper criteria of all the directors, identify persons who are qualified to be in senior management and recommend their appointments, remuneration payable and removal. Formulate the criteria for determining qualifications, positive attributes and independence of a director and devising a policy on board diversity, determine whether to extend or continue the terms of appointment of independent director on the basis of the report of performance evaluation. Decisions for selecting a director is based on the merit, qualification, competency, and the company's business needs. Such candidates shall be free of conflict of interest that would interfere with their ability to discharge their duties. Further, the committee shall work closely with risk management committee to achieve effective alignment between compensation and risks. The recommendations of the committee are placed before the board for its approval.

Composition & Meetings

As at 31 March, 2023, the committee comprised of Mr. Anand Kumar, independent director as the chairman, Mr. Vellayan Subbiah and Mr. N Ramesh Rajan as its members. The majority of the members of this committee are independent directors. The committee had four meetings during the year ended 31 March, 2023.

REMUNERATION OF DIRECTORS

Remuneration Policy

The success of any organization in achieving good performance and governance depends on its ability to attract quality individuals on the board. The company has in place a remuneration policy which is guided by the principles and objectives as enumerated in section 178 of the Act, regulation 19 read with Part D of Schedule II of the Listing Regulations and the Scale Based Regulations issued by Reserve Bank of India.

Mr. Ravindra Kumar Kundu is the executive director (ED) on the board. The compensation to Mr. Ravindra Kumar Kundu is within the scale approved by the board and shareholders. The elements of compensation comprise a fixed component, performance incentive and employee stock options. The compensation is determined based on the level of responsibility and scales prevailing in the industry. ED is not paid sitting fees for any board / committee meetings attended by him. The board upon recommendation of the NRC, may decide the quantum/portion of variable pay (cash and non-cash components) that will be subject to deferral based on the time horizon of the risks. Claw back provisions for deferred variable pay including cancellation of vested & unexercised ESOPs may be invoked by the board based on the recommendation of NRC as per policy.

The compensation to the non-executive directors takes the form of commission on profits. 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 section 198 of the Act, the actual commission paid to the directors is restricted to a fixed sum within the above limit annually and is paid on the basis of their tenure in office during the financial year.

The sum is reviewed periodically taking into consideration various factors such as performance of the company, industry standards, time devoted by each of 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 chairman of the board and audit committee are paid differential commission in view of their enhanced role on the board/ committees. The non-executive directors are also paid sitting fees subject to the statutory ceiling for all board and committee meetings attended by them.

Criteria for Board Nomination

The nomination and remuneration committee is responsible for identifying persons for initial nomination as directors and evaluating incumbent directors for their continued service. The committee has formulated a charter in terms of the provisions of the Act, regulation 19(4) of the Listing Regulations and RBI Regulations applicable for non-banking finance companies, which *inter-alia*, deals with the personal traits, competencies, experience, background, and other fit and proper criteria. These attributes shall be considered for nominating candidates for board positions/ re-appointment of directors.

Criteria for appointment in senior management

The nomination and remuneration committee is responsible for identifying and recommending persons who are qualified to be appointed in senior management including recommending their promotion / remuneration. The committee has formulated the charter in terms of the provisions of the Act and the Listing Regulations, which *inter-alia*, deals with the criteria for identifying persons who are qualified to be appointed in senior management and periodical review of succession planning for board and senior management. These attributes shall be considered for nominating candidates for senior management position.

Performance Evaluation

In terms of the provisions of the Act and the Listing Regulations, the board carries out an annual performance evaluation of its own performance. The directors individually including the ED carry out a self as well as a peer evaluation. Individual committees carry out an evaluation of the working of the committees. The performance evaluation of the independent directors is carried out by the entire board. The performance evaluation of the chairman is anchored by nomination and remuneration committee chairman and performance of non-independent directors are carried out by the independent directors at their separate meeting held during the year. Chairman anchors the sessions on self, peer, committee, and board effectiveness evaluations. Chairman of the nomination and remuneration committee anchors the session on chairman evaluation.

The executive director's evaluation is carried out based on leadership qualities, strategic planning, communication, engagement with the board etc. The board evaluation process is completely conducted internally in secured digital mode.

Policy on Board diversity

The nomination and remuneration committee has devised a policy on board diversity which sets out the approach to diversity on the board of the company. The policy provides for having a truly diverse board, comprising of appropriately qualified people with a broad range of experience relevant to the business of the company.

Remuneration of executive director

Details of the remuneration of the executive director for the year ended 31 March, 2023 are as follows:

₹ in crores

Name of the Director	Salary	Allowance	Incentive (provisional)	Perquisites & Contributions	Total
Mr. Ravindra Kumar Kundu	1.27	0.83	0.86	0.45	3.41

Note:

Mr. Ravindra Kumar Kundu is not eligible for any severance fee. Service contract and the notice period are as per the terms of agreement entered into by him with the company.

Remuneration of non-executive directors

Directors of the company were paid sitting fees of ₹ 50,000/- for every meeting of board and audit committee and ₹ 30,000/- for every meeting of stakeholders' relationship committee, nomination and remuneration committee, risk management committee, corporate social responsibility committee, IT strategy committee and business committee during the FY 23.

In view of the considerable amount of time spent with the company management in reviewing the performance of various businesses on a periodic basis, devising the long-term strategy, giving strategic directions to the management, participation in ALCO meetings and advising the company in exploring new opportunities, in line with the last year, a differential commission of ₹ 1 crore is proposed to be paid to Mr. Vellayan Subbiah for the financial year ended 31 March, 2023 subject to the approval of the shareholders. The commission provided below will be paid subject to approval of the shareholders for the audited accounts for FY 23.

The details of commission provided / sitting fees paid to non-executive directors for the year ended 31 March, 2023 are as follows:

₹ in crores

Name of the director	Commission	Sitting Fees paid	Total
Mr. Vellayan Subbiah	1.00	0.06	1.06
Mr. N. Ramesh Rajan	0.12	0.10	0.22
Mr. Ashok Kumar Barat*	0.06	0.04	0.10
Ms. Bhama Krishnamurthy	0.10	0.09	0.19
Mr. Rohan Verma	0.10	0.02	0.12
Mr. M.A.M. Arunachalam	0.10	0.10	0.20
Mr. Anand Kumar	0.10	0.08	0.18
Mr. Bharath Vasudevan**	0.10	0.04	0.14
TOTAL	**1.68**	**0.53**	**2.21**

Note:

Commission will be paid subject to deduction of tax as applicable.

*Mr. Ashok Kumar Barat - retired as an independent director with effect from close of business hours on 30 October, 2022.

**Mr. Bharath Vasudevan resigned as an independent director with effect from close of business hours on 31 March, 2023.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference

The role of the committee includes formulation of shareholders' servicing plans and policies, share transmissions, issue of letter of confirmation for duplicate shares, for share split, consolidation of shares, etc. The committee also monitors and reviews the mechanism of dematerialisation of shares and payment of dividends, adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent, measures taken for effective exercise of voting rights by shareholders, approve transfer of shares to the Investors Education and Protection Fund. It further looks into the redressing of shareholders' grievances like non-receipt of balance sheet, non-receipt of declared dividends and determining, monitoring, and reviewing the standards for resolution of shareholders' grievances.

During the year, the company had received six complaints from the shareholders which have been resolved. There were no investor complaints pending as at 31 March, 2023 and no complaints that were not solved to the satisfaction of shareholders.

Composition & Meetings

As at 31 March, 2023, the committee comprised of Mr. M.A.M. Arunachalam, non-executive director as the chairman, Mr. Rohan Verma and Mr. Ravindra Kumar Kundu as its members. Ms. P. Sujatha, company secretary is the compliance officer. During the year, the committee had two meetings.

RISK MANAGEMENT COMMITTEE

Terms of Reference

The role of the committee includes formulation and review of the risk management policy, ensures appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business and liquidity risk being a Non-Banking Finance Company. The committee also monitors and oversees implementation of the risk management policy, including evaluating the adequacy of risk management systems, appointment, removal, and terms of remuneration of the chief risk officer, reviews the annual risk management framework document including action plan and its progress. Besides, the committee periodically monitors the critical risk exposures by specialized analysis and quality reviews and reports to the board the details of any significant developments, identifies and makes recommendations to the board, reviews outsourcing risks, secures attendance of outsiders with relevant expertise, where required and carries out any other function as may be necessary to ensure that an effective risk management system is in place.

Composition & Meetings

As at 31 March, 2023, the committee comprised of Ms. Bhama Krishnamurthy as the chairperson, Mr. N. Ramesh Rajan, Mr. M.A.M. Arunachalam, Mr. Bharath Vasudevan and Mr. Ravindra Kumar Kundu as its members and functional heads of the company as permanent invitees. The committee had five meetings during the year ended 31 March, 2023.

Meetings with chief risk officer

During the year under review, in line with the requirement under RBI regulations, the committee had separate meetings every quarter with chief risk officer of the company without the presence of the executive director and the management team.

IT STRATEGY COMMITTEE

Terms of Reference

The role of committee includes approving Information Technology (IT) strategy and policy documents and ensuring that the management has put an effective strategic planning process in place and ascertaining implementation processes and practices that ensure that IT delivers value to the business; Ensuring IT investments represent a balance of risks and benefits, the budgets are acceptable and monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources and ensuring proper balance of IT investments for sustaining company's growth and becoming aware about exposure towards IT risks and controls.

The committee also reviews the information security and cyber security framework and IT disaster recovery process of the company.

Composition & Meetings

As at 31 March, 2023, the committee comprised of Mr. Rohan Verma as chairman, Mr. Bharath Vasudevan and Mr. Vellayan Subbiah as its members. The committee had three meetings during the year ended 31 March, 2023. The Board at its meeting held on 20 March, 2023 had inducted Mr. Anand Kumar as the member of the committee effective 1 April, 2023 in place of Mr. Bharath Vasudevan.

BUSINESS COMMITTEE

Terms of Reference

The role of the committee includes review of the business of the company, including approval and review of business proposals beyond certain financial limits, review and recommend new product notes to the board for approval, approve investments / borrowings within the limits prescribed by the board, approve assignment of receivables and oversee the asset liability management system of the company.

Composition & Meetings

As at 31 March, 2023, the business committee comprised of Mr. Vellayan Subbiah as the chairman, Mr. M.A.M. Arunachalam and Mr. Ravindra Kumar Kundu as its members. The senior management is invited to attend the meetings of the committee. The committee had two meetings during the year.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference

The role of the committee includes formulation and recommendation of a corporate social responsibility (CSR) policy for the company, recommend the amount of expenditure to be incurred on the CSR activities, monitor the CSR policy of the company from time to time and institute a transparent monitoring mechanism for implementing the CSR activities and carry out any other function or activity as may be required to ensure that the CSR objectives are met.

Composition & Meetings

As at 31 March, 2023, the committee comprised of Mr. Vellayan Subbiah as the chairman, Ms. Bhama Krishnamurthy and Mr. M.A.M. Arunachalam as its members. The committee had two meetings during the year ended 31 March, 2023.

ATTENDANCE AT BOARD, COMMITTEES AND GENERAL MEETINGS

Name of the directors	Board (Attendance %)	Audit committee	Stakeholders relationship committee	Nomination & remuneration committee	Business committee	Risk management committee	Corporate social responsibility committee	IT strategy committee	Attendance at last AGM
Mr. Vellayan Subbiah	5 (100%)	NA	NA	4 (100%)	2 (100%)	NA	2 (100%)	3 (100%)	Yes
Mr. N. Ramesh Rajan	5 (100%)	9 (100%)	NA	4 (100%)	NA	5 (100%)	NA	NA	Yes
Mr. Ashok Kumar Barat	2 (100%)	4 (100%)	NA	NA	NA	2 (100%)	NA	1 (100%)	Yes
Ms. Bhama Krishnamurthy	5 (100%)	9 (100%)	NA	NA	NA	5 (100%)	2 (100%)	NA	Yes
Mr. Rohan Verma*	3 (60%)	NA	1 (50%)	NA	NA	NA	NA	2 (67%)	No
Mr. M.A.M. Arunachalam	5 (100%)	9 (100%)	2 (100%)	NA	2 (100%)	5 (100%)	2 (100%)	NA	Yes
Mr. Anand Kumar	5 (100%)	9 (100%)	NA	4 (100%)	NA	NA	NA	NA	Yes
Mr. Bharath Vasudevan**	4 (80%)	NA	NA	NA	NA	4 (80%)	NA	2 (67%)	Yes
Mr. Ravindra Kumar Kundu	5 (100%)	NA	2 (100%)	NA	2 (100%)	5 (100%)	NA	NA	Yes

**Mr. Rohan Verma, independent director was unable to attend the meetings held in July, 2022 since he was unwell and in January, 2023 due to unforeseen exigencies.*
*** Mr. Bharath Vasudevan, independent director was unable to attend the meetings held in March, 2023 due to personal exigencies.*

GENERAL BODY MEETINGS

Particulars of venue, date, and time of the previous three annual general meetings are given below:

Year	Date and Time	Venue
2020	30 July, 2020 at 3.30 p.m.	Video conferencing
2021	30 July, 2021 at 3.30 p.m.	Video conferencing
2022	29 July, 2022 at 4.00 p.m.	Video conferencing

DETAILS OF SPECIAL RESOLUTIONS PASSED

Particulars of special resolutions passed in the previous three annual general meetings are given below:

Date of AGM	Details
30 July, 2020	- Issue of securities on private placement basis under section 42 of the Act
30 July, 2021	- Issue of securities on private placement basis under section 42 of the Act
29 July, 2022	- Increase in the borrowing powers of the company - Payment of commission to non-executive chairman for financial year ended 31 March, 2022 - Alteration of memorandum of association for change in the object clause of the company

POSTAL BALLOT

No postal ballot was conducted during FY 23.

Proposed resolutions through postal ballot

No special resolution is proposed to be conducted through postal ballot.

COMPLIANCE REPORT

A detailed compliance report is placed before the board every quarter and highlights of the report is circulated to the board along with the agenda every quarter. The company secretary submits a compliance certificate to the board on a quarterly basis. The board reviews the compliance of all applicable laws every quarter and gives appropriate directions, wherever necessary.

SECRETARIAL AUDIT

The company annually conducts a secretarial audit by an independent practicing company secretary. For the year ended 31 March, 2023, M/s. R. Sridharan & Associates, company secretaries, had conducted the secretarial audit and the certificate was placed before the board and attached to this report.

RECONCILIATION OF SHARE CAPITAL AUDIT

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the company's share capital is being carried out by an independent auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The certificate issued by an independent practicing company secretary is submitted to the stock exchanges and is also placed before the board of directors.

CODE FOR PREVENTION OF INSIDER TRADING

The board has adopted a code to regulate, monitor and report trading by insiders in securities of the company. The code *inter-alia* requires pre-clearance for dealing in the securities of the company and prohibits the purchase or sale of securities of the company while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The board has further approved the code for practices and procedures for fair disclosure of unpublished price sensitive information and policy governing the procedure of inquiry in case of actual or suspected leak of unpublished price sensitive information. The code has also been hosted on the website of the company. The company has also put in place a structured digital database as required under Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The certificate on compliance of corporate governance norms from an independent practicing company secretary is annexed to the report.

CEO/CFO CERTIFICATION

Executive director and chief financial officer have given a compliance certificate to the board with regard to financial statements and internal control systems as contemplated under regulation 17(8) of the Listing Regulations.

SUBSIDIARY COMPANIES

A policy on material subsidiaries has been formulated and the same is posted on the company's website *(weblink: https://cholamandalam.com/files/policy_on_material_subsidiaries)*. The financial statements of subsidiary companies are tabled at the audit committee and board meetings every quarter.

DISCLOSURES

Related party transactions

All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no material transactions with related parties i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries, or relatives, etc., that may have potential conflict with the interest of company at large. Suitable disclosures as required in compliance with accounting standards with related parties are disclosed in note 37 of the financial statements in the annual report.

The board has put in place a policy on related party transactions and the same has been uploaded on the company's website *(weblink: https://cholamandalam.com/files/policy_on_related_party_transactions)*

Disclosure by listed entity and its subsidiaries of 'Loans and advances' in the nature of loans to firms/companies in which directors are interested by name and amount:

Suitable disclosures as required in compliance with accounting standards in which directors are interested are disclosed in note 37 of the financial statements in the annual report.

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

The company does not have any material subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth of the company during the immediately preceding financial year.

Fee disclosures as required by clause 10(k), Part C, Schedule V of the Listing Regulations:

Total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to M/s. Price Waterhouse LLP and M/s. Sundaram & Srinivasan, Chartered Accountants, joint statutory auditors of the company and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the company for the year ended 31 March, 2023 is as follows:

₹ in crores

Particulars	Amount
Fees for audit and related services paid to joint statutory auditors and affiliates firms and to entities of the network of which the statutory auditor is a part	1.15
Other fees paid to joint statutory auditors & affiliates firms and to entities of the network of which the statutory auditor is a part	-
Total fees*	**1.15**

*Includes input tax credit expensed wherever applicable

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

During the year, the company had not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Whistle blower policy / vigil mechanism

The company has established a whistle blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of directors / employees / customers who avail of the mechanism and also for appointment of an ombudsperson who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct access to the chairperson of the audit committee. During the year, no personnel have been denied access to the audit committee. The policy is available on the website *(weblink: https://cholamandalam.com/files/whistle_blower_policy)*

Penalties

There were no penalties, strictures imposed on the company by any statutory authority / regulatory authority, on any matter related to capital markets, during the last three years.

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The company has complied with all mandatory requirements of corporate governance norms as enumerated in chapter IV of the Listing Regulations. The requirements of regulation 17 to regulation 27 of the Listing Regulations and clauses (b) to (i) of the sub-regulation (2) of regulation 46 to the extent applicable to the company have been complied with as disclosed in this report. The company has also adopted the following discretionary requirements specified in Part E of Schedule II in terms of regulation 27(1) of the Listing Regulations:

i) Modified opinion(s) in audit report: Company's financial statements have unmodified audit opinions.

ii) Separate posts of chairperson and the executive director: chairperson of the company is a non-executive director and he is not related to the executive director of the company.

MEANS OF COMMUNICATION

The audited financial results, quarterly results, and other major announcements like notices of annual general meeting and book closures were published in Business Line and Dinamani and are also available on the company's website https://www.cholamandalam.com/investors Press releases are given in the leading newspapers and also posted on the company's website. The investors' presentations and call transcripts are posted on stock exchange and company's websites. The company has posted a shareholder' satisfaction survey on its website to ascertain the level of the shareholders satisfaction. Further, the shareholding pattern and presentations made to analysts and investors from time to time are also displayed on the website of the company.

MANAGEMENT DISCUSSION & ANALYSIS

A management discussion & analysis forms part of the annual report.

GENERAL SHAREHOLDER INFORMATION

A separate section on the above has been included in the annual report.

On behalf of the board

Place : Chennai
Date : 3 May, 2023

Vellayan Subbiah
Chairman

Declaration on Code of Conduct

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 31 March, 2023, as envisaged in Schedule V under regulation 34 (3) of the Listing Regulations.

Place : Chennai
Date : 3 May, 2023

Ravindra Kumar Kundu
Executive Director

Certificate from Company Secretary in Practice

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

The Members,

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Dare House, No. 2, N.S.C Bose Road,

Parrys, Chennai - 600001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIN: L65993TN1978PLC007576)** having its Registered Office at Dare House, No. 2, N.S.C. Bose Road, Parrys, Chennai – 600001 (hereinafter referred to as "The Company") as 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 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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board India / Ministry of Corporate Affairs or any such other statutory authority.

S.NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF APPOINTMENT
1.	01138759	Vellayan Subbiah	Non-Executive - Non-Independent / Promoter Director / Chairman	11/11/2020
2.	01628318	N Ramesh Rajan	Non-Executive - Independent Director	30/10/2018
3.	01797489	Rohan Verma	Non-Executive - Independent Director	25/03/2019
4.	02196839	Bhama Krishnamurthy	Non-Executive - Independent Director	31/07/2019
5.	00202958	M A M Arunachalam	Non-Executive - Non-Independent Director	29/01/2021
6.	00818724	Anand Kumar	Non-Executive - Independent Director	16/03/2021
7.	09104808	Bharath Vasudevan*	Non-Executive - Independent Director	16/03/2021
8.	07337155	Ravindra Kumar Kundu	Executive Director	23/01/2020

*Mr. Bharath Vasudevan, resigned as an Independent & Non-Executive Director of the Company effective the close of business hours of 31st March, 2023.

Ensuring the eligibility 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.

Place : Chennai
Date : 3 May, 2023

For **R. Sridharan & Associates**
Company Secretaries

CS R. Sridharan
CP No. 3239
FCS No. 4775
PR.NO.657/2020
UIN: S2003TN063400
UDIN: F004775E000244795

Independent certificate 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,

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

Dare House, No. 2, N.S.C Bose Road,

Parrys, Chennai - 600001

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED, (CIN: L65993TN1978PLC007576)** [hereinafter referred as "the Company"] having its Registered Office at Dare House, No.2, N.S.C Bose Road, Parrys, Chennai- 600001, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called "SEBI (LODR) Regulations 2015") for the financial year ended 31st March, 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of SEBI (LODR) Regulations, 2015 for the financial year ended 31st March, 2023.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R. Sridharan & Associates**
Company Secretaries

CS R. Sridharan
FCS No. 4775
CP No. 3239
PR NO.657/2020
UIN: S2003TN063400
UDIN: F004775E000244817

Place: Chennai
Date: 3 May, 2023

General Shareholders Information

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER (CIN)

L65993TN1978PLC007576

ANNUAL GENERAL MEETING

Date	Time	Mode
1 August, 2023	4.00 p.m.	The annual general meeting (AGM) will be held through video conference in compliance with applicable guidelines and circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

FINANCIAL YEAR

1 April to 31 March.

DATES OF BOOK CLOSURE

Wednesday, the 26 July, 2023 to Tuesday, the 1 August, 2023 (both days inclusive)

DIVIDEND PAYMENT DATE

The board at its meeting held on 31 January, 2023 had approved payment of interim dividend on the equity shares for the year ended 31 March, 2023 at the rate of 65% (₹ 1.30 per equity share of ₹ 2 each) and fixed the record date as 10 February, 2023. The interim dividend was paid to all the shareholders by 24 February, 2023.

The board at its meeting held on 3 May, 2023 has further recommended payment of final dividend of 35% (₹ 0.70 per equity share of ₹ 2 each), for the year ended 31 March, 2023. The same will be paid within 30 days upon declaration by the shareholders at the ensuing annual general meeting.

LISTING ON STOCK EXCHANGES

Equity Shares:

BSE Limited Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai - 400 001. Stock Code: 511243	**National Stock Exchange of India Limited** Exchange Plaza, Plot No.C-1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Stock Code: CHOLAFIN EQ

Debt Securities:

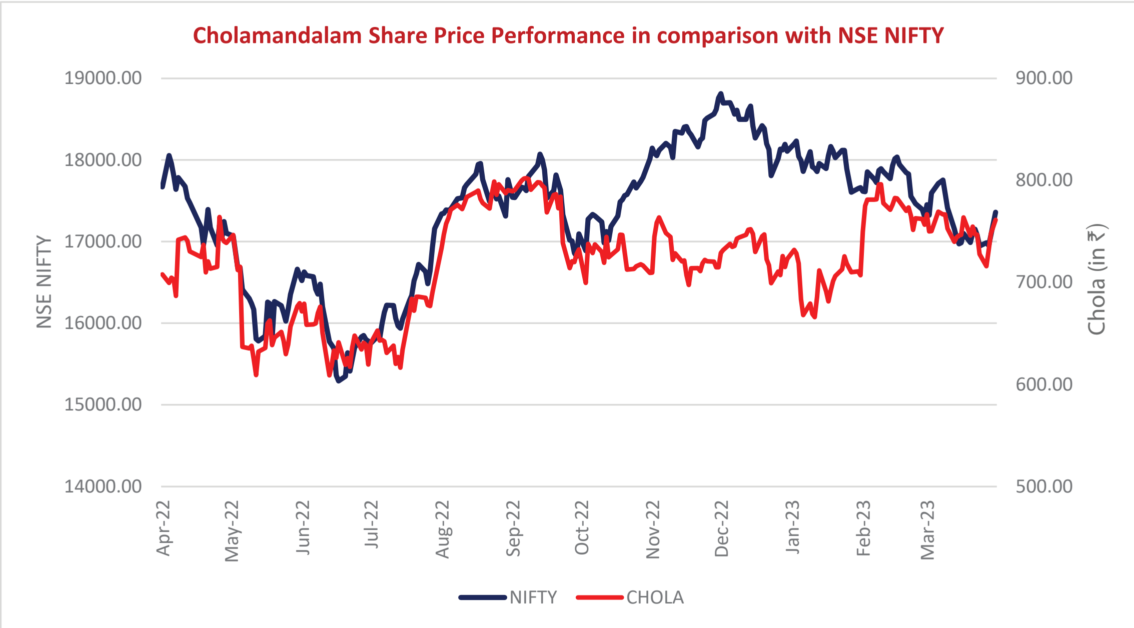
Debt securities are listed in the Wholesale Debt Market (WDM) Segment of NSE and F - Class Segment of BSE Limited.

Payment of Listing fees

The listing fees for FY 24 has been paid to the above stock exchanges.

SHARE PRICE DATA

Month	BSE Limited			National Stock Exchange of India Limited		
	High (in ₹)	Low (in ₹)	Volume	High (in ₹)	Low (in ₹)	Volume
April, 2022	763.75	686.95	16,36,463	764.00	686.75	5,05,67,721
May, 2022	746.05	609.10	23,60,601	746.50	609.20	4,44,52,079
June,2022	678.75	609.20	16,07,823	679.15	609.00	4,05,14,337
July, 2022	700.60	616.35	14,59,648	700.70	616.45	4,10,74,005
August, 2022	798.90	733.80	12,82,140	798.85	733.85	3,01,61,569
September, 2022	803.70	713.30	11,71,282	802.20	713.95	3,05,40,905
October, 2022	746.90	700.30	20,29,265	746.80	699.55	2,53,51,440
November, 2022	763.50	697.25	11,14,226	763.60	697.50	3,18,18,771
December, 2022	752.10	698.35	12,97,753	752.10	699.25	2,44,04,242
January, 2023	731.95	666.35	13,88,459	731.85	665.95	4,01,57,439
February, 2023	796.45	749.80	7,61,838	796.10	749.80	2,76,42,986
March, 2023	768.70	717.40	6,29,325	769.30	715.85	2,34,95,743



REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Limited (KFin) is the Registrar and Share Transfer Agent (RTA) for handling the physical and electronic registry work. The shareholders are requested to send their share related requests / queries to the RTA.

The contact details of the RTA are as follows:
KFin Technologies Limited
(Unit: Cholamandalam Investment and Finance Company Limited)
Selenium Building, Tower B, Plot 31-32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana 500 032
Phone No.: 040-67162222, 79611000 | Toll Free No.: 18003094001| Fax No: 040-23001153
Email: einward.ris@kfintech.com | Website: www.kfintech.com or https://ris.kfintech.com/
Contact person: Mr. Rajkumar Kale - Assistant Vice President - Corporate Registry

TRUSTEES FOR THE DEBENTURE HOLDERS

The company has appointed IDBI Trusteeship Services Limited and Catalyst Trusteeship Limited, debenture trustees registered with SEBI, as the trustees on behalf of the debenture holders.

The contact details of the Trustees are as follows:

1. **IDBI Trusteeship Services Limited**
   Ground Floor, Sir P.M. Road,
   Universal Insurance Building, Fort, Mumbai - 400001
   Phone : 022 40807073
   Website : www.idbitrustee.com
   E-mail : itsl@idbitrustee.com
   Contact person : Ms. Jindal Shah, Analyst

2. **Catalyst Trusteeship Limited**
   GDA House, Plot No. 85, Bhusari Colony (Right),
   Paud Road, Pune - 411 038
   Phone : 020-6680 7200/7223/7224-209
   Website : www.catalysttrustee.com
   E-mail : dt@ctltrustee.com
   Contact person : Ms. Shamal Nalawade-Asst. VP

Dematerialisation of shares and liquidity

The company's shares are tradable in the electronic form only. The company has established connectivity with National Securities Depository Limited and Central Depository Services (India) Limited. As of 31 March, 2023, 99.90% of the company's shares were held in dematerialised form. The company's shares are regularly traded on National Stock Exchange of India Limited and BSE Limited under the ISIN: INE121A01024. Those shareholders who hold shares in physical mode are requested to convert their shareholding to demat mode at the earliest.

Share Transfer System

Effective 1 April, 2019, SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form. The shareholders who continue to hold shares in physical form after this date, will not be able to lodge the shares with company / its RTA for further transfer. Shareholders shall mandatorily convert them to demat form if they wish to effect any transfer.

Transmission of shares/issue of duplicate share certificate etc. in demat mode only

In continuation of its efforts to enhance ease of dealing in securities market by investors, SEBI vide circular dated 25 January, 2022 has simplified the process for transmission of shares and issue of duplicate share certificates and mandated the listed entities to issue securities only in dematerialised form for the service requests such as issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transpositions.

The manner and process of submission of service request is available on the company's website at *https://www.cholamandalam.com/investors/sebi-norms* After processing the service request, a letter of confirmation (LOC) will be issued to the shareholders and shall be valid for a period of 120 days, with which the shareholder shall make a request to the depository participant for dematerialising those shares. Unclaimed shares beyond 120 days will be transferred to the suspense escrow demat account held by the company. Shareholders can claim these shares from suspense escrow demat account and get transferred to their demat account on submission of necessary documents.

Updation of KYC details

SEBI vide circular dated 3 November, 2021, had mandated furnishing of details like PAN, nomination, mobile number, email address, specimen signature, bank details by the respective shareholders. Effective 1 January, 2022, any service requests or complaints received from the shareholder, will not be processed by RTA till the aforesaid details / documents are provided to RTA. On or after 1 October, 2023, in case any of the above cited documents / details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the company at *https://www.cholamandalam.com/investors/sebi-norms*

Nomination facility

As per the SEBI circular dated 3 November, 2021, facility for registering nomination is available for members in respect of the shares held by them. Shareholders who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a shareholder desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website *https://www.cholamandalam.com/investors/sebi-norms* The shareholders holding shares in dematerialised form are requested to submit their nomination form to the concerned depository participants and to RTA in case the shares are held in physical form.

Payment of dividend through NACH

The company uses National Automated Clearing House (NACH) facility for payment of dividends directly to the bank accounts of shareholders. The shareholders may use the facility by providing their bank account number to the depository participant / RTA, as may be relevant, to enable the company to effect the dividend payment through the NACH mode.

Green initiative in corporate governance

The Companies Act, 2013 and the underlying rules permit companies to send various documents including the financial statements through electronic mode to the shareholders. In compliance with the circulars issued by MCA and SEBI, electronic copies of the notice of the AGM and annual report for FY 23 will be sent to all the shareholders whose email addresses are registered with the company / depository participants. Shareholders are requested to register their e-mail ID with their depository participant, if the holding is in electronic mode. If shares are held in physical mode, the shareholders are requested to furnish their email addresses to RTA for receiving the above documents by electronic mode.

Details of complaints received and redressed

During the year, six investor service complaints relating to non-receipt of Annual Report, dividend details, non-receipt of split shares, adherence to corporate governance norms were received and redressed. No investor service complaint was pending as at 31 March, 2023.

Contact details of the designated official for assisting and handling investor grievances

In terms of regulation 46(2)(k) of the Listing Regulations, the contact details of the designated official for assisting and handling investor grievances are as below:

Ms. P. Sujatha, Company Secretary
"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai-600 001
Phone: 044-40907172 (bd.) 40907055 (d) | Fax: 044-25346464
E-mail: sujathap@chola.murugappa.com | investors@chola.murugappa.com

CREDIT RATING

The credit rating details of the company as at 31 March, 2023 are as follows:

Rating Agency	Term	Type	Rating as on 31 March, 2023	Revisions during the year	Obtained during the year
ICRA	LT	NCD / SD / CC / TL	[ICRA]AA+ with Stable Outlook	NA	NCD MLD - March 06, 2023 NCD - March 06, 2023 LTL /CC - March 06, 2023
	LT	PD	[ICRA]AA with Stable Outlook	NA	PDI - March 06, 2023
	ST	CP / CDL	[ICRA]A1+	NA	CP - March 06, 2023
CRISIL	ST	CP	[CRISIL]A1+	NA	CP - March 01, 2023
	LT	SD	[CRISIL]AA+ / Stable	NA	
CARE	LT	SD	CARE AA+	NA	SD - December 07, 2022
	LT	NCD	CARE AA+	NA	NCD - January 06, 2023
	LT	PD	CARE AA	NA	PD - December 07, 2022
INDIA Ratings and Research Pvt Ltd	LT	NCD / SD	IND AA+ with Stable Outlook	NA	NCD / SD - March 13, 2023
	LT	PD	IND AA with Stable Outlook	NA	PD - March 13, 2023

Note: Note: LT – Long term loan, ST – Short term loan, NCD – Non-convertible debenture, SD – Subordinated debt instrument, CC – Cash credit, TL – Term loan, CP – Commercial paper, WCDL – Working capital demand loans, PD – Perpetual debt instrument

Payment of unclaimed / unpaid dividend

In respect of unclaimed dividends, the company sends periodical reminders to the shareholders before transferring the unclaimed dividends to the investor education and protection fund (IEPF) established by the central government. The dividends that are lying unclaimed / unpaid with the company for a period of seven consecutive years are transferred from time to time to IEPF. The company has remitted ₹ 0.10 crore to IEPF during the year.

Year wise details of the dividends to be transferred to IEPF are given below:

FY to which the dividend relates	Date of declaration	Due date for transfer to IEPF
2016 - Final	29 July, 2016	03 September, 2023
2017 - Interim	25 January, 2017	01 March, 2024
- Final	27 July, 2017	31 August, 2024
2018 - Interim	30 January, 2018	06 March, 2025
- Final	26 July, 2018	30 August, 2025
2019 - Interim	30 January, 2019	06 March, 2026
- Final	30 July, 2019	03 September, 2026
2020 - Interim I	12 December, 2019	16 January, 2027
- Interim – II	26 February, 2020	02 April, 2027
2021 - Interim	29 January, 2021	05 March, 2028
- Final	30 July, 2021	03 September, 2028
2022 - Interim	01 February, 2022	08 March, 2029
- Final	30 July, 2022	01 September, 2029
2023 - Interim	31 January, 2023	07 March, 2030

Transfer of Equity Shares to IEPF

In accordance with the provisions of section 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF), the underlying shares of all dividends which remain unpaid/unclaimed for a period of seven consecutive years be transferred to Investor Education and Protection Fund (IEPF). As required under the said rules, the company had published a notice in the newspapers inviting the shareholders attention to the aforesaid rules. The company had also sent out individual communication to the concerned shareholders whose shares are liable to be transferred to IEPF Account, pursuant to the said rules and also displayed the details of such shareholders and shares due for transfer on the website of the company at https://www.cholamandalam.com/investors/unclaimed-dividend-amounts in line with the requirements.

During the year, the company had transferred 30,655 shares pertaining to 63 shareholders to the demat account maintained by IEPF authority. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed from IEPF authority, as per the procedure prescribed in the rules. No claim shall lie in respect thereof with the company.

Unclaimed Suspense Account

In terms of regulation 34(3) of the Listing Regulations, all the shares issued in physical form pursuant to a public issue or any other issue, which remain unclaimed had been dematerialised and transferred to a folio in the name of unclaimed suspense account. The voting rights of these shares shall remain frozen till the rightful owner of such shares claims the shares. The Company has not transferred any shares during the financial year.

The details regarding the shares which are in the unclaimed suspense account are given below:

S. No.	Description	Total No. of cases	Total shares
1	No. of shareholders and outstanding shares lying in the unclaimed suspense account at the beginning of the year	-	-
2	No. of shareholders who approached for transfer of shares from unclaimed suspense account during the year	-	-
3	No. of shareholders to whom shares were transferred from the unclaimed suspense account during the year	-	-
4	No. of shares transferred to IEPF authority	-	-
5	No. of shareholders and outstanding shares lying in the unclaimed suspense account at the end of the year	-	-

Distribution of Shareholding as on 31 March, 2023

Sl. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 – 500	1,03,545	85.45	1,01,57,818	1.24
2	501 – 1000	9,031	7.45	63,59,172	0.77
3	1001 – 3000	5,446	4.49	91,51,906	1.11
4	3001 – 10000	1,874	1.55	1,00,27,056	1.22
5	10001 – 20000	452	0.37	63,99,565	0.78
6	20001 – 100000	525	0.43	2,26,82,797	2.76
7	100001 and above	311	0.26	75,72,62,042	92.12
	TOTAL	**1,21,184**	**100.00**	**82,20,40,356**	**100.00**

SHAREHOLDING PATTERN

Category (Shares)	As at 31 March, 2023	
	No. of Shares	% of shareholding
Promoter and promoter group	42,31,26,532	51.47
Foreign Portfolio Investors / Foreign Institutional Investors	16,13,51,798	19.63
Mutual Funds / Trust / Banks / Financial Institutions / AIFs / QIBs	17,65,92,740	21.48
Private Corporate Bodies / NBFCs	69,53,828	0.85
Resident Individuals and others	5,40,15,458	6.57
TOTAL	**82,20,40,356**	**100.00**

OUTSTANDING GDRs/ADRs ETC.

The company has not issued any GDR / ADR or any convertible instruments that is likely to impact the equity share capital of the company.

COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK AND COMMODITY HEDGING ACTIVITIES

The company is in financial services business and has no exposure to commodity price risk and commodity hedging activities and hence the disclosure pertaining to SEBI circular dated 15 November, 2018 is not applicable. In respect of certain computer related purchases involving payment in foreign currency, the payment is made basis the rate prevailing on the date of payment and as per the terms mentioned in contract. To this extent, if the currency movement is adverse, the payment would be impacted by such currency exposure.

LOCATION

The company's registered office is in Chennai and it operates out of 1,191 branches across the country.

On behalf of the board

Place : Chennai
Date : 3 May, 2023

Vellayan Subbiah
Chairman

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity number**	L65993TN1978PLC007576
2.	**Name of the Listed Entity**	Cholamandalam Investment and Finance Company Limited
3.	**Year of incorporation**	17 August, 1978
4.	**Registered office address**	"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai – 600001
5.	**Corporate address**	"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai – 600001
6.	**E-mail**	investors@chola.murugappa.com
7.	**Telephone**	044 - 4090 7172
8.	**Website**	www.cholamandalam.com
9.	**Financial year for which reporting is being done**	1 April, 2022 to 31 March, 2023
10.	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited (NSE) and BSE Limited
11.	**Paid-up Capital**	₹ 164.48 crores
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	1. DIN: 07337155
		2. Name: Mr. Ravindra Kumar Kundu
		3. Designation: Executive Director
		4. Telephone number: 044 - 4090 7172
		5. E-mail id: kundur@chola.murugappa.com
13.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)**	The disclosures under this report are made on standalone basis for Cholamandalam Investment and Finance Company Limited.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
I	Financial Services – Lending	The company provides Vehicle Finance (VF), Home Loans (HL), Loan Against Property (LAP), Secured Business and Personal Loans (SBPL), Consumer and Small Enterprises Loans (CSEL) and Small and Medium Enterprises Loans (SME).	97.4%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
i)	Financial Services (Lending) - Vehicle Finance, Home Loans, Loan against Property, Secured Business and Personal Loans, Consumer and Small Enterprises Loans, and Small and Medium Enterprises Loans (SME).	K649	97.4%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	1,191	1,191
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	29 states, 5 Union Territories
International (No. of countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers:

The company focuses on retail customers including first time borrowers (FTB) and new to credit customers (NTCC) ensuring financial inclusion of sections of society including micro business owners. The following are types of customers based on products:

a. Vehicle Financing: Focus on transport entrepreneurs, FTB and NTCC predominantly in geographies with limited presence of banks and other organized financiers

b. Loan against Property: Focus on lending to small business entrepreneurs against the collateral of self-occupied residential property

c. Affordable Housing:

   i. focus on underserved customers in tier III, IV, V, VI cities to enable them to achieve their dream of owning a home

   ii. customers from unorganised segments who receive their salaries in cash

   iii. women borrowers

d. SBPL: Funding to the under-served self-employed non-professional customers (eg. grocery shop, dairy owners, unskilled labourers, low salaried/cash salaried workers).

e. SME Loans: Micro, Small and Medium Enterprises (MSME) customers, Factoring and Inventory Funding to support SME customers.

f. CSEL: unsecured lending to retail customers including New To Credit (NTC) customer through partnership business to support lower income segment people.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1.	Permanent (D)	13,248	12,814	97%	434	3%
2.	Other than permanent (E)	8	6	75%	2	25%
3.	**Total employees (D+E)**	13,256	12,820	97%	436	3%
	Workers					
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	**Total workers (F + G)**					

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	49	49	100%	0	0%
2.	Other than permanent (E)	0	0	0	0	0%
3.	**Total differently abled employees (D+E)**	49	49	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than permanent (G)					
6.	**Total differently abled workers (F+G)**					

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors#	8	1	12.5%
Key Management Personnel	2	1	50%

#includes executive director, who is also the KMP of the company.

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18.3%	16.2%	15.36%	15.3 %	18.5%	15.4%	13.7%	19.8%	13.8%
Permanent Workers	Not Applicable								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Cholamandalam Securities Limited	Subsidiary	100%	No
2	Cholamandalam Home Finance Limited	Subsidiary	100%	No
3	Payswiff Technologies Private Limited	Subsidiary	74.8%	No
4	White Data Systems India Private Limited*	Associate	30.87%	No
5	Vishvakarma Payments Private Limited	Associate	21%	No

*Ceased to be an associate of the company on 20 April, 2023.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.): ₹ 12,756 crores

(iii) Net worth (in Rs.): ₹ 14,306 crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redress policy)*	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes *https://cholamandalam.com/files/business_responsibility_policy*	0	0	--	0	0	--
Investors (other than shareholders)	Yes *https://cholamandalam.com/files/whistle_blower_policy*	0	0	--	0	0	--
Shareholders	Yes *https://cholamandalam.com/files/business_responsibility_policy*	6	0	--	1	0	--
Employees and workers	Yes *https://cholamandalam.com/files/whistle_blower_policy*	0	0	--	0	0	--
Customers	Yes *https://www.cholamandalam.com/contact-us/grievance-redressal*	747	0	--	812	0	--
Value Chain Partners	Yes *https://cholamandalam.com/files/business_responsibility_policy*	0	0	--	0	0	--
Other (please specify)		Not Applicable					

24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Financial Inclusion	O	To fulfil the company's corporate vision to enable customers to enter a better life		Positive Implication
2	Corporate Governance (Transparency and Disclosures)	O	Ethical governance is central to the company's values and way of doing Business		Positive Implication
3	Data Privacy and Cyber Security	R	To ensure protection of customers' personal data and privacy and compliance with applicable regulations	The company has secured 100% of customers' data in 1,191 branches and has deployed the latest multi-layer protection technology company – wide, including encryption tools to protect stakeholders' personal information against breaches of privacy. The company continuously creates awareness amongst employees and conducted training programs on data privacy and cyber security.	Negative Implication
4	Regulatory Compliance	R	Ensures adherence to all applicable regulations and monitoring of upcoming regulations	Compliance plays a key role in responsible lending and the company strives to ensure complete adherence to regulatory requirements. The company adheres with the guidelines of the IFC on ESG based lending to support responsible businesses.	Positive Implication
5	Employee Growth and Development	O	Catalyzes employee potential to enable professional and personal growth		Positive Implication
6	Employee Well-being (Health and Safety)	O	Enables employees to develop health as a personal asset and emphasizes the company as an organization that prioritizes employee well-being		Positive Implication
7	Customer Support and Satisfaction	O	To be the preferred choice for customers' financial needs		Positive Implication

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Geographical Expansion	O	Enables greater financial inclusion of Indians across the country		Positive Implication
9	Human Rights	O	Ensures respect for individual rights and minimizes discrimination on grounds of demographic and social differences		Positive Implication
10	CSR	O	The company's brand is leveraged as a force for good to support community development		Positive Implication
11	Branding and Reputation	O	Enhances credibility and trust among diverse stakeholders, emphasizes the company's reputation as an ethically managed business		Positive Implication
12	Climate Change (emissions, renewables/ energy efficiency	R	This has implications for managing impact on the climate and is key to transitioning to a carbon neutral business	The new office buildings of the company will necessarily follow sustainable design and architecture principles and be LEED certified green buildings. The company is also consciously focusing on financing electric vehicles.	Negative Implication
13	Operational Eco-Efficiency and Waste	O	Represents responsible operations and management of waste in compliance with regulations		Positive Implication
14	Diversity and Inclusiveness	O	Reiterates the company's commitment to social inclusion and merit-based engagement of employees, customers, suppliers etc.		Positive Implication
15	Local Employment	O	Ensures financial inclusion and enables a sensitive understanding of customers' socio – cultural context and needs		Positive Implication

Section B: Management and process disclosures

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	*https://cholamandalam.com/files/business_responsibility_policy*								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.			ISO 30408:2016			ISO 9001:2015 Quality Management System			
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Ensure 0% data breaches in customer data protection	Increase EV loan disbursements by 5% YOY from 2023-2025	To achieve and sustain Zero accident culture through the company's road safety awareness initiatives and programs. Implement digitization solutions for enhanced learning and development purposes.			Achieve green building status for corporate office by 2023. Replace 100% of CFL lighting with LED systems at all operations by 2025. Reduce water consumption across the company operations through efficient water flow solutions			Attain ISMS certification by the year 2025

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	P1: 0% breach in data security in FY 23 P2: EV disbursement target of 5% improvement Y-o-Y was achieved and exceeded. ₹ 115 crores disbursed in FY 23, while ₹ 12.9 crores was disbursed in FY 22. P6: Green building status will be achieved in 2023. Other targets are ongoing in nature. The company has successfully achieved all the specific commitments within the stipulated timelines and in fact has exceeded the set goals.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

I am pleased to present the BRS report of Cholamandalam Investment and Finance Company Limited, committed to driving positive change in the society and environment. The range of solutions offered by the company includes Vehicle Finance (VF), Home Loans (HL), Loan Against Property (LAP), Secured Business and Personal Loans (SBPL), Consumer and Small Enterprises Loans (CSEL) and Small and Medium Enterprises Loans (SME).

The company recognises that it has the dual responsibility of ensuring sustainable finance and protect the environment in its day-to-day activities.

Additionally, the company has transitioned itself to digital processes to reduce paper wastage and embraced energy-efficient lighting fixtures and electronic equipments to conserve energy. Water-saving measures have also been adopted to optimised the usage of water.

Chola is fully dedicated to promoting Environmental, Social and Governance (ESG) practices. The company has incorporated ESG principles into its operations and are committed in creating a sustainable future for all.

Sincerely,
Ravindra Kumar Kundu
Executive Director

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Ravindra Kumar Kundu, Executive Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the company has an executive level senior management personnel of the company to monitor various aspects of social, environmental and governance responsibilities of the Company. The company's business responsibility performance is reviewed by the CSR Committee and board of directors on a periodic basis. During the year, the CSR committee/board discussed and reviewed the update on the sustainable and responsive business conduct initiatives. In addition, the risk management committee also assesses internal/external risks pertaining to sustainability as identified.

10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board Committee									Quarterly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Steering Committee									Quarterly								

Section B: Management and process disclosures

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, the company has in place an internal task force which evaluates the working of this policy.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	Not Applicable								

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors (Risk Management Committee)	4	The company ESG strategy awareness (BRSR Principle 1-9)	100%
Key Managerial Personnel	4	The company ESG strategy awareness (BRSR Principle 1-9)	100%
Employees other than BoD and KMPs	74	Employees of the company undergo various training programmes throughout the year. Various trainings were undertaken during the year such as prevention of sexual harassment at the workplace (Principle 5), CIFCL code of conduct (Principle 1), know your customer guidelines, sales training, ISO 9001:2015 (Principle 3). Other trainings included modules on soft skills, programmes on mental and physical well-being, amongst several others (Principle 3).	56%
Workers	--		--

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty / Fine	NIL				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment	NIL				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the company has a code of conduct and ethics policy in place. The policy extends to the company, its subsidiaries and its business associates. The company's commitment to ethical and lawful business conduct is a fundamental shared value of the board of directors, the senior management, and all employees of the company. The company adopts highest governance standards, and its employees adhere to the robust "Code of Conduct and Ethics Policy". The employees are also required to comply with relevant legal, regulatory, and internal compliance requirements in letter and spirit.

Web link: *https://cholamandalam.com/files/code_of_conduct_board_and_senior_management*

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23	FY 2021-22
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with each partner) under the awareness programmes
64 mailers, 1 online training module & 25 physical training sessions	Fair practices code	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the company has Code of Conduct for directors and senior management which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the company. Annual declaration by board of directors and senior management confirming compliance with the code of conduct is obtained. The policy is available on the company's website at *https://cholamandalam.com/files/code_of_conduct_board_and_senior_management*

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Nil
Capex	7.72 crores (33.65%) 0.08 crore (0.35%) 0.50 crore (2.18%)	1.56 crores (14.46%)	VF: BYOD (Bring Your Own Device) has been implemented for collection field executives. E-receipts are issued to customers in place of physical receipts. HL: In FY 23 the company is moving towards BYOD capability and saved the procuring 1000 tabs. SBPL: The company has digitised the customer onboarding, credit underwriting process, Initial Money Deposit (IMD) collection through QR codes implemented instead of collecting it through demand drafts.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

2. b. If yes, what percentage of inputs were sourced sustainably?

Yes, the company has a policy for sustainable sourcing, that covers recycled A4 sheets for its head office and central processing unit. In FY 23, 87.5 % of A4 sheets used at these locations were sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) Plastics - segregated plastic sent to the approved external vendor for disposal
(b) E-waste - E waste is disposed off by the company through approved agencies
(c) Hazardous waste – not applicable
(d) Other waste – other wastes are recycled, through the approved agencies

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Not Applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	Not Applicable			Not Applicable		
E-waste						
Hazardous Waste						
Other Waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	12,814	12,718	99%	3,762	29%	NA	NA	8,856	69%	--	--
Female	434	416	96%	176	41%	416	96%	NA	NA	6	1.38%
Total	**13,248**	**13,134**	**99%**	**3,938**	**30%**	**416**	**3%**	**8,856**	**67%**	**6**	**0.05%**
Other than Permanent Employees											
Male	6	6	100%	0	0%	0	0%	0	0%	0	0%
Female	2	2	100%	0	0%	0	0%	0	0%	0	0%
Total	**8**	**8**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	Not Applicable										
Female											
Total											
Other than Permanent Workers											
Male	Not Applicable										
Female											
Total											

2. Details of retirement benefits, for Current FY:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100%	Not Applicable	Yes	100%	Not Applicable	Yes
Gratuity	100%		Yes	100%		Yes
ESI	100%		Yes	100%		Yes

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, we have implemented equal opportunity policy across all our operating facilities in accordance with the Rights of Persons with Disabilities Act, 2016. The policy is available to all our employees through the company portal.

5. Return to work and Retention rates of permanent employees that took parental leave.

	Permanent Employees					
Gender	Total number of people returned after parental leave in FY 23 (A)	Total Number of people who took parental leave in FY 23 (B)	Return to work rate (A/B)	Total Number of people retained for 12 months after returning from parental leave (C)	Total number of people returned from parental leave in prior FY (D)	Retention rate (C/D)
Male	56	56	100%	56	56	100%
Female	11	11	100%	11	11	100%
Total	**67**	**67**	**100%**	**67**	**67**	**100%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes. We follow whistle blower policy
Other than Permanent Employees	Yes. We follow whistle blower policy

7. Membership of employees in association(s) or Unions recognised by the listed entity: Nil

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (C / D)
Total Permanent Employees	Nil					
Male						
Female						
Total Permanent workers	Not Applicable					
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	12,814	4,184	33%	7,265	57%	8,856	1,122	12%	2,008	22%
Female	434	150	35%	175	40%	269	32	11%	53	19%
Total	**13,248**	**4,334**	**33%**	**7,440**	**56%**	**9,125**	**1,154**	**12%**	**2,061**	**22%**
Workers										
Male	Not Applicable									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	12,814	7,953	62%	8,856	7,938	89.63%
Female	434	233	54%	269	233	86.61%
Total	**13,248**	**8,186**	**62%**	**9,125**	**8,171**	**89.54%**
Workers						
Male	Not Applicable					
Female						
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the company aims to inculcate a culture of 'behaviour safety' across the business operations through a strengthened occupational health and safety management system. This will enable better safety practices and emergency preparedness and response among employees.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company uses employee feedback and walk-through approach across all locations to identify work-related hazards and risks on a regular basis.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Worker	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	0	0
	Worker	Not Applicable	Not Applicable
No. of fatalities	Employees	0	0
	Worker	Not Applicable	Not Applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Worker	Not Applicable	Not Applicable

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The company has given safety in workplace the utmost importance. It upholds the highest standards of health, safety and well-being for its employees. The company has a dedicated environment health and safety team that focuses on this aspect. The company has made it mandatory for all its employees to wear a helmet on two-wheeler while commuting to office. The employees are covered under health and accident insurance. It is also made sure that a doctor is available all the time to cater to any incidents in the head office. Moreover, the head office is located in a certified green building. Therefore, safety measures are taken in the office premises like sign boards on electrical devices, emergency exit marking, and fire extinguishers. The employees are also provided with regular safety awareness programs.

13. Number of complaints on the following made by employees:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	--	0	0	--
Health & Safety	0	0	--	0	0	--

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0%
Working Conditions	0%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There has been no concern or significant risk arising from health & safety practices and working conditions, hence, corrective action is not applicable.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

(A) Employees (Y/N) - Yes

(B) Workers (Y/N) - Not Applicable

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

A clause to ensure compliance with payment of statutory dues has been made mandatory as part of the agreements executed with value chain partners (material vendors).

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees - Group Medical Policy	Nil	Nil	Nil	Nil
Employees – Group Term Insurance	Nil	Nil	Nil	Nil
Workers	Not Applicable			

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

There has been no concern or significant risk arising from health & safety practices and working conditions, hence, corrective action is not applicable.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The company engages with its stakeholders through various formal and informal communication channels. The key stakeholders who have a significant impact on the business operations of the Company are determined based on these engagements.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Digital platforms and applications. In - person engagement	Periodic	• Product customization and personalization • Consistently enable better lives for a larger number and diverse segments of Indians • Ensure protection of personal information • Consistent improvement in customer satisfaction
Local Communities	Yes	Corporate social responsibility initiatives	Periodic	• Improved quality of life via improved health and access to education and skill development • Preservation of natural resources and environment • Disaster relief (as required) • Supporting cultural heritage
NGO partners	No	Corporate social responsibility initiatives	Periodic	Managerial support and capacity building
Investors	No	Press releases and publications; investor conferences; annual general meeting; stock exchange announcements; website disclosures; through RTA (Registrar and transfer agent)	Quarterly	• Financial performance • Business updates • ESG performance
Regulators	NA	Mandatory compliance filings; in person meetings	Periodic	• Statutory compliance requirements: governance, social, environmental • Filing online returns
Banks	No	In person and online meetings and visits	Periodic	• Transparent financial transactions • Timely repayment of debt
Employees	No	Internal communication platforms; Periodic Townhall meetings Monthly review meetings E-learning platforms and capability development programs; Engagement. Employee connect tool and personalized help desk	Periodic	• Continuous value creation • Fulfillment of company's vision, mission and achieving sustainability objectives • Professional capacity building

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The management makes a periodic presentation to the CSR Committee and the Board on the developments during the quarter in the ESG areas. Besides, the company leverages various formal as well as informal channels of communication to engage with other stakeholders. These encompass digital means as well as Corporate Social Responsibility (CSR) initiatives, statutory report, learning and development platforms and events for internal communications.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The key ESG material issues of the company have been identified from consultation with stakeholders. Activities and implementation plans have been set in place as measures to mitigate the risk arising from these material issues.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The company's vehicle finance and home loan business offer a highly diversified range of products in diverse rural, semi – urban and urban geographies ensuring financial inclusion of especially those who are disadvantaged, vulnerable and marginalized. The company believes that affordable and appropriate access to financial services is a key driver of economic growth, poverty alleviation and prosperity. Hence, the company provides finance for home loans, acquisition of new assets for economic upliftment as well as for working capital/ vehicle maintenance, and financing insurance to protect their assets and life.

The company has set up 80% of its branches in Tier-III, Tier-IV, Tier V and Tier-VI towns ensuring financial inclusion. With reference to Reserve Bank of India circular (RBI-circular no RBI/2016-17/60 dated 1 September, 2016) the company has 226 branches in the under-banked districts identified by RBI.

Further to this, the company also has a corporate social responsibility committee in place which works on strategies to include expectations of different stakeholders including customers & communities who are at the bottom of the social pyramid. The company initiates various projects through their CSR initiatives for the upliftment of the stakeholders. The major focus areas of CSR are:

- Healthcare
- Holistic development of commercial vehicle crew members
- Access to education & rural sports
- WASH (Water, Sanitation and Hygiene)
- Environmental sustainability
- Rural development
- Promoting arts, culture and heritage

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
	Employees					
Male	12,814	5,060	39%	9,125	1,873	20%
Female	434	188	43%	--	--	--
Total	**13,248**	**5,248**	**40%**	**9,125**	**1,873**	**20%**
Workers						
Male	Not Applicable					
Female						
Total						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	No. (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	13,248	-	-	13,248	100%	9,125	-	-	9,125	100%
Male	12,814	-	-	12,814	100%	8,865	-	-	8,865	100%
Female	434	-	-	434	100%	269	-	-	269	100%
Other than Permanent	8	-	-	8	100%	-	-	-	-	-
Male	6	-	-	6	100%	-	-	-	-	-
Female	2	-	-	2	100%	-	-	-	-	-
Workers										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in crores)	Number	Median remuneration/ salary/ wages of respective category (₹ in crores)
Board of Directors (BoD)	7	0.18	1	0.19
Key Managerial Personnel	1	2.71	1	1.76
Employees other than BoD and KMP	12,812	0.07	433	0.06
Workers	Not Applicable			

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company has diversity policy, policy on sexual harrassment at workplace and whistle blower policy in place to redress grievances related to human rights. The polices are availble to the employees in the intranet website of the Company. Whistle blower policy is available on the weblink: *https://cholamandalam.com/files/whistle_blower_policy*

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23		FY 2021-22	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	Nil	Nil	Nil	Nil
Discrimination at workplace				
Child Labour				
Forced Labour/Involuntary Labour				
Wages				
Other human rights related issues				

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Yes. The whistle blower policy covers the terms that no harm will be caused to the complainant in case of discrimination and harassment cases. Confidentiality of the whistle blower is maintained to ensure that she is protected. The mechanism provides for adequate safeguards against victimization of directors / employees/ customers who avail of the mechanism and also for appointment of an ombudsperson who will deal with the complaints received.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% assessment has been carried out. As a part of Recruitment policy, the company does not engage child labour in any of its branches. The same is verified by the labour inspectors and Internal Audit team during their visits.
Forced/ involuntary labour	100% assessment has been carried out. The Company's disciplinary actions does not have any provision to award punishment / penalty to employees. Also, there has been no situation wherein employees were asked to work involuntarily.
Sexual harassment	100% assessment has been carried out. The company has a policy on Sexual Harassment at the workplace and it is reviewed by internal complaints committee periodically. During the year 2022-23, no complaints/referral were received by the committee.
Discrimination at workplace	100% assessment has been carried out. As a part of Recruitment policy, the Company does not discriminate either on the basis of sex or caste or otherwise. If a person fulfils the qualification/knowledge/skill requirement required by the role, the candidate would be considered irrespective of their sex or caste.
Wages	100% assessment has been carried out. The company is complying with wages payable as per the Minimum Wages Act, 1948 and complying with wages being notified by the State Governments. There is a mechanism also in place to check on the wages paid on a monthly basis. As company's wage period is monthly as per Payment of Wages Act, 1936, wages to employees are being paid on last working day of the calendar month. This aspect is being inspected by labour authorities periodically.
Others – please specify	Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

There has been no grievance or complains received for human rights violation. The company is of the belief that it has upheld the basic principles of human rights in all its dealings. The company has implemented a Code of Conduct for all its employees, senior management, and Board of Directors.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The assessment was conducted across the business operations of a wide range of human rights issues including child labour, forced labour, harassment, discrimination and wage.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the company has ramp/wheelchair facility in Head Office, central processing unit and in few branches. In line with the Rights of Persons with Disabilities Act, the company is taking appropriate steps and measures to improve access to differently able visitors across all our main branches.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	100%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

There has been no concern or significant risk arising from health & safety practices and working conditions, hence, corrective action is not applicable.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (in GJ)	57,539	44,014
Total fuel consumption (in GJ)	2,606	3,594
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C) excluding aux consumption (in GJ)	60,145	47,608
Energy intensity per rupee of turnover *(Total energy consumption/ turnover in rupees)*	4.63 GJ/INR crores	4.69 GJ/INR crores

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	--	--
(ii) Groundwater	--	--
(iii) Third party water (Municipal Water Supply)	36,348	31,858
(iv) Seawater / desalinated water	--	--
(v) Others (Rainwater Harvesting structures)	--	--
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	36,348	31,858
Total volume of water consumption (in kilolitres)	36,348	31,858
Water intensity per rupee of turnover *(Water consumed KL / turnover)*	2.80	3.17

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	MT/m3	Not Applicable	Not Applicable
Sox	MT/m3		
Particulate matter (PM)	MT/m3		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others – please specify	-		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	194	267
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	12,627	9,659
Total Scope 1 and Scope 2 emissions per rupee of turnover	Tonne CO2 per INR crores	0.99	0.97

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the company has taken steps towards enhanced energy efficiency in order to minimize emissions of greenhouse gases into the atmosphere, and actively creates awareness about energy within the organization and among its customers. The company runs a green awareness campaign at all its branches and continuously collaborates with its IT teams to circulate e – mailers to customers carrying information about energy efficiency and sustainability. The company has also made it mandatory for all its new office buildings to be LEED certified green buildings. The company has also started financing electric vehicle loans as a step towards creating a green and clean future.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	Not Applicable	Not Applicable
E-waste ***(B)***	0.608	26.880
Bio-medical waste ***(C)***	Not Applicable	Not Applicable
Construction and demolition waste ***(D)***	Not Applicable	Not Applicable
Battery waste ***(E)***	Not Applicable	Not Applicable
Radioactive waste ***(F)***	Not Applicable	Not Applicable
Other Hazardous waste. Please specify, if any. ***(G)*** 1. Grease 2. Used Oil 3. ETP Sludge 4. Dry ink waste 5. Waste containing oil	Not Applicable	Not Applicable
Other Non-hazardous waste generated ***(H)***. *Please specify, if any*. (Break-up by composition i.e., by materials relevant to the sector)	7.5 (Carton, White Paper, Colour Paper, New paper, Plastics, Tissues, Paper Cups, Mixed Paper, Metal Waste)	5.7 (Carton, White Paper, Colour Paper, New paper, Plastics, Tissues, Paper Cups, Mixed Paper, Metal Waste)
Total (A+B + C + D + E + F + G + H)	8.108	32.58
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	7.5	5.7
(ii) Re-used	--	--
(iii) Other recovery operations	--	--
Total	**7.5**	**5.7**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	--	--
(ii) Landfilling	--	--
(iii) Other disposal operations	--	--
Total	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

9. a. Briefly describe the waste management practices adopted in your establishments.

The company being in financial services sector does not generate any hazardous and toxic waste.

The following waste management practices have been adopted by the company:

Information Technology: The company is cognizant of the impact of the environmental impact of improper management of e-waste and has adopted a strong e-waste management practice to minimize adverse outcomes. It strives to make sure that e-waste is disposed of in the most scientific way, that the recycling organization has a valid permit and follows the required protocols laid down by regulatory bodies. The company has also adopted a tool that monitor print usage by user. This helps to reach high volume users and educate the users on sensitiveness of paper/saving trees.

Infra and Admin: With a view to conserve paper, the company has transitioned all paper – related processes to a digital platform and carry out minimal manual documentation. Implementation of new software has helped save at least 3500 papers per month. The company has started promoting the use of recycled paper in FY 23 and has taken steps across the organization that allow for more efficient paper usage.

b. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Not Applicable

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable as there are no operations near above-mentioned zones.			

11. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No EIA undertaken in FY 2022-23					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the head office and all its branches are in compliance with applicable laws.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken, if any action
-	-	-	-	-

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (in GJ) (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C) (in GJ)		
From non-renewable sources	--	--
Total electricity consumption (in GJ) (D)	57,539	44,014
Total fuel consumption I (in GJ) (E)	2,606	3,594
Energy consumption through other sources (F)	0	-
Total energy consumed from non-renewable sources (D+E+F)	60,145	47,608

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged: Nil

	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment		
(v) Others		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not applicable

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)	--	--
(i) Surface water	--	--
(ii) Groundwater	--	--
(iii) Third party water	--	--
(iv) Seawater / desalinated water	--	--
(v) Others	--	--
Total volume of water withdrawal (in kilolitres)	--	--
Total volume of water consumption (in kilolitres)	--	--
Water intensity per rupee of turnover (Water consumed / turnover)	--	--
Water intensity (optional) – the relevant metric may be selected by the entity	--	--
Water discharge by destination and level of treatment (in kilolitres)	--	--
(i) Into Surface water	--	--
No treatment	--	--
With treatment – please specify level of treatment	--	--
(ii) Into Groundwater	--	--
No treatment	--	--
With treatment – please specify level of treatment	--	--
(iii) Into Seawater	--	--
No treatment	--	--
With treatment – please specify level of treatment	--	--
(iv) Sent to third-parties	--	--
No treatment	--	--
With treatment – please specify level of treatment	--	--
(v) Others	--	--
No treatment	--	--
With treatment – please specify level of treatment	--	--
Total water discharged (in kilolitres)	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions	Metric tonnes of CO2 equivalent	8,032	2,883 (Scope 3 emissions consist of business travel)
Total Scope 3 emissions per rupee of turnover	Tonne CO2 per INR crores	0.62	0.3

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along-with summary)*	Outcome of the initiative
1	Sustainable Financing	The company's efforts are on sustainable financing with a target to support the cause of a greener environment through initiating electric vehicle financing and attempting to increase loan disbursements for purchase of electric vehicles. (Weblink: https://www.cholamandalam.com/esg)	For the details of the outcome achieved please refer to Section B, point number 6 of this report.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the company has established a robust disaster recovery as well as business continuity plans which has enabled the company to run critical functions efficiently during any crisis like the covid lock down. The business continuity team is responsible to carry out activities to ensure continuity of business. The team organises a drill once every 6 months and required training programs are conducted as a measure for the employees to be prepared in times or emergency / crisis.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Given the nature of the business, there has been no adverse impact to the environment

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NIL

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Is affiliated with 4 associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Finance Industry Development Council	National
3	Finance Companies' Association (India)	National
4	South India Hire Purchase Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
--	--	--	--	--	--

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The company carries out a needs assessment after the project has been implemented. The grievance of the community is received through this practice. The company takes a suitable action to redress the issues of the community at the end of the assessment.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	Not Applicable	Not Applicable
Sourced directly from within the district and neighbouring districts	Not Applicable	Not Applicable

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (₹ in crores)
1	Telangana	Adilabad	1.02
2	Bihar	Aurangabad	0.04
3	Bihar	Muzaffarpur	0.04
4	Chhattisgarh	Korba	0.04
5	Andhra Pradesh	Visakhapatnam	0.04
6	Telangana	Warangal Rural	0.04

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Sightsavers Truckers Eye Health Project Phase- VI	1,24,510	11.538%
2	The Gift of Life	39	0.004%
3	Strengthening the Maternal Health Project	31	0.003%
4	Arts in Education	289	0.027%
5	My Dream Scholarship Program	235	0.022%
6	Financial Literacy plus allied services	19,450	1.802%
7	Swachha Odisha Gram Vikas	207	0.019%
8	Swachha Hathiyana Village	50	0.005%
9	Cancer treatment for children	46	0.004%
10	Action for Rural Rejuvenation	23,712	2.197%
11	Free Yoga	1,49,892	13.891%
12	Arogyasarthy	1,423	0.132%

6. Details of beneficiaries of CSR Projects: (Contd.)

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
13	The Dakshina Chitra Museum - Arts & Museum Management Project	19	0.002%
14	New class rooms at Government Girls Higher Secondary School, Mogappair	931	0.086%
15	Expansion of Toilets in B1 North Beach Chennai Police Station	100	0.009%
16	AKKAM- STEM Education & Labs in Government School	4,106	0.381%
17	CNC Tutor Machine for WORTH Technical Training Centre, Pondicherry	32	0.003%
18	Farmer Producer Organization (FPOs)	5,525	0.512%
19	Swaccha Telangana Project-Phase VI	12,675	1.175%
20	Mini-Library for 40 Anganbadis	2,040	0.189%
21	Mobile Health Van -Sarigam	16,749	1.552%
22	Mobile Health Van -Assam	21,283	1.972%
23	Mobile Health Van -Utharkhand	20,909	1.938%
24	Mobile Health Van -Nagercoil	19,140	1.774%
25	Mobile Health Van- Sivagangai	6,615	0.613%
26	Solar Panel-SISH & MPC	5,00,000	46.335%
27	Murugappa Scholarship	88	0.008%
28	AMM Hospital	1,41,143	13.080%
29	School Social Work	6,000	0.556%
30	Murugappa Youth Football Academy	250	0.023%
31	Murugappa Polytechnic College	1,598	0.148%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The first level touchpoint for customers to interact with company is through multiple modes like the Toll-Free number for customer calls, email, web, SMS, Chatbot, WhatsApp and the Gaadi Bazaar app for customer self-service as well. During first level interactions, customer queries are handled and responded by the company. Further, The company has a multi – level grievance redressal system to address disputes registered by customers, that adheres to the requirements of the RBI's Ombudsman Scheme.

The mechanism is as follows:

Level 1: written requests from registered email ids, if grievance is not satisfactorily resolved, escalated to level 2

Level 2: Approach grievance redressal officer via telephone or in writing. Escalated to level 3 if redressal is unsatisfactory

Level 3: Approach Principal Nodal Officer. If grievance is not resolved within 1 month of registering the complaint, customer can approach the regional offices of Department of Supervision (DBS) - RBI

Level 4: RBI Ombudsman may also be approached, if grievance is not resolved to customer's expectation within 1 month of registering the complaint

The company takes the ownership and responds to all customer complaints within turnaround time with applicable resolution.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	--	0	0	--
Advertising	0	0	--	0	0	--
Cyber-security	0	0	--	0	0	--
Delivery of essential						
Services	0	0	--	0	0	--
Restrictive Trade Practices	0	0	--	0	0	--
Unfair Trade Practices	0	0	--	-	0	--
Other (Product related)	747	0	--	812	0	--

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company's IT policy and related framework for data privacy and security are formulated to minimize risks associated with customers' privacy and cyber security (Weblink: *https://www.cholamandalam.com/privacy-policy)*.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable. However, the company's Cyber & Brand threats are being monitored real time. Threat indicators are being live monitored and reviewed. True positive alerts will undergo legal and take-down actions.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on the products can be accessed on the company website, the Chola App, and other associated brand website like the company's customer facing application and Gaadi Bazaar platform (Weblink: *https://www.cholamandalam.com/)*.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The customers are made aware about the product usage through a list of Do's and Don'ts which is given on the company's website *https://www.cholamandalam.com/contact-us/dos-and-donts*. The list specifies the steps that a customer should take in situations when there is a malpractice or a fraud. They are also made aware of the process on how a customer can know about their loan period, the EMI amount and the ways in which they can repay it. Feedback on SMS is also requested from customers on the service provided to them by the company. The company strives to practice responsible lending and informs its customers about the same through various modes of formal and informal communication channels.

The customer awareness initiatives were undertaken in this financial year using means direct meetings, camps, workshops and digital platforms (Facebook, Instagram, LinkedIn, YouTube, WhatsApp, SMS and E-mail). Topics like safeguards against frauds (including digital frauds), awareness about grievance redressal mechanism and financial literacy for the family of customers were covered through these initiatives

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The customers are informed about any disruption/discontinuation of essential services like server maintenance of the company's website.

4.a. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.

Not Applicable

b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the company carries out survey with regard to consumer satisfaction. Customer satisfaction trend (CSAT) is monitored basis inflow and query to complaint percentages. Further, we also monitor the transactional CSAT for customer calls that land on the inbound tollfree number basis a SMS that goes out at the conclusion of the call asking for satisfaction levels.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

Independent Auditor's Report

To the Members of Cholamandalam Investment and Finance Company Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have jointly audited the accompanying standalone financial statements of Cholamandalam Investment and Finance Company Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year then ended, and notes forming part of the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its standalone cash flows for the year then ended.

Basis for Opinion

3. We conducted our joint audit in accordance with the Standards on Auditing (SAs) 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 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer Note 9 of the standalone financial statements) **The loan balances towards vehicle finance, home loans, loans against property, and other loans aggregating to ₹ 107,077.24 crores and the associated impairment allowances aggregating to ₹ 2,328.92 crores are significant to the standalone financial statements and involves judgement around the determination of the impairment allowance in line with the requirements of the Ind AS 109 "Financial Instruments". Impairment allowances represent management's estimate of the losses incurred within the loan portfolios at the balance sheet date and are inherently judgmental. Impairment, based on ECL model, is calculated**	The audit procedures performed by us to assess appropriateness of the impairment allowance based on ECL on loans included the following: • We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over: i. the assumptions used in the calculation of ECL and its various aspects such as determination of Probability of Default, Loss Given Default, Exposure at Default, Staging of Loans, etc.; ii. the completeness and accuracy of source data used by the Management in the ECL computation; and iii. ECL computations for their reasonableness. • We, along with the assistance of the auditor's expert, verified the appropriateness of methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment provision.

Independent Auditor’s Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
using main variables, viz. ‘Staging’, ‘Exposure at Default’, ‘Probability of Default’ and ‘Loss Given Default’ as specified under Ind AS 109. Quantitative factors like days past due, behaviour of the portfolio, historical losses incurred on defaults and macro-economic data points identified by the Management’s expert and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro- economic variables to determine expected losses, uncertainty over realisability of security, judgement in relation to management overlays and related Reserve Bank of India (RBI) guidelines, to the extent applicable, etc. have been taken into account in the ECL computation. Given the inherent judgmental nature and the complexity of model involved, we determined this to be a Key Audit Matter.	• We test-checked the completeness and accuracy of source data used. • We recomputed the impairment provision for a sample of loans across the loan portfolio to verify the arithmetical accuracy and compliance with the requirements of Ind AS 109. • We evaluated the reasonableness of the judgement involved in management overlays that form part of the impairment provision, and the related approvals. • We evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the standalone financial statements.
Assessment of Direct tax and Indirect tax litigations and related disclosure of contingent liabilities (Refer to Note 38(a) of the standalone financial statements) **As at March 31, 2023, the Company has exposure towards litigations relating to various tax matters as set out in the aforesaid Notes.** **Significant management judgement is required to assess matters relating to direct tax and indirect tax litigations, to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.** **As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.**	Our audit procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to direct and indirect tax laws and regulations. • We inquired with management the recent developments and the status of the material litigations which were reviewed and noted by the Audit Committee. • We performed our assessment on a test check basis on the underlying calculations supporting the contingent liabilities related to litigations disclosed in the standalone financial statements. • We used auditor’s expert to gain an understanding and to evaluate the disputed tax matters. • We considered external legal opinions, where relevant, obtained by management and examined by the auditor’s expert. • We obtained the listings from the management and got it reconfirmed from management’s consultants. • We evaluated the adequacy of presentation and disclosures in relation to litigations in the standalone financial statements.
Audit in an Information Technology (IT) enabled environment - including considerations on exceptions identified in IT Environment **The IT environment of the entity involves a few independent and inter-dependent IT systems used in the operations of the entity for processing and recording of the business transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the entity.**	Our audit procedures with respect to this matter included the following: In assessing the controls over the IT systems, we have involved our Technology Assurance specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. With respect to the “In-scope IT systems” identified as relevant to the audit of the standalone financial statements and financial reporting process of the entity, we have evaluated and tested relevant IT general controls or relied upon service auditor’s report, where applicable.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
Appropriate IT general controls and IT application controls are required to ensure that such IT systems can process the data as required, completely, accurately, and consistently for reliable financial reporting. **We have identified certain key IT applications and the related IT infrastructure (herein after referred to as "In-scope IT systems"), which have an impact on the financial reporting process and the related controls as a key audit matter because of the increased level of automation; a few systems being used by the entity for processing financial transactions; and the complexity of the IT architecture; and its impact on the financial records and financial reporting process of the entity.**	On such "In-scope IT systems", we have covered the key IT general controls with respect to the following domains: • Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured. • User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privileged access to applications, operating system and databases in the production environment were granted only to authorized personnel. • Other areas that were assessed under the IT control environment included backup management, business continuity and disaster recovery, incident management, batch processing and monitoring. We have also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies have been identified, we have tested compensating controls or performed alternative audit procedures, where necessary.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (Financial Highlights, Board's Report, Management Discussion and Analysis and Report on Corporate Governance) but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 and those charged with governance for the standalone financial statements

6. 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 financial statements that give a true and fair view of the standalone financial position, standalone financial performance, changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Independent Auditor’s Report (Contd.)

7. In preparing the standalone 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 financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period 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.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. 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.

Independent Auditor's Report (Contd.)

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) 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 financial statements – Refer Note 38(a) to the standalone financial statements;

ii. The Company has made provision, 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 and 9 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50A - Part - II - Other disclosures to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50A – Part - II - Other disclosures to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

S. Usha
Partner
Membership No. : 211785
UDIN : 23211785BGWCVI4300

Place : Chennai
Date : May 3, 2023

For Price Waterhouse LLP
Firm Registration Number: 301112E/E300264
Chartered Accountants

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 23203637BGXOYJ3321

Place : Chennai
Date : May 3, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as at the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Cholamandalam Investment and Finance Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Annexure A to Independent Auditor's Report (Contd.)

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as at the year ended March 31, 2023

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

S. Usha
Partner
Membership No. : 211785
UDIN : 23211785BGWCVI4300

Place : Chennai
Date : May 3, 2023

For Price Waterhouse LLP
Firm Registration Number: 301112E/E300264
Chartered Accountants

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 23203637BGXOYJ3321

Place : Chennai
Date : May 3, 2023

Annexure B to Independent Auditor’s Report

Referred to in paragraph 13 of the Independent Auditor’s Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 13 and 14to the standalone financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks , which are in agreement with the unaudited books of account (Also refer Note 18.1 to the standalone financial statements). .

iii. (a) The Company is registered with Reserve Bank of India (RBI) under section 45-IA as a non-banking financial company, and its principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.

(b) Based on our examination and the information and explanations given to us, in respect of the loans, investments/ guarantees/ securities/ advances in nature of the loan, in our opinion, the terms and conditions under which such loans were granted/ investments were made/ guarantees provided/ security provided are not prejudicial to the Company’s interest.

(c) In respect of the loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans to retail customers for vehicles and housing, etc., the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company’s business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India (“RBI”) for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 9 and 53 to the standalone financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2023, is Rs. 1,258.70 crores. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 9.2 in the standalone financial statements for details of number of cases and the amount of principal and interest overdue as at March 31, 2023.

(e) This Company is registered with the Reserve Bank of India (RBI) under section 45-IA as a non-banking financial company, and its principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.

(f) The loans/advances in nature of loans granted during the year, including to promoters/related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.

Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as of and for the year ended March 31, 2023

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of giving loans.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Tax and interest	0.21	2005-06	Assessing Officer
Income Tax Act, 1961	Tax and interest	*	2008-09	High Court
Income Tax Act, 1961	Tax and interest	6.41	1990-91, 1991-92 and 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Tax and interest	0.58	2015-16	Assessing Officer (International Taxation)
Income Tax Act, 1961	Tax and interest	14.08	2020-21	CIT (Appeals)
Bihar Finance Act, 1981	Sales tax	0.02	1992-93 and 1993-94	Sales Tax Appellate Tribunal, Jamshedpur
Delhi Sales Tax Act, 1975	Sales tax	0.08	1991-92	Deputy Commissioner of Sales Tax, Appeals
Gujarat Sales Tax Act, 1969	Sales tax	0.02	1997-98	Sales Tax Appellate Tribunal, Baroda
Odisha Value Added Tax Act, 2004	Sales tax	3.03	2007-08 to 2013-14	Odisha Sales Tax Appellate Tribunal
Rajasthan Sales Tax Act	Sales tax	1.02	2006-07 to 2014-15	Supreme Court
Rajasthan Sales Tax Act	Sales tax	0.15	2012-13, 2016-17 and 2017-18	Assessing Officer
Tamilnadu General Sales Tax Act, 1959	TNGST and CST	9.99	1995-96	High Court
Tamilnadu Value Added Tax Act, 2006	Sales tax	4.39	2006-07 to 2013-14	High Court
Finance Act, 1994	Service tax	196.90	2005-06 to 2017-18	CESTAT
Goods and Services Tax Act, 2018	Goods and Services Tax	0.11	2017-18	Commissioner of GST (Appeals)

*Represents amount less than rounding off norm adopted by the company

Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as of and for the year ended March 31, 2023

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained (Also refer Note 18.1 (v) to the standalone financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Deposit Taking Systemically Important Investment and Credit Company.

Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as of and for the year ended March 31, 2023

(b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has two CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 50 A to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

S. Usha
Partner
Membership No. : 211785
UDIN : 23211785BGWCVI4300

Place : Chennai
Date : May 3, 2023

For Price Waterhouse LLP
Firm Registration Number: 301112E/E300264
Chartered Accountants

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 23203637BGXOYJ3321

Place : Chennai
Date : May 3, 2023

Standalone Balance Sheet As at March 31, 2023

₹ in crores

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and Cash Equivalents	5	910.29	2,657.88
Bank Balances other than Cash and Cash Equivalents	6	2,051.13	1,562.20
Derivative financial instruments	7	272.86	186.53
Receivables	8		
i) Trade Receivables		77.18	32.47
ii) Other Receivables		113.88	95.54
Loans	9	1,04,748.32	74,149.21
Investments	10	3,620.02	2,076.16
Other Financial Assets	11	273.77	320.88
		1,12,067.45	**81,080.87**
Non- Financial Assets			
Current Tax Assets(Net)		267.06	250.71
Deferred Tax Assets (Net)	12	608.50	671.43
Investment Property	13	0.13	0.13
Property, Plant and Equipment	14	372.17	239.89
Capital Work in Progress		35.74	23.03
Intangible Assets Under Development		24.60	13.95
Other Intangible Assets	15	26.43	14.55
Other Non-Financial Assets	16	105.43	68.79
		1,440.06	**1,282.48**
Asset classified as held for sale - Investment	10	**8.00**	**-**
TOTAL ASSETS		**1,13,515.51**	**82,363.35**
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	7	134.27	169.56
Payables			
(I) Trade Payables			
i) Total outstanding dues of micro and small enterprises		3.40	3.06
ii) Total outstanding dues of creditors other than micro and small enterprises		119.93	79.84
(II) Other Payables			
i) Total outstanding dues of micro and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		1,064.69	719.90
Debt Securities	17	19,682.41	13,321.10
Borrowings(Other than Debt Securities)	18	73,186.19	52,004.52
Subordinated Liabilities	19	4,487.46	3,847.88
Other Financial Liabilities	20	354.11	333.43
		99,032.46	**70,479.29**
Non-Financial Liabilities			
Current Tax Liabilities(Net)		-	-
Provisions	21	140.88	118.27
Other Non-Financial Liabilities	22	46.12	58.11
		187.00	**176.38**
Equity			
Equity Share Capital	23A	164.48	164.28
Other Equity	23B	14,131.57	11,543.40
		14,296.05	**11,707.68**
TOTAL LIABILITIES AND EQUITY		**1,13,515.51**	**82,363.35**

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

As per our report of even date

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

A.J. Shaikh
Partner
Membership No. : 203637

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

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Date : May 3, 2023
Place : Chennai

Standalone Statement of Profit and Loss for the year ended March 31, 2023

₹ in crores

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations			
Interest Income	24A	12,082.18	9,566.81
Fee Income	24B	524.37	383.74
Net gain on fair value change on financial instruments	24C	69.40	12.99
Sale of Services	24D	81.09	84.75
Total Revenue from operations (I)		**12,757.04**	**10,048.29**
Other Income (II)	25	220.94	90.48
Total Income (III) = (I) + (II)		**12,977.98**	**10,138.77**
Expenses			
Finance costs	26	5,748.75	4,298.82
Impairment of financial Instruments (Net)	27	849.68	880.30
Employee benefits expense	28	1,265.68	894.53
Depreciation and amortisation expense	13, 14 & 15	118.88	97.35
Other expenses	29	1,395.30	1,076.83
Total Expenses (IV)		**9,378.29**	**7,247.83**
Profit before tax (V) = (III) - (IV)		**3,599.69**	**2,890.94**
Tax expense/(benefit)			
- Current tax		881.72	691.96
- Adjustment of tax relating to earlier periods		0.21	0.68
- Deferred tax		51.56	51.59
Net tax expense (VI)		933.49	744.23
Profit for the year - A = (V) - (VI)		**2,666.20**	**2,146.71**
Other Comprehensive income:			
i) Items that will not be reclassified to profit or loss:			
Re-measurement gains / (losses) of Post employment benefit Obligations (net)		(0.46)	0.05
Income tax impact		0.12	(0.01)
ii) Items that will be reclassified to profit or loss:			
Net Gain On Cashflow Hedge Reserve		45.64	161.97
Income tax impact		(11.49)	(40.77)
Other comprehensive income/(loss) net of tax for the year (B)		**33.81**	**121.24**
Total comprehensive income net of tax for the year (A + B)		**2,700.01**	**2,267.95**
Earnings per equity share of ₹ 2 each	30		
Basic (₹)		32.45	26.16
Diluted (₹)		32.40	26.11

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

As per our report of even date

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Partner
Membership No. : 211785

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

Date : May 3, 2023
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Standalone Statement of Changes in Equity for the year ended March 31, 2023

₹ in crores

1. Current reporting year

A) Equity Share Capital

Balance as at March 31, 2022	Changes in Equity Share capital due to prior year errors	Restated Balance at the beginning of the current reporting year	Changes in Equity share capital during the current year	Balance as at March 31, 2023
164.28	-	164.28	0.20	164.48

B) Other Equity (Refer Note 23B)

₹ in crores

Particulars	Reserve and Surplus											
	Share application Money Pending for allotment	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share based Payments Reserve	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive income	Effective portion of cashflow hedge	Total
Balance as at March 31, 2022	**-**	**0.04**	**2,888.92**	**33.00**	**4,739.13**	**1,792.82**	**2,020.46**	**54.93**	**-**	**(1.29)**	**15.39**	**11,543.40**
Changes in accounting policy /prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting year	-	0.04	2,888.92	33.00	4,739.13	1,792.82	2,020.46	54.93	-	(1.29)	15.39	**11,543.40**
Profit for the year	-	-	-	-	-	2,666.20	-	-	-	-	-	**2,666.20**
Remeasurement of defined benefit plans	-	-	-	-	-	(0.35)	-	-	-	-	-	**(0.35)**
Total comprehensive income for the period, net of income tax	-	-	-	-	-	-	-	-	-	-	34.15	**34.15**
Dividend including tax	-	-	-	-	-	(164.36)	-	-	-	-	-	**(164.36)**
Share premium received on allotment of equity shares under ESOP	-	-	24.07	-	-	-	-	-	-	-	-	**24.07**
Recognition of share based payments	-	-	-	-	-	-	-	28.46	-	-	-	**28.46**
Transfer to reserves from Retained earings during the year	-	-	-	-	1,000	(1,540)	540.00	-	-	-	-	-
Balance as at March 31, 2023	**-**	**0.04**	**2,912.99**	**33.00**	**5,739.13**	**2,754.31**	**2,560.46**	**83.39**	**-**	**(1.29)**	**49.54**	**14,131.57**

Standalone Statement of Changes in Equity for the year ended March 31, 2023 (Contd.)

₹ in crores

Standalone Statement of Changes in Equity for the year ended March 31, 2022

2. Previous reporting year

A) Equity Share Capital

Balance as on March 31, 2021	Changes in Equity Share capital due to prior year errors	Restated Balance at the beginning of the current reporting year	Changes in Equity share capital during the current year	Balance as on March 31, 2022
164.07	-	**164.07**	**0.21**	**164.28**

B) Other Equity (Refer Note 23B)

₹ in crores

Particulars	Reserve and Surplus											
	Share application Money Pending for allotment	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share based Payments Reserve	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive income	Effective portion of cashflow hedge	Total
Balance as at March 31, 2021	-	**0.04**	**2,866.05**	**33.00**	**3,739.13**	**1,240.21**	**1,590.46**	**34.45**	-	**(1.29)**	**(105.81)**	**9,396.24**
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting year	-	0.04	2,866.05	33.00	3,739.13	1,240.21	1,590.46	34.45	-	(1.29)	(105.81)	**9,396.24**
Profit for the year	-	-	-	-	-	2,146.71	-	-	-	-	-	**2,146.71**
Remeasurement of defined benefit plans	-	-	-	-	-	0.04	-	-	-	-	-	**0.04**
Total comprehensive income for the period, net of income tax	-	-	-	-	-	-		-	-	-	121.20	**121.20**
Dividend including tax	-	-	-	-	-	(164.14)	-	-	-	-	-	**(164.14)**
Share premium received on allotment of equity shares under ESOP	-	-	22.87	-	-	-	-	-	-	-	-	**22.87**
Recognition of share based payments	-	-	-	-	-	-	-	20.48	-	-	-	**20.48**
Transfer to reserves from Retained earings during the year	-	-	-	-	1,000.00	(1,430.00)	430.00	-	-	-	-	**-**
Balance as at March 31, 2022	-	**0.04**	**2,888.92**	**33.00**	**4,739.13**	**1,792.82**	**2,020.46**	**54.93**	-	**(1.29)**	**15.39**	**11,543.40**

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

As per our report of even date

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

A.J. Shaikh
Partner
Membership No. : 203637

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

S. Usha
Partner
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For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Date : May 3, 2023
Place : Chennai

Standalone Cash Flow Statement for the year ended March 31, 2023

₹ in crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Cash Flow from Operating Activities				
Profit Before Tax		**3,599.69**		**2,890.94**
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	118.88		97.35	
Impairment of financial instruments	849.68		880.30	
Finance Costs	5,748.75		4,298.82	
Loss on Sale of Property plant and equipment (Net)	0.74		0.07	
Net gain on fair value change in financial instrument	(69.40)		(12.99)	
Interest Income on bank deposits and other investments	(273.83)		(241.68)	
Interest on Income Tax Refund	-		(6.62)	
Short Term Rent Concessions	-		(1.12)	
Share based payment expense	28.08		20.20	
		6,402.90		5,034.33
Operating Profit Before Working Capital Changes		10,002.59		7,925.27
Adjustments for :-				
(Increase)/Decrease in operating Assets				
Loans	(31,448.79)		(9,190.17)	
Trade receivables	(63.05)		(61.58)	
Other Financial Assets	47.11		215.49	
Other Non Financial Assets	(36.64)	(31,501.37)	1.55	(9,034.71)
Increase/(Decrease) in operating liabilities and provisions				
Payables	384.84		208.07	
Other Financial liabilities	(36.28)		(25.51)	
Provisions	22.61		8.69	
Other Non Financial liabilities	(11.99)	359.18	12.34	203.59
Cash Flow used in Operations		(21,139.60)		(905.85)
Finance Costs paid	(5,277.88)		(4,117.31)	
Interest Received on Bank Deposits and other investments	278.75		260.42	
		(4,999.13)		(3,856.89)
		(26,138.73)		(4,762.74)
Income tax paid (Net of refunds)		(898.16)		(844.78)
Net Cash Used in Operating Activities (A)		**(27,036.89)**		**(5,607.52)**
Cash Flow from Investing Activities				
Purchase of Property, plant and Equipment and Intangible Assets	(174.20)		(70.92)	
Capital Work in Progress	(12.71)		(23.03)	
Proceeds from Sale of Property, plant and equipment	3.03		1.92	
Investment in Subsidiaries/Associates	(6.81)		(459.76)	
Purchase of Mutual Funds Units	(1,40,177.99)		(42,112.89)	
Redemption of Mutual Funds Units	1,40,246.47		42,125.89	
Proceeds from Sale of Government Securities	2.14		2.42	

Standalone Cash Flow Statement for the year ended March 31, 2023

₹ in crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Investment in Treasury Bill	(1,536.27)		-	
Investment in Convertible Notes	(10.00)		-	
Investment in Bank Fixed Deposits (net of withdrawals)	(493.78)		2,203.05	
Net Cash Used in Investing Activities (B)		**(2,160.12)**		**1,666.68**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		24.27		23.08
Payment of Lease liabilities		(58.65)		(54.11)
Proceeds from issue of Debt securities	23,257.67		9,501.40	
Redemption of Debt securities	(17,192.30)		(8,434.26)	
Proceeds from Borrowing other than debt securities	83,475.01		25,274.81	
Repayment of Borrowings other than debt securities	(62,534.27)		(20,668.18)	
Proceeds from issue of subordinated liabilities	1,020.00		545.00	
Repayment of subordinated liabilities	(378.00)		(872.70)	
		27,648.11		5,346.07
Dividends Paid		(164.31)		(164.17)
Net Cash From Financing Activities (C)		**27,449.42**		**5,150.87**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**(1,747.59)**		**1,210.03**
Cash and Cash Equivalents at the Beginning of the year		2,657.88		1,447.85
Cash and Cash Equivalents at the End of the year		910.29		2,657.88

The components of cash and cash equivalents can be referred in Note 5

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

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
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A.J. Shaikh
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Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Date : May 3, 2023
Place : Chennai

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

1. Corporate information

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

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

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in all material aspects to comply Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act ,2013 ("the Act")[Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time)] and other relevant provisions of the Act.

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

In the preparation of the financial statements, Management makes estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these judgements,assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') and other relevant circulars/ directions included as a part of the Notes to Accounts are prepared as per the Ind AS framework, pursuant to the RBI notification on Implementation of Indian Accounting Standards, dated March 13,2020..

2.2 Presentation of financial statements

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

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

3 Significant accounting policies

3.1 Financial instruments – initial recognition

3.1.1 Date of recognition

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

3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value adjusted for transaction costs/fees which are directly attributable to acquisition of financial assets or financial liabilities, except in the case of financial assets and financial liabilities recorded at FVTPL in which case transaction costs/fees are recognised immediately in statement of profit and loss

3.1.3 Measurement categories of financial assets and liabilities

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

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

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

3.2 Financial assets and liabilities

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

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

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

The details of these conditions are outlined below.

3.2.1.1 Business model assessment

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

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

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

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

3.2.1.2 The SPPI test

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

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

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

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

3.2.2 Investment in Mutual funds

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

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

3.2.3 Equity instruments

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

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

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI (Other Comprehensive Income).Equity instruments at FVOCI are not subject to an impairment assessment.

3.2.4 Debt securities and other borrowed funds

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

3.2.5 Undrawn loan commitments

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

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

3.3 Modification and Derecognition of financial assets and liabilities

3.4.1 Modification of financial assets

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

3.4.1A Derecognition of financial assets

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

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

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

Or

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

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

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

A transfer only qualifies for derecognition if either:

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

Or

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

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

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

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

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

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

3.4.2. Financial liabilities

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

3.5 Impairment of financial assets

3.5.1 Overview of the ECL principles

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

Loans

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

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

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

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

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

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

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

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

3.5.2 The calculation of ECLs

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

The key elements of the ECL are summarised below:

Probability of Default ("PD"):

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

Exposure At Default ("EAD"):

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

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interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

Loss Given Default ("LGD"):

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

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

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment:

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

Other Financial assets:

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

3.5.3 Forward looking information

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

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

3.6 Collateral repossessed

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

3.7 Write-offs

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

3.8 Restructured, rescheduled and modified loans

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

When the loan has been renegotiated or modified but not derecognised, the Company also reassesses whether there has been a significant increase in credit risk. The Company

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also considers whether the assets should be classified as Stage 3. Once an asset has been classified as restructured, it will remain restructured for a period of 1 year from the date on which it has been restructured.

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

3.9 Derivative and Hedge accounting

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

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

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

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

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

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

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

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

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

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

3.10 Recognition of interest income

3.10.1 The effective interest rate method

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

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3.10.2 Interest Income

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

3.11 Taxes

3.11.1 Current tax

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

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

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

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

3.11.2 Deferred Tax

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

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

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

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

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

3.12 Investment Property

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

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

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

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

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

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3.13 Property, plant and equipment

Property plant and equipment is stated at cost (net of tax/duty credits availed) excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Cost includes professional fees/charges related to acquisition of property plant and equipment. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

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

Useful life of assets as per Schedule II:

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

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

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

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

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

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

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

3.14 Intangible assets

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

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

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

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

3.15 Impairment of non–financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast

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calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

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

3.16 Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

The company operates the following post-employment schemes:

(a) defined contribution plans such as provident fund

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

Defined Contribution Scheme

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

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

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

b) Defined Benefit Scheme

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

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

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

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

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

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

(iii) Other employee benefits

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

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

3.17 Share Based Payments

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

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

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

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

3.18 Provisions and Contingent liabilities

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

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

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

3.19 Dividends on ordinary shares

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

3.20 Determination of Fair value

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

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

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

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

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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.

3.21 Recognition of Income

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

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

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

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

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

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

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

3.21.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

3.21.2 Fee Income & Sale of Service

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

   i) Completion of service

   ii) and realisation of the fee income.

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

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

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3.22 Dividend Income

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

3.23 Input Tax credit (Goods and Service Tax)

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

3.24 Foreign Currency transactions

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

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

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

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

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

3.25 Earnings Per Share

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

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

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

3.26 Segment Information

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

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

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

3.27 Cash Flow Statement

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

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

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

3.28 Cash and Cash equivalents

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

3.29 Leases

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

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

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

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

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

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

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

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

4A. Significant accounting judgements, estimates and assumptions

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

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

i. Business Model Assessment

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

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

Refer Note 3.2.1.1 for related details.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

ii. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Fair value note in accounting policy. Refer Note 3.20 for related details..

iii. Impairment of financial asset

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

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

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

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

iv. Leases

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

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

b. Estimating the incremental borrowing rate

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

v. Provisions and other contingent liabilities

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

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

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

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

Proceeds before intended use of property, plant and equipment

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

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

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

Onerous Contracts – Cost of fulfilling a contract

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

(iii) Ind AS 103, Business combinations

References to the conceptual framework

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

(iv) Ind AS 109, Financial Instruments

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

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

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

Subsidiary as a first-time adopter

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

(vi) Ind AS 41, Agriculture

Taxation in fair value measurements

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

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

4C New amendments issued but not effective

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

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

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

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

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

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

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

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

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

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

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

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 5 CASH AND CASH EQUIVALENTS		
Cash on hand	11.00	16.03
Balances with banks		
- In Current Accounts	227.23	115.06
- In Deposit Accounts - Original maturity of 3 months or less	650.21	2,500.34
Cheques, drafts on hand	21.85	26.45
Total	**910.29**	**2,657.88**

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
- In Deposit Accounts - Original maturity more than 3 months	1,017.21	1,083.02
- In earmarked accounts		
-Margin account for derivatives	52.27	139.13
- In Unpaid Dividend Accounts	0.76	0.71
- Deposits with Banks as collateral towards securitisation loan	980.36	339.07
- In Unclaimed Debenture Account	0.45	0.19
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	0.08	0.08
Total	**2,051.13**	**1,562.20**

₹ in crores

Particulars	As at March 31, 2023			As at March 31, 2022		
	Notional amounts	Fair Value -Assets	Fair Value -Liabilites	Notional amounts	Fair Value -Assets	Fair Value -Liabilites
Note : 7 DERIVATIVE FINANCIAL INSTRUMENTS						
Part I						
(i) Other derivatives - Cross Currency Interest Rate Swap	2,541.18	147.42	-	1,897.23	108.09	-
(ii) Interest rate Swaps	500.00	4.73	5.59	-	-	2.82
(iii) Forward Contracts	1,933.08	120.71	128.68	1,948.90	78.44	166.74
Total Derivative financial Instruments	**4,974.26**	**272.86**	**134.27**	**3,846.13**	**186.53**	**169.56**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Cash flow hedging:						
Others - Cross currency interest rate swap	2,541.18	147.42	-	1,897.23	108.09	-
(ii) Interest rate Swaps	500.00	4.73	5.59	-	-	2.82
(iii) Forward Contracts	1,933.08	120.71	128.68	1,948.90	78.44	166.74
Total Derivative financial Instruments	**4,974.26**	**272.86**	**134.27**	**3,846.13**	**186.53**	**169.56**

The Company has a Board approved policy for entering into derivative transactions. Derivative transaction comprises of Currency, Interest Rate Swaps and forward contracts. The Company undertakes such transactions for hedging interest / foreign exchange risk on borrowing. The Asset Liability Management Committee and Business Committee periodically monitors and reviews the risks involved. Also, refer note 42.2.2.4 (a).

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

Notes forming part of the Standalone Financial Statements (Contd.)
For the year ended March 31, 2023

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 8 RECEIVABLES (Unsecured)		
(i) Trade Receivables		
Considered Good*	78.34	32.47
Less: Impairment Allowance	(1.16)	-
Total	**77.18**	**32.47**
(ii) Other Receivables		
Considered Good*	113.99	95.54
Less: Impairment Allowance	(0.11)	-
Total	**113.88**	**95.54**

*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.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 9 LOANS (At amortised cost)		
(A)		
(i) Bills Discounted	926.85	370.99
(ii) Term loans	1,06,150.39	76,106.90
Total (A) Gross	**1,07,077.24**	**76,477.89**
Less: Impairment Allowance for (i) & (ii)	(2,328.92)	(2,328.68)
Total (A) Net	**1,04,748.32**	**74,149.21**
(B)		
(i) Secured by tangible assets	99,800.46	75,085.60
(ii) Unsecured	7,276.78	1,392.29
Total (B) - Gross	**1,07,077.24**	**76,477.89**
Less: Impairment Allowance for (i) & (ii)	(2,328.92)	(2,328.68)
Total (B) - Net	**1,04,748.32**	**74,149.21**
(C)		
(I) Loans In India		
(i) Public Sector		
(ii) Others	1,07,077.24	76,477.89
Less: Impairment Allowance	(2,328.92)	(2,328.68)
Total (C)(I) - Net	**1,04,748.32**	**74,149.21**

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

Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or pledge of securities and / or equitable mortgage of property and / or equipment. It also includes loans where security creation is in process. Refer Note 17.1 and 18.2 for receivables offered as security for borrowings.

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

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Loan - Outstanding Value		
Cholamandalam Securities Limited	12.50	4.50
White Data System India Private Limited	-	3.00
Impairment Allowance		
Cholamandalam Securities Limited	-	0.01
White Data System India Private Limited	-	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 9.1 LOANS

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

₹ in crores

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bills discounted								
Opening as on April 1, 2022	332.91	0.39	37.69	370.99	2.71	0.04	34.78	37.53
New assets originated / Increase in existing assets (Net)	915.77	3.98	2.58	922.33	7.48	0.40	0.75	8.63
Exposure de-recognised / matured / repaid	(332.37)	(0.15)	(0.64)	(333.16)	(2.69)	(0.02)	(0.01)	(2.72)
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	(0.63)	(0.24)	0.87	-	(0.01)	(0.03)	0.03	(0.01)
Impact on account of exposures transferred during the period between stages	-	-	-	-	-	-	0.21	0.21
Impact of changes on items within the same stage	-	-	-	-	-	-	2.90	2.90
Write off	-	-	(33.31)	(33.31)	-	-	(33.31)	(33.31)
Closing as on March 31, 2023	**915.68**	**3.98**	**7.19**	**926.85**	**7.49**	**0.39**	**5.35**	**13.23**
Term loans								
Opening as on April 1, 2022	66,984.70	5,817.08	3,305.12	76,106.90	340.20	659.58	1,291.37	2,291.15
New assets originated / Increase in existing assets (Net)	57,316.67	252.29	247.38	57,816.34	261.16	29.58	52.06	342.80
Exposure de-recognised / matured / repaid	(23,876.52)	(2,200.24)	(1,328.98)	(27,405.74)	(312.60)	(206.80)	(272.11)	(791.51)
Transfer to Stage 1	1,304.33	(1,195.29)	(109.04)	-	162.67	(128.33)	(34.34)	-
Transfer to Stage 2	(1,983.66)	2,084.21	(100.55)	-	(12.48)	43.30	(30.82)	-
Transfer to Stage 3	(780.63)	(665.16)	1,445.79	-	(5.15)	(80.55)	85.70	-
Impact on account of exposures transferred during the period between stages	1.32	4.09	39.45	44.86	0.01	138.85	330.69	469.55
Impact of changes on items within the same stage	272.18	21.58	98.50	392.26	8.36	5.51	319.76	333.63
Write off	(241.51)	(179.46)	(383.26)	(804.23)	(4.98)	(59.30)	(265.65)	(329.93)
Closing as on March 31, 2023	**98,996.88**	**3,939.10**	**3,214.41**	**1,06,150.39**	**437.19**	**401.84**	**1,476.66**	**2,315.69**
Bills Discounted								
Opening as on April 1, 2021	96.78	-	37.39	134.17	0.57	-	34.34	34.91
New assets originated / Increase in existing assets (Net)	332.9	0.39	0	333.29	2.70	0.04	-	2.74
Exposure de-recognised / matured / repaid	(93.32)	-	(3.15)	(96.47)	(0.75)	-	(2.21)	(2.96)
Transfer to Stage 1	0.71	-	(0.71)	-	0.21	-	(0.21)	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	(4.16)	-	4.16	-	(0.02)	-	0.02	-
Impact on account of exposures transferred during the period between stages	-	-	-	-	-	-	1.18	1.18
Impact of changes on items within the same stage	-	-	-	-	-	-	1.66	1.66
Closing as on March 31, 2022	**332.91**	**0.39**	**37.69**	**370.99**	**2.71**	**0.04**	**34.78**	**37.53**
Term loans								
Opening as on April 1, 2021	61,250.86	4,231.11	2,667.62	68,149.59	536.73	709.63	1163.15	2,409.51
New assets originated	32,215.57	137.07	84.64	32,437.28	169.17	13.59	11.82	194.58
Exposure de-recognised / matured / repaid	(20,991.67)	(2,163.87)	(785.80)	(23,941.34)	(366.43)	(262.55)	(152.11)	(781.09)
Transfer to Stage 1	507.81	(392.78)	(115.03)	-	101.06	(68.01)	(33.05)	-
Transfer to Stage 2	(4,776.09)	4,832.90	(56.81)	-	(74.37)	90.24	(15.87)	-
Transfer to Stage 3	(1,110.57)	(703.02)	1,813.59	-	(21.81)	(123.10)	144.91	-
Impact on account of exposures transferred during the period between stages	1.17	48.88	77.06	127.11	-	384.27	440.58	824.85
Impact of changes on items within the same stage	198.39	32.05	99.30	329.74	13.11	2.18	116.17	131.46
Write off*	(310.77)	(205.26)	(479.45)	(995.48)	(17.26)	(86.67)	(384.23)	(488.16)
Closing as on March 31, 2022	**66,984.70**	**5,817.08**	**3,305.12**	**76,106.90**	**340.20**	**659.58**	**1,291.37**	**2,291.15**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 9.1 LOANS (Contd.)

ECL across stages have been computed on collective basis.

The Company uses Days past due of the customer to determine the credit quality of loans

*Total write off includes Loss on disposal of repossessed vehicles - ₹ 566.57 crores for the year ended March 31, 2023 (₹ 601.24 crores-March 31, 2022)

Note : 9.2 OVERDUE GREATER THAN 90 DAYS

₹ in crores

No. of cases	Principal outstanding	Overdue Instalments*
As on March 31,2023		
1,22,022	2,117.71	1,258.70
As on March 31,2022		
87,914	2,032.29	1,488.89

*Overdue instalments includes principal amount overdue and interest overdue

₹ in crores

	Particulars	As at March 31, 2023	As at March 31, 2022
Note : 10 INVESTMENTS			
Investment in Equity Instruments* Unquoted			
a)	**Subsidiaries at cost**		
	Cholamandalam Home Finance Limited 4,24,00,000 Equity shares of ₹ 10 each fully paid up	42.40	42.40
	Cholamandalam Securities Limited 2,25,00,014 Equity shares of ₹ 10 each fully paid up	22.50	22.50
b)	**Joint Venture**		
	Payswiff Technologies Private Limited 28,16,117 Equity shares of ₹ 10 each fully paid up	456.82	450.01
c)	**Associate at cost**		
	White Data System India Private Limited 12,75,917 Equity shares of ₹ 10 each fully paid up (Refer Note-1)	-	8.00
	Vishvakarma Payments Private Limited 2,100 Equity shares of ₹ 10 each fully paid up#	-	-
	Paytail commerce Private limited 27,482 Equity shares of ₹ 10 each fully paid up	9.75	9.75
d)	**Others - Unquoted - FVOCI ** **		
	Amaravathi Sri Venkatesa Paper Mills Limited 2,93,272 Equity shares of ₹ 10 each fully paid up#	1.29	1.29
	Less: Provision for Dimunition in Value of Investment	(1.29)	(1.29)
	Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up#	-	-
	The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up#	-	-
	Chola Insurance Distribution Services Private Limited 19,133 Equity shares of ₹10 each fully paid up	0.02	0.02
	Abhishek Co-operative Housing Society 5 shares of ₹ 50 each : Cost ₹ 250 only #	-	-
	Chennai Willingdon Corporate Foundation 5 shares of ₹ 10 each fully paid up #	-	-
Total		**0.02**	**0.02**
e)	**Investment in Indian Government Securities - Quoted - amortised cost**	1,541.34	1,543.48
f)	**Investment in Treasury Bill - amortised cost**	1,536.27	-
g)	**Investment in Convertible Note of Paytail commerce Private Limited (Refer Note-2) - FVTPL**	10.92	-
Total		**3,620.02**	**2,076.16**

*Investments are made in India

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

Asset classified as held for sale - Investment		
White Data System India Private Limited 12,75,917 Equity shares of ₹ 10 each fully paid up (Refer Note-1)	8.00	-
Total	**8.00**	**-**

represents amount less than ₹ 1 crores

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

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

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 11 OTHER FINANCIAL ASSETS		
Unsecured - considered good		
At amortised cost		
Security deposits	38.14	24.73
Other advances	17.39	6.78
Interest only strip receivable	218.30	289.37
Total - Gross	**273.83**	**320.88**
Less: Impairment Allowance	(0.06)	-
Total - Net	**273.77**	**320.88**

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 12 DEFERRED TAX		
Deferred Tax Assets		
Impairment allowance for financial instruments	566.25	574.87
Provision for Contingencies and Undrawn commitments	12.92	10.25
Provision for Compensated Absences and Gratuity	22.54	21.05
Impact of Effective interest rate adjustment on Financial Assets	4.76	45.83
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	14.85	15.50
Items recognised in OCI		
Others	-	7.03
(A)	**621.32**	**674.53**
Deferred Tax Liability		
Impact of Effective interest rate adjustment on Financial Liabilities	1.16	1.63
Items recognised in OCI	10.76	1.47
Others	0.90	-
(B)	**12.82**	**3.10**
Net Deferred Tax Assets (A) - (B)	**608.50**	**671.43**

₹ in crores

	Year ended March 31, 2023		Year ended March 31, 2022	
	Statement of Profit and Loss	OCI	Statement of Profit and Loss	OCI
Deferred Tax Assets				
Impairment allowance for financial instruments	8.62	-	39.85	-
Provision for Contingencies and Undrawn commitments	(2.67)	-	0.95	-
Provision for Compensated Absences and Gratuity	(1.49)	0.12	(3.13)	-
Impact of Effective interest rate adjustment on Financial Assets	41.07	-	17.00	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	0.65	-	(4.05)	-
Others	4.91	-	1.97	-
(A)	**51.09**	**0.12**	**52.59**	**-**
Deferred Tax Liability				
Impact of Effective interest rate adjustment on Financial Liabilities	(0.47)	-	0.98	-
Re-measurement gains / (losses) on defined benefit plans (net)		-	-	(0.01)
Cashflow Hedge reserve	-	11.49	-	40.77
(B)	**(0.47)**	**11.49**	**0.98**	**40.76**
Net deferred tax charge / (reversal) (A) - (B)	**51.56**	**(11.37)**	**51.61**	**(40.76)**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particular	
Note : 13 INVESTMENT PROPERTY	
Gross carrying amount as at April 01, 2021	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2022	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2023	**0.14**
Accumulated depreciation and impairment	
Balance as at April 1, 2021	**-**
Depreciation for the year	0.01
Depreciation on disposals	-
Balance as at March 31, 2022	**0.01**
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2023	**0.01**
Net Carrying amount	
As at March 31, 2022	**0.13**
As at March 31, 2023	**0.13**
Useful Life of the asset (In Years)	60
Method of depreciation	Straight line method

The Company's investment property consists of 4 properties and has let out one property as at March 31, 2023 and as at March 31, 2022.

Income earned and expense incurred in connection with investment property

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rental Income	0.05	0.05
Direct Operating expense from property that generated rental income	0.01	0.01
Direct Operating expense from property that did not generate the rental income	-	-

ii) Contractual obligations

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

iii) Leasing Arrangements

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

₹ in crores

	As at March 31, 2023	As at March 31, 2022
iv) Fair Value		
Investment Property (₹ in crores)	3.20	3.09

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value (₹ in crores)	Sensitivity (₹ in crores)
v) Sensitivity analysis						
Investment Property As at March 31, 2023	Professional valuer	Price per Sq. feet	₹ 7,000 - 13,000 per Sq. feet	5%	3.20	0.16
Investment Property As at March 31, 2022	Professional valuer	Price per Sq. feet	₹ 7,000 - 13,000 per Sq. feet	5%	3.09	0.15

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	Freehold Land	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Buildings (Refer Note below) Owned Assets	Buildings (Refer Note below) Right of Use Assets	Total
Note : 14 PROPERTY, PLANT AND EQUIPMENT									
Gross carrying amount as at April 1, 2021	**39.56**	**95.93**	**29.24**	**24.64**	**50.13**	**17.80**	**23.05**	**163.42**	**443.77**
Additions	-	37.74	2.63	2.08	3.48	10.05	-	70.41	126.39
Disposals	-	5.52	0.39	0.10	0.16	5.60	-	2.91	14.68
Gross carrying amount as at March 31, 2022	**39.56**	**128.15**	**31.48**	**26.62**	**53.45**	**22.25**	**23.05**	**230.92**	**555.48**
Additions	-	51.37	5.27	2.60	10.86	70.51	-	105.82	246.43
Disposals	-	6.61	2.48	2.63	4.62	9.47	-	2.61	28.42
Gross carrying amount as at March 31, 2023	**39.56**	**172.91**	**34.27**	**26.59**	**59.69**	**83.29**	**23.05**	**334.13**	**773.49**
Accumulated depreciation / amortisation and impairment									
Balance as at April 1, 2021	-	71.16	19.45	19.66	33.09	8.41	1.66	87.32	240.75
Depreciation for the year	-	19.76	4.75	3.30	8.25	3.90	0.41	44.26	84.63
Depreciation on disposals	-	5.35	0.25	0.10	0.15	3.94	-	-	9.79
Balance as at March 31, 2022	**-**	**85.57**	**23.95**	**22.86**	**41.19**	**8.37**	**2.07**	**131.58**	**315.59**
Depreciation for the year	-	28.73	4.52	3.56	8.19	6.98	0.43	55.41	107.82
Depreciation on disposals	-	6.58	2.44	2.62	4.60	5.80	-	0.05	22.09
Balance as at March 31, 2023	**-**	**107.72**	**26.03**	**23.80**	**44.78**	**9.55**	**2.50**	**186.94**	**401.32**
Net Carrying amount									
As at March 31, 2022	**39.56**	**42.58**	**7.53**	**3.76**	**12.26**	**13.88**	**20.98**	**99.34**	**239.89**
As at March 31, 2023	**39.56**	**65.19**	**8.24**	**2.79**	**14.91**	**73.74**	**20.55**	**147.19**	**372.17**
Useful Life of the asset (In Years)		3	5	5	upto 5	5	60	upto 5	
Method of depreciation	Straight-line method								

Note

1. Details of Immovable properties of land and buildings (Owned Assets), whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security, has been explained in Note 17.1
2. The Company has elected to include ROU assets pertaining to lease of buildings as part of the Property, plant and equipment as permitted under paragraph 47 of Ind AS 116.
3. The Title Deeds of the Immovable Properties mentioned above are in the name of the company.
4. Company has not carried out any revaluation of property, plant and equipment during the year ended March 31, 2023

₹ in crores

Particulars	Computer Software
Note : 15 INTANGIBLE ASSETS	
Gross carrying amount as at April 1, 2021	**73.53**
Additions	10.81
Disposals	-
Gross carrying amount as at March 31, 2022	**84.34**
Additions	22.94
Disposals	-
Gross carrying amount as at March 31, 2023	**107.28**
Accumulated Amortization and impairment	
Balance as at April 1, 2021	**57.08**
Amortization for the year	12.71
Amortization on disposals	-
Balance as at March 31, 2022	**69.79**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 15 INTANGIBLE ASSETS (Contd.)

₹ in crores

Particulars	Computer Software
Amortization for the year	11.06
Amortization on disposals	-
Balance as at March 31, 2023	**80.85**
Net Carrying amount	
As at March 31, 2022	**14.55**
As at March 31, 2023	**26.43**
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 16 OTHER NON FINANCIAL ASSETS		
Prepaid expenses	30.59	24.31
Capital advances	21.12	1.43
GST Input Credit	12.00	9.93
Others	41.72	33.12
Total	**105.43**	**68.79**

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 17 DEBT SECURITIES (at amortised cost)		
Redeemable Non-Convertible Debentures		
Medium-Term - Secured	15,340.63	10,529.95
Medium-Term - Unsecured	25.00	25.00
Commercial Papers - Unsecured	4,316.78	2,766.15
Total	**19,682.41**	**13,321.10**

All debt securities have been contracted in India

17.1 Security

(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge against identified loan receivables and *pari passu* charge on immovable property which are owned assets of the Company situated at Chennai.

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

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 17 DEBT SECURITIES (at amortised cost) (Contd.)

17.2 Details of Debentures - Contractual principal repayment value

(i) Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Due date of redemption	Rate of interest %
4,550	10,00,000	455.00	-	May-27	7.95
2,750	10,00,000	275.00	270.00	Apr-27	7.50
2,700	10,00,000	270.00	25.00	Mar-27	7.30
250	10,00,000	25.00	-	Nov-26	8.55
7,000	10,00,000	700.00	-	Apr-26	7.32
60,200	1,00,000	602.00	-	Mar-26	8.50
8,000	10,00,000	800.00	-	Jan-26	7.9217
6,050	10,00,000	605.00	-	Dec-25	8.30
5,000	10,00,000	500.00	-	Nov-25	8.45
5,000	10,00,000	500.00	500.00	Jul-25	7.92
4,974	10,00,000	497.40	497.40	Mar-25	7.08
2,000	10,00,000	200.00	200.00	Feb-25	5.85
13,600	10,00,000	1,360.00	860.00	Dec-24	5.57 to 6.30
3,500	10,00,000	350.00	150.00	Oct-24	6.80
4,000	10,00,000	400.00	400.00	Aug-24	5.53 to 5.58
16,000	10,00,000	1,600.00	600.00	Jul-24	5.46 to 7.38
11,500	10,00,000	1,150.00	150.00	Apr-24	8.6179
10,050	10,00,000	1,005.00	685.00	Feb-24	6.25 to 7.31
5,500	10,00,000	550.00	550.00	Dec-23	6.10
6,023	10,00,000	602.30	602.30	Sep-23	5.58 to 8.80
1,990	10,00,000	199.00	199.00	Aug-23	9.06
9,000	10,00,000	900.00	900.00	May-23	5.70 to 7.50
3,250	10,00,000	325.00	325.00	Apr-23	6.26
8,000	10,00,000	-	800.00	Mar-23	5.85 to 5.68
3,350	10,00,000	-	335.00	Feb-23	5.70 to 7.41
5,900	10,00,000	-	590.00	Dec-22	5.48 to 7.98
6,150	10,00,000	-	615.00	Nov-22	5.45 to 8.00
3,523	10,00,000	-	352.30	Sep-22	8.70
2,000	10,00,000	-	200.00	Jun-22	7.20
		13,870.70	**9,806.00**		

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

17.2 Details of Debentures - Contractual principal repayment value (Contd.)

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Due date of redemption	Redemption price ₹	Premium ₹
1000	10,00,000	100.00	100.00	Mar-27	14,22,599	4,22,599
1250	10,00,000	125.00	125.00	Jul-25	14,61,481	4,61,481
850	10,00,000	85.00	85.00	Jul-25	13,53,045	3,53,045
5000	10,00,000	500.00	-	Jun-25	12,56,740	2,56,740
500	10,00,000	-	50.00	Jan-23	12,54,470	2,54,470
250	10,00,000	25.00	25.00	Dec-24	12,93,960	2,93,960
350	10,00,000	35.00	35.00	Oct-24	13,01,025	3,01,025
		870.00	**420.00**			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Due date of redemption	Put option date	Rate of interest %
10	10,00,000	1.00	1.00	Aug-23	Jul-21	9.06
		1.00	**1.00**			

(iv) UnSecured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Due date of redemption	Put option date	Rate of interest %
250	10,00,000	25.00	25.00	Jul-23	-	5.12
		25.00	**25.00**		**-**	

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 18 BORROWINGS (Other than Debt Securities) at amortised cost		
A) Term Loans		
i) (a) From Banks - Secured		
- Rupee Loans	52,660.23	41,873.73
- Foreign currency Loans	827.99	615.77
- External Commercial Borrowings	1,525.88	1,945.43
(b) From Banks - Unsecured		
- Short term loans	200.00	-
ii) From Other Parties - Secured		
- Financial Institutions - Rupee Loans		
- Rupee Loans	4,307.15	1,538.94
- External Commercial Borrowings	1,276.71	1,442.85
- Securitisation - Rupee Loans	9,982.57	3,433.06
B) Loan repayable on demand - Secured from Banks - Rupee Loans (Refer Note 6)	2,405.66	1,154.74
- Unsecured		
Total	**73,186.19**	**52,004.52**
Borrowings within India	70,383.60	48,616.24
Borrowings Outside India	2,802.59	3,388.28

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 18 BORROWINGS (Contd.)

18.1 Security

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

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

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

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

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

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

18.2 Details of term loans - Contractual principal repayment value

₹ in crores

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2023	Amount outstanding March 31, 2022
Base Rate / MCLR	< 1year	1	600.00	1,400.00
		2	300.00	1,987.50
		3	841.67	-
		4	757.78	877.56
		8	-	500.00
	1 - 2 years	1	50.00	600.00
		2	-	1,100.00
		4	2,380.00	815.06
		8	-	500.00
	2 - 3 years	1	237.50	50.00
		2	-	800.00
		3	-	77.96
		4	1,430.00	511.11
	3 - 4 years	1	-	50.00
		3	-	45.00
		4	552.22	251.11
	4 - 5 years	2	50.00	-
		3	241.67	-
		4	130.00	-
	> 5 Years	1	12.50	-
Base Rate/ MCLR + spread (0.10%)	< 1year	1	1,600.00	600.00
		2	250.00	250.00
		4	600.00	-
	1 - 2 years	1	1,000.00	600.00
		2	-	250.00
		3	375.00	-
		4	100.00	-
	2 - 3 years	1	1,000.00	-
		4	100.00	-
		4	100.00	-
		3	75.00	-
Rate based on T Bill + Spread	< 1 year	1	2,250.00	1,715.50
		2	-	225.00
		3	125.00	60.00
		4	3,964.78	1,413.52
		8	500.00	-
		12	200.00	200.00
	1 - 2 years	1	1,550.00	1,460.00
		3	137.96	125.00
		4	3,080.83	2,137.26

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

18.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in crores

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2022	March 31, 2021
		12	200.00	200.00
	2 - 3 years	1	1,800.00	1,080.00
		2	285.71	-
		3	45.00	435.00
		4	2,249.40	1,057.26
		9	150.00	-
		12	-	200.00
	3 - 4 years	1	1,657.14	880.00
		2	349.29	285.71
		4	410.83	285.83
		9	-	150.00
	4 - 5 years	1	615.00	923.75
		2	100.00	-
		4	-	110.83
Fixed Rate	< 1year	1	333.00	200.00
		2	222.22	100.00
		4	772.72	530.40
	1 - 2 years	1	1,516.33	333.00
		2	222.22	100.00
		3	102.20	-
		4	636.32	380.40
	2 - 3 years	1	1,684.00	1,516.33
		2	222.22	221.00
		3	-	102.20
		4	636.32	-
	3 - 4 years	1	1,350.00	1,517.33
		2	222.22	100.00
		4	636.32	-
	4 - 5 years	1	277.78	1,183.33
		4	636.32	-
	>5 years	1	113.77	-
		2	91.00	-
Repo	< 1year	1	458.33	233.33
		2	400.00	829.40
		3	33.33	243.33
		4	3,232.88	1,132.86
		6	416.67	-
		8	-	360.00
		12	-	833.33
	1 - 2 years	1	601.19	233.33
		2	1,121.00	300.00
		3	251.79	33.33
		4	2,581.74	2,516.66
		6	-	416.67
	2 - 3 years	1	-	601.19
		2	1,000.00	150.00
		3	18.75	251.79
		4	1,896.02	2,124.51
	3 - 4 years	1	43.75	-
		2	760.00	150.00
		3	794.20	18.75
		4	642.22	1,438.80
	4 - 5 years	1	425.00	35.00
		2	211.11	10.00

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

18.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in crores

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2022	March 31, 2021
		3	-	794.20
		4	-	220.00
	> 5 Years	1	-	50.00
O/N MIBOR	< 1year	1	70.56	-
	1 - 2 years	2	111.11	-
	2 - 3 years	2	111.11	-
	3 - 4 years	2	111.11	-
	4 - 5 years	2	111.11	-
Total			**57,532.22**	**43,470.43**
3M MIBOR + Spread	< 1year	1	-	75.00
USD 3M LIBOR + Spread	< 1year	4	233.85	215.70
	1-2 years	4	233.85	215.70
	2-3 years	4	233.85	215.70
	3 - 4 years	4	233.85	215.70
	4 - 5 years	4	233.85	215.70
	> 1year	1	58.46	-
	>5 Years	5	-	269.63
USD 6M LIBOR + Spread	< 1year	1	-	1,364.18
	1-2 years	1	755.92	-
	2-3 years	1	-	697.25
USD 6M SOFR + Spread	2 - 3 years	1	821.65	-
USD 3M SOFR + Spread	< 1year	1	828.89	-
USD 12M LIBOR + Spread	< 1year	1	-	615.28
Total			**3,634.17**	**4,099.84**

Details of Securitised loan

₹ in crores

Rate of Interest	Maturity	Amount outstanding* March 31, 2023	March 31, 2022
	Less than 1 year	3,975.72	1,426.19
Fixed	1-2 year	3,052.67	838.30
(4.9% to 8%)	2-3 year	1,771.34	383.37
	3-4 year	690.48	130.14
	4-5 year	72.07	30.94
	more than 5 years	51.71	80.55
Total		**9,613.99**	**2,889.49**
	Less than 1 year	46.32	67.79
Floating	1-2 year	41.92	58.04
Base Rate/ MCLR - spread	2-3 year	43.09	60.95
(0.75% to 2.65%)	3-4 year	41.08	60.88
	4-5 year	34.34	56.30
	more than 5 years	144.73	237.34
Total		**351.48**	**541.30**

* 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.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 19 SUBORDINATED LIABILITIES (at amortised cost)		
Perpetual Debt - Unsecured	1,527.96	1,328.99
Subordinated Debt - Unsecured		
a) Rupee Denominated Bonds	407.94	407.36
b) Other Subordinated Debts	2,551.56	2,111.53
Total	**4,487.46**	**3,847.88**

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

19.1 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 March 31, 2023 (₹ in crores)	Balance as at March 31, 2022 (₹ in crores)	Due date of redemption	Rate of interest %
290	1,00,00,000	290.00	-	Dec-32	8.65
150	1,00,00,000	150.00	150.00	Feb-32	8.10
200	1,00,00,000	200.00	200.00	Oct-31	7.90
400	1,00,00,000	400.00	400.00	Jan-30	9.25
4000	5,00,000	200.00	-	Oct-29	9.00
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
200	10,00,000	20.00	20.00	Feb-24	11.00
250	10,00,000	25.00	25.00	Jan-24	11.00
2,000	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	Dec-22	11.05 to 11.25
		2,860.00	**2,430.00**		

(ii) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt -Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 (₹ in crores)	Balance as at March 31, 2022 (₹ in crores)	Due date of redemption	Redemption price ₹	Premium ₹
150	10,00,000	15.00	15.00	Nov-23	17,57,947	7,57,947
		15.00	**15.00**			

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

19.1 Details of Subordinated Liabilities - Contractual principal repayment value (Contd.)

(iii) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Maturity Date - Perpetual#	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
340	5,00,000	17.00	-	Mar-33	9.40
460	5,00,000	23.00	-	Mar-33	9.40
6000	5,00,000	300.00	-	Mar-33	9.45
400	5,00,000	20.00	-	Jan-33	9.15
400	5,00,000	20.00	-	Dec-32	9.15
21	1,00,00,000	21.00	-	Oct-32	9.15
480	5,00,000	24.00	-	Sep-32	9.15
1200	5,00,000	60.00	-	Aug-32	9.15
45	1,00,00,000	45.00	-	May-32	9.20
25	1,00,00,000	25.00	25.00	Mar-32	9.10
30	1,00,00,000	30.00	30.00	Sep-31	8.98
40	1,00,00,000	40.00	40.00	Jul-31	9.05
100	1,00,00,000	100.00	100.00	May-31	9.20
2000	5,00,000	100.00	100.00	Mar-31	9.25
900	5,00,000	45.00	45.00	Nov-30	9.30
1000	5,00,000	50.00	50.00	Dec-29	10.75
1,120	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	17.00	17.00	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	103.00	103.00	Dec-23	12.50 to 12.60
245	10,00,000	25.00	25.00	Oct-23	12.60
1,000	5,00,000	50.00	50.00	Oct-23	12.90
300	10,00,000	-	30.00	Feb-23	12.80
1,450	10,00,000	-	145.00	Dec-22	12.70 to 12.80
860	5,00,000	-	43.00	Sep-22	12.75
2,000	5,00,000	-	100.00	Aug-22	12.90
		1,501.00	**1,289.00**		

Company can redeem using Call option on the maturity date with prior approval of RBI.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 20 OTHER FINANCIAL LIABILITIES		
Unpaid dividend	0.76	0.71
Advance from customers	37.53	29.63
Security deposits received	4.83	3.43
Collections towards derecognised assets pending remittance	111.00	178.37
Lease liability (Refer note 48)	166.89	109.98
Other liabilities	33.10	11.31
Total	**354.11**	**333.43**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 21 PROVISIONS		
Provision for Employee Benefits		
- Compensated absences	89.55	77.54
	89.55	**77.54**
Other Provisions		
Provision for contingencies and service tax claims (Refer note 39)	39.54	39.53
Provision for expected credit loss towards undrawn commitments (Refer Note 39)	11.79	1.20
	51.33	**40.73**
Total	**140.88**	**118.27**

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 22 OTHER NON FINANCIAL LIABILITIES		
Income received in advance	2.95	6.07
Statutory liabilities	38.66	45.63
Others	4.51	6.41
Total	**46.12**	**58.11**

₹ in crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount	Nos.	Amount
Note : 23 A) EQUITY SHARE CAPITAL				
AUTHORISED				
Equity Shares of ₹ 2 each with voting rights	1,20,00,00,000	240.00	1,20,00,00,000	240.00
Preference Shares of ₹ 100 each	5,00,00,000	500.00	5,00,00,000	500.00
		740.0		**740.00**
ISSUED				
Equity Shares of ₹ 2 each with voting rights	82,27,24,126	164.54	82,17,55,591	164.35
		164.54		**164.35**
SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 2 each with voting rights	82,20,40,356	164.41	82,10,71,821	164.21
Add : Forfeited Shares	6,54,500	0.07	6,54,500	0.07
		164.48		**164.28**

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

₹ in crores

	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year (₹ 2/- each)	82,10,71,821	164.21	82,00,35,129	164.00
Issued during the year				
Employees Stock Option (ESOP) Scheme	9,68,535	0.20	10,36,692	0.21
Outstanding at the end of the year - ₹2/- each	**82,20,40,356**	**164.41**	**82,10,71,821**	**164.21**
Forfeited shares				
Equity Shares - Amount originally paid up	**6,54,500**	**0.07**	**6,54,500**	**0.07**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 23 A) EQUITY SHARE CAPITAL (Contd.)

i) Terms/rights attached to Equity shares

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

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

b) Equity Shares held by Holding Company

	As at March 31, 2023	As at March 31, 2022
Cholamandalam Financial Holdings Limited - Holding Company	37,28,85,889	37,28,85,889

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

₹ in crores

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding in the class	Nos.	% holding in the class
Cholamandalam Financial Holdings Limited - Holding Company	37,28,85,889	45.36	37,28,85,889	45.41

d) Shares held by Promoters - Please refer Annexure A and Annexure B

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.

Annexure A

Details of Shareholding of promoters and promoter Group as on March 31, 2023

Promoters Name	No. of shares as on April 1, 2023	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
Valli Annamalai	12,500	-	12,500	-	-
M Vellachi	11,60,427	0.14	11,60,427	0.14	-
M A M Arunachalam	65,000	0.01	65,000	0.01	-
Arun Alagappan	9,50,000	0.12	9,50,000	0.12	-
M.A.Alagappan	24,88,760	0.30	24,88,760	0.30	-
Lakshmi Chockalingam	6,685	-	6,685	-	-
A Vellayan	1,35,785	0.02	1,35,785	0.02	-
Lalitha Vellayan	1,39,630	0.02	1,39,630	0.02	-
Meyyammai Venkatachalam	50,255	0.01	50,255	0.01	-
M V Valli Murugappan	-	-	-	-	-
M M Murugappan	21,035	-	21,035	-	-
A M Meyyammai	2,51,880	0.03	2,51,880	0.03	-
M V Subbiah HUF (M V Subbiah holds shares in the capacity of Karta)	10,000	-	10,000	-	-
Meenakshi Murugappan	245	-	245	-	-
Valli Alagappan	5,200	-	5,000	-	-
A Venkatachalam	2,09,605	0.03	2,09,605	0.03	-
V Narayanan	2,54,000	0.03	2,54,000	0.03	-
V Arunachalam	2,42,515	0.03	2,42,515	0.03	-
Arun Venkatachalam	4,03,750	0.05	4,03,750	0.05	-
Solachi Ramanathan	20,000	-	20,000	-	-
Vedika Meyyammai Arunachalam	1,08,280	0.01	1,08,280	0.01	-
A V Nagalakshmi	15,960	-	15,960	-	-
M V AR Meenakshi	8,53,155	0.10	8,53,155	0.10	-
A. Keertika Unnamalai	2,27,440	0.03	2,27,440	0.03	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 23 A) EQUITY SHARE CAPITAL (Contd.)

Annexure A

Details of Shareholding of promoters and promoter Group as on March 31, 2023

Promoters Name	No. of shares as on April 1, 2023	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
Sigapi Arunachalam	74,255	0.01	74,255	0.01	-
Uma Ramanathan	23,500	-	23,500	-	-
V Vasantha	1,250	-	1,250	-	-
Dhruv M Arunachalam	50,000	0.01	50,000	0.01	-
Kanika Subbiah	67,000	0.01	67,000	0.01	-
Pranav Alagappan	3,11,440	0.04	3,11,440	0.04	-
Valli Arunachalam	11,90,583	0.14	11,90,583	0.15	(0.01)
A Venkatachalam HUF (A Venkatachalam) holds shares in the capacity of Karta	7,000	-	7,000	-	-
A A Alagammai	2,894	-	2,894	-	-
Umayal R	49,455	0.01	49,455	0.01	-
Valliammai Murugappan	12,890	-	12,890	-	-
Ambadi Enterprises Ltd	2,91,380	0.04	2,91,380	0.04	-
A M M Vellayan Sons P Ltd	26,725	-	26,575	-	-
Carborundum Universal Limited	500	-	500	-	-
E.I.D. Parry (India) Ltd.	1,965	-	1,965	-	-
M.M.Muthiah Research Foundation	1,41,750	0.02	1,41,750	0.02	-
Ambadi Investments Limited (formerly Ambadi Investments Private Limited)	3,37,21,870	4.10	3,37,21,870	4.11	(0.01)
Parry Enterprises India Ltd	1,965	-	1,965	-	-
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Ltd)	37,28,85,889	45.36	37,28,85,889	45.41	(0.05)
AR Lakshmi Achi Trust	4,77,145	0.06	4,77,145	0.06	-
M A Alagappan Holdings Private Limited	1,70,700	0.02	1,70,700	0.02	-
Murugappa Educational and Medical Foundation	1,965	-	1,965	-	-
MA Murugappan Holdings LLP (M A Murugappan Holdings Private Ltd was converted its status to LLP)	75,000	0.01	75,000	0.01	-
Lakshmi Ramaswamy Family Trust(A A Alagammai & Lakshmi Ramaswamy Trustees holds shares for Trust)	5,50,630	0.07	5,85,630	0.07	-
Murugappan Arunachalam Children Trust (Sigappi Arunachalam, MAM Arunachalam, AM Meyammai are Trustees	74,405	0.01	74,405	0.01	-
Valli Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	1,93,375	0.02	1,93,375	0.02	-
V S Bhairavi Trust (M V Subbiah & Kanika Subbiah, Trustees holds shares for Trust)	1,88,875	0.02	1,88,875	0.02	-
Arun Murugappan Children Trust (MAM Arunachalam & Sigappi Arunachalam Trustees holds shares for Trust)	1,41,160	0.02	1,41,160	0.02	-
MA.Alagappan Grand Children Trust (Arun Alagappan and AA Alagammai, Trustees holds shares for Trust)	1,57,250	0.02	1,57,250	0.02	-
K S Shambhavi Trust (M V Subbiah & S Vellayan, Trustees holds shares for Trust)	1,55,955	0.02	1,55,955	0.02	-
M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	2,64,000	0.03	2,64,000	0.03	-
M.A.Alagappan (Holds shares in the capacity of Partner of Kadamane Estates - Firm)	3,55,850	0.04	3,55,850	0.04	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 23 A) EQUITY SHARE CAPITAL (Contd.)

Annexure A

Details of Shareholding of promoters and promoter Group as on March 31, 2023

Promoters Name	No. of shares as on April 1, 2023	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
M M Muthiah Family Trust (M M Murugappan, M M Muthiah, Trustees holds shares for Trust)	46,620	0.01	46,620	0.01	-
M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees holds shares for Trust)	46,055	0.01	46,055	0.01	-
M V Muthiah Family Trust (M M Venkatachalam & M V Muthiah, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan Trustees holds shares for Trust)	3,33,000	0.04	3,33,000	0.04	-
Meenakshi Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees for Trust)	25,000	-	25,000	-	-
M M Venkatachalam Family Trust(M M Venkatachalam Lakshmi Venkatachalam, Trustees for Trust)	1,22,550	0.01	1,22,550	0.01	-
Saraswathi Trust (M V Subbiah, S Vellayan &) M V Seetha Subbiah, Trustees holds shares for Trust	7,79,785	0.09	7,79,785	0.09	-
Shambho Trust (M V Subbiah, S Vellayan, Trustees holds shares for Trust)	15,24,534	0.19	16,01,300	0.20	(0.01)
	42,31,26,532	**51.48**	**42,32,37,948**	**51.56**	**(0.08)**

Annexure B

Details of Shareholding of promoters and promoter Group as on March 31, 2022

Promoters Name	No. of shares as on March 31, 2022	% to shares	No. of shares as on March 31, 2021	% to shares	% Change during the year
Valli Annamalai	12,500	-	12,500	-	-
M Vellachi	11,60,427	0.14	1,94,660	0.02	0.12
M A M Arunachalam	65,000	0.01	65,000	0.01	-
Arun Alagappan	9,50,000	0.12	9,50,000	0.12	-
M.A.Alagappan	24,88,760	0.30	24,88,760	0.30	-
Lakshmi Chockalingam	6,685	-	6,685	-	-
A Vellayan	1,35,785	0.02	1,35,785	0.02	-
Lalitha Vellayan	1,39,630	0.02	1,39,630	0.02	-
Meyyammai Venkatachalam	50,255	0.01	50,255	0.01	-
M V Valli Murugappan	-	-	21,56,350	0.26	(0.26)
M M Murugappan	21,035	-	21,035	-	-
A M Meyyammai	2,51,880	0.03	2,51,880	0.03	-
M V Subbiah HUF (M V Subbiah holds shares in the capacity of Karta)	10,000	-	10,000	-	-
Meenakshi Murugappan	245	-	245	-	-
Valli Alagappan	5,000	-	5,000	-	-
A Venkatachalam	2,09,605	0.03	2,09,605	0.03	-
V Narayanan	2,54,000	0.03	2,54,000	0.03	-
V Arunachalam	2,42,515	0.03	2,42,515	0.03	-
Arun Venkatachalam	4,03,750	0.05	4,03,750	0.05	-
Solachi Ramanathan	20,000	-	20,000	-	-
Vedika Meyyammai Arunachalam	1,08,280	0.01	1,08,280	0.01	-
A V Nagalakshmi	15,960	-	15,960	-	-
M V AR Meenakshi	8,53,155	0.10	8,53,155	0.10	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 23 A) EQUITY SHARE CAPITAL (Contd.)

Annexure B

Details of Shareholding of promoters and promoter Group as on March 31, 2022

Promoters Name	No. of shares as on March 31, 2022	% to shares	No. of shares as on March 31, 2021	% to shares	% Change during the year
A. Keertika Unnamalai	2,27,440	0.03	2,47,440	0.03	-
Sigapi Arunachalam	74,255	0.01	74,255	0.01	-
Uma Ramanathan	23,500	-	23,500	-	-
V Vasantha	1,250	-	1,250	-	-
Dhruv M Arunachalam	50,000	0.01	50,000	0.01	-
Kanika Subbiah	67,000	0.01	67,000	0.01	-
Pranav Alagappan	3,11,440	0.04	3,11,440	0.04	-
Valli Arunachalam	11,90,583	0.15	-	-	0.15
A Venkatachalam HUF (A Venkatachalam holds shares in the capacity of Karta)	7,000	-	7,000	-	-
A A Alagammai	2,894	-	2,894	-	-
Umayal R	49,455	0.01	49,455	0.01	-
Valliammai Murugappan	12,890	-	12,890	-	-
Ambadi Enterprises Ltd	2,91,380	0.04	2,91,380	0.04	-
A M M Vellayan Sons P Ltd	26,575	-	26,575	-	-
Carborundum Universal Limited	500	-	500	-	-
E.I.D. Parry (India) Ltd.	1,965	-	1,965	-	-
M.M.Muthiah Research Foundation	1,41,750	0.02	1,41,750	0.02	-
Ambadi Investments Limited (formerly Ambadi Investments Private Limited)	3,37,21,870	4.11	3,37,21,870	4.11	-
Parry Enterprises India Ltd	1,965	-	1,965	-	-
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Ltd)	37,28,85,889	45.41	37,28,85,889	45.47	(0.06)
AR Lakshmi Achi Trust	4,77,145	0.06	4,77,145	0.06	-
M A Alagappan Holdings Private Limited	1,70,700	0.02	1,70,700	0.02	-
Murugappa Educational and Medical Foundation	1,965	-	1,965	-	-
MA Murugappan Holdings LLP (M A Murugappan Holdings Private Ltd was converted its status to LLP)	75,000	0.01	75,000	0.01	-
Lakshmi Ramaswamy Family Trust(A A Alagammai & Lakshmi Ramaswamy Trustees holds shares for Trust)	5,85,630	0.07	5,85,630	0.07	-
Murugappan Arunachalam Children Trust (Sigappi Arunachalam, MAM Arunachalam, AM Meyammai are Trustees)	74,405	0.01	74,405	0.01	-
Valli Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	1,93,375	0.02	2,33,375	0.03	(0.01)
V S Bhairavi Trust (M V Subbiah & Kanika Subbiah, Trustees holds shares for Trust)	1,88,875	0.02	1,88,875	0.02	-
Arun Murugappan ChildrenTrust(MAM Arunachalam & Sigappi Arunachalam Trustees holds shares for Trust)	1,41,160	0.02	1,41,160	0.02	-
MA.Alagappan Grand Children Trust (Arun Alagappan and AA Alagammai, Trustees holds shares for Trust)	1,57,250	0.02	1,57,250	0.02	-
K S Shambhavi Trust (M V Subbiah & S Vellayan, Trustees holds shares for Trust)	1,55,955	0.02	1,55,955	0.02	-
M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	2,64,000	0.03	2,64,000	0.03	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 23 A) EQUITY SHARE CAPITAL (Contd.)

Annexure B

Details of Shareholding of promoters and promoter Group as on March 31, 2022

Promoters Name	No. of shares as on March 31, 2022	% to shares	No. of shares as on March 31, 2021	% to shares	% Change during the year
Kadamane Estates - Firm- M.A.Alagappan holds shares in the capacity of Partner	3,55,850	0.04	3,55,850	0.04	-
M M Muthiah Family Trust (M M Murugappan, M M Muthiah, Trustees holds shares for Trust)	46,620	0.01	46,620	0.01	-
M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees holds shares for Trust)	46,055	0.01	46,055	0.01	-
M V Muthiah Family Trust (M M Venkatachalam & M V Muthiah, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan Trustees holds shares forTrust)	3,33,000	0.04	3,33,000	0.04	-
Meenakshi Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees for Trust)	25,000	-	25,000	-	-
M M Venkatachalam Family Trust(M M Venkatachalam Lakshmi Venkatachalam, Trustees for Trust)	1,22,550	0.01	1,22,550	0.01	-
Saraswathi Trust (M V Subbiah, S Vellayan & M V Seetha Subbiah, Trustees holds shares for Trust)	7,79,785	0.09	7,79,785	0.10	(0.01)
Shambho Trust (M V Subbiah,S Vellayan, Trustees holds shares for Trust)	16,01,300	0.20	16,01,300	0.20	-
	42,32,37,948.00	**51.56**	**42,32,97,948.00**	**51.63**	**(0.07)**

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 23 B) OTHER EQUITY		
Statutory Reserve (Refer Note a)		
Balance at the beginning of the year	2,020.46	1,590.46
Add: Amount transferred from retained earnings	540	430.00
Closing balance at the end of the year	**2,560.46**	**2,020.46**
Capital Reserve (Refer Note b)		
Balance at the beginning of the year	0.04	0.04
Add: Changes during the year	-	-
Closing balance at the end of the year	**0.04**	**0.04**
Capital Redemption Reserve (Refer Note c)		
Balance at the beginning of the year	33.00	33.00
Add: Changes during the period	-	-
Closing balance at the end of the year	**33.00**	**33.00**
Securities Premium Account (Refer Note d)		
Balance at the beginning of the year	2,888.92	2,866.05
Add: Premium on ESOPs exercised	24.07	22.87
Closing balance at the end of the year	**2,912.99**	**2,888.92**
General Reserve (Refer Note e)		
Balance at the beginning of the year	4,739.13	3,739.13
Add: Amount transferred from retained earnings	1,000.00	1,000.00
Closing balance at the end of the year	**5,739.13**	**4,739.13**
Share Based Payments Reserve (Refer Note f)		
Balance at the beginning of the year	54.93	34.45
Addition during the period	28.46	20.48
Transfer to General reserve	-	-
Closing balance at the end of the year	**83.39**	**54.93**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 23 B) OTHER EQUITY (Contd.)

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings (Refer Note g)		
Balance at the beginning of the year	1,792.82	1,240.21
Profit for the year	2,666.20	2,146.71
Less:		
Dividend		
Equity - Final	(57.51)	-
Equity - Interim	(106.85)	(164.14)
Transfer to Statutory Reserve	(540.00)	(430.00)
Transfer to General Reserve	(1,000.00)	(1,000.00)
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	(0.35)	0.04
Closing balance at the end of the year	**2,754.31**	**1,792.82**
Cash flow hedge reserve (Refer Note h)		
Balance at the beginning of the year	15.39	(105.81)
Addition	34.15	121.20
Closing balance at the end of the year	**49.54**	**15.39**
FVOCI Reserve (Refer Note i)		
Balance at the beginning of the year	(1.29)	(1.29)
Addition	-	-
Closing balance at the end of the year	**(1.29)**	**(1.29)**
Share Application Money pending Allotment at the end of the year	**-**	**-**
Total Other Equity	**14,131.57**	**11,543.40**

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

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

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

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

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

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

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

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

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

Proposed dividend

The Board of Directors of the Company have recommended a final dividend of 35% being ₹ 0.70 per share on the equity shares of the Company, for the year ended March 31, 2023 (₹ 0.70 per share - March 31, 2022) which is subject to approval of shareholders. Consequently the proposed dividend has not been recognised in the books in accordance with IND AS 10.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
REVENUE FROM OPERATIONS		
Note : 24A		
(i) Interest - on financial assets measured at amortised cost		
(a) Loans		
- Bills Discounting	69.37	17.51
- Term loans	11,738.98	9,307.62
(b) Term Deposits With Banks	-	-
- under lien	26.88	15.44
- free of lien	106.05	117.53
(C) Others	-	-
- Deposits with Financial Institutions	-	13.59
- Investment in Government Securities	95.00	95.12
- Investment in Treasury Bill	45.90	-
Total (A)	**12,082.18**	**9,566.81**
Note : 24B		
(i) Fee Income*		
- Term loans	524.37	383.74
Total (B)	**524.37**	**383.74**
*Services are rendered at a point in time		
Note : 24C		
Net gain on fair value changes on FVTPL - Realised		
Investment in mutual funds	68.48	12.99
Net gain on fair value changes on FVTPL - Un-realised		
Convertible Note	0.92	-
Total (C)	**69.40**	**12.99**
Note : 24D		
(i) Sale of Services		
(a) Servicing and Collection fee on Assignment	3.09	5.04
(b) Other Service Income	78.00	79.71
Total (D)	**81.09**	**84.75**
Note: Timing of revenue recognition		
Services rendered at a point in time	75.09	78.75
Services rendered over a time	6.00	6.00
Total	**81.09**	**84.75**

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 25 OTHER INCOME		
Recovery of Bad debts	220.43	83.35
Interest on Income tax refund	-	6.62
Rent	0.51	0.51
Total	**220.94**	**90.48**

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 26 FINANCE COST		
Interest on financial liabilities measured at amortised cost		
- Debt securities	1,264.66	788.86
- Borrowings other than debt securities	4,082.29	3,073.83
- Subordinated liabilities	374.89	396.62
Others		
- Bank charges	14.51	18.91
- Interest on lease liability	12.40	8.70
- Interest on income tax	-	11.90
Total	**5,748.75**	**4,298.82**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 27 IMPAIRMENT OF FINANCIAL INSTRUMENTS		
Impairment provision		
- Loans - measured at amortised cost	848.35	879.90
- Receivable and other Financial assets - measured at amortised cost	1.33	-
Loss on sale of Investments	-	0.40
Total	**849.68**	**880.30**

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 28 EMPLOYEE BENEFITS EXPENSE		
Salaries, bonus and commission	1,145.70	810.95
Contribution to provident and other funds		
- Employees' provident fund	48.11	34.73
- Superannuation fund	4.91	4.03
Share based payment Expense	28.08	20.20
Gratuity expense	14.98	12.74
Staff welfare expenses	23.90	11.88
Total	**1,265.68**	**894.53**

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 29 OTHER EXPENSES		
Rent and facility charges	20.07	11.98
Rates and taxes	51.34	51.73
Energy cost	14.59	11.07
Repairs and maintenance	8.29	5.85
Communication costs	41.14	31.25
Printing and stationery	21.70	18.17
Advertisement and publicity expenses	15.11	12.98
Directors fees, allowances and expenses	3.33	1.47
Auditors' remuneration	0.91	0.94
Legal and professional charges	141.27	119.28
Insurance	31.16	27.91
Travelling and conveyance	101.38	47.95
Information technology expenses	68.65	47.75
Loss on sale of property, plant and equipment (Net)	0.74	0.07
Recovery charges	551.28	424.25
Corporate social responsibility expenditure	43.63	36.44
Outsource cost	274.39	225.91
Miscellaneous expenses	8.00	3.40
	1,396.98	1,078.40
Less : Expenses recovered	(1.68)	(1.57)
Total	**1,395.30**	**1,076.83**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 29 OTHER EXPENSES (Contd.)

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
29.1 Details of CSR expenditure		
Gross Amount required to be spent towards CSR u/s 135 (5) of Companies Act , 2013 (A)	43.43	36.32
Amount spent during the year (B)		
(a) Construction/ acquisition of asset	-	
(b) Others	43.63	36.44
Excess/(shortfall) (A-B)	0.20	0.12

None of the CSR projects undertaken by the Company falls under definition of "On-going Projects"

There is no amount required to be contributed to specified fund u/s 135(6)

Note : 30

a) Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit After Tax Attributable to Equity Shareholders **(₹ in Crore)**	2,666.20	2,146.71
Weighted Average Number of Equity Shares (Basic)	82,15,85,050	82,05,81,106
Add: Dilutive effect relating to ESOP	13,24,177	15,91,805
Weighted Average Number of Equity Shares (Diluted)	82,29,09227	82,21,72,911
Earnings per Share - Basic (₹)	32.45	26.16
Earnings per Share - Diluted (₹)	32.40	26.11
Face Value Per Share (₹)	2	2

Note:

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

b) Income tax reconciliation

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. Reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March, 2023 and 2022 is, as follows:

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax from continuing operations	3,599.69	2,890.94
Income tax rate of 25.17% (31 March 2022: 25.17%)	906.04	727.59
Effects of:		
Impact of difference in tax base for Donations and CSR Expense	11.02	9.18
Share based payment expense – No deduction claimed under tax	7.07	5.08
Impact Deduction u/s 80JJA	-	(0.28)
Expenses /provisions not deductible in determining taxable profit	9.98	(3.09)
Other Adjustments	(0.62)	5.75
Income tax expense reported in statement of profit and loss	933.49	744.23
Effective income tax rate	25.93%	25.74%

Note : 31 TRANSFER OF FINANCIAL ASSETS

31.1 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 Company has Securitised certain loans, however the Company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 31 TRANSFER OF FINANCIAL ASSETS (Contd.)

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Securitisations		
Carrying amount of transferred assets measured at amortised cost	10,433.01	3,750.13
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	10,711.01	3,672.47
Fair value of assets	10,379.49	3,805.13
Fair value of associated liabilities	9,957.39	3,668.82
Net position at Fair Value	422.10	136.31

B) Direct bilateral assignment

The Company has transferred certain 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 buyer, the assets have been de-recognised from the Company'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.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Assignment		
Carrying amount of de-recognised financial asset	1,762.48	2,764.99
Carrying amount of Retained Assets at amortised cost	203.51	317.34

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Assignment		
Gain on sale of the de-recognised financial asset	-	-

31.2 The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Note : 32 AUDITORS' REMUNERATION			
Statutory Audit	0.52	0.52	0.04
Limited Review	0.24	0.16	0.05
Tax Audit	-	-	
Other Services	0.05	0.01	0.11
Reimbursement of Expenses (incl. input tax credit expensed)	0.10	0.03	0.02
Total	**0.91**	**0.72**	**0.22***

* Represents the amount paid to the previous auditor during the year ended 31st March 2022

Note : 33 MICRO, SMALL & MEDIUM ENTERPRISES

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below:

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers under MSMED Act, as at the year end	3.40	3.06
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	-	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note: 34 a) EXPENDITURE IN FOREIGN CURRENCIES

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowings	211.68	215.49
License fees	-	4.72
Professional charges	6.26	0.30

Note: b) REMITTANCES IN FOREIGN CURRENCIES

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of Computer Equipment	-	13.46
Borrowing origination costs	0.99	0.32
Travel Expenses	5.08	-
Repayment of Borrowing	1,501.47	404.92

c) There is no dividend paid in foreign currency.

Note : 35 RETIREMENT BENEFIT

A) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contributions. During the year, the Company recognised ₹ 48.11. crore (Previous Year - ₹ 34.73 crore) to Provident Fund under Defined Contribution Plan, ₹ 4.91 crore (Previous Year - ₹ 4.03 crore) for Contributions to Superannuation Fund and ₹ 0.24 crore (Previous Year – ₹ 0.32 crore) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

B) Defined Benefit Plan

1) Gratuity

The Company's defined benefit gratuity plan 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 :

Change in Defined Benefit Obligation and Fair value of Plan assets:

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined Benefit Obligation at the beginning of the year	**84.63**	**73.03**
Current Service Cost	14.17	11.50
Interest Cost	5.66	4.56
Remeasurement Losses/(Gains)		
a. Effect of changes in financial assumptions	(3.55)	(2.34)
b. Effect of experience adjustments	3.39	2.22
Benefits Paid	(6.36)	(4.34)
Defined Benefit Obligation at the end of the year	**97.94**	**84.63**
Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	72.45	53.11
Expected Returns on Plan Assets	4.85	3.32
Employer's Contribution	23.00	20.52
Benefits Paid	(6.36)	(4.34)
Return on plan assets (excluding interest income)	(0.63)	(0.07)
Transfer in/out	-	(0.09)
Fair Value of Plan Assets at the end of the year	**93.31**	**72.45**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 35 RETIREMENT BENEFIT (Contd.)

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	93.31	72.45
Defined benefit obligation at the End of the Year	(97.94)	(84.63)
Amount Recognised in the Balance Sheet under Other Payables	**(4.63)**	**(12.18)**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	14.17	11.50
Net interest Expense	5.66	4.56
Expected Return on Plan Assets	(4.85)	(3.32)
Net Cost recognized in the statement of Profit and Loss*	**14.98**	**12.74**
Remeasurement Losses/(Gains)		
a) Effect of changes in financial assumptions	(3.55)	(2.34)
b) Effect of experience adjustments	3.39	2.22
c) Return on plan assets (excluding interest income)	0.63	0.07
Net cost recognized in Other Comprehensive Income	**0.47**	**(0.05)**
Assumptions		
Discount Rate	7.30% p.a	6.70% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior management	13% p.a.	13% p.a.
- Middle management	13% p.a.	13% p.a.
- Others	13% p.a.	13% p.a.
Expected rate of return on Plan Assets	7.30% p.a	6.70% p.a.
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate
Maturity profile of Defined Benefit Obligations		
Weighted average duration (Based on discounted cash flows)	6 years	6 years
Expected Cash flows over the next (valued on undiscounted basis)		
Within the next 12 months (next annual reporting period)	14.06	12.10
Between 2 and 5 years	50.77	41.73
Between 5 and 10 years	47.58	38.68
Beyond 10 Years	50.70	43.14
Total Expected Cash flows	**163.11**	**135.65**

* Recognized under Employee Benefit Expenses

Sensitivity Analysis:

₹ in crores

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	92.94	104.46	79.80	89.99
Salary Growth Rate (+/- 1%)	103.63	93.51	89.25	80.28
Attrition Rate (+/- 50% of attrition rates)	97.60	99.06	83.41	86.21
Mortality Rate (+/- 10% of mortality rates)	98.42	98.40	84.63	84.63

Notes:

1. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. The Company's best estimate of contribution during the next year is ₹ 20.94 Crores.
3. 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.
4. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
5. The above sensitivity analysis are based on change in an assumption which is holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant actuarial assumptions the same method of present value of defined benefit obligations calculated with Projected unit cost method at the end of the reporting period has been applied while calculating defined benefit liability recognised in the balance sheet.
6. The method and type of assumptions used in preparing the sensitivity analysis does not change as compared to the prior period

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 35 RETIREMENT BENEFIT (Contd.)

DESCRIPTION OF RISK EXPOSURES

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(a) Interest Rate risk: The plan exposes the company to the risk of fall in interest rates . A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability(as shown in financial statements).

(b) Liquidity Risk: This is the risk that the company is not able to meet the short-term gratuity payouts .This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(c) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future .Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(d) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(e) Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g.Increase in the maximum limit on gratuity of ₹ 20,00,000)

(f) Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

(g) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on an particular investment.

2. Compensated Absences

Assumptions	March 31, 2023	March 31, 2022
Discount Rate	7.30%	6.70% p.a.
Future salary increase	7.50%	7.50% p.a.
Attrition Rate	13% p.a.	13% p.a.
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

Notes:

1. The Company has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2023.
2. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
3. 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.

Note : 36 SEGMENT INFORMATION

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

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

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

Loan against property - Loans to customer against immovable property

Home Loans - Loans given for acquisition of residential property and loan against residential property

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

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

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 36 SEGMENT INFORMATION (Contd.)

₹ in crores

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

₹ in crores

Particulars	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
	Year ended March 31, 2022					
Revenue from Operations						
- Interest Income	7,088.61	1,541.71	612.52	81.96	242.01	**9,566.81**
- Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-	
- Fee Income	329.94	44.55	7.15	1.90	0.20	**383.74**
- Net gain on Fair value change on financial instrument					12.99	**12.99**
- Sale of Services	79.61	3.89	1.25	-	-	**84.75**
Segment revenue from Operations (I)	**7,498.16**	**1,590.15**	**620.92**	**83.86**	**255.20**	**10,048.29**
- Other income (II)	80.21	2.84	0.01	0.29	7.13	**90.48**
Total Segment Income - (I) + (II)	**7,578.37**	**1,592.99**	**620.93**	**84.15**	**262.33**	**10,138.77**
Expenses						
- Finance costs	3,202.14	899.72	269.75	39.36	(112.15)	**4,298.82**
- Impairment of Financial Instruments	722.62	104.80	45.27	7.20	0.41	**880.30**
- Employee benefits expense	686.01	110.77	60.02	34.92	2.81	**894.53**
- Depreciation and amortisation expense	80.97	9.77	5.40	1.20	0.01	**97.35**
- Other expenses	887.35	66.23	44.08	42.27	36.90	**1,076.83**
Segment Expenses	**5,579.09**	**1,191.29**	**424.52**	**124.95**	**(72.02)**	**7,247.83**
Segment Profit / (loss) before taxation	**1,999.28**	**401.70**	**196.41**	**(40.80)**	**334.35**	**2,890.94**
Tax expense						**744.23**
Profit for the year						**2,146.71**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 36 SEGMENT INFORMATION (Contd.)

₹ in crores

Particulars	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
As on March 31, 2023						
Segment Assets	66,722.81	20,473.73	8,018.01	9,521.30		**1,04,735.85**
Unallocable Assets					8,779.66	**8,779.66**
Total Assets						**1,13,515.51**
Segment Liabilities	58,319.79	17,895.29	7,008.23	8,322.20		**91,545.51**
Unallocable Liabilities					7,673.95	**7,673.95**
Total Liabilities						**99,219.46**
As on March 31, 2022						
Segment Assets	52,187.20	15,250.29	5,062.64	1,641.60		**74,141.73**
Unallocable Assets					8,221.62	**8,221.62**
Total Assets						**82,363.35**
Segment Liabilities	44,768.96	13,082.51	4,343.01	1,408.25		**63,602.73**
Unallocable Liabilities					7,052.94	**7,052.94**
Total Liabilities						**70,655.67**

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

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

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

Note : 37 RELATED PARTY DISCLOSURES

List of Related Parties:

- **Holding Company:** Cholamandalam Financial Holdings Limited
- **Entity having significant influence over holding Company:** Ambadi Investments Limited
- **Subsidiaries of the entity which has significant influence over holding Company:** Parry Enterprises Limited and Parry Agro Limited
- **Fellow Subsidiaries:** Cholamandalam MS General Insurance Company Limited
- **Joint Venture of Holding Company:** Cholamandalam MS Risk Services Limited
- **Subsidiaries:** Cholamandalam Securities Limited, Cholamandalam Home Finance Limited
- **Joint Venture:** Payswiff Technologies Private Limited and its subsidiaries (from 8th February 2022)
- **Associate :** White Data Systems India Private Limited (up to March 28, 2023), Vishvakarma Payments Private Limited, Paytail Commerce Private Limited (from 15th September 2021)
- **Promoter:** Coromandel International Limited,EID Parry India Limited,Tube Investments of India Limited
- **Promoter Group:** Chola Business Services Limited,Coromandel Engineering Company Limited, Murugappa Morgan Thermal Ceramics Limited,Net access India Limited, Murugappa Management services Limited, AR Lakshmi Archi Trust, M A Murugappan Holdings LLP, AMM Foundation
- **Key Managerial Personnel:**
  - a. Mr. D. Arulselvan, President & Chief Financial Officer
  - b. Ms. P.Sujatha, Company Secretary
  - c. Mr. Ravindra Kumar Kundu, Executive Director
- **Non-Executive Directors**
  - a) Mr. Ashok Kumar Barat (upto 30th October 2022)
  - b) Mr. N Ramesh Rajan
  - c) Mr. Rohan Verma
  - d) Ms. Bhama Krishnamurthy
  - e) Mr. Vellayan Subbiah
  - f) Mr. M A M Arunachalam
  - g) Mr. Anand Kumar
  - h) Mr. Bharath Vasudevan (up to 31st March 2023)

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

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

a) Transactions during the year

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Dividend Payments (Equity Shares)		
a) Cholamandalam Financial Holdings Limited	74.58	74.58
b) Ambadi Investments Limited	6.74	6.74
c) Parry Enterprises India Limited	*	*
d) AR Lakshmi Archi Trust**	0.10	0.10
e) M A Murugappan Holdings LLP**	0.02	0.02
f) Kadamane Estates Co#	0.07	0.07
g) Promoter and Promoter Group	3.00	-
Amount received towards Reimbursement of expenses		
a) Cholamandalam Financial Holdings Limited	1.31	1.18
b) Cholamandalam Securities Limited	4.19	4.04
c) Cholamandalam Home Finance Limited	83.63	52.09
d) Cholamandalam MS General Insurance Company Limited	0.05	0.06
e) Parry Enterprises India Limited	0.01	0.01
f) Murugappa Morgan Thermal Ceramics Limited**	0.03	-
Expenses – Reimbursed		
a) Cholamandalam Home Finance Limited	1.41	1.45
b) White Data Systems India Private Limited	0.01	0.03
c) Cherry Tin Online Private Limited#	-	0.08
d) Cholamandalam Securities Limited	0.06	0.08
Services Received		
a) Cholamandalam Securities Limited	2.01	0.23
b) White Data Systems India Private Limited	0.19	0.24
c) Parry Enterprises India Limited	7.55	1.94
d) Cholamandalam MS General Insurance Company Limited	3.85	2.17
e) Cholamandalam MS Risk Services Limited	-	0.01
f) Chola Business Services Limited**	791.02	-
g) Coromandel Engineering Company Limited**	2.01	-
h) Murugappa Management services Private Limited**	1.34	-
i) Net access India Limited**	14.67	-
j) Payswiff Solutions Private limited	0.17	-
k) Paytail Commerce Private Limited	9.42	-
l) Tube Investments of India Limited**	0.18	-
Amount received towards other Reimbursements		
a) Cholamandalam Securities Limited	-	0.33
Rental Income		
a) Cholamandalam Securities Limited	0.05	0.05
b) Coromandel International Limited**	0.44	-
Rental Expense		
a) Cholamandalam Home Finance Limited	0.01	0.63

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Loans given		
a) Cholamandalam Securities Limited	176.00	65.50
b) White Data Systems India Private Limited	-	3.00
c) Payswiff Solutions Private Limited	-	3.00
d) Zetwerk Manufacturing Business Private Limited#	2.48	-
Loans recovered		
a) Cholamandalam Securities Limited	168.00	61.00
b) White Data Systems India Private Limited	3	3.40
c)) Payswiff Solutions Private Limited	-	3.00
d) Zetwerk Manufacturing Business Private Limited#	2.48	-
Interest Income Received		
a) Cholamandalam Securities Limited	1.81	0.09
b) White Data Systems India Private Limited	0.16	0.21
c) Payswiff Solutions Private Limited	-	0.01
Loans availed		
a) Cholamandalam Home Finance Limited	39.50	68.50
Loans repaid		
a) Cholamandalam Home Finance Limited	39.50	68.50
Interest Expense		
a) Cholamandalam Home Finance Limited	0.89	1.40
b) Cholamandalam MS General Insurance Company Limited	14.21	13.13
Subscriptions/Advertisement Expenses		
a) Finance Industry Development Council#	0.01	0.01
Services Rendered		
a) Chola Business Services Limited**	86.83	-
Contribution to CSR activity		
a) AMM Foundation**	15.25	-
Interest earned on Loan		
a) Murugappa Management services Private Limited**	0*	-
b) Zetwerk Manufacturing Businesses Private Limited#	0.06	-
Investment in Convertible Notes		
a) Paytail Commerce Private Limited	10.00	-
Invocation of performance security on deliquent loans		
a) Paytail Commerce Private Limited	6.12	-
Purchase of Goods		
a) Parry Agro Industries Limited	0.54	-
Rent & Maintenance		
a) EID Parry India Limited**	5.94	-
Sale of Fixed Asset		
a) Chola Business Services Limited**	1.00	-
Debenture Interest paid to promotors/Promotor group	0.32	-
Commission and Sitting fees to non-executive Directors	3.11	1.37

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

b) Balances Outstanding at the year end.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Loans - Receivable		
a) Cholamandalam Securities Limited	12.50	4.50
b) White Data Systems India Private Limited	-	3.00
c) Medall Healthcare Private Limited#	12.95	17.32
Debt Securities – Payable		
a) Cholamandalam MS General Insurance Company Limited	(319.21)	(147.93)
b) Debentures held by promoter and promoter group	(59.16)	-
Other Receivable / (Payable)		
a) Cholamandalam Financial Holdings Limited	-	-
b) Paytail Commerce Private Limited	0.28	4.37
c) Cholamandalam Securities Limited	(0.33)	0.14
d) Cholamandalam Home Finance Limited	10.62	5.99
e) Cholamandalam MS General Insurance Company Limited	0.01	-
f) White Data Systems India Private Limited	-	(0.10)
g) Parry Enterprises India Limited	(0.26)	(0.44)
h) Cholamandalam MS Risk Services Limited	-	(0.01)
i) Coromandel International Limited**	0.02	-
j) Chola Business Services Limited**	(50.97)	-
k) Payswiff Solutions Private Limited	(0.09)	-
l) Murugappa Management services Private Limited**	(0.11)	-
m) EID Parry India Limited**	(0.77)	-
n) Net access India Limited**	(4.75)	-

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

₹ in crores

Nature of Transaction	Year ended March 31, 2023	Year ended March 31, 2022
Gross Salary Including Perquisites	7.18	5.57
Other – Contribution to funds	0.82	0.84
Dividend Payments	0.11	0.08
Share based payments	4.09	2.71
Sale of Vehicle(s)	-	0.04
Sale of Asset	-	*
Dividend payments to Relatives of KMP & Directors	0.11	0.11

1. * Represents amounts less than ₹ 1 crore.

2. # Represents entities/parties included as per Companies Act , 2013

3. ** Represents entities/parties identified as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2023.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 and 2A of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

i) **Disclosures relating Loans and Advances /Investments**

₹ in crores

Sl	Loans and Advances in the nature of Loans	2022-2023		2021-2022	
		Outstanding at the year end	Maximum Amount Outstanding during year March 2023	Outstanding at the year end	Maximum Amount Outstanding during year March 2022
(A)	To Subsidiaries				
	- Cholamandalam Securities Limited	12.50	60.00	4.50	26.00
(B)	To Associates				
	- White Data Systems India Private Limited	-	3.00	3.00	3.40
	To Joint Venture				
	- Payswiff Technologies Private Limited and its subsidiaries	-	-	-	32.30
(C)	To Firms/Companies in which Directors are Interested (other than (A) and (B) above)	-	-	-	-
(D)	Investments by the loanee in the shares of parent company and subsidiary company	-	-	-	-

ii) Cholamandalam Financial Holdings Limited (CFHL), promoter-group company holds 45.41% of equity shares of the company. Disclosure relating to transactions with CFHL is given above.

Note : 38 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contested Claims not provided for:

₹ in crores

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

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

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

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

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

(b) Commitments

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Capital commitments	42.10	39.92
Disbursements – Undrawn lines	2,820.44	1,485.88

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 39 CHANGES IN PROVISIONS

₹ in crores

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

₹ in crores

Particulars	As at March 31, 2021	Additional Provision	Utilisation/ Reversal	As at March 31, 2022
Provision for Contingencies and Service Tax claims	43.46	1.08	(5.01)	39.53
Provision for Undrawn commitments	1.04	0.16	-	1.20

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

The undrawn commitments provided by the Company represents limits provided for automobile dealers, bill discounting customers and partly disbursed loans for other loans. The undrawn loan commitments amount outstanding as at March 31, 2023 is ₹ 2,820.44 Crore (₹ 1,485.88 crore as at March 31, 2022).

The Company creates expected credit loss provision on the undrawn commitments outstanding as at the end of the reporting period and the related expected credit loss on these commitments as at March 31, 2023 is ₹ 11.79 crore (₹ 1.20 crore as at March 31, 2022)

Note : 40 ESOP DISCLOSURE

ESOP 2007

The Board at its meeting held on June 22, 2007, approved an issue of Stock Options up to a maximum of 5% of the issued Equity Capital of the Company (before Rights Issue) aggregating to 1,904,162 Equity Shares (prior to share split) in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines.

ESOP 2016

The Board at its meeting held on October 7, 2016, approved to create, and grant from time to time, in one or more tranches, not exceeding 1,56,25,510 Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the company including some of subsidiaries, managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company), as may be decided by the board, exercisable into not more than 1,56,25,510 equity shares of face value of Rs.2/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

In this regard, the Company has recognised expense amounting to Rs. 30.60 crores for employees services received during the year, shown under Employee Benefit Expenses (Refer Note 28).

The movement in Stock Options during the current period are given below:

Employee Stock Option Plan 2007

		Options outstanding	During the Year				Options outstanding	Options vested but not exercised	Options unvested		
Particulars	Date of Grant	As at 31.03.2022	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023	Exercise Price ₹	Weighted Average Remaining Contractual Life
GT25 Apr 2008	25 Apr 08	-	-	-	-	-	-	-	-	-	-
GT27 JAN 2011A	27 Jan 11	-	-	-	-	-	-	-	-	-	-
GT27 JAN 2011B	27 Jan 11	-	-	-	-	-	-	-	-	-	-
GT30 APR 2011	30 Apr 11	-	-	-	-	-	-	-	-	-	-
GT27 OCT 2011	27 Oct 11	-	-	-	-	-	-	-	-	-	-
Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 40 ESOP DISCLOSURE (Contd.)

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31.03.2022	During the Year: Addition in number of options on account of share split*	During the Year: Options Granted	During the Year: Options Forfeited / Expired	During the Year: Options Exercised and allotted	Options outstanding As at 31.03.2023	Options vested but not exercised As at 31.03.2023	Options unvested As at 31.03.2023	Exercise Price ₹	Weighted Average Remaining Contractual Life
GT25 JAN2017	25-Jan-17	10,63,650	-	-	-	5,21,815	5,41,835	5,41,835	-	202.00	-
GT30 JAN2018	30-Jan-18	1,89,240	-	-	-	50,830	1,38,410	1,38,410	-	261.94	-
GT30 JAN2018A	30-Jan-18	17,470	-	-	-	4,000	13,470	13,470	-	261.94	-
GT23 APR2018	23-Apr-18	26,940	-	-	-	26,940	-	-	-	312.47	-
GT26 JUL2018	26-Jul-18	47,360	-	-	-	-	47,360	47,360	-	299.46	-
GT26 JUL2018A	26-Jul-18	90,000	-	-	-	90,000	-	-	-	299.46	-
GT30 OCT2018	30-Oct-18	2,27,300	-	-	-	55,350	1,71,950	1,71,950	-	253.70	-
GT19 MAR2019	19-Mar-19	4,34,920	-	-	40,410	1,03,910	2,90,600	2,90,600	-	278.01	-
GT05 NOV2019	05-Nov-19	1,98,300	-	-	-	20,220	1,78,080	95,400	82,680	316.00	0.60 years
GT23 JAN2020	23-Jan-20	31,800	-	-	31,800	-	-	-	-	317.50	0.82 years
GT03 JUNE2020	03-Jun-20	1,69,520	-	-	85,500	42,380	41,640	-	41,640	157.90	0.68 years
GT07 MAY2021	07-May-21	10,66,600	-	-	44,460	29,640	9,92,500	1,98,500	7,94,000	580.30	1.23 years
GT30 JULY2021	30-Jul-21	24,700	-	-	-	-	24,700	4,940	19,760	487.15	1.46 years
GT29 OCT2021	29-Oct-21	8,05,600	-	-	44,100	23,450	7,38,050	1,44,370	5,93,680	609.00	1.71 years
GT29 OCT2021A	29-Oct-21	2,520	-	-	-	-	2,520	1,260	1,260	609.00	1.71 years
GT01 FEB2022	01-Feb-22	1,26,100	-	-	-	-	1,26,100	25,220	1,00,880	629.50	1.97 years
GT05 MAY2022	05-May-22	-	-	45,200	-	-	45,200	-	45,200	712.15	1.80 years
GT29 JUL2022	29-Jul-22	-	-	56,560	-	-	56,560	-	56,560	690.10	2.03 years
GT29 JUL2022A	29-Jul-22	-	-	92,400	-	-	92,400	-	92,400	690.10	1.46 years
GT29 JUL2022B	29-Jul-22	-	-	5,340	-	-	5,340	-	5,340	690.10	0.33 years
GT24 SEP2022	24-Sep-22	-	-	24,700	-	-	24,700	-	24,700	738.50	2.19 years
GT24 SEP2022A	24-Sep-22	-	-	2,20,880	-	-	2,20,880	-	2,20,880	738.50	1.61 years
GT24 SEP2022B	24-Sep-22	-	-	8,820	1,260	-	7,560	-	7,560	738.50	0.48 years
GT01 NOV2022	01-Nov-22	-	-	45,200	-	-	45,200	-	45,200	709.35	2.29 years
GT31 JAN2023	31-Jan-23	-	-	16,04,400	6,000	-	15,98,400	-	15,98,400	710.75	2.54 years
Total		**45,22,020**	**-**	**21,03,500**	**2,53,530**	**9,68,535**	**54,03,455**	**16,73,315**	**37,30,140**		

Note: Includes options (vested and unvested) issued to employees of subsidiary as at March 31, 2023 - 11,276 options prior to share split (March 31, 2022 - 11,276 options)

*Equity shares of face value of ₹ 10/- have been split into face value of ₹ 2 per share on June 18, 2019, pursuant to resolution passed through postal ballot on June 3, 2019

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 40 ESOP DISCLOSURE (Contd.)

The movement in Stock Options during the previous year are given below:

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding	During the Year 2021-22				Options outstanding	Options vested but not exercised	Options unvested	Exercise Price ₹	Weighted Average Remaining Contractual Life
		As at 31.03.2021	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2022	As at 31.03.2022	As at 31.03.2022		
Gt 25 Apr 2008	25 Apr 08	-	-	-	-	-	-	-	-	-	-
GT 27 JAN 2011A	27 Jan 11	-	-	-	-	-	-	-	-	-	-
GT 27 JAN 2011B	27 Jan 11	-	-	-	-	-	-	-	-	-	-
GT 30 APR 2011	30 Apr 11	10,240	-	-	-	10,240	-	-	-	33	-
GT 27 OCT 2011	27 Oct 11	8,580	-	-	-	8,580	-	-	-	31	-
Total		**18,820**	**-**	**-**	**-**	**18,820**	**-**	**-**	**-**		

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding	During the Year 2021-22				Options outstanding	Options vested but not exercised	Options unvested	Exercise Price ₹	Weighted Average Remaining Contractual Life
		As at 31.03.2021	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2022	As at 31.03.2022	As at 31.03.2022		
GT25 JAN2017	25-Jan-17	16,64,690	-	-	-	6,01,040	10,63,650	10,63,650	-	202.00	-
GT30 JAN2018	30-Jan-18	2,04,085	-	-	-	14,845	1,89,240	1,89,240	-	261.90	-
GT30 JAN2018A	30-Jan-18	87,300	-	-	-	69,830	17,470	17,470	-	261.90	-
GT23 APR2018	23-Apr-18	26,940	-	-	-	-	26,940	13,470	13,470	312.50	0.06 years
GT26 JUL2018	26-Jul-18	47,360	-	-	-	-	47,360	47,360	-	299.50	-
GT26 JUL2018A	26-Jul-18	93,000	-	-	-	3,000	90,000	61,200	28,800	299.50	-
GT30 OCT2018	30-Oct-18	2,97,400	-	-	-	70,100	2,27,300	1,30,580	96,720	253.70	0.58 years
GT19 MAR2019	19-Mar-19	5,71,180	-	-	-	1,36,260	4,34,920	2,86,750	1,48,170	278.00	0.97 years
GT30 JUL2019	30-Jul-19	26,772	-	-	-	26,772	-	-	-	248.20	-
GT05 NOV2019	05-Nov-19	2,50,040	-	-	-	51,740	1,98,300	32,940	1,65,360	316.00	1.10 years
GT23 JAN2020	23-Jan-20	42,400	-	-	10,600	-	31,800	-	31,800	317.50	1.32 years
GT03 JUNE2020	03-Jun-20	2,11,900	-	-	-	42,380	1,69,520	-	1,69,520	157.90	1.30 years
GT03 JUNE2020A	03-Jun-20	1,905	-	-	-	1,905	-	-	-	157.90	1.30 years
GT07 MAY2021	07-May-21	-	-	10,66,600	-	-	10,66,600	-	10,66,600	580.30	1.80 years
GT30 JULY2021	30-Jul-21	-	-	24,700	-	-	24,700	-	24,700	487.20	2.03 years
GT29 OCT2021	29-Oct-21	-	-	8,05,600	-	-	8,05,600	-	8,05,600	609.00	2.28 years
GT29 OCT2021A	29-Oct-21	-	-	2,520	-	-	2,520	-	2,520	609.00	2.28 years
GT01 FEB2022	01-Feb-22	-	-	1,26,100	-	-	1,26,100	-	1,26,100	629.50	2.54 years
Total		**35,24,972**	**-**	**20,25,520**	**10,600**	**10,17,872**	**45,22,020**	**18,42,660**	**26,79,360**		

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 40 ESOP DISCLOSURE (Contd.)

Note: Includes options (vested and unvested) issued to employees of subsidiary as at March 31, 2022 - 11,276 options prior to share split (March 31, 2021 - 11,276 options)

*Equity shares of face value of ₹ 10/- have been split into face value of ₹ 2 per share on June 18, 2019, pursuant to resolution passed through postal ballot on June 3, 2019

The following tables list the inputs to the Black Scholes model used for the plans for the year ended March 31, 2023:

ESOP 2007

				Variables			
Particulars	Date of Grant	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 (₹)	Fair Value of the (₹)
Gt 30 Jul 2007	30-Jul-07	7.10% - 7.56%	3-6 years	40.64% -43.16%	5.65%	193.40	61.42
Gt 24 Oct 2007	24-Oct-07	7.87% -7.98%	3-6 years	41.24% -43.84%	5.65%	149.90	44.25
Gt 25 Jan 2008	25-Jan-08	6.14% -7.10%	3-6 years	44.58% -47.63%	5.65%	262.20	78.15
Gt 25 Apr 2008	25-Apr-08	7.79% - 8.00%	2.5-5.5 years	45.78% - 53.39%	3.97%	191.80	76.74
Gt 30 Jul 2008	30-Jul-08	9.14% - 9.27%	2.5-5.5 years	46.52% - 53.14%	3.97%	105.00	39.22
GT24OCT2008	24-Oct-08	7.54% - 7.68%	2.5-5.5 years	48.2% - 55.48%	3.97%	37.70	14.01
GT 27 JAN 2011A	27-Jan-11	8%	4 years	59.50%	10%	187.60	94.82
GT 27 JAN 2011B	27-Jan-11	8%	3.4 years	61.63%	10%	187.60	90.62
GT 30 APR 2011	30-Apr-11	8%	4 years	59.40%	25%	162.55	73.07
GT28JUL2011	28-Jul-11	8%	4 years	58.64%	25%	175.35	79.17
GT 27 OCT 2011	27-Oct-11	8%	4 years	57.52%	25%	154.55	67.26

The shareholders of the Company, at the 34th Annual General Meeting held on July 30, 2012, authorised extension of exercise period from 3 years from the date of vesting to 6 years from the date of vesting. Accordingly, the Company has measured the fair value of the options using the Black Scholes model immediately before and after the date of modification to arrive at the incremental fair value arising due to the extension of the exercise period. The incremental fair value so calculated is recognised from the modification date over the vesting period in addition to the amount based on the grant date fair value of the stock options.

The incremental (benefit)/cost due to modification of the exercise period from 3 years to 6 years from the date of vesting for the year ended March 31, 2023 is ₹ Nil (March 31, 2022- ₹ Nil)

The fair value of the options has been calculated using the Black Scholes model on the date of modification.

The assumptions considered for the calculation of the fair value (on the date of modification) are as follows:

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 forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 40 ESOP DISCLOSURE (Contd.)

ESOP 2016

Variables							
Particulars	Date of Grant	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 (₹)	Fair Value of the (₹)
GT25JAN2017	25-Jan-17	6.36% - 6.67%	3.5 -6.51 years	33.39% -34.47%	0.54%	1,010.00	401.29
GT30JAN2018	30-Jan-18	7.11%-7.45%	3.5 – 5.50 years	30.16%-31.46%	0.42%	1,309.70	496.82
GT30JAN2018A	30-Jan-18	7.11%-7.45%	3.5 – 5.50 years	30.16%-31.46%	0.42%	1,309.70	531.84
GT23APR2018	23-Apr-18	7.45%-7.81%	3.51 -6.51 years	30.33%-32.38%	0.42%	1,562.35	646.08
GT26JUL2018	26-Jul-18	7.71%-7.92%	3.51 -5.51 years	30.56%-31.83%	0.43%	1,497.30	586.32
GT30OCT2018	30-Oct-18	7.61%-7.85%	3.51 -6.51 years	32.34%-32.70%	0.51%	1,268.50	531.36
GT19MAR2019	19-Mar-19	6.91% - 7.25%	3.51 -6.51 years	32.19% -32.59%	0.47%	1,390.05	564.13
GT30JUL2019	30-Jul-19	6.15% - 6.27%	3.51 -4.51 years	32.21% -32.93%	0.52%	248.20	83.66*
GT05NOV2019	05-Nov-19	6.15% - 6.27%	3.51 -4.51 years	32.21% -32.93%	0.52%	316.00	112.09*
GT23JAN2020	23-Jan-20	6.15% - 6.27%	3.51 -4.51 years	32.21% -32.93%	0.52%	317.00	109.51*
GT03JUNE2020	03-Jun-20	5%	3.50 years	47.50%	1.33%	157.90	58.27*
GT07MAY2021	07-May-21	5.12% - 6.02%	3.5 -6.5 years	52.06% - 43.62%	0.34%	580.30	276.84
GT30JULY2021	30-Jul-21	5.25% - 6.20%	3.50 -6.51 years	52.06% - 43.65%	0.41%	487.15	232.48
GT29OCT2021	29-Oct-21	5.22% - 6.17%	3.50 -6.51 years	53.2% -43.93%	0.33%	609.00	293.95
GT01Feb2022	01-Feb-22	5.49% - 6.50%	3.50 -6.51 years	53.81% -44.42%	0.32%	629.50	309.23
GT05MAY2022	05-May-22	6.20% - 7.09%	2.5 -5.51 years	59.10% -47.09%	0.28%	712.15	336.08
GT29JUL2022	29-Jul-22	6.84% - 7.18%	3.51 -6.51 years	53.74% -45.29%	0.29%	690.10	351.99
GT29JUL2022A	29-Jul-22	6.84% - 7.1%	3.51 -5.51 years	53.74% -47.07%	0.29%	690.10	339.76
GT29JUL2022B	29-Jul-22	7%	3.51 years	53.74%	0.29%	690.10	311.94
GT24SEP2022	24-Sep-22	7.13% - 7.31%	3.51 -6.51 years	53.79% -45.27%	0.27%	738.50	379.33
GT24SEP2022A	24-Sep-22	7.13% - 7.28%	3.51 -5.51 years	53.79% -47.07%	0.27%	738.50	366.36
GT24SEP2022B	24-Sep-22	7%	3.51 years	53.79%	0.27%	738.50	336.74
GT01NOV2022	01-Nov-22	7.15% - 7.37%	3.51 -6.51 years	53.81% -45.25%	0.28%	709.35	364.52
GT31JAN2023	31-Jan-23	7.15% - 7.30%	3.51 -6.51 years	53.58% -45.23%	0.28%	710.75	364.41

* Fair value option of equity shares issued under this grant is post share split with a face value of ₹ 2/- each

Note : 41 SHARING OF COSTS

The Company shares certain costs / service charges with other companies. These costs have been allocated between the Companies on a basis mutually agreed between them, which has been relied upon by the Auditors.

Note : 42.1 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

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.

The Company has complied in full with the capital requirements prescribed by RBI over the reported period. The Capital adequacy ratio as of March 31, 2023 is 17.13% (March 31, 2022- 19.62%) as against the regulatory requirement of 15%.

Note : 42.2 FINANCIAL RISK MANAGEMENT

The key financial risks faced by the company are credit and market risks comprising liquidity risk, interest rate risk and foreign currency risks.

Note : 42.2.1 CREDIT RISK

Credit risk arises when a borrower is unable to meet his financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in his future earning potential. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 CAPITAL MANAGEMENT (Contd.)

42.2.1.1 ASSESSMENT METHODOLOGY

The company 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 company 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 company's lending is covered by adequate collaterals from the borrowers. The company has a robust online application underwriting model to assess the credit worthiness of the borrower for underwriting decisions for its vehicle finance, Loan Against Property and home loan business. The company also has a well- developed model for the vehicle finance portfolio, to help business teams plan volume with adequate pricing of risk for different segments of the portfolio.

42.2.1.2 RISK MANAGEMENT AND PORTFOLIO REVIEW

The company has a robust portfolio review mechanism. Key metrics like early delinquency, default rates are tracked, monitored and reviewed daily. Business teams review key trends in these Key Risk Indicators and location level strategies are adopted.

42.2.1.3 ECL METHODOLOGY

The Company records allowance for expected credit losses for all financial assets including loan commitments, other than those measured at FVTPL. Equity instruments carried at cost are not subject to impairment under the ECL methodology.

42.2.1.4 ASSUMPTIONS AND ESTIMATION TECHNIQUES

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. ECL is computed on collective basis. The portfolio is segmented based on shared risk characteristics for the computation of ECL.

The key elements of the ECL are summarised below:

42.2.1.4(a) 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. While computing probability of default, significant outlier events are suitably handled to ensure it does not skew the outcomes.

A 12M marginal PD is computed by creating cohorts of accounts starting in Stage 1 at the beginning of the year and subsequently moving to Stage 3 at any point in time during the year.

A conditional average probability of default is computed by taking cohort of which were in Stage 2 at the beginning the year and subsequently moved to Stage 3 anytime in each subsequent year.

42.2.1.4(b) 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.

42.2.1.4(c) 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.The recoveries are discounted back to the default date using customer IRR. This present value of recovery is used for LGD computation. A recovery rate (RR) computed as the ratio of present value of recovery to the EAD (1 – RR), gives the LGD.

42.2.1.5 MECHANICS OF THE ECL METHOD

Stage 1:

All loans (other than purchased credit impaired asset) are categorised as Stage 1 on initial recognition.The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL 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 EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

Loans which are past due for more than 30 days are categorised as Stage 2. When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

Loans which are past due for more than 90 days are categorised as Stage 3. For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 CAPITAL MANAGEMENT (Contd.)

Restructured loans are categorised as Stage 3 on the date of restructuring and remain so for a period of one year. Post this, regular staging criteria applies.

Loans which have been renegotiated or modified in accordance with RBI Notifications for COVID-19 related stress, has been classified as Stage 2 due to significant increase in credit risk.

The Post Implementation Staging of Loans restructured under Covid Resolution framework shall follow the Days Past Due of respective loan agreements.

In respect of new lending products, where historical information is not available, the company follows simplified matrix approach for determining impairment allowance based on industry practise. These loans constitute around 10% of the total loan book.

Loan Movement across stages during the year is given in a note 9.1

Loan commitment:

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

Other Financial assets:

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

42.2.1.6 Incorporation of forward looking statements in ECL model

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

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

Annual data from 2010 to 2026 (including forecasts for 5 years) were obtained from World Economic Outlook, October 2021 published by International Monetary Fund (IMF). IMF provides historical and forecasted data for important economic indicators country-wise. The data provided for India is used for the analysis. Macro variables that were compared against default rates at segment level to determine the key variables having correlation with the default rates using appropriate statistical techniques. Vasicek model has been incorporated to find the Point in Time (PIT) PD. The company has formulated the methodology for creation of macro-economic scenarios under the premise of economic baseline, upside and downside condition. A final PIT PD is arrived as the scenario weighted PIT PD under different macroeconomic scenarios.

42.2.1.7 Macro economic variables

Segment	Macro-Economic Variables correlated for each segment	
Heavy Commercial Vehicle	Gross national savings	Volume of imports of goods and services
Light Commercial Vehicle	Gross national savings	Volume of imports of goods and services
Car & MUV	Gross domestic product, current prices USD	General government total expenditure
Mini Light Commercial Vehicle	Gross national savings	Volume of imports of goods and services
Used Vehicles	Gross domestic product per capita,current prices USD	Inflation, end of period consumer prices
Shubh	Gross national savings	Volume of imports of goods and services
Tractor	Gross national savings	Volume of exports of goods and services
Construction Equipment	Gross domestic product per capita,current prices USD	Volume of imports of goods and services
Loan Against Property	General government total expenditure	Gross domestic product per capita,current prices USD
Home Loan	Gross domestic product, current prices USD	General government total expenditure

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 CAPITAL MANAGEMENT (Contd.)

Since the company has used Gross Domestic Product (GDP) as a predominant macro economic variable the sensitivity around the same is given below:

₹ in crores

Year ended	Increase/ (Decrease) of GDP	Impact on Expected Credit Losses (ECL)-Increase/(Decrease)
March 31,2023	Decrease by 5%	(33.30)
March 31,2023	Increase by 5%	33.54

42.2.1.8 Concentration of credit risk and Collateral and Credit Enhancements

42.2.1.8(a) Concentration of credit risk

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 is uniformly affected by changes in economic, political or other conditions. The Company is in 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 63% of the loan book of the Company as of March 31, 2023 (69% as of March 31, 2022). Hypothecation endorsement is made in favour of the Company 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 Multi 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 8% and 7% leading to well diversified sub product mix.

Loan Against Property 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 20 % of the lending book of the Company as of March 31, 2023 (22% as of March 31, 2022). Portfolio is concentrated in North 30% with small presence in East 5%. South has 40% and West contributes 25% of the overall exposure of the company.

The Concentration of risk is managed by Company for each product by its region and its sub-segments. Company did not overly depend on few regions or sub-segments as of March 31, 2023.

42.2.1.8(b) Collateral and Credit enhancements

Although collateral can be an important mitigation of credit risk, it is the Company'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 Company obtains first and exclusive charge on all collateral that it obtains for the loans given. Vehicle Finance and Loan Against Property loans are secured by collateral at the time of origination. In case of Vehicle loans, Company values the vehicle either through proforma invoice (for new vehicles) or using registered valuer for used vehicles. In case of Loan against Property, the value of the property at the time of origination will be arrived by obtaining two valuation reports from Company's empanelled valuers.

Hypothecation endorsement is obtained in favour of the Company in the Registration Certificate of the Vehicle/ Tractor / Equipment funded under the vehicle finance category.

Immovable Property is the collateral for Loan Against Property. Security Interest in favour of the Company 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 Loan Against Property and pledge is created in favour for the Company for loan against securities. 93% of the Company's term loan are secured by way of tangible Collateral.

In respect of some unsecured lending, the company obtains First Loss Default Guarantee or similar arrangement from external service providers as partial cover against potential credit default.

Fair value of collateral held against credit impaired assets - March 31, 2023

₹ in crores

Maximum exposure to credit risk (a)	Vehicles (b)	Loan against property (c)	Other loans (d)	Net exposure (e)=(a-b-c-d)	Associated ECL
3,221.59	2,307.55	1,894.35	209.23	(1,189.54)	1,425.94

Fair value of collateral held against credit impaired assets - March 31, 2022

Maximum exposure to credit risk (a)	Vehicles (b)	Loan against property (c)	Other loans (d)	Net exposure (e)=(a-b-c-d)	Associated ECL
3,305.32	2,330.24	2,409.87	238.23	(1,673.02)	1,266.50

Note: Column (b), (c), (d) of the above table, represents fair value of collateral

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 CAPITAL MANAGEMENT (Contd.)

Valuation of Collateral:

a) Vehicles including construction equipment and tractors are valued at original cost less 20%depreciation per year on WDV

b) Immovable property is valued based on the amount as per the valuation report at the time of sanctioning of loan

c) Other loans are valued based on book debts at cost or securities at market value

42.2.2 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. The company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The company 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 company's risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee. In addition, the company has put in an Asset Liability Management (ALM) support group which meets frequently to review the liquidity position of the company.

42.2.2.1 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. 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 Company 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 Company also has lines of credit that it can access to meet liquidity needs. These are reviewed by the Asset Liability Committee (ALCO) on a monthly basis. The ALCO provides strategic direction and guidance on liquidity risk management. A sub-committee of the ALCO, comprising members from the Treasury and Risk functions, monitor liquidity risks on a weekly basis and decisions are taken on the funding plan and levels of investible surplus, from the ALM perspective. This sets the boundaries for daily cash flow management.

Analysis of Financial assets and Financial liabilities by remaining contractual maturities given in note -47.

42.2.2.2 Interest Rate Risk

The Company being in the business of lending raises money from diversified sources like market borrowings, term Loan from banks and financial institutions, foreign currency borrowings etc. Financial assets and liabilities constitute significant portion, changes in market interest rates can adversely affect the financial condition. The fluctuations in interest rates can be due to internal and external factors. Internal factors include the composition of assets and liabilities across maturities, existing rates and re-pricing of various sources of borrowings. External factors include macro-economic developments, competitive pressures, regulatory developments and global factors. The movement in interest rates (upward / downward) will impact the Net Interest Income depending upon rate sensitivity of the asset or liability. The company uses traditional gap analysis report to determine the vulnerability to movements in interest rates. The Gap is the difference between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) for each time bucket. A positive gap indicates that the company can benefit from rising interest rates while a negative gap indicates that the company can benefit from declining interest rates. Based on market conditions, the company enters into interest rate swap to mitigate interest rate risk.

₹ in crores

Year ended	Increase/(Decrease)	Impact on Profit before Tax
March 31,2023	Increase by 100 bps	(96.50)
March 31,2023	Decrease by 100 bps	96.50

₹ in crores

Year ended	Increase/(Decrease)	Impact on Profit before Tax
March 31,2022	Increase by 100 bps	(143.40)
March 31,2022	Decrease by 100 bps	143.40

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 CAPITAL MANAGEMENT (Contd.)

42.2.2.3 Foreign Currency Risk

Foreign currency risk for the Company arise majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure.

The Company 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.

42.2.2.4- Hedging Policy

The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment and hence the hedge ratio is 1:1.

42.2.2.4(a) Disclosure of Effects of Hedge Accounting

As at March 31, 2023

Foreign Exchange Risk	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in crores)		Maturity Date	Changes in Fair value of Hedging Instrument (₹ in lakhs)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in crores)	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cash Flow Hedge								
Cross Currency Interest rate swap	2	-	147.42	-	May 15, 2023 to July 19, 2025	(147.41)	136.39	Borrowings
Interest rate Swaps	1	1	2.72	5.59	March 8, 2024 to March 31, 2028	2.87	-	Borrowings
Forward contracts	1	1	120.71	128.68	June 20,2023 to June 20,2028	7.97	123.56	Borrowings
Fair Value Hedge								
Interest rate Swaps	1	-	2.02	-	October 7, 2023	(2.02)	-	Borrowings

	Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in crore)	Hedge Effectiveness recognised in profit and loss (₹ in crore)	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss (₹ in crore)	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	45.64	2.02	-	NA

As at March 31, 2022

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in crore)		Maturity Date	Changes in Fair value of Hedging Instrument (₹ in crore)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in crore)	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	6	-	108.09	-	June 27, 2022 to June 20, 2028	90.89	164.19	Borrowings
Interest rate Swaps	-	2	-	2.82	October 23, 2022 to March 20, 2024	(2.82)	-	Borrowings
Forward contracts	1	3	78.44	166.74	June 27, 2022 to June 20, 2028	10.45	14.53	Borrowings

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 CAPITAL MANAGEMENT (Contd.)

As at March 31, 2021

	Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in crore)	Hedge Effectiveness recognised in profit and loss (₹ in crore)	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss (₹ in crore)	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	161.97	-	-	NA

Note : 43 EVENTS AFTER REPORTING DATE

On April 25, 2023, the company made a public issue of secured, rated, listed redeemable non-convertible debentures of the face value of ₹ 1,000 each ("NCDs") with a base Issue size of ₹ 500 crores with an option to retain any oversubscription up to ₹ 500 crores, aggregating up to ₹ 1,000 crores within the shelf limit of ₹ 5,000 crore ("Tranche I Issue").

There have been no other events after the reporting date apart from above that require disclosure in the financial statements

Note : 44

44.1 - Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company 's financial instruments that are not carried at fair value in the balance sheet. This table does not include the fair values of non–financial assets and non–financial liabilities.

₹ in crores

	March 31, 2023		March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents	910.29	910.29	2,657.88	2,657.88
Bank balances Other than Cash and Cash Equivalents	2,051.13	2,051.13	1,562.20	1,562.20
Receivables				
i) Trade Receivables	77.18	77.18	32.47	32.47
ii) Other Receivables	113.88	113.88	95.54	95.54
Loans	1,04,748.32	1,04,908.01	74,149.21	75,169.03
Investments in Government Securities	1,541.34	1,396.97	1,543.48	1,426.65
Investment in Treasury Bill	1,536.27	1,532.99	-	-
Investment in Convertible notes	10.92	10.92	-	-
Other Financial Assets	273.77	273.77	320.88	320.88
Total Financial Assets	**1,11,263.10**	**1,11,275.14**	**80,361.66**	**81,264.65**
Financial Liabilities				
Payables				
i) Trade Payables - Due to MSME	3.40	3.40	3.06	3.06
ii) Trade Payables - Other than MSME	119.93	119.93	79.84	79.84
iii) Other Payables	1,064.69	1,064.69	719.90	719.90
Debt Securities	19,682.41	19,740.72	13,321.10	13,325.60
Borrowings(Other than Debt Securities)	73,186.19	73,532.82	52,004.52	52,484.54
Subordinated Liabilities	4,487.46	4,504.43	3,847.88	3,868.58
Other Financial Liabilities	354.11	354.11	333.43	333.43
Total Financial Liabilities	**98,898.19**	**99,320.10**	**70,309.73**	**70,814.95**

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.

Note : 44.2 Fair value hierarchy

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities disclosed under level 2 category.

i) The fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product.

ii) The fair value of debt securities, borrowings other than debt securities and subordinated liabilities have estimated by discounting expected future cash flows discounting rate.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 44.2 Fair value hierarchy (Contd.)

iii) Derivatives are fair valued using observable inputs / rates.

iv) The fair value of investment in Government securities are derived from rate equal to the rate near to the reporting date of the comparable product.

The following table provides the fair value measurement hierarchy of the Company's financial assets and financial liabilities

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2023

₹ in crores

		Fair value measurement using		
	Carrying Value	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	-	-	-	-
Derivative financial instruments	272.86	-	272.86	-
Assets for which fair values are disclosed				
Loans	1,04,748.32	-	-	1,04,908.01
Investments in Government securities	1,541.34	1,396.97	-	-
Investment in Treasury Bill	1,536.27	1,532.99	-	-
Investment in Convertible notes*	10.92	-	-	10.92

There have been no transfers between different levels during the period.

* Fair value of investment in convertible note is calculated based on valuation given by external independent valuer.

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2023

₹ in crores

		Fair value measurement using		
	Carrying Value	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	134.27	-	134.27	-
Liabilities for which fair values are disclosed				
Debt Securities	19,682.41	-	19,740.72	-
Borrowings(Other than Debt Securities)	73,186.19	-	73,532.82	-
Subordinated Liabilities	4,487.46	-	4,504.43	-

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2022

₹ in crores

		Fair value measurement using		
	Carrying Value	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	-	-	-	-
Derivative financial instruments	186.53	-	186.53	-
Assets for which fair values are disclosed				
Loans	74,149.21	-	-	75,169.03
Invesrment in Government securities	1,543.48	1,426.65	-	-

There have been no transfers between different levels during the period.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 44.2 - Fair value hierarchy (Contd.)

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2022

		Fair value measurement using		
	Carrying Value	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	169.56	-	169.56	-
Liabilities for which fair values are disclosed				
Debt Securities	13,321.10	-	13,325.60	-
Borrowings (Other than Debt Securities)	52,004.52	-	52,484.54	-
Subordinated Liabilities	3,847.88	-	3,868.58	-

There have been no transfers between different levels during the period.

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

₹ in crores

Particulars	March 31, 2023	March 31, 2022
Financial Assets		
Cash and Cash Equivalents	910.29	2,657.88
Bank balances other than Cash and Cash Equivalents	2,051.13	1,562.20
Loans	1,04,748.32	74,149.21
Other Financial Assets	273.77	320.88
Investments in Government Securities	1,541.34	1,543.48
Investment in Treasury Bill	1,536.27	-
Financial Liabilities		
Debt Securities	19,682.41	13,321.10
Borrowings (Other than Debt Securities)	73,186.19	52,004.52
Subordinated Liabilities	4,487.46	3,847.88
Other Financial liabilities	354.11	333.43

44.4 Refer Note 13 for sensitivity analysis for investment property, whose fair value is disclosed under the level 3 category.

44.5 Investment in convertible note was made during the year. The sensitivity of the instrument is not material to the financial position of the company.

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.

₹ in crores

	Amount	Maturity Within 12 months	After 12 months
As on March 31, 2023			
Financial Assets			
Cash and Cash Equivalents	910.29	910.29	-
Bank balances Other than Cash and Cash Equivalents	2,051.13	1,134.75	916.38
Derivative financial instruments	272.86	13.73	259.13
Receivables			-
i) Trade Receivables	77.18	77.18	-
ii) Other Receivables	113.88	113.88	-
Loans	1,04,748.32	27,849.72	76,898.60
Investments	3,620.02	1,545.33	2,074.69
Other Financial Assets	273.77	57.72	216.05
Total Financial Assets	**1,12,067.45**	**31,702.60**	**80,364.85**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 45 MATURITY ANALYSIS (Contd.)

₹ in crores

	Amount	Maturity Within 12 months	After 12 months
Non- Financial Assets			
Current tax assets (Net)	267.06	-	267.06
Deferred tax assets (Net)	608.50	-	608.50
Investment Property	0.13	-	0.13
Property, Plant and Equipment	372.17	-	372.17
Capital Work in Progress	35.74	-	35.74
Intangible assets under development	24.60	-	24.60
Other Intangible assets	26.43	-	26.43
Other Non-Financial Assets	105.43	12.00	93.43
Total Non- Financial Assets	**1,440.06**	**12.00**	**1,428.06**
Asset classified as held for sale - Investment	**8.00**	**-**	**8.00**
Financial Liabilities			
Derivative financial instruments	134.27	17.62	116.65
Payables			
i) Trade Payables - Due to MSME	3.40	3.40	-
ii) Trade Payables - Other than MSME	119.93	119.93	-
iii) Other Payables	1,064.69	1,064.69	-
Debt Securities	19,682.41	8,451.02	11,231.39
Borrowings(Other than Debt Securities)	73,186.19	25,128.94	48,057.25
Subordinated Liabilities	4,487.46	693.77	3,793.69
Other Financial Liabilities	354.11	210.31	143.80
Total Financial Liabilities	**99,032.46**	**35,689.68**	**63,342.78**
Non-Financial Liabilities			
Current tax liabilities	-	-	-
Provisions	140.88	21.03	119.85
Other Non-Financial Liabilities	46.12	38.66	7.46
Total Non-Financial Liabilities	**187.00**	**59.69**	**127.31**

₹ in crores

	Amount	Maturity Within 12 months	After 12 months
As on March 31, 2022			
Financial Assets			
Cash and Cash Equivalents	2,657.88	2,657.88	-
Bank balances Other than Cash and Cash Equivalents	1,562.20	1,404.78	157.42
Derivative financial instruments	186.53	75.54	110.99
Receivables			-
i) Trade Receivables	32.47	32.47	-
ii) Other Receivables	95.54	95.54	-
Loans	74,149.21	21,127.58	53,021.63
Investments	2,076.16	9.09	2,067.07
Other Financial Assets	320.88	75.57	245.31
Total Financial Assets	**81,080.87**	**25,478.45**	**55,602.42**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 45 MATURITY ANALYSIS (Contd.)

₹ in crores

	Amount	Maturity Within 12 months	After 12 months
Non- Financial Assets			
Current tax assets (Net)	250.71	-	250.71
Deferred tax assets (Net)	671.43	-	671.43
Investment Property	0.13	-	0.13
Property, Plant and Equipment	239.89	-	239.89
Capital Work in Progress	23.03	-	23.03
Intangible assets under development	13.95	-	13.95
Intangible assets	14.55	-	14.55
Other Non-Financial Assets	68.79	9.93	58.86
Total Non- Financial Assets	**1,282.48**	**9.93**	**1,272.55**
Financial Liabilities			
Derivative financial instruments	169.56	21.65	147.91
Payables			
i) Trade Payables - Due to MSME	3.06	3.06	-
ii) Trade Payables - Other than MSME	79.84	79.84	
iii) Other Payables	719.90	719.90	-
Debt Securities	13,321.10	5,981.92	7,339.18
Borrowings(Other than Debt Securities)	52,004.52	18,516.20	33,488.32
Subordinated Liabilities	3,847.88	506.04	3,341.84
Other Financial Liabilities	333.43	207.74	125.69
Total Financial Liabilities	**70,479.29**	**26,036.35**	**44,442.94**
Non-Financial Liabilities			
Current tax liabilities	-	-	-
Provisions	118.27	-	118.27
Other Non-Financial Liabilities	58.11	45.63	12.48
Total Non-Financial Liabilities	**176.38**	**45.63**	**130.75**

Note : 46 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in crores

Particulars	April 01, 2022	Cash flows	Exchange Difference	Others	March 31, 2023
Debt Securities	13,321.10	6,065.37	-	295.94	19,682.41
Borrowings other than debt securities	52,004.52	20,940.74	(81.23)	322.16	73,186.19
Subordinated liabilities	3,847.88	642.00	-	(2.42)	4,487.46
Total	69,173.50	27,648.11	(81.23)	615.68	97,356.06

₹ in crores

Particulars	April 01, 2021	Cash flows	Exchange Difference	Others	March 31, 2022
Debt Securities	12,357.67	1,067.14	-	(103.71)	13,321.10
Borrowings other than debt securities	47,182.26	4,606.63	(118.88)	334.51	52,004.52
Subordinated liabilities	4,190.06	(327.70)	-	(14.48)	3,847.88
Total	63,729.99	5,346.07	(118.88)	216.32	69,173.50

(i) Others column represents the effect of interest accrued but not paid on borrowing, amortisation of processing fees etc

(ii) Liabilities represents of Debt securities, Borrowings (other than debt securities) and Subordinated Liabilities

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 47 ANALYSIS OF FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES

As at March 31, 2023 ₹ in crores

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 Liabilities								
Derivative financial instruments	-	3.80	4.24	9.58	48.90	55.30	12.45	**134.27**
Payables								
(I) Trade Payables								
i) Total outstanding dues of micro and small enterprises	3.40							**3.40**
ii) Total outstanding dues of creditors other than micro and small enterprises	119.93	-	-	-	-	-	-	**119.93**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises								**-**
ii) Total outstanding dues of creditors other than micro and small enterprises	1,064.69	-	-	-	-	-	-	**1,064.69**
Debt Securities	698.83	2,582.24	3,909.11	2,305.45	10,795.73	2,062.44	-	**22,353.80**
Borrowings (Other than Debt Securities)	3,823.85	4,790.80	8,681.40	12,577.35	40,659.09	12,613.03	518.87	**83,664.39**
Subordinated Liabilities	5.40	83.46	157.27	924.69	997.14	1,818.53	18,549.02	**22,535.51**
Other Financial Liabilities	163.52	11.97	17.90	33.89	86.71	28.18	29.47	**371.64**
Total Undiscounted financial liabilities	**5,879.62**	**7,472.27**	**12,769.92**	**15,850.96**	**52,587.57**	**16,577.48**	**19,109.81**	**1,30,247.63**

As at March 31, 2022 ₹ in crores

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 Liabilities								
Derivative financial instruments	-	4.81	5.93	10.93	55.41	58.62	33.86	**169.56**
Payables								
(I) Trade Payables								
i) Total outstanding dues of micro and small enterprises	3.06							**3.06**
ii) Total outstanding dues of creditors other than micro and small enterprises	79.84	-	-	-	-	-	-	**79.84**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises								**-**
ii) Total outstanding dues of creditors other than micro and small enterprises	719.90	-	-	-	-	-	-	**719.90**
Debt Securities	833.27	1,356.20	1,485.33	2,744.80	6,851.41	1,188.28	-	**14,459.29**
Borrowings (Other than Debt Securities)	1,628.33	4,286.48	6,073.71	8,856.78	26,256.80	9,793.35	704.01	**57,599.46**
Subordinated Liabilities	2.74	67.88	240.79	446.04	1,375.11	675.62	14,370.12	**17,178.30**
Other Financial Liabilities	228.34	9.54	12.56	22.94	62.12	14.56	-	**350.06**
Total Undiscounted financial liabilities	**3,495.48**	**5,724.91**	**7,818.32**	**12,081.49**	**34,600.85**	**11,730.43**	**15,107.99**	**90,559.47**

Note : 48 DISCLOSURES IN CONNECTION WITH IND AS 116 - LEASES

The Company has taken office premises on lease for its operations.

The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company 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 Company also has certain leases of machinery with lease terms of 12 months or less. The Company 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:

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 48 DISCLOSURES IN CONNECTION WITH IND AS 116 - LEASES (Contd.)

OTHER DISCLOSURES

(i) Movement in the carrying value of the Right to Use Asset

₹ in crores

Particulars - Buildings	As on March 31, 2023	As on March 31, 2022
Opening Balance	99.34	76.10
Depreciation charge for the Period	(55.41)	(44.26)
Additions during the Period	105.82	70.41
Adjustment/Deletion	(2.56)	(2.91)
Closing Balance	**147.19**	**99.34**

(ii) Classification of current and non current liabilities of the lease liabilities

₹ in crores

Particulars	As on March 31, 2023	As on March 31, 2022
Current liabilities	52.77	46.90
Non Current Liabilities	114.12	63.08
Total Lease liabilities	**166.89**	**109.98**

(iii) Movement in the carrying value of the Lease Liability

₹ in crores

Particulars	As on March 31, 2023	As on March 31, 2022
Opening Balance	109.98	89.05
Interest Expense	12.40	8.70
Lease Payments [Total Cash Outflow]	(58.65)	(54.11)
Short term rent concession	-	(1.12)
Additions during the year	105.82	70.41
Adjustment/Deletion	(2.66)	(2.95)
Closing Balance	**166.89**	**109.98**

(iv) Contractual Maturities of Lease liability outstanding

₹ in crores

Particulars	As on March 31, 2023	As on March 31, 2022
Less than one year	69.75	49.93
One to five Years	114.69	76.68
More than Five years	-	-
Total	**184.44**	**126.61**

(v) The following are the amount recognised in the Profit or Loss statement

₹ in crores

	For the year ended	
Particulars	As on March 31, 2023	As on March 31, 2022
Depreciation expense of right-of-use assets	55.41	44.26
Interest expense on lease liabilities	12.40	8.70
Expense relating to short-term leases (included in other expenses)	2.60	1.12
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	**70.41**	**54.08**

Lease expenses relating to short term leases aggregated to ₹ 2.60 crores (₹1.12 crores - March 31, 2022) during the year ended March 31, 2023. Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 12%.

The Company 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 Company 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 Company's business needs. Management exercises significant judgement in determining whether these extension and termination are reasonably certain to be exercised.

The company has not defaulted in its lease obligations

RBI Disclosures

The regulatory disclosures provided in these financial statements are in accordance with the requirements of the RBI's Directions, 2021 dated September 24, 2021 (wherever applicable).

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

49. DISCLOSURES TO BE MADE IN NOTES TO ACCOUNTS BY ORIGINATORS

₹ in crores

Sl. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	32	27
2.	Total amount of securitised assets as per books of the SPEs	10,711.01	3,672.47
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	564.29	320.96
	• Others (Second loss)	412.87	17.11
	• Others (PTC Investment)	745.54	241.69
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5.	Sale consideration received for the securitised assets	16,493.22	8,661.23
	Gain/loss on sale on account of securitisation	Nil	Nil
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
	First Loss Credit Facility – Bank Fixed Deposit	564.29	320.96
	Second Loss Credit Facility – Bank Fixed Deposit	412.87	17.11
	Second Loss Credit Facility – Bank Guarantee provided by external party	335.52	410.58
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	First Loss Credit Facility – Bank Fixed Deposit		
	(a) Amount paid (utilised)	38.17 (6.77%)	65.23 (20.31%)
	(b) Repayment received (replenishment)	38.17 (6.77%)	65.07 (20.26%)
	(c) Outstanding amount	0 (0.00%)	0.17 (0.05%)
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Vehicle loans - 1.52% Loan against Property - 0.5%	Vehicle loans - 1.44% Loan against Property - 0.63%
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
	Vehicle Loans		
	No. of Additional / Top up loan	8,014	4,468
	Amount of Loan	182.68	88.24
	Loan Against Property		
	No. of Additional / Top up loan	754	1054
	Amount of Loan	177.65	275.18

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

49. DISCLOSURES TO BE MADE IN NOTES TO ACCOUNTS BY ORIGINATORS (Contd.)

₹ in crores

Sl. No.	Particulars	As at March 31, 2023	As at March 31, 2022
10.	Investor complaints		
	(a) Directly/Indirectly received and;	Nil	Nil
	(b) Complaints outstanding	Nil	Nil

Details of Stressed loans transferred during the year pursuant to Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

₹ in crores

Particulars	To ARCs	To permitted	To other transferees
No of accounts	156	NIL	NIL
Aggregate principal outstanding of loans transferred (Rs in Cr)	14.21	NIL	NIL
Weighted average residual tenor of the loans transferred (in months)	179 Months	NIL	NIL
Net book value of loans transferred (at the time of transfer) (Rs in Cr)	13.76	NIL	NIL
Aggregate consideration (Rs in Cr)	5.62	NIL	NIL
Additional consideration realized in respect of accounts transferred in earlier years (Rs in Lakhs)	NIL	NIL	NIL

Previous year - Nil

Note : 50 A - ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III

Part 1 - Ageing Analysis

A. Trade Payables ageing schedule as on March 31, 2023

₹ in crores

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	3.40				3.40
(ii) Others	111.15	4.01	4.77		119.93
(iii) Disputed dues – MSME					-
(iv) Disputed dues - Others					-
Total	**114.55**	**4.01**	**4.77**		**123.33**

B. Trade Payables ageing schedule as on March 31, 2022

₹ in crores

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	3.06				3.06
(ii) Others	79.64	0.20			79.84
(iii) Disputed dues – MSME					-
(iv) Disputed dues - Others					-
Total	**82.70**	**0.20**	**-**		**82.90**

C. Trade Receivables ageing schedule as on March 31, 2023

₹ in crores

Particulars	Outstanding for following periods from due date of transaction					
	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	63.97	7.28	5.93			77.18
(ii) Undisputed Trade Receivables –which have significant increasein credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**63.97**	**7.28**	**5.93**	**-**	**-**	**77.18**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 50 A - ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III (Contd.)

D. Trade Receivables ageing schedule for the year ended March 31, 2022

₹ in crores

Particulars	Outstanding for following periods from due date of transaction					
	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	31.94	0.53	-	-	-	32.47
(ii) Undisputed Trade Receivables -which have significant increasein credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**31.94**	**0.53**	**-**	**-**	**-**	**32.47**

E. Capital work in progress aging schedule for the year ended March 31, 2023

₹ in crores

Capital -work -in progress	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in Progress	12.71	23.03	-	-	35.74
Projects Temporarily Suspended	-	-	-	-	-

E. Capital work in progress aging schedule for the year ended March 31, 2022

₹ in crores

Capital -work -in progress	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in Progress	23.03	-	-	-	23.03
Projects Temporarily Suspended	-	-	-	-	-

Project will be completed in September 2023.

F. Intangible assets under development aging schedule for the year ended March 31, 2023

₹ in crores

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in Progress	13.32	8.09	3.19		24.60
Projects Temporarily Suspended	-	-	-	-	-

G. Intangible assets under development aging schedule for the year ended March 31, 2022

₹ in crores

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in Progress	9.80	2.84	0.85	0.46	13.95
Projects Temporarily Suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 50 -B DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME)

₹ in crores

Sl. No.	Particulars	Amount Outstanding As at March 31, 2023	Amount Overdue
	Liabilities:		
(1)	**Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	- Secured	15,340.63	-
	- Unsecured (other than falling within the meaning of public deposits)	2,984.50	-
	- Perpetual Debt Instrument	1,527.96	-
(b)	Deferred Credits	-	-
(c)	Term Loans	70,580.53	-
(d)	Inter-Corporate Loans and Borrowings	-	-
(e)	Commercial Paper	4,316.78	-
	Other Loans (Represents Working Capital Demand Loans and Cash Credit from Banks along with Interest Accrued but Not Due on above)	2,605.66	-

₹ in crores

Sl. No.	Particulars	Amount Outstanding As at March 31, 2022	Amount Overdue
	Liabilities:		
(1)	**Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	- Secured	10,529.95	-
	- Unsecured (other than falling within the meaning of public deposits)	2,543.89	-
	- Perpetual Debt Instrument	1,328.99	-
(b)	Deferred Credits	-	-
(c)	Term Loans	50,849.78	-
(d)	Inter-Corporate Loans and Borrowings	-	-
(e)	Commercial Paper	2,766.15	-
	Other Loans (Represents Working Capital Demand Loans & Cash Credit from Banks along with Interest Accrued but Not Due on above)	1,154.74	-
(2)	**Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below]: (including interest accrued)**		
(a)	Secured	31,571.10	21,048.25
(b)	Unsecured	7,176.57	1,320.05
(3)	**Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities**		
(i)	Lease Assets including Lease Rentals Accrued and Due:	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
(iii)	Other Loans counting towards AFC Activities		
	(a) Loans where assets have been repossessed(Net)	-	-
	(b) Loans other than (a) above	66,000.65	51,780.92

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 50 -B DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME) (Contd.)

₹ in crores

Sl. No.	Particulars	Amount Outstanding As at March 31, 2023	Amount Outstanding As at March 31, 2022
(4)	**Break-up of Investments (net of provision for diminution in value):**		
	Current Investments:		
I	**Quoted:**		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities (Net of amortisation)	-	-
(v)	Others	-	-
II	**Unquoted:**		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
	Long-term Investments:		
I	**Quoted:**		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Investment in Government securities	1,541.34	1,543.48
(v)	Investment in Treasury Bill	1536.27	-
(vi)	Others	-	-
II	**Unquoted:**		
(i)	Shares:		
	(a) Equity (Net of Provision for Diminution in Value of Investment)	539.49	532.68
	(b) Preference		-
(ii)	Debentures and Bonds		-
(iii)	Units of Mutual Funds		-
(iv)	Investment in Government securities	-	-
(v)	Investment Treasury Bill	-	-
(vi)	Investment in convertible note	10.92	-
(vii)	Others		
	- Investment in Pass Through Certificates		-
	- Investment property	0.13	0.13

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 50 -B DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME) (Contd.)

₹ in crores

	Category	Amount (Net of provision for Non-performing assets)		
		Secured	Unsecured	Total
(5)	**Borrower Group-wise Classification of Assets Financed as in (2) and (3) above**			
	As at March 31, 2023			
1.	Related Parties *			
	(a) Subsidiaries	-	12.50	12.50
	(b) Companies in the same Group	-	-	-
	(c) Other Related Parties	-	-	-
2.	Other than Related Parties	97,571.75	7,164.07	1,04,735.82
	Total	**97,571.75**	**7,176.57**	**1,04,748.32**
	As at March 31, 2022			
1.	Related Parties *			
	(a) Subsidiaries	-	4.50	4.50
	(b) Companies in the same Group	-	3.00	3.00
	(c) Other Related Parties	-	-	-
2.	Other than Related Parties	72,829.17	1,312.55	74,141.72
	Total	**72,829.17**	**1,320.05**	**74,149.22**

* Related Parties are as identified in Note 37 above.

(6) Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :

₹ in crores

	Category	Market value / Break - up Value or Fair Value or Net Asset Value	Book Value (Net of Provisioning)
	As at March 31, 2023		
1.	Related Parties *		
(a)	Subsidiaries	64.90	64.90
(b)	Joint Ventures	456.82	456.82
(c)	Companies in the Same Group	-	-
(d)	Other Related Parties	28.69	28.69
2.	Other than Related Parties	2929.96	3,077.61
	Total	**3,480.37**	**3,628.02**
	As at March 31, 2022		
1.	Related Parties *		
(a)	Subsidiaries	64.90	64.90
(b)	Joint Ventures	450.01	450.01
(c)	Companies in the Same Group	-	-
(d)	Other Related Parties	17.75	17.75
2.	Other than Related Parties	1,426.65	1,543.50
	Total	**1,959.33**	**2,076.16**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 50 -B DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME) (Contd.)

₹ in crores

(7) Other Information	Amount Outstanding as at March 31, 2023	March 31, 2022
(i) Gross Non-Performing Assets		
a) With Related Parties *	-	-
b) With Others	4,952.93	5,212.03
(ii) Net Non-Performing Assets		
a) With Related Parties *	-	-
b) With Others	3,280.55	3,629.79
(iii) Assets Acquired in Satisfaction of Debt		
a) With Related Parties *	-	-
b) With Others	-	-

* Related Parties are as identified in Note 37 above.

** Amount with respect to T bill and G-Sec have been stated MTM value as at March 31,2023.

Note : 51. A. DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME)

i. Capital Adequacy Ratio

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Tier I Capital	14,337.71	11,798.65
Tier II Capital	2,281.16	2,236.80
Total Capital	**16,618.87**	**14,035.45**
Total Risk Weighted Assets	96,992.70	71,536.63
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	14.78%	16.49%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	2.35%	3.13%
Total (%)	**17.13%**	**19.62%**
Amount of Subordinated Debt raised as Tier – II capital during the year	**490.00**	**350.00**
Amount raised by issue of Perpetual Debt instruments during the year	**530.00**	**195.00**

ii. Investments

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
(1) **Value of Investments**		
(i) Gross Value of Investments		
(a) In India	3,629.31	2,077.45
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	(1.29)	(1.29)
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	3,628.02	2,076.16
(b) Outside India.	-	-
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	1.29	1.29
(ii) Add: Provisions made during the year	-	-
(iii) Less: Reversal of provision during the year	-	-
(iv) Closing balance	1.29	1.29

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 51. A. DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME)

iii. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As at March 31, 2023

₹ in crores

Particulars	1-7 days	8-14 days	15-30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 Years	Total
Liabilities											
Borrowing from Banks	2,055.73	35.52	1,296.83	1,553.51	2,391.88	7,248.50	10,500.04	35,665.58	11,749.52	429.14	**72,926.25**
Market Borrowings	0.45	96.12	1,906.13	3,622.72	24.93	1,247.70	2,246.75	9,535.81	2,747.97	2,741.29	**24,169.87**
Total	**2,056.18**	**131.64**	**3,202.96**	**5,176.23**	**2,416.81**	**8,496.20**	**12,746.79**	**45,201.39**	**14,497.49**	**3,170.43**	**97,096.12**
Assets											
Advances (Net of Provision for Non Performing Assets)	898.76	390.44	1,482.93	2,650.49	2,289.18	7,745.98	12,391.95	36,387.00	16,742.41	23,769.18	**1,04,748.32**
Investment (Net of Provision **for Diminution in Value of Investments)**	-	-	-	-	5.96	100.76	1,438.61	-	-	2,074.69	**3,620.02**
Total	**898.76**	**390.44**	**1,482.93**	**2,650.49**	**2,295.14**	**7,846.74**	**13,830.56**	**36,387.00**	**16,742.41**	**25,843.87**	**1,08,368.34**

As at March 31, 2022

₹ in crores

Particulars	1-7 days	8-14 days	15-30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 Years	Total
Liabilities											
Borrowing from Banks	1,031.89	62.99	345.00	875.86	2,918.93	5,405.55	7,752.46	23,693.75	9,159.37	580.01	**51,825.81**
Market Borrowings	0.19	12.54	819.61	59.67	1,226.84	1,615.39	2,753.74	6,887.44	1,138.27	2,655.30	**17,168.99**
Total	**1,032.08**	**75.53**	**1,164.61**	**935.53**	**4,145.77**	**7,020.94**	**10,506.20**	**30,581.19**	**10,297.64**	**3,235.31**	**68,994.80**
Assets											
Advances (Net of Provision for Non Performing Assets)	478.41	223.99	1,069.22	1,744.98	1,592.01	6,276.24	9,742.74	26,980.05	12,213.09	13,828.48	**74,149.21**
Investment (Net of Provision for Diminution in Value of Investments)					6.00	3.10				2,067.06	**2,076.16**
Total	**478.41**	**223.99**	**1,069.22**	**1,744.98**	**1,598.01**	**6,279.34**	**9,742.74**	**26,980.05**	**12,213.09**	**15,895.54**	**76,225.37**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 51. A. DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME) (Contd.)

iv. Exposure to the Real Estate Sector, both Direct and Indirect

₹ in crores

	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	**Direct Exposure** (Net of Advances from Customers)		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
	- individual housing loans upto ₹ 15 lakhs	6,245.02	5,068.60
	- individual housing loans more than ₹ 15 lakhs	23,993.61	13,745.27
	(ii) Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retails space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.).		
	- Fund Based	1,787.38	2,707.88
	- Non Fund based		
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
(b)	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		
	Total Exposure	**32,026.01**	**21,521.75**

Note: The above summary is prepared based on the information available with the Company.

v. Exposure to the Capital Market

₹ in crores

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	197.95	70.98
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds /convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows/issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Pending Disbursements	90.07	11.51
	Total Exposure	**288.02**	**82.49**

vi. Other Regulator Registration

S. No.	Regulator	Registration no.
1	Ministry of Company Affairs	CIN: L65993TN1978PLC007576

vii. Penalties levied by the above Regulators - Nil

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 51. A. DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME) (Contd.)

viii. Ratings assigned by Credit Rating Agencies

Particulars	As at March 31, 2023	As at March 31, 2022
Commercial paper & Non- convertible Debentures – Short Term	ICRA A1+,CRISIL A1+	ICRA A1+,CRISIL A1+
Working Capital Demand Loans	ICRA A1+	ICRA A1+
Cash Credit	ICRA AA+	ICRA AA+
Bank Term Loans	ICRA AA+	ICRA AA+
Non-Convertible Debentures – Long term	ICRA AA+, IND AA+, CARE AA+	ICRA AA+, IND AA+
Subordinated Debt	ICRA AA+, CARE AA+, IND AA+	ICRA AA+, CARE AA+, CRISIL AA+, IND AA+
Perpetual Debt	ICRA AA, CARE AA, IND AA	ICRA AA, CARE AA, IND AA

ix. Concentration of Advances

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Total Advances to twenty largest borrowers	474.41	358.83
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.44%	0.47%

x. Concentration of Exposures

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers/customers	563.57	359.06
Percentage of Exposures to twenty largest borrowers /Customers to Total Exposure of the NBFC on borrowers/customers.	0.51%	0.46%

xi. Concentration of NPAs

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top four NPA accounts	47.76	33.51

xii. Sector-wise NPAs : Refer Note 57 (3)

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 51. A. DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME) (Contd.)

xiii. Movement of NPAs

₹ in crores

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Net NPAs to Net Advances(%)	3.11%	4.85%
(ii)	Movement of Gross NPA		
	(a) Opening balance	5,212.03	2,705.01
	(b) Additions during the year	3,110.67	4,335.75
	(c) Reductions during the year	3,369.77	1,828.73
	(d) Closing balance	4,952.93	5,212.03
(iii)	Movement of Net NPA		
	(a) Opening balance	3,629.79	1,507.52
	(b) Additions during the year	2,217.95	3,335.82
	(c) Reductions during the year	2,567.19	1,213.55
	(d) Closing balance	3,280.55	3,629.79
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,582.24	1,197.49
	(b) Provisions made during the year	892.72	999.94
	(c) Write-off / write-back of excess provisions	802.58	615.19
	(d) Closing balance	1,672.38	1,582.24

xiv. Disclosure on Restructured Accounts

₹ in crores

Type of Restructuring	Asset classification details	Standard Advances	Sub-standard Advances	Doubtful Advances	Loss Advances
Restructured loans as on April 1, 2022	Number of borrowers	38,912	13,388	19	-
	Amount Outstanding	2,843.43	982.24	2.40	-
	Provision thereon	292.30	237.27	1.14	-
Fresh Restructured during the year (based on asset classification at the time of restructuring)	Number of borrowers	15	4	-	-
	Amount Outstanding	3.00	20.21	-	-
	Provision thereon	0.31	5.25	-	-
Upgradations to restructured category during the year	Number of borrowers	2,897	1	-	-
	Amount Outstanding	96.87	0.10	-	-
	Provision thereon	8.67	0.04	-	-
Restructured loans ceases to attract higher provision or additional risk weight at the end of year*	Number of borrowers	13,617	-	-	-
	Amount Outstanding	619.23	-	-	-
	Provision thereon	63.93	-	-	-
Downgrade of restructured accounts during the year	Number of borrowers	-	6,115	6,184	8
	Amount Outstanding	-	475.14	398.89	2.03
	Provision thereon	-	96.21	127.29	2.04
Write-off of restructured accounts during the year	Number of borrowers	2,592	3,759	6	-
	Amount Outstanding	186.75	300.01	1.17	-
	Provision thereon	19.64	88.03	0.60	-
Restructured loans as on March 31, 2023	Number of borrowers	14,113	6,455	6,186	7
	Amount Outstanding	1,221.02	547.23	399.03	1.80
	Provision thereon	110.06	113.55	127.41	1.80

*Pursuant to RBI Notification DOR.No.BP.BC/3/21.04.048/2020-21

Note: Includes accounts restructured under Covid resolution framework 1.0 and 2.0

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 51. A. DISCLOSURE PURSUANT TO MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 (AS UPDATED FROM TIME TO TIME) (Contd.)

xv. Customer Complaints

No. of Complaints

	Particulars	March 31, 2023	March 31, 2022
	Complaints received by the NBFC from its customers		
1.	Number of complaints pending at beginning of the year	-	-
2.	Number of complaints received during the year	747	812
3.	Number of complaints disposed during the year	747	812
3.1	Of which, number of complaints rejected by the NBFC	309	-
4.	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5.*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	436	498
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	436	498
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	4	5
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
		March 31, 2023			
Levy of Foreclosure charges		134	24.07%	-	-
Staff Interaction related/Collection Related		124	16.98%	-	-
Repossession of collateral & Sale Related		95	5.56%	-	-
Closure & NOC related		70	59.09%	-	-
Moratorium related		34	-26.09%	-	-
Others		290	-30.62%	-	-
Total		**747**		**-**	**-**
		March 31, 2022			
Foreclosure Related		108	-5.00%	-	-
Staff Interaction related/Collection Related		106	-13.00%	-	-
Repossession of collateral & Sale Related		90	-3.00%	-	-
Restructuring related		79	132.00%	-	-
Moratorium related		46	-69.00%	-	-
Others		383	-42.00%	-	-
Total		**812**		**-**	**-**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 52 DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2021 VIDE DNBS. PD. CC NO. 256/ 03.10.042/ 2011-12 DATED MARCH 02, 2012

There were 70 cases (March 31, 2022 - 107 cases) of frauds amounting to ₹ 5.71 crores (March 31, 2022 - ₹7.80 crores) reported during the year. The Company has recovered an amount of ₹ 0.43 crores (March 31, 2022 - ₹ 1.12 crores). The un-recovered amounts are either pending settlement with the insurance companies or have been fully provided/ written off.

Note : 53. DISCLOSURE OF COMPARISON OF PROVISION AS PER IRAC NORMS AND ECL PURSUANT TO RBI CIRCULAR, VIDE DNBS.PD.CC. NO.109/22.10.106/2019-20 DATED MARCH 13, 2020 FOR THE YEAR ENDED MARCH 31, 2023

₹ in crores

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind As [2]	Loss allowance (provision) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	99,640.78	431.30	99,209.48	339.77	91.53
Substandard	Stage 1	238.68	11.72	226.96	21.85	(10.13)
Doubtful - upto 1 year	Stage 1	32.61	1.65	30.96	6.33	(4.68)
1 - 3 years	Stage 1	0.49	0.01	0.48	0.12	(0.11)
Standard	Stage 2	2,483.55	225.26	2,258.29	106.33	118.93
Substandard	Stage 2	1,152.03	136.76	1,015.27	106.61	30.15
Doubtful - upto 1 year	Stage 2	305.23	40.01	265.22	58.79	(18.78)
1 - 3 years	Stage 2	2.27	0.21	2.06	0.66	(0.45)
Non Performing Assets (NPA)						
Substandard	Stage 3	1,247.77	403.70	844.07	123.50	280.20
Doubtful - upto 1 year	Stage 3	999.13	420.86	578.27	182.31	238.55
1 - 3 years	Stage 3	752.97	464.48	288.49	189.31	275.17
More than 3 years	Stage 3	205.72	178.83	26.89	66.77	112.06
Loss	Stage 3	16.01	14.13	1.88	12.72	1.41
Subtotal for NPA		**3,221.60**	**1,482.00**	**1,739.60**	**574.61**	**907.39**
Other items such as guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	2,820.44	11.79	2,808.65	-	11.79
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**2,820.44**	**11.79**	**2,808.65**	**-**	**11.79**
Total	Stage 1	1,02,733.00	456.47	1,02,276.53	368.07	88.40
	Stage 2	3,943.08	402.24	3,540.84	272.39	129.85
	Stage 3	3,221.60	1,482.00	1,739.60	574.61	907.39
	Total	**1,09,897.68**	**2,340.71**	**1,07,556.97**	**1215.07**	**1,125.64**

1) As required by the RBI Notification dated March 13, 2020, the Company has complied with the requirements of Ind AS and the Guidelines and Policies approved by the Board in recognition of impairment of financial instruments. The overall impairment provision made under Ind AS is higher than the prudential floor (including the provision requirement specified in the notification referred to in Note 9) prescribed by RBI
2) Gross carrying amount as per Ind AS represents gross exposures inclusive of securitisation balances transferred by the Company but will not qualify for de-recognition and interest income on Stage III assets which will not form part of Provisions required as per IRACP norms

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 54. DISCLOSURE ON MORATORIUM – COVID 19 REGULATORY PACKAGE – ASSET CLASSIFICATION AND PROVISIONING FOR THE YEAR ENDED MARCH 31, 2022 IN PURSUANT TO THE NOTIFICATION VIDE: DOR.NO.BP.BC.63/21.04.048/2019-20 DATED APRIL 17, 2020.

₹ in crores

Particulars	March 31, 2023	March 31, 2022
Amount in SMA/overdue categories as of February 29, 2020	Nil	Nil
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 (as of February 29, 2020)	Nil	Nil
Respective amount where asset classification benefits is extended (net of accounts which have moved out of SMA/overdue category during the moratorium period)*	Nil	Nil
Provisions made during the period (As per para 4, Applicable to NBFC's covered under Ind AS)**	Nil	Nil
Provisions adjusted against slippages in terms of paragraph 6 of the circular	Nil	Nil
Residual provision	Nil	Nil

*There are nil accounts where asset classification benefit has been extended as on March 31, 2021. Post the moratorium period, the movement of aging has been at actuals.

Note : 55. DISCLOSURES PURSUANT TO RBI NOTIFICATION - RBL/2020-21116 DOR No.BP.13C/3121 .C4,048/2020-21 DATED 6 AUGUST 2020 AND NOTIFICATION RBI/2021-2022/31 DATED MAY 5,2021

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at March 31, 2022 (A)	Of (A) aggregate debt that slipped during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at March 31, 2023
Personal Loans	282.24	29.82	0.72	14.72	236.98
Corporate persons #					
Of which MSME					
Others*	1667.36	218.39	8.50	264.52	1,175.96
Total	**1,949.60**	**248.21**	**9.22**	**279.24**	**1,412.94**

As defined in Section 3(7) of the Insolvency and Bankruptcy Code. 2016

* Others consists of Vehicle finance and loan against property.

56.1 Liquidity Risk

Public disclosure on liquidity risk -March 31, 2023

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	No. of Significant Counterparties	Amount (₹ In crores)	% of Total Deposits	% of Total Liabilities
1	14	63,824.74	NA	64.33%

(ii) Top 20 large deposits (amount in ₹ Crore and % of total deposits)

Not Applicable

(iii) Top 10 borrowings (amount in ₹ Crore and % of total borrowings)

Amount (₹ In crore)	% of Total Borrowings
23,611.26	24.46%

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 56.1 LIQUIDITY RISK (Contd.)

(iv) Funding concentration based on significant instrument / product

Sr. No.	Name of the instrument / product	Amount (₹ In crore)	%of Total Liabilities
1	Rupee Term Loans	59,422.90	59.89%
2	NCDs (including PDI & Sub Debt)	18,742.70	18.89%
3	CPs	4,350.00	4.38%
4	ECB Loans	2,805.30	2.83%
5	Securitisation	9,965.47	10.04%
6	FCNR (B) Loans	828.89	0.84%
7	Rupee Denominated Bonds	400.00	0.40%
	TOTAL	**96,515.26**	**97.27%**

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets :

Commercial Papers as a % of total public funds	4.51%
Commercial Papers as a % of total liabilities	4.38%
Commercial Papers as a % of total assets	3.83%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets – **Not Applicable.** Non-convertible debentures of original maturity of less than one year have not been issued

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets :

Other Short-term liabilities as a % of total public funds	1.53%
Other Short-term liabilities as a % of total liabilities	1.49%
Other Short-term liabilities as a % of total assets	1.30%

(vi) Institutional set-up for liquidity risk management:

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. 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 Company 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 Company also has lines of credit that it can access to meet liquidity needs. These are reviewed by the Asset Liability Committee (ALCO) on a monthly basis. The ALCO provides strategic direction and guidance on liquidity risk management. A sub-committee of the ALCO, comprising members from the Treasury and Risk functions, monitor liquidity risks on a weekly basis and decisions are taken on the funding plan and levels of investible surplus, from the ALM perspective. This sets the boundaries for daily cash flow management.

Notes:

1) A "Significant Counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of NBFC-NDSI's total liabilities.
2) A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's total liabilities.
3) Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines.
4) Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.
5) Commercial Paper for stock ratio is the Gross outstanding (i.e.Maturity amount).
6) Other Short-term Liabilities has been computed as Total Short-term Liabilities less Commercial Paper less Non-convertible debentures (Original maturity of less than one year), basis extant regulatory ALM guidelines.
7) Public Funds = Total Borrowings as computed above.

Refer Note No 47 for the summary of maturity profile of undiscounted cash flows of the Company's financial assets and financial liabilities as at reporting period.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 56.2 LIQUIDITY COVERAGE RATIO

The Liquidity Coverage Ratio (LCR) is a key compliance requirement for a resilient and stable financial sector. Its objective is the promotion of short-term resilience of the liquidity risk profile of financial institutions by ensuring that it has sufficient High Quality Liquid Assets (HQLA) to survive a significant stress scenario lasting for one month. The Liquidity Coverage Ratio is expected to improve the financial sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy.

Liquidity Management of the company is supervised by the Asset Liability Committee. The management is of the view that the company has in place robust processes to monitor and manage liquidity risks and sufficient liquidity cover to meet its likely future short-term requirements.

The company has a diversified mix of borrowings with respect to the source, type of instrument, tenor and nature of security. The Asset Liability Committee constantly reviews and monitors the funding mix and ensures the optimum mix of funds based on the cash flow requirements, market conditions and keeping the interest rate view in consideration. Additionally, the Company has lines of credit that it can access to meet liquidity needs.

These are reviewed by the Asset Liability Committee (ALCO) on a monthly basis. The Asset Liability Committee provides strategic direction and guidance on liquidity risk management. A sub-committee of the Asset Liability Committee, comprising members from the Treasury and Risk functions, monitor liquidity risks on a weekly basis and decisions are taken on the funding plan and levels of investible surplus, from the Asset Liability Management perspective. This sets the boundaries for daily cash flow management.

In line with RBI regulations, the cash outflows and inflows have been stressed by 115% and 75% of their respective original values for computing LCR. The key drivers on the inflow side are the expected collections from the performing assets of the company and on the outflow side the scheduled maturities. The High Quality Liquid Assets are entirely held in Government Securities which are classified as Level 1 assets with no haircut.

₹ in crores

Particulars	Q1 FY23-Avg	Q2 FY23-Avg	Q3 FY23-Avg	Q4 FY23-Avg
High Quality Liquid Assets	1,568.74	1,770.26	2,995.69	2,929.96
Cash Outflows:				
Deposits			-	-
Un-Secured wholesale funding	1,063.12	1,134.13	1,055.94	2,411.81
Secured wholesale funding	1620.56	1,366.17	2,280.56	2,480.51
Additional Requirements, of which			-	-
(i) Outflows related to derivatives exposures and other collateral requirements.	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-
(iii) Credit and Liquidity facilities	-	-	-	-
Other Contractual funding obligations	2,434.63	2,749.19	2,987.17	3,180.99
Other Contingent funding obligations	173.76	183.78	177.66	172.00
Total Cash Outflows	**5292.07**	**5,433.27**	**6,501.32**	**8,245.31**
Cash Inflows				
Secured Lending	-	-	-	-
Inflows from fully performing exposures	2,790.38	2,737.60	3,053.64	3,389.57
Other cash inflows	2,262.42	2,644.92	2,271.45	2,529.60
Total Cash Inflows	**5052.80**	**5,382.52**	**5,325.09**	**5,919.17**
TOTAL HIGH QUALITY LIQUID ASSETS	1,568.74	1,770.26	2,995.69	2,929.96
TOTAL NET CASH FLOWS	1,323.02	1,358.32	1,625.33	2,326.14
LIQUIDITY COVERAGE RATIO (%)	**118.57%**	**130.33%**	**184.31%**	**125.96%**

The LCR has been consistently maintained above 100% throughout the year which is well over the regulatory threshold of 70%. The company has internal risk thresholds for LCR approved by the Risk Managing Committee which is higher than the regulatory requirement. The High Quality Liquid Assets (HQLA) as on March 31,2023 is held in the form of Government Securities to meet the LCR requirements

The company has maintained LCR well above the regulatory threshold of 70% throughout the financial year. All foreign currency borrowings are fully hedged at the time of drawl of each loan. Hence there is no risk to the company on account of derivatives or collateral calls thereof or mismatch in currency.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

NOTE-57 DISCLOSURES IN FINANCIAL STATEMENTS- NOTES TO ACCOUNTS OF NBFCS PURSUANT TO CIRCULAR DOR.ACC.REC. NO.20/21.04.018/2022-23 DATED 19.04.2022

A) Exposure

1) Exposure to real estate sector

₹ in crores

Category	As at March 31, 2023	As at March 31, 2022
i) Direct exposure		
a) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	30,238.63	18,813.87
b) Commercial Real Estate –		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	1,787.38	2,707.88
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential		
ii. Commercial Real Estate		
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
Total Exposure to Real Estate Sector	**32,026.01**	**21,521.75**

2) Exposure to capital market

₹ in crores

Category	As at March 31, 2023	As at March 31, 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	197.95	70.98
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	12.50	4.50
x) All exposures to Alternative Investment Funds:	-	-
(i) Category I		
(ii) Category II		
(iii) Category III		
Pending Disbursements (Undrawn commitments)	90.07	11.51
Total exposure to capital market	**300.52**	**86.99**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

NOTE-57 DISCLOSURES IN FINANCIAL STATEMENTS- NOTES TO ACCOUNTS OF NBFCS PURSUANT TO CIRCULAR DOR.ACC.REC. NO.20/21.04.018/2022-23 DATED 19.04.2022 (Contd.)

3 Sectoral exposure

₹ in crores

Sectors	As on March 31, 2023			As on March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
Domestic Operations						
I. Gross Advances (II + III)	1,07,077.24	4,952.93	4.63%	76,477.89	5,212.03	6.82%
II. Food Credit	0.00	0.00		0.00	0.00	
III. Non-Food Credit (1 to 5)	1,07,077.24	4,952.93	4.63%	76,477.89	5,212.03	6.82%
1. Agriculture and Allied Activities	9,961.26	591.83	5.94%	9,149.25	546.10	5.97%
2. Industry (2.1 to 2.4)	44,287.45	2,158.53	4.87%	28,862.77	2,536.36	8.79%
2.1 Micro and Small	30,394.16	1,137.50	3.74%	13,993.79	1,236.17	8.83%
2.2 Medium	109.93	0.00	0.00%	0.17	0.00	0.00%
2.3 Large	0.00	0.00	0.00%	0.00	0.00	0.00%
2.4 Others	13,783.36	1,021.03	7.41%	14,868.81	1,300.19	8.74%
3. Services (3.1 to 3.10 equals 3.a to 3.d)	29,907.10	1,678.32	5.61%	24,322.21	1,696.28	6.97%
3.1 Transport Operators	18,951.54	1,385.84	7.31%	19,585.23	1,498.53	7.65%
3.2 Computer Software	104.28	0.00	0.00	1.36	0.00	0.00
3.3 Tourism, Hotel and Restaurants	9.86	0.00	0.00	3.83	0.00	0.00
3.4 Shipping	0.13	0.00	0.00	0.13	0.00	0.00
3.5 Professional Services	0.00	0.00	0.00	0.00	0.00	0.00
3.6 Trade	5,338.04	60.23	1.13%	851.33	23.94	2.81%
3.6.1 Wholesale Trade (other than Food Procurement)	0.00	0.00	0.00	0.00	0.00	0.00
3.6.2 Retail Trade	5,338.04	60.23	1.13%	851.33	23.94	2.81%
3.7 Commercial Real Estate	2,247.48	153.76	6.84%	1,917.27	109.58	5.72%
3.8 NBFCs	413.31	0.00	0.00	143.11	0.00	0.00
3.9 Aviation	0.00	0.00	0.00	0.00	0.00	0.00
3.10 Other Services	2,842.46	78.49	2.76%	1,819.95	64.23	3.53%
Total 3.a to 3.d	**29,907.10**	**1,678.32**	**5.61%**	**24,322.21**	**1,696.28**	**6.97%**
3.a Micro and Small	125.02	7.92	6.33%	163.37	3.17	1.94%
3.b Medium	5.18	0.01	0.19%	5.06	0.01	0.20%
3.c Large	0.00	0.00	0.00	0.00	0.00	0.00
3.d Others	29,776.90	1,670.39	5.61%	24,153.78	1,693.10	7.01%
4. Retail Loans (4.1 to 4.10)	22,921.43	524.25	2.29%	14,143.66	433.29	3.06%
4.1 Housing Loans (incl. priority sector Housing)	7,306.17	202.24	2.77%	4,826.46	219.68	4.55%
4.2 Consumer Durables	0.00	0.00	0.00	0.00	0.00	0.00
4.3 Credit Card Receivables	0.00	0.00	0.00	0.00	0.00	0.00
4.4 Vehicle/Auto Loans	13,811.26	294.26	2.13%	9,024.16	207.84	2.30%
4.5 Education Loans	0.00	0.00	0.00	0.00	0.00	0.00
4.6 Advances against Fixed Deposits (incl. FCNR(B), etc.)	0.00	0.00	0.00	0.00	0.00	0.00

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

NOTE-57 DISCLOSURES IN FINANCIAL STATEMENTS- NOTES TO ACCOUNTS OF NBFCS PURSUANT TO CIRCULAR DOR.ACC.REC. NO.20/21.04.018/2022-23 DATED 19.04.2022 (Contd.)

3) Sectoral exposure **₹ in crores**

Sectors	As on March 31, 2023			As on March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
4.7 Advances to Individuals against Shares, Bonds	199.32	0.00	0.00	70.98	0.00	0.00
4.8 Advances to Individuals against Gold	0.00	0.00	0.00	0.00	0.00	0.00
4.9 Micro finance loan/SHG Loan	0.00	0.00	0.00	0.00	0.00	0.00
4.10 Other Retail loans	1,604.68	27.75	1.73%	222.06	5.77	2.60%
5. Other Non-food Credit	0.00	0.00	0.00	0.00	0.00	0.00

4) Intra-group exposures

Particulars	March 31, 2023	March 31, 2022
Total amount of intra-group exposures (₹ in Cr.)	662.44	630.00
Total amount of top 20 intra-group exposures	662.44	630.00
Percentage of intra-group exposures to total exposure of the NBFC on borrowers / customers (Gross loans and gross undrawn commitment)	0.60%	0.81%

Exposure shall include gross loans, gross undrawn commitments and investment in equity and other instrument.

5. Unhedged foreign currency exposure **- Nil**

6. Breach of covenant of loan availed or debt securities issued **- Nil**

7. Divergence in Asset Classification and Provisioning **- NIL**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

B. Related party Disclosure

₹ in crores

Related Party	Parent		Subsidiaries		Associates /Joint venture		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Particulars	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Borrowings	-	-											-	-
-Availed	-	-	39.50	68.50	-	-	-	-	-	-	-	-	39.50	68.50
-Repaid	-	-	39.50	68.50	-	-	-	-	-	-	-	-	39.50	68.50
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placements of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances(Loans)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Given	-	-	176.00	65.50	-	6.00	-	-	-	-	2.48	-	178.48	71.50
-Recovered	-	-	168.00	61.00	3.00	6.40	-	-	-	-	2.48	-	173.48	67.40
Investments made during the year	-	-	-	-	10.00	-	-	-	-	-	-	-	10.00	-
Sale of Fixed assets or other assets	-	-	-	-	-	-	-	0.04	-	-	1.00	-	1.00	0.04
Interest Paid-Expense	-	-	0.89	1.40	-	-	-	-	-	-	14.21	13.13	15.10	14.53
Interest received-Income	-	-	1.81	0.09	0.16	0.22	-	-	-	-	0.06	-	2.03	0.31
Amount received towards Reimbursement of expenses	1.31	1.18	87.82	56.13	-	-	-	-	-	-	0.09	0.07	89.22	57.38
Dividend Payments	74.58	74.58	-	-	-	-	0.11	0.08	0.11	0.11	9.93	6.93	84.73	81.70
Services Received	-	-	2.01	0.23	9.78	0.24	-	-	-	-	820.62	4.12	832.41	4.59
Services Rendered	-	-	-	-	-	-	-	-	-	-	86.83	-	86.83	-
Others														
-Expense	-	-	1.48	2.16	0.01	0.03	12.09	9.12	-	-	25.17	1.46	38.75	12.77
-Income	-	-	0.05	0.38	6.12	-	-	-	-	-	0.44	-	6.61	0.38

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2023

B. Related party Disclosure

₹ in crores

Related Party	Parent		Subsidiaries		Associates /Joint venture		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Particulars	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Borrowings														
- Amount outstanding as at year-end	-	-	-	-	-	-	-	-	-	-	378.37	147.93	378.37	147.93
- Maximum amount outstanding during the year	-	-	39.50	68.50	-	-	-	-	-	-	378.37	147.93	417.87	216.43
Advances (Loans)														
- Amount outstanding as at year-end	-	-	12.50	4.50	-	3.00	-	-	-	-	-	-	12.50	7.50
- Maximum amount outstanding during the year	-	-	60.00	26.00	3.00	6.40	-	-	-	-	-	-	63.00	32.40
Investments														
- Amount outstanding as at year-end	-	-	64.90	64.90	466.57#	467.76	-	-	-	-	-	-	531.47	532.66
- Maximum amount outstanding during the year	-	-	64.90	64.90	474.57#	467.76	-	-	-	-	-	-	539.47	532.66

Net of fair value gain of ₹. 0.92 crores for the year ended March 31, 2023

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

A.J. Shaikh
Partner
Membership No. : 203637

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

S. Usha
Partner
Membership No. : 211785

Date : May 3, 2023
Place : Chennai

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Independent Auditor's Report

To the Members of Cholamandalam Investment and Finance Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have jointly audited the accompanying consolidated financial statements of Cholamandalam Investment and Finance Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and joint venture (refer Note 3A to the accompanying consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 companies and joint venture as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our joint audit in accordance with the Standards on Auditing (SAs) 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 Financial Statements" section of our report. We are independent of the Group, its associate companies and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 sub-paragraph 14 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer Note 11 of the consolidated financial statements) **The loan balances towards vehicle finance, home loans, loans against property, and other loans aggregating to Rs. 107,138.57 crores and the associated impairment allowances aggregating to Rs. 2,328.92 crores are significant to the consolidated financial statements and involves judgement around the determination of the impairment allowance in line with the requirements of the Ind AS 109 "Financial Instruments".** Impairment allowances represent management's estimate of the losses incurred within the loan portfolios at the balance sheet date and are inherently judgmental. Impairment, based on ECL model, is calculated using main variables, viz. 'Staging', 'Exposure at Default', 'Probability of Default' and 'Loss Given Default' as specified under Ind AS 109.	The audit procedures performed by us to assess appropriateness of the impairment allowance based on ECL on loans included the following: • We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over: i. the assumptions used in the calculation of ECL and its various aspects such as determination of Probability of Default, Loss Given Default, Exposure at Default, Staging of Loans, etc.; ii. the completeness and accuracy of source data used by the Management in the ECL computation; and iii. ECL computations for their reasonableness. • We, along with the assistance of the auditor's our expert, verified the appropriateness of methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment provision.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
Quantitative factors like days past due, behaviour of the portfolio, historical losses incurred on defaults and macro-economic data points identified by the Management's expert and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro- economic variables to determine expected losses, uncertainty over realisability of security, judgement in relation to management overlays and related Reserve Bank of India (RBI) guidelines, to the extent applicable, etc. have been taken into account in the ECL computation. Given the inherent judgmental nature and the complexity of model involved, we determined this to be a Key Audit Matter.	• We test-checked the completeness and accuracy of source data used. • We recomputed the impairment provision for a sample of loans across the loan portfolio to verify the arithmetical accuracy and compliance with the requirements of Ind AS 109. • We evaluated the reasonableness of the judgement involved in management overlays that form part of the impairment provision, and the related approvals. • We evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the consolidated financial statements. .
Assessment of Direct tax and Indirect tax litigations and related disclosure of contingent liabilities (Refer to Note 40(a) of the consolidated financial statements) As at March 31, 2023, the Company has exposure towards litigations relating to various tax matters as set out in the aforesaid Notes. Significant management judgement is required to assess matters relating to direct tax and indirect tax litigations, to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.	Our audit procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to direct and indirect tax laws and regulations. • We inquired with management the recent developments and the status of the material litigations which were reviewed and noted by the Audit Committee. • We performed our assessment on a test check basis on the underlying calculations supporting the contingent liabilities related to litigations disclosed in the consolidated financial statements. • We used auditor's expert to gain an understanding and to evaluate the disputed tax matters. • We considered external legal opinions, where relevant, obtained by management and examined by the auditor's expert. • We obtained the listings from the management and got it reconfirmed from management's consultants. • We evaluated the adequacy of presentation and disclosures in relation to litigations in the consolidated financial statements.
Audit in an Information Technology (IT) enabled environment - including considerations on exceptions identified in IT Environment The IT environment of the entity involves a few independent and inter- dependent IT systems used in the operations of the entity for processing and recording of the business transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the entity. Appropriate IT general controls and IT application controls are required to ensure that such IT systems can process the data as required, completely, accurately, and consistently for reliable financial reporting. We have identified certain key IT applications and the related IT infrastructure (herein after referred to as "In-scope IT systems"), which have an impact on the financial reporting process and the related controls as a key audit matter because of the increased	Our audit procedures with respect to this matter included the following: In assessing the controls over the IT systems, we have involved our Technology Assurance specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. With respect to the "In-scope IT systems" identified as relevant to the audit of the financial statements and financial reporting process of the entity, we have evaluated and tested relevant IT general controls or relied upon service auditor's report, where applicable. On such "In-scope IT systems", we have covered the key IT general controls with respect to the following domains: • Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
level of automation; a few systems being used by the entity for processing financial transactions; and the complexity of the IT architecture; and its impact on the financial records and financial reporting process of the entity.	• User access management, which includes user access provisioning, de- provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privileged access to applications, operating system and databases in the production environment were granted only to authorized personnel. • Other areas that were assessed under the IT control environment included backup management, business continuity and disaster recovery, incident management, batch processing and monitoring. We have also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies have been identified, we have tested compensating controls or performed alternative audit procedures, where necessary.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (Financial Highlights, Board's report, Management Discussion and Analysis and Report on Corporate Governance) but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 and the reports of the other auditors as furnished to us (Refer paragraph 14 below), 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 and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 and consolidated cash flows, and changes in equity of the Group including its associate companies and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group

Independent Auditor's Report (Contd.)

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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies and joint venture are responsible for assessing the ability of the Group and of its associate companies 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.

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

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

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

    - Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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

Independent Auditor's Report (Contd.)

significant doubt on the ability of the Group and its associate companies 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 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 companies and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 companies and joint venture to express an opinion on the consolidated 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 financial statements of which we are the independent auditors. For the other entities included in the consolidated 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.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated 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.
12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 Matters

14. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 78.34 crores and net assets of Rs. 66.61 crores as at March 31, 2023, total revenue of Rs. 81.87 crores, total net profit after tax of Rs. 5.55 crores, and total comprehensive income of Rs. 4.38 crores for the year ended March 31, 2023, and net cash outflows amounting to Rs. 38.83 crores for the period from April 1, 2022 to March 31, 2023, as considered in the consolidated financial statements. This financial statement have been audited by other auditor whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Independent Auditor's Report (Contd.)

One of the subsidiary company whose financial statements reflect total assets of Rs. 169.56 crores and net assets of Rs. 50.72 crores as at March 31, 2023, total revenue of Rs. 51.54 crores, total net profit after tax of Rs. 6.36 crores, and total comprehensive income of Rs. 2.39 crores for the year ended March 31, 2023, and net cash outflows of Rs. 0.56 crores for the period from April 1, 2022 to March 31, 2023, as considered in the consolidated financial statements. The Consolidated financial statements also include Group's share of net loss after tax of Rs. 9.00 crores and total comprehensive loss of Rs. 9.00 crores for the year ended March 31, 2023, in respect of one joint venture, which has been audited by Sundaram and Srinivasan, one of the joint auditors of the Holding Company whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary and joint venture are based solely on the reports of the other joint auditor.

15. The consolidated financial statements also include the Group's share of net loss after tax of Rs. 2.82 crores and total comprehensive loss of Rs. 2.82 crores for the year ended March 31, 2023, as considered in the Consolidated financial statements in respect of three associate companies, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these associates companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate companies, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated 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 and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

17. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

Independent Auditor's Report (Contd.)

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture incorporated in India, none of the directors of the Group , its associate companies and joint venture incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associate companies and joint venture – Refer Note 40(a) to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2023 - Refer (a) Note 9 and 11 to the consolidated financial statements in respect of such items as it relates to the Group, its associate companies 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 and its subsidiary companies, associate companies and joint venture incorporated in India during the year.

iv. (a) The respective Managements of the Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries/ joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries/ joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries/ joint venture from any person(s) or

Independent Auditor's Report (Contd.)

entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries/ joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries/ joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act. No dividend has been declared during the year by the subsidiaries, associates or joint venture during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, associate companies and joint ventures, is applicable to the Group, associate companies and joint venture only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

18. The Group, its associate companies and joint venture have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

S. Usha
Partner
Membership No. : 211785
UDIN : 23211785BGWCVK4313

Place : Chennai
Date : May 3, 2023

For Price Waterhouse LLP
Firm Registration Number: 301112E/E300264
Chartered Accountants

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 23203637BGXOYK9948

Place : Chennai
Date : May 3, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 17f of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the consolidated financial statements as at March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Cholamandalam Investment and Finance Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to three associates namely Paytail Commerce Private Limited, Vishvakarma Payments Private Limited and White Data System India Private Limited (together referred to as "Associates") and one joint venture namely Payswiff Technologies private Limited (referred to as "Joint Venture"), pursuant to MCA notification GSR 583(E) dated June 13, 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure A to Independent Auditor's Report (Contd.)

Referred to in paragraph 17f of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the consolidated financial statements as at March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

S. Usha
Partner
Membership No. : 211785
UDIN : 23211785BGWCVK4313

Place : Chennai
Date : May 3, 2023

For Price Waterhouse LLP
Firm Registration Number: 301112E/E300264
Chartered Accountants

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 23203637BGXOYK9948

Place : Chennai
Date : May 3, 2023

Consolidated Balance Sheet

As at March 31, 2023

₹ in crores

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	7	911.85	2,698.84
Bank balances other than cash and cash equivalents	8	2,095.25	1,603.00
Derivative financial instruments	9	272.86	186.53
Receivables	10		
i) Trade receivables		99.13	71.31
ii) Other receivables		103.21	89.64
Loans	11	1,04,809.65	74,144.71
Investments			
i) Associate	46	7.64	33.03
ii) Others	12	3,110.82	1,576.43
iii) Joint Venture	46	443.41	445.59
Other financial assets	13	298.62	335.22
		1,12,152.44	**81,184.30**
Non- Financial Assets			
Current tax assets		270.10	252.00
Deferred tax assets (Net)	14	611.49	674.91
Investment property	15	0.13	0.13
Property, plant and equipment	16	374.69	242.15
Capital Work in Progress		35.74	23.03
Intangible assets under development		24.76	14.32
Other intangible assets	17	27.86	16.32
Other non-financial assets	18	107.12	71.52
		1,451.89	**1,294.38**
Asset classified as held for sale (Investment)		**22.57**	**-**
TOTAL ASSETS		**1,13,626.90**	**82,478.68**
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	9	134.27	169.56
Payables			
(I) Trade payables			
i) Total outstanding dues of micro and small enterprises	36 & 51	3.40	3.06
ii) Total outstanding dues of creditors other than micro and small enterprises		168.21	124.53
(II) Other payables			
i) Total outstanding dues of micro and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		1,064.21	720.00
Debt securities	19	19,682.41	13,321.10
Borrowings (Other than Debt securities)	20	73,186.19	52,004.52
Subordinated liabilities	21	4,488.90	3,847.88
Other financial liabilities	22	363.41	339.52
		99,091.00	**70,530.17**
Non-Financial Liabilities			
Deferred tax Liabilities (Net)		-	0.65
Provisions	23	142.22	119.68
Other non-financial liabilities	24	47.58	59.18
		189.80	**179.51**
Equity			
Equity share capital	25	164.48	164.28
Other equity	26	14,181.62	11,604.72
Total Equity		**14,346.10**	**11,769.00**
TOTAL LIABILITIES AND EQUITY		**1,13,626.90**	**82,478.68**

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

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

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

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

For and on behalf of the Board of Directors

A.J. Shaikh
Partner
Membership No. : 203637

S. Usha
Partner
Membership No. : 211785

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

Date : May 3, 2023
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ in crores

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations			
- Interest income	27A	12,082.58	9,567.35
- Fee & commission income	27B	650.70	472.54
- Net gain on fair value change on financial instrument	27C	69.73	16.11
- Sale of services	27D	81.09	84.75
Total Revenue from operations (I)		**12,884.10**	**10,140.75**
- Other income (II)	28	221.49	91.06
Total Income (III) = (I) + (II)		**13,105.59**	**10,231.81**
Expenses			
- Finance costs	29	5,748.03	4,297.66
- Impairment of financial instruments	30	849.71	880.34
- Employee benefits expense	31	1,360.37	957.20
- Depreciation and amortisation expense	15, 16 & 17	121.09	100.63
- Other expenses	32	1,411.80	1,088.38
Total Expenses (IV)		**9,491.00**	**7,324.21**
Profit before tax (V) = (III) - (IV)		**3,614.59**	**2,907.60**
Tax expense/(benefit)			
- Current tax			
- Pertaining to profit for the current period		885.55	694.52
- Adjustment of tax relating to earlier periods		0.21	0.68
- Deferred tax	14	52.16	53.51
Net tax expense (VI)		**937.92**	**748.71**
Profit for the period - A = (V) - (VI)		**2,676.67**	**2,158.89**
Share of loss from Associates (net of tax)		(2.82)	(0.96)
Share of loss from Joint Venture (net of tax)		(9.00)	(4.42)
Profit for the period		**2,664.85**	**2,153.51**
Other Comprehensive income:			
i)Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit obligations (net)		(0.28)	0.03
Income tax impact		0.07	(0.01)
Net (Loss) / gain on equity instruments designated at FVOCI for the year		(11.17)	16.47
Income tax impact		1.11	(1.41)
ii)Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cashflow Hedge Reserve		45.64	161.96
Income tax impact		(11.49)	(40.77)
Other comprehensive income/(loss) net of tax for the period (B)		**23.88**	**136.27**
Total Comprehensive Income net of tax (A) + (B)		**2,688.73**	**2,289.78**
Profit for the period attributable to :			
Equity holders of the Parent Company		2,664.85	2,153.51
Non-Controlling Interest		-	-
Other Comprehensive Income (net of tax) for the period attributable to :			
Equity holders of the Parent Company		23.88	136.27
Non-Controlling Interest		-	
Total Comprehensive Income for the period attributable to :			
Equity holders of the Parent Company		2,688.73	2,289.78
Non-Controlling Interest		-	-
Earnings per equity share of ₹ 2 each	33		
Basic (₹)		32.44	26.24
Diluted (₹)		32.38	26.19

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

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

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

A.J. Shaikh
Partner
Membership No. : 203637

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

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Date : May 3, 2023
Place : Chennai

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

1. Current reporting year

₹ in crores

A) Equity Share Capital

Balance as on March 31, 2022	Changes in Equity Share capital due to prior period errors	Restated Balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance as on March 31, 2023
164.28	0.19	**164.47**	-	**164.47**

B) Other Equity

₹ in crores

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve and Surplus: Capital Reserve	Reserve and Surplus: Securities Premium	Reserve and Surplus: Capital Redemption Reserve	Reserve and Surplus: General Reserve	Reserve and Surplus: Retained earnings	Reserve and Surplus: Statutory Reserve	Reserve and Surplus: Share Based Payments reserve	Reserve and Surplus: Debt instruments through Other Comprehensive Income	Reserve and Surplus: Equity instruments through other comprehensive income	Reserve and Surplus: Effective portion of cashflow hedge	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrants	Total
Balance as on March 31, 2022	**-**	**-**	**0.04**	**2,888.92**	**33.00**	**4,761.03**	**1,810.77**	**2,020.46**	**54.92**	**-**	**20.01**	**15.57**	**-**	**-**	**-**	**-**	**11,604.72**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	-	-	0.04	2,888.92	33.00	4,761.03	1,810.77	2,020.46	54.92	-	20.01	15.57	-	-	-	-	11,604.72
Profit for the year							2,664.85										2,664.85
Remeasurement of defined benefit plans	-	-	-	-	-	-	(0.21)		-		-	-	-	-	-	-	(0.21)
Total comprehensive income for the period, net of income tax	-		-	-	-	-			-		(10.06)	34.15	-	-	-	-	24.09
Dividend including tax	-		-	-	-	-	(164.36)		-		-	-	-	-	-	-	(164.36)
Share premium received on allotment of equity shares under ESOP				24.07													24.07
Recognition of share based payments	-		-	-	-	-	-		28.46		-	-	-	-	-	-	28.46
Transfer to Reserves from retained earnings during the period	-	-	-	-	-	1,000.00	(1,540.00)	540.00	-	-	-	-	-	-	-	-	-
Balance as on March 31, 2023	**-**	**-**	**0.04**	**2,912.99**	**33.00**	**5,761.03**	**2,771.05**	**2,560.46**	**83.38**	**-**	**9.95**	**49.72**	**-**	**-**	**-**	**-**	**14,181.62**

Consolidated Statement of Changes in Equity for the year ended March 31, 2023 (Contd.)

2. Previous reporting year

A) Equity Share Capital

₹ in crores

Balance as on March 31, 2021	Changes in Equity Share capital due to prior period errors	Restated Balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance as on March 31, 2022
164.07	-	164.07	0.21	164.28

B) Other Equity

₹ in crores

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve and Surplus: Capital Reserve	Reserve and Surplus: Securities Premium	Reserve and Surplus: Capital Redemption Reserve	Reserve and Surplus: General Reserve	Reserve and Surplus: Retained earnings	Reserve and Surplus: Statutory Reserve	Share Based Payments reserve	Debt instruments through Other Comprehensive Income	Equity instruments through other comprehensive income	Effective portion of cashflow hedge	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrants	Total
Balance as on March 31, 2021	**-**	**-**	**0.04**	**2,866.05**	**33.00**	**3,761.03**	**1,251.38**	**1,590.46**	**34.44**	**-**	**4.95**	**(105.62)**	**-**	**-**	**-**	**-**	**9,435.73**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	-	-	0.04	2,866.05	33.00	3,761.03	1,251.38	1,590.46	34.44	-	4.95	(105.62)	-	-	-	-	9,435.73
Profit for the year							2,153.51										2,153.51
Remeasurement of defined benefit plans	-	-	-	-	-	-	0.02		-		-	-	-	-	-	-	0.02
Total comprehensive income for the period, net of income tax	-		-	-	-	-	-		-		15.06	121.19	-	-	-	-	136.25
Dividend including tax	-		-	-	-	-	(164.14)		-		-	-	-	-	-	-	(164.14)
Share premium received on allotment of equity shares under ESOP				22.87													22.87
Recognition of share based payments	-		-	-	-	-	-		20.48		-	-	-	-	-	-	20.48
Transfer to Reserves from retained earnings during the period						1,000.00	(1,430.00)	430.00									-
Balance as on March 31, 2022	**-**	**-**	**0.04**	**2,888.92**	**33.00**	**4,761.03**	**1,810.77**	**2,020.46**	**54.92**	**-**	**20.01**	**15.57**	**-**	**-**	**-**	**-**	**11,604.72**

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

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

A.J. Shaikh
Partner
Membership No. : 203637

Date : May 3, 2023
Place : Chennai

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

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2023

₹ in crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Cash Flow from Operating Activities				
Profit Before Tax		**3,614.59**		**2,907.60**
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	121.09		100.63	
Impairment of financial instruments	849.71		879.94	
Finance Costs	5,748.03		4,297.66	
Loss on Sale of Property plant and equipment (Net)	0.76		0.07	
Net gain on fair value change in financial instruments	(69.73)		(16.11)	
Interest Income on bank deposits and other investments	(276.08)		(242.32)	
Dividend on Investments	(0.32)		(0.17)	
Income tax refund	-		(6.63)	
Short Term Rent Concessions	-		(1.12)	
Share based payment expense	28.46		20.48	
		6,401.92		5,032.43
Operating Profit Before Working Capital Changes		**10,016.51**		**7,940.03**
Adjustments for :-				
(Increase)/Decrease in operating Assets				
Loans	(31,514.65)		(9,185.31)	
Trade Receivables	(41.39)		(62.24)	
Other Financial Assets	36.60		232.82	
Other Non Financial Assets	(35.60)	(31,555.04)	3.28	(9,011.45)
Increase/(Decrease) in operating liabilities & Provisions				
Payables	387.95		206.25	
Other Financial liabilities	(33.11)		(24.24)	
Provisions	22.54		9.23	
Other NonFinancial liabilities	(23.80)	353.58	12.42	203.66
Cash Flow used in Operations		**(21,184.95)**		**(867.76)**
Finance Costs paid	(5,279.92)		(4,117.50)	
Dividend received	0.32		0.17	
Interest Received on Bank Deposits and Other Investments	262.18		260.85	
		(5,017.42)		(3,856.48)
		(26,202.37)		(4,724.24)
Income tax paid (Net of refunds)		(902.68)		(847.09)
Net Cash Used in Operating Activities (A)		**(27,105.05)**		**(5,571.33)**

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2023

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(176.74)	(72.88)
Capital Work in Progress	(12.71)	(23.03)
Proceeds from Sale of Property, Plant and Equipment	1.86	1.92
Investment in Bank Fixed Deposits (Net of withdrawals)	(478.35)	2,177.88
Purchase of Mutual Funds Units	(1,40,177.99)	(42,112.89)
Redemption of Mutual Funds Units	1,40,246.47	42,125.89
Investment in Joint Venture and Associate	(6.82)	(459.76)
Proceeds from Sale of Government Securities	2.14	2.41
Investment in Treasury Bill	(1,536.27)	-
Investment in Convertible Notes	(10.00)	-
Net Cash Used in Investing Activities (B)	**(2,148.41)**	**1,639.54**
Cash Flow from Financing Activities		
Proceeds from issue of Share Capital (Including Securities Premium)	24.27	23.08
Payment of Lease liabilities	(57.60)	(54.70)
Proceeds from issue of debt securities	23,257.67	9,501.40
Redemption of Debt securities	(17,192.30)	(8,434.26)
Proceeds from Borrowing other than debt securities	83,698.51	25,206.31
Repayment of borrowing - Other than debt securities	(62,741.77)	(20,599.69)
Proceeds from issue of subordinated liabilities	1,020.00	545.00
Repayment of subordinated liabilities	(378.00)	(872.70)
	27,664.11	5,346.06
Dividends Paid	(164.31)	(164.17)
Net Cash Flow From Financing Activities (C)	**27,466.47**	**5,150.27**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(1,786.99)**	**1,218.48**
Cash and Cash Equivalents at the Beginning of the Year	2,698.84	1,480.36
Cash and Cash Equivalents at the End of the Year	**911.85**	**2,698.84**

The components of cash and cash equivalents can be referred in Note 7

This is the consolidated cash flow statement referred to in our report of even date

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

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

For and on behalf of the Board of Directors

A.J. Shaikh
Partner
Membership No. : 203637

S. Usha
Partner
Membership No. : 211785

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

Date : May 3, 2023
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

1. Corporate Information

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

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

2.1 Basis of Consolidation

The Consolidated financial statements of the Group have been prepared in all material aspects to comply with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time)] and other relevant provisions of the Act.

The Consolidated financial statements have been prepared in accordance with Ind AS. 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).

The Consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated.

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

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

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

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

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

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

Consolidation procedure for subsidiaries:

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

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

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

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

If the Group loses control over a subsidiary, it:

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

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

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

3A Particulars of consolidation

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

Name of the Company	Percentage of Voting Power as on	
	March 31, 2023	March 31, 2022
Cholamandalam Securities Limited (CSEC)	100.00%	100.00%
Cholamandalam Home Finance Limited (CHFL)	100.00%	100.00%
White Data Systems India Private Limited*	30.93%	30.87%
Vishvakarma Payments Private Limited	21.00%	21.00%
Paytail Commerce Private Limited	16.29%	16.29%
Payswiff Technologies Private Limited**	74.70%	73.82%

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

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

3B Investment in Associates/Joint Venture

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

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

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

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

If an entity's share of losses of an associates & joint ventures equal or exceeds its interest in the associates & joint ventures (which includes any long-term interest that, in

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

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

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

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

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

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

4. Presentation of financial statements

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

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

5. Significant accounting policies

5.1 Financial instruments – initial recognition

5.1.1 Date of recognition

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

5.1.2 Initial measurement of financial instruments

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

5.1.3 Measurement categories of financial assets and liabilities

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

- Amortised cost
- FVTPL
- FVOCI

5.1.4 Financial assets and liabilities

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

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

The details of these conditions are outlined below.

5.1.4.1.1 Business model assessment

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

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

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

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

5.1.4.1.2 The SPPI test

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

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

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

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

5.1.5 Investment in Mutual funds and Convertible note

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

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

5.1.6 Equity instruments

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

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

5.1.7 Debt securities and other borrowed funds

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

5.1.8 Undrawn loan commitments

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

5.1.9 Reclassification of financial assets and liabilities

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

5.2 Modification and Derecognition of financial assets and liabilities

5.2.1 Modification of financial assets

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

5.2.1 Derecognition of financial assets

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

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

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

Or

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

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

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

A transfer only qualifies for derecognition if either:

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

Or

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

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

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

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 re-assessed at the end of every reporting period.

5.2.2. Financial liabilities

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

5.3 Impairment of financial assets

5.3.1 Overview of the ECL principles

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

Loans

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

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

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

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

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

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

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

Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs

The calculation of ECLs

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

The key elements of the ECL are summarised below:

Probability of Default ("PD"):

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

E**xposure At Default ("EAD"):**

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

Loss Given Default ("LGD"):

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment:

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

5.3.2 Forward looking information

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

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

5.4 Collateral repossessed

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

5.5 Write-offs

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

5.6 Restructured, rescheduled and modified loans

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

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

5.7 Derivative and Hedge accounting

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

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

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

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

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

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

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

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

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

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

5.8 Recognition of interest income

5.8.1 The effective interest rate method

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

Interest Income

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

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For the year ended March 31, 2023

5.9 Taxes

5.9.1 Current Tax

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

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

5.9.2 Deferred Tax

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

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

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

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

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

5.10 Investment Property

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

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

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

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

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

5.11 Property, plant and equipment

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

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

Asset Description	Estimated Useful Life
Buildings	60 years
Computer Equipment	3 years
Other Equipment	5 years
Leasehold improvements	Lease Period or 5 years, whichever is lower

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

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

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

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

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

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

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

5.12 Intangible assets

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

5.13 Impairment of non–financial assets

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

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

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

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

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

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

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

5.14 Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined contribution plans such as provident fund

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

a) Defined Contribution Scheme

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

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

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

b) Defined Benefit Scheme

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

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

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

- The date of the plan amendment or curtailment, and

The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group

Notes forming part of the Consolidated Financial Statements (Contd.)

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recognises the following changes in the net defined benefit obligation as an expense in the Consolidated statement of profit and loss:

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

(iii) Other employee benefits

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

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

5.15 Share Based Payments

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

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

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

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

5.16 Provisions and Contingent liabilities

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

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

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

5.16.1 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.

5.17 Dividends on ordinary shares

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

5.18 Determination of Fair value

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

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

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

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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.

5.19 Recognition of Income

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

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

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

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

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

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

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

5.19.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

5.19.2 Fee Income & Sale of Services

a) Fee income from loans are recognised upon satisfaction of following:

   i) Completion of service

   ii) and realisation of the fee income.

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

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

d) Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

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5.20 Dividend Income

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

5.21 Input Tax credit (Goods and Service Tax)

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

5.22 Foreign Currency transactions

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

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

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

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

5.23 Earnings Per Share

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

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

5.24 Segment Information

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

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

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

5.25 Cash and Cash equivalents

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

5.26 Cash Flow Statement

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

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

5.27 Leases

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

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding

Notes forming part of the Consolidated Financial Statements (Contd.)

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

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

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

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

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

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

5.28 Trade receivable

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

6A. Significant accounting judgements, estimates and assumptions

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

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

i) Business Model Assessment

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

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

Refer Note 5.1.4.1.1 for related details.

ii) Fair value of financial instruments

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

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iii) Impairment of financial asset

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

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

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

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

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

iv) Leases

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

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

b. Estimating the incremental borrowing rate

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

v) Provisions and other contingent liabilities

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

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

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

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

Proceeds before intended use of property, plant and equipment

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

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

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

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

Onerous Contracts – Cost of fulfilling a contract

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

(iii) Ind AS 103, Business combinations

References to the conceptual framework

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

(iv) Ind AS 109, Financial Instruments

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

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

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

Subsidiary as a first-time adopter

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

(vi) Ind AS 41, *Agriculture*

Taxation in fair value measurements

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

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

6C. New amendments issued but not effective

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

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

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

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

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

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

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

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

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 7 CASH AND CASH EQUIVALENTS		
Cash on hand	10.98	16.03
Balances with banks		
- In Current Accounts	228.96	117.00
- In Deposit Accounts - Original maturity 3 months or less	650.21	2,539.36
Cheques, drafts on hand	21.70	26.45
Total	**911.85**	**2,698.84**

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 8 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
- In Deposit Accounts - Original maturity more than 3 months	1,017.21	1,083.02
- Non current bank balances	44.11	40.80
- In earmarked accounts		
- Margin account for derivatives	52.27	139.13
- In Unpaid Dividend Accounts	0.76	0.71
- Deposits with Banks as collateral towards securitisation loan	980.37	339.07
- Escrow account on unclaimed debentures	0.45	0.19
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	0.08	0.08
Total	**2,095.25**	**1,603.00**

₹ in crores

Particulars	As at March 31, 2023			As at March 31, 2022		
	Notional amounts	Fair Value -Assets	Fair Value -Liabilites	Notional amounts	Fair Value -Assets	Fair Value -Liabilites
Note : 9 DERIVATIVE FINANCIAL INSTRUMENTS						
Part I						
(i) Other derivatives - Cross Currency Interest Rate Swap	2,541.18	147.42	-	1,897.23	108.09	-
(ii) Overnight Index Swaps	-	4.73	5.59	-	-	2.82
(iii) Forward Contracts	1,933.08	120.71	128.68	1,948.90	78.44	166.74
Total Derivative financial Instruments	**4,474.26**	**272.86**	**134.27**	**3,846.13**	**186.53**	**169.56**
Part II						
Included in above (Part I) are derivatives held for hedging and r isk management purposes as follows:						
(i) Cash flow hedging:						
Others - Cross currency interest rate swap	2,541.18	147.42	-	1,897.23	108.09	-
(ii) Overnight Index Swaps	-	4.73	5.59	-	-	2.82
(iii) Forward Contracts	1,933.08	120.71	128.68	1,948.90	78.44	166.74
Total Derivative financial Instruments	**4,474.26**	**272.86**	**134.27**	**3,846.13**	**186.53**	**169.56**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 9 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

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

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

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 10 RECEIVABLES		
(i) Trade Receivables		
Secured - Considered good*	8.25	31.89
Unsecured - Considered good	92.05	39.44
	100.30	71.33
Provision for Impairment on receivables	(1.17)	(0.02)
	99.13	71.31
Trade Receivables credit impaired	0.51	0.48
Provision for Impairment on receivables	(0.51)	(0.48)
Total Trade receivables		
Considered good	100.30	71.33
Trade Receivables credit impaired	0.51	0.48
Total	**100.81**	**119.33**
Provision for Impairment on receivables	(1.68)	(0.50)
Subtotal (i)	**99.13**	**71.31**
(ii) Other Receivables		
Considered Good*	103.21	89.64
Subtotal (ii)	**103.21**	**89.64**
Total (i)+(ii)	**202.34**	**160.95**

*Includes dues from related parties(Refer Note 39) and Refer Note 51 - Part 1 for ageing

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

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 11 LOANS (At amortised cost)		
(A)		
(i) Bills Discounted	926.85	370.99
(ii) Term loans	1,06,211.72	76,102.40
Total (A) - Gross	**1,07,138.57**	**76,473.39**
Less: Impairment Allowance for (i) & (ii)	(2,328.92)	(2,328.68)
Total (A) - Net	**1,04,809.65**	**74,144.71**
(B)		
(i) Secured	99,861.79	75,081.01
(ii) Unsecured	7,276.78	1,392.38
Total (B) - Gross	**1,07,138.57**	**76,473.39**
Less: Impairment Allowance	(2,328.92)	(2,328.68)
Total (B) - Net	**1,04,809.65**	**74,144.71**

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

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 11 LOANS (At amortised cost) (Contd.)

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Loan - Oustanding Value		
White Data System India Private Limited - Associate	-	3.00
Impairment Provision		
White Data System India Private Limited - Associate	-	0.01

Note : 11.1 LOANS

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

₹ in crores

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bills discounted								
Opening as on April 1, 2022	332.91	0.39	37.69	370.99	2.71	0.04	34.78	37.53
New assets originated	915.77	3.98	2.58	922.33	7.48	0.40	0.75	8.63
Exposure de-recognised /Matured/Repaid	(332.37)	(0.15)	(0.64)	(333.16)	(2.69)	(0.02)	(0.01)	(2.72)
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	(0.63)	(0.24)	0.87	-	(0.01)	(0.03)	0.03	(0.01)
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	0.21	0.21
Impact of changes on items within the same stage	-	-	-	-	-	-	2.90	2.90
Write off	-	-	(33.31)	(33.31)	-	-	(33.31)	(33.31)
Closing as on March 31, 2023	**915.68**	**3.98**	**7.19**	**926.85**	**7.49**	**0.39**	**5.35**	**13.23**
Term loans								
Opening as on April 1, 2022	66,984.70	5,817.08	3,305.12	76,106.90	340.20	659.58	1,291.37	2,291.15
New assets originated	57,378.00	252.29	247.38	57,877.67	261.16	29.58	52.06	342.80
Exposure de-recognised /Matured/Repaid	(23,876.52)	(2,200.24)	(1,328.98)	(27,405.74)	(312.60)	(206.80)	(272.11)	(791.51)
Transfer to Stage 1	1,304.33	(1,195.29)	(109.04)	-	162.67	(128.33)	(34.34)	-
Transfer to Stage 2	(1,983.66)	2,084.21	(100.55)	-	(12.48)	43.30	(30.82)	-
Transfer to Stage 3	(780.63)	(665.16)	1,445.79	-	(5.15)	(80.55)	85.70	-
Impact on account of exposures transferred during the year between stages	1.32	4.09	39.45	44.86	0.01	138.85	330.69	469.55
Impact of changes on items within the same stage	272.18	21.58	98.50	392.26	8.36	5.51	319.76	333.63
Write off*	(241.51)	(179.46)	(383.26)	(804.23)	(4.98)	(59.30)	(265.65)	(329.93)
Closing as on March 31, 2023	**99,058.21**	**3,939.10**	**3,214.41**	**1,06,211.72**	**437.19**	**401.84**	**1,476.66**	**2,315.69**
Bills Discounted								
Opening as on April 1, 2021	96.78	-	37.39	134.17	0.57	-	34.34	34.91
New assets originated	332.90	0.39	-	333.29	2.70	0.04	-	2.74
Exposure de-recognised /Matured/Repaid	(93.32)	-	(3.15)	(96.47)	(0.75)	-	(2.21)	(2.96)
Transfer to Stage 1	0.71	-	(0.71)	-	0.21	-	(0.21)	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	(4.16)	-	4.16	-	(0.02)	-	0.02	-
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	1.18	1.18
Impact of changes on items within the same stage (net)	-	-	-	-	-	-	1.66	1.66
Closing as on March 31, 2022	**332.91**	**0.39**	**37.69**	**370.99**	**2.71**	**0.04**	**34.78**	**37.53**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 11.1 LOANS (Contd.)

₹ in crores

	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, 2021	61,250.86	4,231.11	2,667.62	68,149.59	536.73	709.63	1,163.15	2,409.51
New assets originated	32,215.57	137.08	84.64	32,437.29	169.17	13.59	11.82	194.58
Exposure de-recognised /Matured/Repaid	(20,991.67)	(2,163.87)	(785.80)	(23,941.34)	(366.43)	(262.55)	(152.11)	(781.09)
Transfer to Stage 1	507.81	(392.78)	(115.03)	-	101.06	(68.01)	(33.05)	-
Transfer to Stage 2	(4,776.09)	4,832.89	(56.81)	(0.01)	(74.37)	90.24	(15.87)	-
Transfer to Stage 3	(1,110.57)	(703.02)	1,813.59	-	(21.81)	(123.10)	144.91	-
Impact on account of exposures transferred during the year between stages	1.17	48.88	77.06	127.11	-	384.27	440.58	824.85
Impact of changes on items within the same stage	198.39	32.05	99.30	329.74	13.11	2.18	116.17	131.46
Write off*	(310.77)	(205.26)	(479.45)	(995.48)	(17.26)	(86.67)	(384.23)	(488.16)
Closing as on March 31, 2022	**66,984.70**	**5,817.08**	**3,305.12**	**76,106.90**	**340.20**	**659.58**	**1,291.37**	**2,291.15**

ECL across stages have been computed on collective basis.
The Group uses Days past due of the customer to determine the credit quality of loans
*Total write off includes Loss on disposal of repossessed vehicles - ₹ 566.57 crores for the year ended March 31, 2023 (₹ 601.24 crores - March 31, 2022)

Note : 11.2 Overdue greater than 90 days as on March 31, 2023

₹ in crores

No. of cases	Principal outstanding	Overdue Instalments*
As on March 31,2023		
1,22,022	2,117.71	1,258.70
As on March 31,2022		
87,914	2,032.29	1,488.89

*Overdue instalments includes principal amount overdue and interest overdue

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 12 INVESTMENTS		
Investment in Equity Instruments*		
**a) Unquoted - FVOCI ** **		
Amaravathi Sri Venkatesa Paper Mills Limited 293,272 Equity shares of ₹ 10 each fully paid up#	1.29	1.29
Less: Provision for Dimunition in value of Investment	(1.29)	(1.29)
Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up#	-	-
The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up#	-	-
Abhishek Co-operative Housing Society 5 shares of ₹ 50 each : Cost ₹ 250 only #	-	-
Chennai Willingdon Corporate Foundation 5 shares of ₹ 10 each: cost ₹ 50 only#	-	-
Chola Insurance Services Private Ltd. 19,133 Equity shares of ₹10 each fully paid up	0.02	0.02
Madras Enterprises Private Limited 30,286 equity shares of ₹10 each fully paid up	0.05	0.05
MSE Financial Ltd 4,10,400 Equity shares of ₹ 1 each fully paid up	0.05	0.04
b) Quoted - FVOCI		
Bombay Stock Exchange Limited 1,95,000 Equity shares of ₹ 2 each fully paid up March 31, 2021 - 65000 Equity Shares	8.40	18.41
Coromandel Engineering Co. Ltd 25,00,100 Equity shares of ₹ 10 each fully paid up	7.25	8.43
c) Investment in mutual funds - FVTPL		
Aditya Birla Sunlife Liquid fund Growth - 42,836.260 units @ Rs. 353.7440 each)	0.50	-
d) Unquoted - FVTPL		
Faering Capital India Evolving Fund 21,662 units of ₹10 each fully paid up	6.02	6.00
e) Investment in Government Securities - amortised cost (Issued by Government of India)	1,541.34	1,543.48

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 12 INVESTMENTS (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
f) Investment in Treasury Bill - amortised cost	1,536.27	-
g) Investment in Convertible Note of Paytail commerce Private Limited (Refer Note-2) - FVTPL	10.92	-
Total	**3,110.82**	**1,576.43**

*Investments are made in India
** The Group has designated certain unquoted investments as FVOCI on the basis that these are not held for trading.
# represents amount less than ₹ 1 crore.

Asset classified as held for sale (Investment)

White Data System India Private Limited 12,75,917 Equity shares of ₹ 10 each fully paid up (Refer Note-1)	**22.57**	**-**
	22.57	**-**

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

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

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 13 OTHER FINANCIAL ASSET		
At amortised cost		
Unsecured - considered good (unless otherwise stated)		
Security deposits	62.47	38.63
Interest only strip receivable	218.30	289.37
Other advances	17.91	7.22
Gross Total	**298.68**	**335.22**
Less: Impairment Allowance	(0.06)	-
Net Total	**298.62**	**335.22**

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 14 DEFERRED TAX		
Deferred Tax Assets		
Impairment allowance for financial instruments	566.38	575.01
Provision for Contingencies and undrawn commitments	12.92	10.25
Provision for Compensated Absences and Gratuity	22.77	21.44
Impact of Effective interest rate adjustment on Financial Assets	4.76	45.83
Difference in depreciation as per Books of Accounts and Income Tax Act, 1961	15.65	16.26
Carry forward of tax losses	0.65	0.65
MAT credit entitlement	2.78	3.10
Others	0.35	7.06
(A)	**626.26**	**679.60**
Deferred Tax Liability		
Impact of Effective interest rate adjustment on Financial Liabilities	1.16	1.63
Fair Valuation of Investment	1.95	2.24
Items recognised in OCI	10.76	1.47
Others	0.90	-
(B)	**14.77**	**5.34**
Net Deferred Tax Assets (A) - (B)	**611.49**	**674.26**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 14 DEFERRED TAX (Contd.)

₹ in crores

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Income Statement	OCI	Income Statement	OCI
Deferred Tax Assets				
Impairment allowance for financial instruments	8.63	-	39.70	-
Provision for Contingencies and undrawn commitments	(2.67)	-	1.07	-
Provision for Compensated Absences and Gratuity	(1.33)	0.12	(3.32)	-
Impact of Effective interest rate adjustment on Financial Assets	41.07	-	16.98	-
Difference in depreciation as per Books of Accounts and Income Tax Act, 1961	0.61	-	(0.22)	-
Carry forward of tax losses and MAT entitlement credit	0.32	-	(3.89)	-
Others	4.59	-	1.93	-
(A)	**51.22**	**0.12**	**52.25**	**-**
Deferred Tax Liability				
Impact of Effective interest rate adjustment on Financial Liabilities	0.47	-	0.98	-
Fair Valuation of Investment	0.29	-	(2.24)	-
Re-measurement gains / (losses) on defined benefit plans (Net)	-	0.07	-	(0.01)
Net (Loss)/gain on equity instrument designated at FVOCI	-	1.11	-	(1.41)
Cashflow Hedge Reserve	-	11.49	-	(40.77)
(B)	**0.76**	**12.67**	**(1.26)**	**(42.19)**
Net deferred tax charge / (reversal) (A) - (B)	**50.46**	**(12.55)**	**53.51**	**42.19**

₹ in crores

Particulars	Total
Note : 15 INVESTMENT PROPERTIES	
Gross carrying amount as at April 1, 2021	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2022	**0.14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2023	**0.14**
Accumulated depreciation and impairment	
Balance as at April 1, 2021	0.01
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2022**	**0.01**
Depreciation for the period	-
Depreciation on disposals	-
Balance as at March 31, 2023**	**0.01**
Net Carrying amount	
As at March 31, 2022	**0.13**
As at March 31, 2023	**0.13**
Useful Life of the asset (In Years)	60
Method of depreciation	Straight line method

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

** represents amount less than ₹ 1 crore

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 15 INVESTMENT PROPERTIES (Contd.)

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

₹ in crores

Particulars	Year ended March31, 2023	Year ended March31,2022
Rental Income	0.05	0.05
Direct Operating expense from property that generated rental income	0.01	0.01
Direct Operating expense from property that did not generate rental income	-	-

ii) Contractual obligations

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

iii) Leasing Arrangements

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

iv) Fair Value

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Investment Property	3.20	3.09

v) Sensitivity analysis

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value (₹ in crores)	Sensitivity (₹ in crores)
Investment property As at March 31 2023	Professional valuer	Price per Sq. feet	₹7,000 - ₹13,000 per Sq. feet	5%	3.20	0.16
Investment property As at March 31 2022	Professional valuer	Price per Sq. feet	₹7,000 - ₹13,000 per Sq. feet	5%	3.09	0.15

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

₹ in crores

Particulars	Freehold Land	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Buildings (Refer Note below) Own Assets	Buildings (Refer Note below) Right of Use Asset	Total
Note : 16 PROPERTY, PLANT AND EQUIPMENT									
Gross carrying amount as at April 1, 2021	**39.56**	**98.13**	**29.93**	**25.38**	**51.69**	**17.96**	**23.05**	**168.15**	**453.85**
Additions	-	38.46	2.64	2.08	3.48	10.17	-	70.41	127.24
Disposals	-	5.52	0.39	0.10	0.16	5.60	-	6.93	18.70
Gross carrying amount as at March 31, 2022	**39.56**	**131.07**	**32.18**	**27.36**	**55.01**	**22.53**	**23.05**	**231.63**	**562.39**
Additions	-	51.59	5.48	2.60	10.86	71.67	-	103.39	245.59
Disposals	-	6.61	2.48	2.63	4.65	9.47	-	0.71	26.55
Gross carrying amount as at March 31, 2023	**39.56**	**176.05**	**35.18**	**27.33**	**61.22**	**84.73**	**23.05**	**334.31**	**781.43**
Accumulated depreciation / amortisation and impairment									
Balance as at April 1, 2021	**-**	**72.88**	**19.82**	**20.14**	**33.78**	**8.38**	**1.66**	**88.93**	**245.59**
Depreciation for the year	-	20.27	4.87	3.38	8.51	3.95	0.41	44.70	86.09
Depreciation on disposals	-	5.35	0.25	0.10	0.14	3.94	-	1.66	11.44
Balance as at March 31, 2022	**-**	**87.80**	**24.44**	**23.42**	**42.15**	**8.39**	**2.07**	**131.97**	**320.24**
Depreciation for the period	-	29.06	4.70	3.64	8.46	7.11	0.43	55.59	108.99
Depreciation on disposals	-	6.58	2.44	2.62	4.61	5.80	-	0.44	22.49
Balance as at March 31, 2023	**-**	**110.28**	**26.70**	**24.44**	**46.00**	**9.70**	**2.50**	**187.12**	**406.74**
Net Carrying amount									
As at March 31, 2022	**39.56**	**43.27**	**7.74**	**3.94**	**12.86**	**14.14**	**20.98**	**99.66**	**242.15**
As at March 31, 2023	**39.56**	**65.77**	**8.48**	**2.89**	**15.22**	**75.03**	**20.55**	**147.19**	**374.69**
Useful Life of the asset (In Years)		3	5	5	upto 5	5	60	upto 5	
Method of depreciation				Straight-line method					

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 16 PROPERTY, PLANT AND EQUIPMEN (Contd.)

Note

1. Details of Immovable properties of land and buildings, whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security, has been explained in Note 19.1
2. The Group has elected to include ROU assets pertaining to lease of buildings as part of the Property, plant and equipment as permitted under paragraph 47 of Ind AS 116.
3. The Title Deeds of the Immovable Properties mentioned above are in the name of the Group
4. Group has not carried out any revaluation of property, plant and equipment during the year ended March 31, 2023

₹ in crores

Particulars	Computer Software
Note : 17 INTANGIBLE ASSETS	
Gross carrying amount as at March 31, 2021	**80.44**
Additions	11.64
Disposals	-
Gross carrying amount as at March 31, 2022	**92.08**
Additions	23.73
Disposals	0.09
Gross carrying amount as at March 31, 2023	**115.72**
Accumulated Amortization and impairment	
Balance as at April 1, 2021	**61.24**
Amortization for the year	14.52
Amortization on disposals	-
Balance as at March 31, 2022	**75.76**
Amortization for the period	12.10
Amortization on disposals	-
Balance as at March 31, 2023	**87.86**
Net Carrying amount	
As at March 31, 2022	**16.32**
As at March 31, 2023	**27.86**
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 18 OTHER NON FINANCIAL ASSETS		
Unsecured - considered good		
Prepaid expenses	31.56	24.95
Capital advances	21.12	1.44
Other assets	42.00	33.27
GST Input Credit	12.44	11.86
Total	**107.12**	**71.52**

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 19 DEBT SECURITIES (at amortised cost)		
Redeemable Non-Convertible Debentures		
Medium-Term - Secured	15,340.63	10,529.95
Medium-Term - Unsecured	25.00	25.00
Commercial Papers - Unsecured	4,316.78	2,766.15
Total	**19,682.41**	**13,321.10**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 19 DEBT SECURITIES (at amortised cost) (Contd.)

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, Loan against property, Bills discounted and other loans and *pari passu* charge on immovable property situated at Chennai.

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

19.2 Details of Debentures - Contractual principal repayment value

(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, 2023 ₹ in crores	March 31, 2022		
4,550	10,00,000	455.00	-	May-27	7.95
2,750	10,00,000	275.00	-	Apr-27	7.50
2,700	10,00,000	270.00	270.00	Mar-27	7.30
250	10,00,000	25.00	25.00	Nov-26	8.55
7,000	10,00,000	700.00	-	Apr-26	7.32
60,200	1,00,000	602.00	-	Mar-26	8.50
8,000	10,00,000	800.00	-	Jan-26	7.9217
6,050	10,00,000	605.00	-	Dec-25	8.30
5,000	10,00,000	500.00	-	Nov-25	8.45
5,000	10,00,000	500.00	500.00	Jul-25	7.92
4,974	10,00,000	497.40	497.40	Mar-25	7.08
2,000	10,00,000	200.00	200.00	Feb-25	5.85
8,600	10,00,000	1,360.00	860.00	Dec-24	5.57 to 6.30
1,500	10,00,000	350.00	150.00	Oct-24	6.80
4,000	10,00,000	400.00	400.00	Aug-24	5.53 to 5.58
6,000	10,00,000	1,600.00	600.00	Jul-24	5.46 to 7.38
1,500	10,00,000	1,150.00	150.00	Apr-24	8.6179
6,850	10,00,000	1,005.00	685.00	Feb-24	6.25 to 6.45
5,500	10,00,000	550.00	550.00	Dec-23	6.10
6,023	10,00,000	602.30	602.30	Sep-23	5.58 to 8.80
1,990	10,00,000	199.00	199.00	Aug-23	9.06
9,000	10,00,000	900.00	900.00	May-23	5.70 to 7.50
3,250	10,00,000	325.00	325.00	Apr-23	6.26
8,000	10,00,000	-	800.00	Mar-23	5.85 to 5.68
3,350	10,00,000	-	335.00	Feb-23	5.70 to 7.41
5,900	10,00,000	-	590.00	Dec-22	5.48 to 7.98
6,150	10,00,000	-	615.00	Nov-22	5.45 to 8.00
3,523	10,00,000	-	352.30	Sep-22	8.70
2,000	10,00,000	-	200.00	Jun-22	7.20
		13,870.70	**9,806.00**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 19 DEBT SECURITIES (at amortised cost) (Contd.)

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

₹ in crores

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Due date of redemption	Redemption price ₹	Premium ₹
1000	10,00,000	100.00	100.00	Mar-27	14,22,599	4,22,599
1250	10,00,000	125.00	125.00	Jul-25	14,61,481	4,61,481
850	10,00,000	85.00	85.00	Jul-25	13,53,045	3,53,045
5000	10,00,000	500.00	-	Jun-25	12,56,740	2,56,740
500	10,00,000	-	50.00	Jan-23	12,54,470	2,54,470
250	10,00,000	25.00	25.00	Dec-24	12,93,960	2,93,960
350	10,00,000	35.00	35.00	Oct-24	13,01,025	3,01,025
		870.00	**420.00**			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Due date of redemption	Put option date	Rate of interest %
10	10,00,000	1.00	1.00	Aug-23	Jul-21	9.06
		1.00	**1.00**			

(iv) UnSecured Redeemable Non-Convertible Debentures - Redeemable at par - No Put Call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Due date of redemption	Put option date	Rate of interest %
10	10,00,000	25.00	25.00	Jul-23		9.06
		25.00	**25.00**			

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 20 BORROWINGS (Other than Debt Securities) at amortised cost		
A) Term Loans		
(i) (a) From Banks - Secured		
- Rupee Loans	52,660.23	41,873.73
- Foreign currency Loans	827.99	615.77
- External Commercial Borrowings	1,525.88	1,945.43
(b) From Banks - Unsecured		
- Short term loans	200.00	-
ii) From Other Parties - Secured		
(a) Financial Institutions - Rupee Loans	4,307.15	1,538.94
(b) External Commercial Borrowings	1,276.71	1,442.85
(c) Securitisation - Rupee Loans	9,982.57	3,433.06
B) Loan repayable on demand - Secured from Banks - Rupee Loans (Refer Note 8 and 20.1(vi))	2,405.66	1,154.74
Total	**73,186.19**	**52,004.52**
Borrowings within India	70,383.60	48,616.24
Borrowings Outside India	2,802.59	3,388.28

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 20 BORROWINGS (Contd.)

20.1 Security

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

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

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

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

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

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

20.2 Details of term loans - Contractual principal repayment value

₹ in crores

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2023	Amount outstanding March 31, 2022
Base Rate / MCLR	< 1year	1	600.00	1,400.00
		2	300.00	1,987.50
		3	841.67	-
		4	757.78	877.56
		8	-	500.00
	1 - 2 years	1	50.00	600.00
		2	-	1,100.00
		4	2380.00	815.06
		8	-	500.00
	2 - 3 years	1	237.50	50.00
		2	-	800.00
		3	-	77.96
		4	1430.00	511.11
	3 - 4 years	1	-	50.00
		3	-	45.00
		4	552.22	251.11
	4 - 5 years	1	-	-
		2	50.00	-
		3	241.67	-
		4	130.00	-
	> 5 Years	1	12.50	-
Base Rate/ MCLR + spread (0.10)	< 1year	1	1600.00	600.00
		2	250.00	250.00
		4	600.00	-
	1 - 2 years	1	1000.00	600.00
		2	-	250.00
		3	375.00	-
		4	100.00	-
	2 - 3 years	1	1000.00	-
		4	100.00	-
	3 - 4 years	4	100.00	-
	4- 5 years	3	75.00	-
Rate based on T Bill + Spread	< 1 year	1	2250.00	1715.50
		2	-	225.00
		3	125.00	60.00
		4	3964.78	1413.52

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

20.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in crores

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2023	Amount outstanding March 31, 2022
		8	500.00	-
		12	200.00	200.00
	1 - 2 years	1	1550.00	1460.00
		3	137.96	125.00
		4	3080.83	2137.26
		12	200.00	200.00
	2 - 3 years	1	1800.00	1080.00
		2	285.71	-
		3	45.00	435.00
		4	2249.40	1057.26
		9	150.00	-
		12	-	200.00
	3 - 4 years	1	1657.14	880.00
		2	349.29	285.71
		4	410.83	285.83
		9	-	150.00
	4 - 5 years	1	615.00	923.75
		2	100.00	-
		4	-	110.83
Fixed Rate	< 1year	1	333.00	200.00
		2	222.22	100.00
		4	772.72	530.40
	1 - 2 years	1	1516.33	333.00
		2	222.22	100.00
		3	102.20	-
		4	636.32	380.40
	2 - 3 years	1	1684.00	1516.33
		2	222.22	221.00
		3	-	102.20
		4	636.32	-
	3 - 4 years	1	1350.00	1517.33
		2	222.22	100.00
		4	636.32	-
	4 - 5 years	1	277.78	1183.33
		4	636.32	-
	> 5 Years	1	113.77	-
		2	91.00	-
Repo	< 1year	1	458.33	233.33
		2	400.00	829.40
		3	33.33	243.33
		4	3232.88	1132.86
		6	416.67	-
		8	-	360.00
		12	-	833.33
	1 - 2 years	1	601.19	233.33
		2	1121.00	300.00

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

20.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in crores

Rate of Interest	Maturity	Instalments	Amount outstanding* March 31, 2023	March 31, 2022
		3	251.79	33.33
		4	2581.74	2516.66
		6	-	416.67
	2 - 3 years	1	-	601.19
		2	1000.00	150.00
		3	18.75	251.79
		4	1896.02	2124.51
	3-4 years	1	43.75	-
		2	760.00	150.00
		3	794.20	18.75
		4	642.22	1438.80
	4 - 5 years	1	425.00	35.00
		2	211.11	10.00
		3	-	794.20
		4	-	220.00
	> 5 Years	1	-	50.00
Overnight MIBOR	< 1year	1	70.56	-
	1 - 2 years	2	111.11	-
	2 - 3 years	2	111.11	-
	3 - 4 years	2	111.11	-
	4 - 5 years	2	111.11	-
Total			**57,532.22**	**43,470.43**
3M MIBOR + Spread	< 1year	1	-	75.00
USD 3M LIBOR + Spread	< 1year	4	233.85	215.70
	1-2 years	4	233.85	215.70
	2-3 years	4	233.85	215.70
	3-4 years	4	233.85	215.70
	4 - 5 years	4	233.85	215.70
	>5 Years	5	58.47	269.63
USD 6M LIBOR + Spread	< 1year	1	-	1,364.18
	1-2 years	1	755.92	-
	2-3 years	1	-	697.25
USD 6M SOFR + Spread	2 - 3 years	1	821.65	-
USD 3M SOFR + Spread	< 1year	1	828.89	-
USD 12M LIBOR + Spread	< 1year	1	-	615.28
Total			**3,634.18**	**4,099.84**

The Group has raised funds in the form of Foreign Currency Loans/ External Commercial Borrowings whose interest payments are benchmarked to LIBOR rates.

The maturity of some of those contracts are beyond June 2023 (IBOR Transition date). Based on the assessment performed by the Group, no significant impact is assessed on those contracts upon this transition

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

20.2 Details of term loans - Contractual principal repayment value (Contd.)

Details of Securitised loan

₹ in crores

Rate of Interest	Maturity	Amount outstanding* March 31, 2023	March 31, 2022
	Less than 1 year	3975.72	1426.19
Fixed	1-2 year	3052.67	838.30
(4.9% to 8%)	2-3 year	1771.34	383.37
	3-4 year	690.48	130.14
	4-5 year	72.07	30.94
	more than 5 years	51.71	80.55
Total		**9,613.99**	**2,889.49**
	Less than 1 year	46.32	67.79
Floating	1-2 year	41.92	58.04
Base Rate/ MCLR - spread	2-3 year	43.09	60.95
(0.75% to 2.65%)	3-4 year	41.08	60.88
	4-5 year	34.34	56.3
	more than 5 years	144.73	237.34
Total		**351.48**	**541.30**

* 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.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 21 SUBORDINATED LIABILITIES (at amortised cost)		
Perpetual Debt - Unsecured	1,529.40	1,328.99
Subordinated Debt - Unsecured		
a) Rupee Denominated Bonds	407.94	407.36
b) Other Subordinated Debts	2,551.56	2,111.53
Total	**4,488.90**	**3,847.88**

(i) All Subordinated liabilities have been contracted in India except for Rupee denominated bonds.

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

21.1 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 March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Due date of redemption	Rate of interest %
290	1,00,00,000	290.00	-	Dec-32	8.65
150	1,00,00,000	150.00	150.00	Feb-32	8.10
200	1,00,00,000	200.00	200.00	Oct-31	7.90
400	1,00,00,000	400.00	400.00	Jan-30	9.25
4000	5,00,000	200.00	-	Oct-29	9.00
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
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	Dec-22	11.05 to 11.25
		2,860	**2,430**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

21.1 Details of Subordinated Liabilities - Contractual principal repayment value (Contd.)

(ii) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt -Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Due date of redemption	Redemption price ₹	Premium ₹
150	10,00,000	15.00	15.00	Nov-23	17,57,947	7,57,947
		15.00	**15.00**			

(iii) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at March 31, 2023 ₹ in crores	Balance as at March 31, 2022 ₹ in crores	Maturity Date - Perpetual #	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
340	5,00,000	17.00	-	Mar-33	9.40
460	5,00,000	23.00	-	Mar-33	9.40
6000	5,00,000	300.00	-	Mar-33	9.45
400	5,00,000	20.00	-	Jan-33	9.15
400	5,00,000	20.00	-	Dec-32	9.15
21	1,00,00,000	21.00	-	Oct-32	9.15
480	5,00,000	24.00	-	Sep-32	9.15
1200	5,00,000	60.00	-	Aug-32	9.15
45	1,00,00,000	45.00	-	May-32	9.20
25	1,00,00,000	25.00	25.00	Mar-32	9.10
30	1,00,00,000	30.00	30.00	Sep-31	8.98
40	1,00,00,000	40.00	40.00	Jul-31	9.05
100	1,00,00,000	100.00	100.00	May-31	9.2
2000	5,00,000	100.00	100.00	Mar-31	9.25
900	5,00,000	45.00	45.00	Nov-30	9.30
1000	5,00,000	50.00	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	Feb-23	12.80
1450	10,00,000	-	145.00	Dec-22	12.70 to 12.80
860	5,00,000	-	43.00	Sep-22	12.75
2000	5,00,000	-	100.00	Aug-22	12.90
		1,501.00	**1,289.00**		

Group can redeem using Call option on the maturity date with prior approval of RBI.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 22 OTHER FINANCIAL LIABILITIES		
Unpaid dividend	0.76	0.71
Advance from customers	42.80	33.23
Security deposits received	4.83	3.43
Collections towards derecognised assets pending remittance	111.00	178.37
Lease liability (Refer Note 49)	166.89	110.36
Other liabilities	37.13	13.42
Total	**363.41**	**339.52**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 23 PROVISIONS		
Provision for Employee Benefits		
Compensated absences(Refer Note 37)	90.90	78.95
	90.90	78.95
Other Provisions		
Provision for contingencies and service tax claims (Refer Note 41)	39.53	39.53
Provision for expected credit loss towards undrawn commitments (Refer note 41)	11.79	1.20
	51.32	40.73
Total	**142.22**	**119.68**

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 24 OTHER NON FINANCIAL LIABILITIES		
Income received in advance	2.96	6.07
Statutory liabilities	40.11	46.70
Others	4.51	6.41
Total	**47.58**	**59.18**

₹ in crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount	Nos.	Amount
Note : 25 EQUITY SHARE CAPITAL				
AUTHORISED				
Equity Shares of ₹ 2 each with voting rights	1,20,00,00,000	240.00	1,20,00,00,000	240.00
Preference Shares of ₹ 100 each	5,00,00,000	500.00	5,00,00,000	500.00
		740.00		**740.00**
ISSUED				
Equity Shares of ₹ 2 each with voting rights	82,27,24,126	164.54	82,17,55,591	164.35
		164.54		**164.35**
SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 2 each with voting rights	82,20,40,356	164.41	82,10,71,821	164.21
Add : Forfeited Shares	6,54,500	0.07	6,54,500	0.07
		164.48		**164.28**

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

₹ in crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year	82,10,71,821	164.21	82,00,35,129	164.00
Additional shares pursuant to share split during the period				-
Issued during the year				
a) Employees Stock Option (ESOP) Scheme	9,68,535	0.19	10,36,692	0.21
Outstanding at the end of the year	**82,20,40,356**	**164.40**	**82,10,71,821**	**164.21**
Forfeited shares				
Equity Shares - Amount originally paid up	**6,54,500**	**0.07**	**6,54,500**	**0.07**

Terms/rights attached to Equity shares

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 25 EQUITY SHARE CAPITAL (Contd.)

b) Equity Shares held by Holding Company

Particulars	As at March 31, 2023	As at March 31, 2022
Cholamandalam Financial Holdings Limited	37,28,85,889	37,28,85,889

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

₹ in crores

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity Shares				
Cholamandalam Financial Holdings Limited - Holding Company	37,28,85,889	45.36	37,28,85,889	45.41

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.

d) Shares held by Promoters - Please refer Annexure A and Annexure B

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.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 26 OTHER EQUITY		
Statutory Reserve (Refer Note a)		
Balance at the beginning of the year	2,020.46	1,590.46
Add: Amount transferred from retained earnings	540.00	430.00
Closing balance at the end of the year	**2,560.46**	**2,020.46**
Capital Reserve (Refer Note b)		
Balance at the beginning of the year	0.04	0.04
Add: Changes during the year	-	-
Closing balance at the end of the year	**0.04**	**0.04**
Capital Redemption Reserve (Refer Note c)		
Balance at the beginning of the year	33.00	33.00
Add: Changes during the year	-	-
Closing balance at the end of the year	**33.00**	**33.00**
Securities Premium Account (Refer Note d)		
Balance at the beginning of the year	2,888.92	2,866.05
Add: Premium on ESOPs exercised	24.07	22.87
Closing balance at the end of the year	**2,912.99**	**2,888.92**
General Reserve (Refer Note e)		
Balance at the beginning of the year	4,761.03	3,761.03
Add: Amount transferred from retained earnings	1,000.00	1,000.00
Closing balance at the end of the year	**5,761.03**	**4,761.03**
Share Based Payments Reserve (Refer Note f)		
Balance at the beginning of the year	54.92	34.44
Addition during the year	28.46	20.48
Transfer to General reserve	-	-
Closing balance at the end of the year	**83.38**	**54.92**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 26 OTHER EQUITY (Contd.)

Particulars	As at March 31,2023	As at March 31,2022
Retained Earnings (Refer Note g)		
Balance at the beginning of the year	1,810.77	1,251.38
Profit for the year	2,664.85	2,153.51
Less:		
Dividend		
Equity - Final	(164.36)	-
Equity - Interim	-	(164.14)
Transfer to Statutory Reserve	(540.00)	(430.00)
Transfer to General Reserve	(1,000.00)	(1,000.00)
Re-measurement Gain / (Loss) on Defined Benefit Obligation (Net) transferred to Retained Earnings	(0.21)	0.02
Closing balance at the end of the year	**2,771.05**	**1,810.77**
Cashflow hedge reserve (Refer Note h)		
Balance at the beginning of the year	15.57	(105.62)
Addition	34.15	121.19
Closing balance at the end of the year	**49.72**	**15.57**
FVOCI Reserve (Refer Note i)		
Balance at the beginning of the year	20.01	4.95
Addition	(10.06)	15.06
Closing balance at the end of the year	**9.95**	**20.01**
Total Other Equity	**14,181.62**	**11,604.72**

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

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

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

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

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

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

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

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

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

Proposed Dividend

The Board of Directors of the Company have recommended a final dividend of 35% being ₹ 0.70 per share on the equity shares of the Company, for the year ended March 31, 2023 (₹ 0.70 per share - March 31, 2022) which is subject to approval of shareholders. Consequently the proposed dividend has not been recorded in the books in accordance with IND AS 10.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Annexure A

Details of Shareholding of promoters and promoter Group as on March 31,2023

Promoters Name	No. of shares as on March 31, 2023	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
Valli Annamalai	12,500	-	12,500	-	-
M Vellachi	11,60,427	0.14	11,60,427	0.14	-
M A M Arunachalam	65,000	0.01	65,000	0.01	-
Arun Alagappan	9,50,000	0.12	9,50,000	0.12	-
M.A.Alagappan	24,88,760	0.30	24,88,760	0.30	-
Lakshmi Chockalingam	6,685	-	6,685	-	-
A Vellayan	1,35,785	0.02	1,35,785	0.02	-
Lalitha Vellayan	1,39,630	0.02	1,39,630	0.02	-
Meyyammai Venkatachalam	50,255	0.01	50,255	0.01	-
M V Valli Murugappan	-	-	-	-	-
M M Murugappan	21,035	-	21,035	-	-
A M Meyyammai	2,51,880	0.03	2,51,880	0.03	-
M V Subbiah HUF (M V Subbiah holds shares in the capacity of Karta)	10,000	-	10,000	-	-
Meenakshi Murugappan	245	-	245	-	-
Valli Alagappan	5,200	-	5,000	-	-
A Venkatachalam	2,09,605	0.03	2,09,605	0.03	-
V Narayanan	2,54,000	0.03	2,54,000	0.03	-
V Arunachalam	2,42,515	0.03	2,42,515	0.03	-
Arun Venkatachalam	4,03,750	0.05	4,03,750	0.05	-
Solachi Ramanathan	20,000	-	20,000	-	-
Vedika Meyyammai Arunachalam	1,08,280	0.01	1,08,280	0.01	-
A V Nagalakshmi	15,960	-	15,960	-	-
M V AR Meenakshi	8,53,155	0.10	8,53,155	0.10	-
A. Keertika Unnamalai	2,27,440	0.03	2,27,440	0.03	-
Sigapi Arunachalam	74,255	0.01	74,255	0.01	-
Uma Ramanathan	23,500	-	23,500	-	-
V Vasantha	1,250	-	1,250	-	-
Dhruv M Arunachalam	50,000	0.01	50,000	0.01	-
Kanika Subbiah	67,000	0.01	67,000	0.01	-
Pranav Alagappan	3,11,440	0.04	3,11,440	0.04	-
Valli Arunachalam	11,90,583	0.14	11,90,583	0.15	(0.01)
A Venkatachalam HUF (A Venkatachalam holds shares in the capacity of Karta)	7,000	-	7,000	-	-
A A Alagammai	2,894	-	2,894	-	-
Umayal R	49,455	0.01	49,455	0.01	-
Valliammai Murugappan	12,890	-	12,890	-	-
Ambadi Enterprises Ltd	2,91,380	0.04	2,91,380	0.04	-
A M M Vellayan Sons P Ltd	26,725	-	26,575	-	-
Carborundum Universal Limited	500	-	500	-	-
E.I.D. Parry (India) Ltd.	1,965	-	1,965	-	-
M.M.Muthiah Research Foundation	1,41,750	0.02	1,41,750	0.02	-
Ambadi Investments Limited (formerly Ambadi Investments Private Limited)	3,37,21,870	4.10	3,37,21,870	4.11	(0.01)
Parry Enterprises India Ltd	1,965	-	1,965	-	-
Cholamandalam Financial Holdings Limited (Formerly TIFinancial Holdings Ltd)	37,28,85,889	45.36	37,28,85,889	45.41	(0.05)

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Annexure A

Details of Shareholding of promoters and promoter Group as on March 31,2023

Promoters Name	No. of shares as on March 31, 2023	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
AR Lakshmi Achi Trust	4,77,145	0.06	4,77,145	0.06	-
M A Alagappan Holdings Private Limited	1,70,700	0.02	1,70,700	0.02	-
Murugappa Educational and Medical Foundation	1,965	-	1,965	-	-
MA Murugappan Holdings LLP (M A Murugappan Holdings Private Ltd was converted its status to LLP)	75,000	0.01	75,000	0.01	-
Lakshmi Ramaswamy Family Trust(A A Alagammai & Lakshmi Ramaswamy Trustees holds shares for Trust)	5,50,630	0.07	5,85,630	0.07	-
Murugappan Arunachalam Children Trust (Sigappi Arunachalam, MAM Arunachalam, AM Meyammai are Trustees)	74,405	0.01	74,405	0.01	-
Valli Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	1,93,375	0.02	1,93,375	0.02	-
V S Bhairavi Trust (M V Subbiah & Kanika Subbiah, Trustees holds shares for Trust)	1,88,875	0.02	1,88,875	0.02	-
Arun Murugappan ChildrenTrust(MAM Arunachalam & Sigappi Arunachalam Trustees holds shares for Trust)	1,41,160	0.02	1,41,160	0.02	-
MA. Alagappan Grand Children Trust (Arun Alagappan and AA Alagammai, Trustees holds shares for Trust)	1,57,250	0.02	1,57,250	0.02	-
K S Shambhavi Trust (M V Subbiah & S Vellayan, Trustees holds shares for Trust)	1,55,955	0.02	1,55,955	0.02	-
M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	2,64,000	0.03	2,64,000	0.03	-
M.A. Alagappan (Holds shares in the capacity of Partner of Kadamane Estates - Firm)	3,55,850	0.04	3,55,850	0.04	-
M M Muthiah Family Trust (M M Murugappan, M M Muthiah, Trustees holds shares for Trust)	46,620	0.01	46,620	0.01	-
M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees holds shares for Trust)	46,055	0.01	46,055	0.01	-
M V Muthiah Family Trust (M M Venkatachalam & M V Muthiah, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan Trustees holds shares for Trust)	3,33,000	0.04	3,33,000	0.04	-
Meenakshi Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees for Trust)	25,000	-	25,000	-	-
M M Venkatachalam Family Trust (M M Venkatachalam Lakshmi Venkatachalam, Trustees for Trust)	1,22,550	0.01	1,22,550	0.01	-
Saraswathi Trust (M V Subbiah, S Vellayan & M V Seetha Subbiah, Trustees holds shares for Trust)	7,79,785	0.09	7,79,785	0.09	-
Shambho Trust (M V Subbiah, S Vellayan, Trustees holds shares for Trust)	15,24,534	0.19	16,01,300	0.20	(0.01)
	42,31,26,532	**51.48**	**42,32,37,948**	**51.56**	**(0.08)**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Annexure B

Details of Shareholding of promoters and promoter Group as on March 31, 2022

Promoters Name	No. of shares as on March 31, 2022	% to shares	No. of shares as on March 31, 2021	% to shares	% Change during the year
Valli Annamalai	12,500	-	12,500	-	-
M Vellachi	11,60,427	0.14	1,94,660	0.02	0.12
M A M Arunachalam	65,000	0.01	65,000	0.01	-
Arun Alagappan	9,50,000	0.12	9,50,000	0.12	-
M.A.Alagappan	24,88,760	0.30	24,88,760	0.30	-
Lakshmi Chockalingam	6,685	-	6,685	-	-
A Vellayan	1,35,785	0.02	1,35,785	0.02	-
Lalitha Vellayan	1,39,630	0.02	1,39,630	0.02	-
Meyyammai Venkatachalam	50,255	0.01	50,255	0.01	-
M V Valli Murugappan	-	-	21,56,350	0.26	(0.26)
M M Murugappan	21,035	-	21,035	-	-
A M Meyyammai	2,51,880	0.03	2,51,880	0.03	-
M V Subbiah HUF (M V Subbiah holds shares in the capacity of Karta)	10,000	-	10,000	-	-
Meenakshi Murugappan	245	-	245	-	-
Valli Alagappan	5,000	-	5,000	-	-
A Venkatachalam	2,09,605	0.03	2,09,605	0.03	-
V Narayanan	2,54,000	0.03	2,54,000	0.03	-
V Arunachalam	2,42,515	0.03	2,42,515	0.03	-
Arun Venkatachalam	4,03,750	0.05	4,03,750	0.05	-
Solachi Ramanathan	20,000	-	20,000	-	-
Vedika Meyyammai Arunachalam	1,08,280	0.01	1,08,280	0.01	-
A V Nagalakshmi	15,960	-	15,960	-	-
M V AR Meenakshi	8,53,155	0.10	8,53,155	0.10	-
A. Keertika Unnamalai	2,27,440	0.03	2,47,440	0.03	-
Sigapi Arunachalam	74,255	0.01	74,255	0.01	-
Uma Ramanathan	23,500	-	23,500	-	-
V Vasantha	1,250	-	1,250	-	-
Dhruv M Arunachalam	50,000	0.01	50,000	0.01	-
Kanika Subbiah	67,000	0.01	67,000	0.01	-
Pranav Alagappan	3,11,440	0.04	3,11,440	0.04	-
Valli Arunachalam	11,90,583	0.15	-	-	0.15
A Venkatachalam HUF (A Venkatachalam hols shares in the capacity of Karta)	7,000	-	7,000	-	-
A A Alagammai	2,894	-	2,894	-	-
Umayal R	49,455	0.01	49,455	0.01	-
Valliammai Murugappan	12,890	-	12,890	-	-
Ambadi Enterprises Ltd	2,91,380	0.04	2,91,380	0.04	-
A M M Vellayan Sons P Ltd	26,575	-	26,575	-	-
Carborundum Universal Limited	500	-	500	-	-
E.I.D. Parry (India) Ltd.	1,965	-	1,965	-	-
M.M.Muthiah Research Foundation	1,41,750	0.02	1,41,750	0.02	-
Ambadi Investments Limited (formerly Ambadi Investments Private Limited)	3,37,21,870	4.11	3,37,21,870	4.11	-
Parry Enterprises India Ltd	1,965	-	1,965	-	-
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Ltd)	37,28,85,889	45.41	37,28,85,889	45.47	(0.06)

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Annexure B
Details of Shareholding of promoters and promoter Group as on March 31, 2022

Promoters Name	No. of shares as on March 31, 2021	% to shares	No. of shares as on March 31, 2021	% to shares	% Change during the year
AR Lakshmi Achi Trust	4,77,145	0.06	4,77,145	0.06	-
M A Alagappan Holdings Private Limited	1,70,700	0.02	1,70,700	0.02	-
Murugappa Educational and Medical Foundation	1,965	-	1,965	-	-
MA Murugappan Holdings LLP (M A Murugappan Holdings Private Ltd was converted its status to LLP)	75,000	0.01	75,000	0.01	-
Lakshmi Ramaswamy Family Trust(A A Alagammai & Lakshmi Ramaswamy Trustees holds shares for Trust)	5,85,630	0.07	5,85,630	0.07	-
Murugappan Arunachalam Children Trust (Sigappi Arunachalam, MAM Arunachalam, AM Meyammai are Trustees)	74,405	0.01	74,405	0.01	-
Valli Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	1,93,375	0.02	2,33,375	0.03	(0.01)
V S Bhairavi Trust (M V Subbiah & Kanika Subbiah, Trustees holds shares for Trust)	1,88,875	0.02	1,88,875	0.02	-
Arun Murugappan ChildrenTrust(MAM Arunachalam & Sigappi Arunachalam Trustees holds shares for Trust)	1,41,160	0.02	1,41,160	0.02	-
MA.Alagappan Grand Children Trust (Arun Alagappan and AA Alagammai, Trustees holds shares for Trust)	1,57,250	0.02	1,57,250	0.02	-
K S Shambhavi Trust (M V Subbiah & S Vellayan, Trustees holds shares for Trust)	1,55,955	0.02	1,55,955	0.02	-
M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	2,64,000	0.03	2,64,000	0.03	-
Kadamane Estates - Firm- M.A.Alagappan holds shares in the capacity of Partner	3,55,850	0.04	3,55,850	0.04	-
M M Muthiah Family Trust (M M Murugappan, M M Muthiah, Trustees holds shares for Trust)	46,620	0.01	46,620	0.01	-
M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees holds shares for Trust)	46,055	0.01	46,055	0.01	-
M V Muthiah Family Trust (M M Venkatachalam & M V Muthiah, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan Trustees holds shares forTrust)	3,33,000	0.04	3,33,000	0.04	-
Meenakshi Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees for Trust)	25,000	-	25,000	-	-
M M Venkatachalam Family Trust(M M Venkatachalam Lakshmi Venkatachalam, Trustees for Trust)	1,22,550	0.01	1,22,550	0.01	-
Saraswathi Trust (M V Subbiah, S Vellayan & M V Seetha Subbiah, Trustees holds shares for Trust)	7,79,785	0.09	7,79,785	0.10	(0.01)
Shambho Trust (M V Subbiah,S Vellayan, Trustees holds shares for Trust)	16,01,300	0.20	16,01,300	0.20	-
	42,32,37,948.00	**51.56**	**42,32,97,948.00**	**51.63**	**(0.07)**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
REVENUE FROM OPERATIONS		
Note : 27A - Interest income		
(i) Interest - on financial assets measured at amortised cost		
(a) Loans		
- Bills Discounting	69.37	17.51
- Term Loans	11,737.13	9,307.52
(b) Bank Deposits		
- under lien	26.88	15.44
- free of lien	108.30	118.17
(C) Others		
- Deposits with Financial Institutions	-	13.59
- Investment in Government Securities	95.00	95.12
- Investment in Treasury Bill	45.90	-
Total (A)	**12,082.58**	**9,567.35**
Note: 27B - Fee & Commission income		
(i) Fee & Commission income *		
- Term loans	524.37	383.74
- Others	126.33	88.80
Total (B)	**650.70**	**472.54**
*Services are transferred at a point in time		
Note: 27C - Net gain on fair value change on financial instrument		
Net gain on fair value changes on FVTPL - Realised		
- Investments in mutual funds	68.81	16.11
Net gain on fair value changes on FVTPL - Un-realised		
Convertible Note	0.92	-
Total (C)	**69.73**	**16.11**
Note: 27D - Sale of Services		
(i) Sale of Services (Refer note below)		
(a) Servicing and Collection fee on Assignment	3.09	5.04
(b) Other Service Income	78.00	79.71
Total (D)	**81.09**	**84.75**

Note: Timing of revenue recognition		
Services transferred at a point in time	75.09	78.75
Services transferred over a time	6.00	6.00
Total	**81.09**	**84.75**

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 28 OTHER INCOME		
Recovery of Bad debts	220.43	83.35
Interest income on Income tax refund	-	6.63
Dividend Income	0.32	0.17
Rent	0.51	0.51
Profit on sale of Property, Plant & Equipment (Net)	0.10	-
Miscellaneous Income	0.13	0.40
Total	**221.49**	**91.06**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 29 FINANCE COSTS		
Interest on financial liabilities measured at amortised cost		
- Debt Securities	1,264.67	788.86
- Borrowings Other than Debt securities	4,081.36	3,072.43
- Subordinated Liabilities	374.89	396.62
Others		
- Bank charges	14.71	19.02
- Interest on lease liability	12.40	8.83
- Interest on income tax	-	11.90
Total	**5,748.03**	**4,297.66**

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 30 IMPAIRMENT ON FINANCIAL INSTRUMENTS		
Impairment provision		
- Loans - measured at amortised cost	848.38	879.94
- Receivable and other Financial assets - measured at amortised cost	1.33	-
Loss on sale of Investment	-	0.40
Total	**849.71**	**880.34**

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 31 EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Commission	1,238.00	871.84
Contribution to Provident and Other Funds		
- Employees' Provident Fund	49.03	35.46
- Superannuation Fund	5.02	4.12
Share based employee payments	28.46	20.48
Gratuity Expense (Refer note 37)	15.15	12.97
Staff Welfare Expenses	24.71	12.33
Total	**1,360.37**	**957.20**

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 32 OTHER EXPENSES		
Rent and facility charges	20.02	11.42
Rates and Taxes	51.88	52.29
Energy cost	14.69	11.07
Repairs and Maintenance	7.96	5.53
Communication Costs	41.59	31.72
Business development expense	-	0.04
Brokerage	6.49	5.24
Printing and Stationery	21.70	18.17
Advertisement and publicity Expenses	15.10	12.98
Directors Fees, allowances and expenses	5.35	1.49
Auditors' Remuneration	1.10	1.14
Legal and Professional Charges	142.15	120.24
Insurance	31.93	28.54
Travelling and Conveyance	102.11	48.58

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 32 OTHER EXPENSES (Contd.)

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Information Technology Expenses	71.31	49.93
Loss on Sale of Property, Plant and Equipment (Net)	0.76	0.07
Recovery Charges	551.02	424.25
Corporate Social Responsibility Expenditure	43.83	36.54
Outsource cost	274.88	226.51
Miscellaneous Expenses	8.06	3.43
	1,411.93	1,089.18
Less : Expenses Recovered	(0.13)	(0.80)
Total	**1,411.80**	**1,088.38**

Note : 33 EARNINGS PER SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit After Tax Attributable to Equity Shareholders (₹ in crore)	**2,664.85**	**2,153.51**
Weighted Average Number of Equity Shares (Basic)	82,19,43,335	82,05,81,106
Add: Dilutive effect relating to ESOP/CCPS	13,24,177	15,91,805
Weighted Average Number of Equity Shares (Diluted)	82,29,09,227	82,21,72,911
Earnings per Share - Basic (₹)	**32.44**	**26.24**
Earnings per Share - Diluted (₹)	**32.38**	**26.19**
Face Value Per Share (₹)	2.00	2.00

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

Note : 34 INCOME TAX RECONCILIATION

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and March 31, 2022, is as follows:

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax from continuing operations	3,614.58	2,907.60
Income tax rate of 25.17% (March 31, 2022: 25.17%)	909.79	731.78
Effects of:		
Impact of difference in tax base for Donations & CSR expense	11.02	9.18
Share based payment expense – No deduction claimed under tax	7.07	5.08
Impact of Deduction u/s 80JJA	-	(0.28)
Other adjustments	9.92	2.95
Income tax expense reported in Consolidated statement of Profit and Loss	937.92	748.71

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 35 TRANSFER OF FINANCIAL ASSETS

35.1 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 Securitised certain loans, however the Group has not transferred substantially all risks and rewards, hence these assets have not been de-recognised.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Securitisations		
Carrying amount of transferred assets measured at amortised cost	10,433.01	3,750.13
Carrying amount of associated liabilities (Borrowings other than Debt securities - measured at amortised cost)	10,711.01	3,672.47
Fair value of assets	10,379.49	3,805.13
Fair value of associated liabilities	9,957.39	3,427.67
Net position at Fair Value	422.10	377.46

B) Direct bilateral assignment

The Group has transferred certain 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 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.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Assignment		
Carrying amount of de-recognised financial asset	1,762.48	2,764.99
Carrying amount of Retained Assets at amortised cost	203.51	317.34

₹ in crores

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Assignment		
Gain on sale of the de-recognised financial asset	-	-

35.2 The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

Note : 36 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) are furnished below:

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers under MSMED Act, as at the year end	3.40	3.06
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	-	-

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 37 RETIREMENT BENEFIT

A) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions. During the period, the Group recognised ₹ 49.03 crore (Previous year - ₹ 35.46 crore) to Provident Fund under Defined Contribution Plan, ₹ 5.02 crore(Previous year - ₹ 4.12 crore) for Contributions to Superannuation Fund and ₹ 0.24 crore (Previous year - ₹ 0.33 crore) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

B) Gratuity

The Group's defined benefit gratuity plan 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:

Change in Defined Benefit Obligation and Fair Value of Plan assets:

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined Benefit Obligation at the beginning of the year	**86.33**	**74.51**
Current Service Cost	14.37	11.69
Interest Cost	5.74	4.65
Remeasurement Losses/(Gains)		
a. Effect of changes in financial assumptions	(3.63)	(2.38)
b. Effect of experience adjustments	3.37	2.30
Benefits Paid	(6.45)	(4.44)
Defined Benefit Obligation at the end of the year	**99.73**	**86.33**
Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	74.09	54.22
Expected Returns on Plan Assets	4.96	3.38
Employer's Contribution	23.33	20.98
Benefits Paid	(6.68)	(4.44)
Return on plan assets (excluding interest income)	(0.54)	(0.05)
Transfer	-	-
Fair Value of Plan Assets at the end of the year	**95.16**	**74.09**
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	95.16	74.09
Defined benefit obligation at the End of the Year	(99.75)	(86.33)
Amount Recognised in the Balance Sheet under Other Payables	**(4.59)**	**(12.24)**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	14.37	11.69
Net interest Expense	5.74	4.65
Expected Return on Plan Assets	(4.96)	(3.38)
Net Cost recognized in the statement of Profit and Loss*	**15.15**	**12.96**
Remeasurement Losses/(Gains)		
a) Effect of changes in financial assumptions	(3.63)	(2.37)
b) Effect of experience adjustments	3.37	2.29
c) Changes in demographic assumptions	-	-
d) Return on plan assets (excluding interest income)	0.54	0.05
Net cost recognized in Other Comprehensive Income	**0.28**	**(0.03)**
Assumptions		
Discount Rate	7.25%-7.30% p.a	6.70% p.a.
Future salary increase	7.50% p.a	7.50% p.a.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 37 RETIREMENT BENEFIT (Contd.)

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Attrition Rate		
- Senior management	13 – 17% p.a.	13% p.a.
- Middle management	13 – 17% p.a.	13% p.a.
- Others	13 – 17% p.a.	13% p.a.
Expected rate of return on Plan Assets	6.70% -7.50%p.a	6.25% -7.10%p.a
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate
Maturity profile of Defined Benefit Obligations		
Weighted average duration (Based on discounted cash flows)	6 Years	6 Years
Expected Cash flows over the next (valued on undiscounted basis)		
Within the next 12 months (next annual reporting period)	14.40	12.39
Between 2 and 5 years	51.76	42.74
Between 5 and 10 years	48.19	39.39
Beyond 10 Years	51.07	43.51
Total Expected Cash flows	**165.42**	**138.03**

*Recognised under Employee Benefit Expenses

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Sensitivity Analysis:				
Discount Rate (+/- 1%)	94.49	106.15	81.43	91.78
Salary Growth Rate (+/- 1%)	105.31	95.07	91.03	81.92
Attrition Rate (+/- 50% of attrition rates)	99.20	100.69	85.08	87.97
Mortality Rate (+/- 10% of mortality rates)	100.04	100.02	86.34	86.34

Notes:

1. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. The Group's best estimate of contribution during the next year is ₹ 20.94 crores.
3. 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.
4. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
5. The above sensitivity analysis are based on change in an assumption which is holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant actuarial assumptions the same method of present value of defined benefit obligations calculated with Projected unit cost method at the end of the reporting period has been applied while calculating defined benefit liability recognised in the balance sheet.
6. The method and type of assumptions used in preparing the sensitivity analysis does not change compared to the prior period.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 37 RETIREMENT BENEFIT (Contd.)

Description of Risk exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

(a) **Interest Rate risk:**The plan exposes the Group to the risk of fall in interest rates . A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(b **Liquidity Risk:** This is the risk that the Group is not able to meet the short-term gratuity payouts .This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(c) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(d) **Demographic Risk:** The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(e) **Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time).There is a risk of change in regulations requiring higher gratuity payouts (e.g.Increase in the maximum limit on gratuity of ₹ 20,00,000)

(f) **Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

(g) **Investment Risk:**The probability or likelihood of occurrence of losses relative to the expected return on an particular investment.

C) Compensated Absences

Assumptions	March 31, 2023	March 31, 2022
Discount Rate	7.25 – 7.30%	6.70% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior management	13 - 17% p.a.	13% p.a.
- Middle management	13 - 17% p.a.	13% p.a.
- Others	13 - 17% p.a.	13% p.a.
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

Notes:

1. The Group has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2023.
2. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
3. 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.

Note : 38 SEGMENT INFORMATION

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

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

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

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 38 SEGMENT REPORTING (Contd.)

₹ in crores

Particulars	Year ended March 31, 2023					
	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
Revenue from Operations						
Interest Income	8,073.59	2,073.95	885.58	773.65	275.81	12,082.58
Fee Income	435.60	66.48	12.73	135.69	0.20	650.70
Net gain on Fair value change on financial instrument	-	-	-	-	69.73	69.73
Sale of Services	68.97	5.69	3.14	3.29	-	81.09
Segment revenue from Operations (I)						
Other income (II)	208.14	6.18	5.84	0.80	0.53	221.49
Total Segment Income (I) + (II)	**8,786.30**	**2,152.30**	**907.29**	**913.43**	**346.27**	**13,105.59**
Expenses						
Finance costs	3,870.46	1,134.21	395.06	348.30	-	5,748.03
Impairment of Financial Instruments	722.88	25.45	22.99	78.39	-	849.71
Employee benefits expense	830.63	148.69	103.53	274.08	3.44	1,360.37
Depreciation and amortisation expense	88.37	13.47	8.60	10.62	0.03	121.09
Other expenses	1,030.95	101.69	81.10	139.24	58.82	1,411.80
Segment Expenses	**6,543.29**	**1,423.51**	**611.28**	**850.63**	**62.29**	**9,491.00**
Segment Profit before taxation	**2,243.01**	**728.79**	**296.01**	**62.80**	**283.98**	**3,614.59**
Tax expense						**937.92**
Share of loss from associate and Joint Venture				(11.82)		**(11.82)**
Profit for the year						**2664.85**

₹ in crores

Particulars	Year ended March 31, 2022					
	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
Revenue from Operations						
Interest Income	7,088.61	1,559.70	594.53	82.50	242.01	9,567.35
Net gain on derecognition of financial instruments under amortised cost category						-
Fee Income	329.94	47.06	4.64	90.70	0.20	472.54
Net gain on Fair value change on financial instrument				3.12	12.99	16.11
Sale of Services	79.61	3.89	1.25	-	-	84.75
Segment revenue from Operations (I)						
Other income (II)	80.21	2.84	0.01	0.86	7.14	91.06
Total Segment Income (I) + (II)	**7,578.37**	**1,613.49**	**600.43**	**177.18**	**262.34**	**10,231.81**
Expenses						
Finance costs	3,202.14	907.09	262.37	38.20	(112.14)	4,297.66
Impairment of Financial Instruments	722.62	106.25	43.81	7.24	0.42	880.34
Employee benefits expense	686.01	111.80	58.99	97.59	2.81	957.20
Depreciation and amortisation expense	80.97	9.82	5.36	4.48	-	100.63
Other expenses	887.35	69.88	40.45	53.82	36.88	1,088.38
Segment Expenses	**5,579.09**	**1,204.84**	**410.98**	**201.33**	**(72.03)**	**7,324.21**
Segment Profit before taxation	**1,999.28**	**408.65**	**189.45**	**(24.15)**	**334.37**	**2,907.60**
Tax expense						**748.71**
Share of loss from associate				(5.38)		**(5.38)**
Profit for the year						**2,153.51**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 38 SEGMENT REPORTING (Contd.)

₹ in crores

Particulars	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
As on March 31, 2023						
Segment Assets	66,722.81	20,473.73	8,018.01	9,632.69		1,04,847.24
Unallocable Assets					8,779.66	8,779.66
Total Assets						**1,13,626.90**
Segment Liabilities	58,319.79	17,895.29	7,008.23	8,383.54		91,606.85
Unallocable Liabilities					7,673.95	7,673.95
Total Liabilities						**99,280.80**
As on March 31, 2022						
Segment Assets	52,187.20	15,250.29	5,062.64	1,756.93		74,257.06
Unallocable Assets					8,221.62	8,221.62
Total Assets						**82,478.68**
Segment Liabilities	44,768.96	13,082.51	4,343.01	1,462.26		63,656.74
Unallocable Liabilities					7,052.94	7,052.94
Total Liabilities						**70,709.68**

In computing the segment information, certain estimates and assumptions have been made by the management, which have been relied upon. As the assets are allocated to segment based on certain assumptions, hence additions to the Property, plant and equipment have not been disclosed separately for each specific segment.

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

Note : 39 RELATED PARTY DISCLOSURES

List of Related Parties

- **Holding Company:** Cholamandalam Financial holdings limited
- **Entity having significant influence over holding Company:** Ambadi Investments Limited
- **Subsidiaries of the entity which has significant influence over holding Company:** Parry Enterprises India Limited and Parry Agro Limited.
- **Fellow Subsidiaries:** Cholamandalam MS General Insurance Company Limited
- **Joint Venture of Holding Company:** Cholamandalam MS Risk services Limited
- **Associate :** White Data Systems India Private Limited, Vishvakarma Payments Private Limited(from 30th March 2021), Paytail Commerce Private Limited (from 15th September 2021)
- **Joint Venture:** Payswiff Technologies Private Limited and its subsidiaries (from 8th February 2022)
- **Promoter :** Coromandel International Limited, EID Parry India Limited, Tube Investments of India Limited
- **Promoter Group :** Chola Business Services Limited, Coromandel Engineering Company Limited, Murugappa Morgan Thermal Ceramics Limited, Net access India Limited, Murugappa Management services Limited, AR Lakshmi Archi Trust, M A Murugappan Holdings LLP, AMM Foundation
- **Key Managerial Personnel:**
  a. Mr. D. Arulselvan, President & Chief Financial Officer
  b. Ms. P.Sujatha, Company Secretary
  c. Mr. Ravindra Kumar Kundu, Executive Director
- **Non-Executive Directors**
  a) Mr. Ashok Kumar Barat(upto 30th October 2022)
  b) Mr. N Ramesh Rajan
  c) Mr. Rohan Verma
  d) Ms. Bhama Krishnamurthy
  e) Mr. Vellayan Subbiah
  f) Mr. M A M Arunachalam
  g) Mr. Anand Kumar
  h) Mr. Bharath Vasudevan
- **Private companies in which a director or manager or his relative is a member or director:** Cherry Tin Online Private Limited, Zetwork Manufacturing Business Private Limited, Finance Industry Development Council
- **Firm, in which a director, manager or his relative is a partner:** Kadamane Estates Co.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 39 RELATED PARTY DISCLOSURES (Contd.)

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 39 a) TRANSACTIONS DURING THE YEAR		
Dividend Payments (Equity Shares)		
a) Cholamandalam Financial Holdings Limited	74.58	74.58
b) Ambadi Investments Limited	6.74	6.74
c) Parry Enterprises India Limited	*	*
d) AR Lakshmi Archi Trust**	0.10	0.10
e) M A Murugappan Holdings LLP**	0.02	0.02
f) Kadamane Estates Co#	0.07	0.07
g) Promoter and Promoter Group	3.00	-
Amount received towards reimbursement of expenses		
a) Cholamandalam Financial Holdings Limited	1.31	1.18
b) Cholamandalam MS General Insurance Company Limited	0.05	0.06
c) Parry Enterprises India Limited	0.01	0.01
d) Murugappa Morgan Thermal Ceramics Limited**	0.03	-
Services Received		
a) Cholamandalam MS General Insurance Company Limited	3.85	2.17
b) Parry Enterprises India Limited	7.55	1.94
c) White Data Systems India Private Limited	0.19	0.24
d) Cholamandalam MS Risk Services Limited	-	0.01
e) Chola Business Services Limited**	791.02	-
f) Coromandel Engineering Company Limited**	2.01	-
g) Murugappa Management services Private Limited**	1.34	-
h) Net access India Limited**	14.67	-
i) Payswiff Solutions Private limited	0.17	-
j) Paytail Commerce Private Limited	9.42	-
k) Tube Investments of India Limited**	0.18	-
Expenses – Reimbursed		
a) White Data Systems India Private Limited	0.01	0.03
b) Cherry Tin Online Private Limited#	-	0.08
c) Parry Enterprises India Limited	-	0.07
Services rendered		
a) Cholamandalam MS General Insurance Company Limited	78.13	58.91
b) Cholamandalam Financial Holdings Limited	-	*
c) Ambadi Investments Limited	-	-
d) Key Managerial Personnel	*	*
e) Parry Enterprises India Limited	-	*
f) Chola Business Services Limited**	86.83	-
Rental Income		
a) Coromandel International Limited**	0.44	-
Loans given		
a) White Data Systems India Private Limited	-	3.00
b) Payswiff Solutions Private Limited	-	3.00
c) Zetwerk Manufacturing Businesses Private Limited#	2.48	-
Loans recovered		
a) White Data Systems India Private Limited	3	3.40
b) Payswiff Solutions Private Limited	-	3.00
c) Zetwerk Manufacturing Businesses Private Limited#	2.48	-
Interest Expense		
a) Cholamandalam MS General Insurance Company Limited	14.21	13.13
Interest Income		
a) White Data Systems India Private Limited	0.16	0.21
b) Payswiff Solutions Private Limited	-	0.01

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 39 RELATED PARTY DISCLOSURES (Contd.)

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Note : 39 a) TRANSACTIONS DURING THE YEAR (Contd.)		
Subscriptions/Advertisement Expenses		
a) Finance Industry Development Council#	0.01	0.01
Contribution to CSR activity		
a) AMM Foundation**	15.25	-
Interest earned on Loan		
a) Murugappa Management services Private Limited**	*	-
b) Zetwerk Manufacturing Businesses Private Limited#	0.06	-
Investment in Convertible Notes		
a) Paytail Commerce Private Limited	10.00	-
Invocation of performance security on deliquent loans		
a) Paytail Commerce Private Limited	6.12	-
Purchase of Goods		
a) Parry Agro Industries Limited	0.54	-
Rent & Maintenance		
a) EID Parry India Limited**	5.94	-
Sale of Fixed Asset		
a) Chola Business Services Limited	1.00	-
Debenture Interest paid to promoters and promoter group	0.32	-
Commission and Sitting fees to non-executive Directors	5.11	1.37

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Note : 39 b) BALANCES OUTSTANDING AT THE YEAR END		
Loans - Receivable		
a) White Data Systems India Private Limited	-	3.00
b) Medall Healthcare Private Limited#	12.95	17.32
Debt Securities - Payable		
a) Cholamandalam MS General Insurance Company Limited	(319.21)	(147.93)
b) Debentures held by promoter and promoter group	(59.16)	-
Other Receivable / (Payable)		
a) Cholamandalam Financial Holdings Limited	-	*
b) Paytail Commerce Private Limited	0.28	4.37
c) Cholamandalam MS General Insurance Company Limited	1031.81	6.61
d) White Data Systems India Private Limited	-	(0.10)
e) Parry Enterprises India Limited	(0.26)	(0.45)
f) Cholamandalam MS Risk services Limited	-	(0.01)
g) Ambadi Investments Limited	-	*
h) Coromandel International Limited	0.02	-
i) Chola Business Services Limited	(50.97)	-
j) Payswiff Solutions Private Limited	(0.09)	-
k) Murugappa Management services Private Limited	(0.11)	-
m) EID Parry India Limited	(0.77)	-
n) Net access India Limited	(4.75)	-

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 39 RELATED PARTY DISCLOSURES (Contd.)

₹ in crores

Nature of Transaction	Year ended March 31, 2023	Year ended March 31, 2022
Note : 39 c) REMUNERATION AND OTHER TRANSACTIONS WITH KEY MANAGERIAL PERSONNEL (KMP)		
Gross salary Including Perquisites	7.18	5.57
Other – Contribution to funds	0.82	0.84
Dividend Payments	0.11	0.08
Share based payments	4.09	2.71
Sale of Vehicle(s)	-	0.04
Sale of Asset	-	*
Dividend payments to Relatives of KMP and Directors	0.11	0.11

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

Note : 40 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contested Claims not provided for:

₹ in crores

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

i) The Group is of the opinion that the above demands based on management estimate no significant liabilities are expected to arise.
ii) It is not practicable for the Group to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.
iii) The Group does not expect any reimbursement in respect of the above contingent liabilities.
iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(b) Commitments

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Capital commitments	42.10	40.21
Disbursements – Undrawn lines	2,820.44	1,485.88

(c) Bank Guarantee:

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	40.00	30.50

Note : 41 CHANGES IN PROVISIONS

₹ in crores

Particulars	As at March 31, 2022	Additional Provision	Utilisation/ Reversal	As at March 31, 2023
Provision for Contingencies and Service Tax claims	39.53	0.01	-	39.54
Provision for Expected credit loss allowance towards Undrawn commitments	1.20	10.59	-	11.79

₹ in crores

Particulars	As at March 31, 2021	Additional Provision	Utilisation/ Reversal	As at March 31, 2022
Provision for Contingencies and Service Tax claims	43.46	1.08	5.01	39.53
Provision for Expected credit loss allowance towards Undrawn commitments	1.04	0.16	-	1.20

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

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 loan commitments amount outstanding as at March 31, 2023 is ₹ 2828.44 crore (₹1485.88 crores as at March 31, 2022).

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, 2023 is ₹11.79 crores (₹ 1.20 crores as at March 31, 2022).

Note : 42 ESOP DISCLOSURE

ESOP 2007

The Board at its meeting held on June 22, 2007, approved an issue of Stock Options up to a maximum of 5% of the issued Equity Capital of the Company (before Rights Issue) aggregating to 1,904,162 Equity Shares (prior to share split) in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines.

ESOP 2016

The Board at its meeting held on October 7, 2016, approved to create, and grant from time to time, in one or more tranches, not exceeding 1,56,25,510 Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the company including some of subsidiaries, managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company), as may be decided by the board, exercisable into not more than 1,56,25,510equity shares of face value of ₹ 2/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

In this regard, the Group has recognised expense amounting to ₹ 28.46 crores for employees services received during the year, shown under Employee Benefit Expenses (Refer Note 31).

The movement in Stock Options during the current period are given below:

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding	During the Year				Options outstanding	Options vested but not exercised	Options unvested	Exercise Price	Weighted Average Remaining Contractual Life
		As at 31.03.2022	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023		
GT25 Apr 2008	25-Apr-08	-	-	-	-	-	-	-	-	-	-
GT27 JAN 2011A	27-Jan-11	-	-	-	-	-	-	-	-	-	-
GT27 JAN 2011B	27 Jan 11	-	-	-	-	-	-	-	-	-	-
GT30 APR 2011	30-Apr-11	-	-	-	-	-	-	-	-	-	-
GT27 OCT 2011	27-Oct-11	-	-	-	-	-	-	-	-	-	-
Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding	During the Year				Options outstanding	Options vested but not exercised	Options unvested	Exercise Price	Weighted Average Remaining Contractual Life
		As at 31.03.2022	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023		
GT25 JAN2017	25-Jan-17	10,63,650	-	-	-	5,21,815	5,41,835	5,41,835	-	202.00	-
GT30 JAN2018	30-Jan-18	1,89,240	-	-	-	50,830	1,38,410	1,38,410	-	261.94	-
GT30 JAN2018A	30-Jan-18	17,470	-	-	-	4,000	13,470	13,470	-	261.94	-
GT23 APR2018	23-Apr-18	26,940	-	-	-	26,940	-	-	-	312.47	-

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 ESOP DISCLOSURE (Contd.)

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31.03.2022	During the Year: Addition in number of options on account of share split*	During the Year: Options Granted	During the Year: Options Forfeited / Expired	During the Year: Options Exercised and allotted	Options outstanding As at 31.03.2023	Options vested but not exercised As at 31.03.2023	Options unvested As at 31.03.2023	Exercise Price	Weighted Average Remaining Contractual Life
GT26 JUL2018	26-Jul-18	47,360	-	-	-	-	47,360	47,360	-	299.46	-
GT26 JUL2018A	26-Jul-18	90,000	-	-	-	90,000	-	-	-	299.46	-
GT30 OCT2018	30-Oct-18	2,27,300	-	-	-	55,350	1,71,950	1,71,950	-	253.70	-
GT19 MAR2019	19-Mar-19	4,34,920	-	-	40,410	1,03,910	2,90,600	2,90,600	-	278.01	-
GT05 NOV2019	05-Nov-19	1,98,300	-	-	-	20,220	1,78,080	95,400	82,680	316.00	0.60 years
GT23 JAN2020	23-Jan-20	31,800	-	-	31,800	-	-	-	-	317.50	0.82 years
GT03 JUNE2020	03-Jun-20	1,69,520	-	-	85,500	42,380	41,640	-	41,640	157.90	0.68 years
GT07 MAY2021	07-May-21	10,66,600	-	-	44,460	29,640	9,92,500	1,98,500	7,94,000	580.30	1.23 years
GT30 JULY2021	30-Jul-21	24,700	-	-	-	-	24,700	4,940	19,760	487.15	1.46 years
GT29 OCT2021	29-Oct-21	8,05,600	-	-	44,100	23,450	7,38,050	1,44,370	5,93,680	609.00	1.71 years
GT29 OCT2021A	29-Oct-21	2,520	-	-	-	-	2,520	1,260	1,260	609.00	1.71 years
GT01 FEB2022	01-Feb-22	1,26,100	-	-	-	-	1,26,100	25,220	1,00,880	629.50	1.97 years
GT05 MAY2022	05-May-22	-	-	45,200	-	-	45,200	-	45,200	712.15	1.80 years
GT29 JUL2022	29-Jul-22	-	-	56,560	-	-	56,560	-	56,560	690.10	2.03 years
GT29 JUL2022A	29-Jul-22	-	-	92,400	-	-	92,400	-	92,400	690.10	1.46 years
GT29 JUL2022B	29-Jul-22	-	-	5,340	-	-	5,340	-	5,340	690.10	0.33 years
GT24 SEP2022	24-Sep-22	-	-	24,700	-	-	24,700	-	24,700	738.50	2.19 years
GT24 SEP2022A	24-Sep-22	-	-	2,20,880	-	-	2,20,880	-	2,20,880	738.50	1.61 years
GT24 SEP2022B	24-Sep-22	-	-	8,820	1,260	-	7,560	-	7,560	738.50	0.48 years
GT01 NOV2022	01-Nov-22	-	-	45,200	-	-	45,200	-	45,200	709.35	2.29 years
GT31 JAN2023	31-Jan-23	-	-	16,04,400	6,000	-	15,98,400	-	15,98,400	710.75	2.54 years
Total		**45,22,020**	**-**	**21,03,500**	**2,53,530**	**9,68,535**	**54,03,455**	**16,73,315**	**37,30,140**		

Note: Includes options (vested and unvested) issued employees of subsidiary as at March 31, 2023 - 11,276 options prior to share split (March 31, 2022 - 11,276 options)

*Equity shares of face value of ₹ 10/- have been split into face value of ₹ 2 per share on June 18, 2019, pursuant to resolution passed through postal ballot on June 3, 2019

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 ESOP DISCLOSURE (Contd.)

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at 31.03.2021	During the Year 2021-22 Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	Options outstanding As at 31.03.2022	Options vested but not exercised As at 31.03.2022	Options unvested As at 31.03.2022	Exercise Price	Weighted Average Remaining Contractual Life
Gt 25 Apr 2008	25-Apr-08	-	-	-	-	-	-	-	-	-	-
GT 27 JAN 2011A	27-Jan-11	-	-	-	-	-	-	-	-	-	-
GT 27 JAN 2011B	27-Jan-11	-	-	-	-	-	-	-	-	-	-
GT 30 APR 2011	30-Apr-11	10,240	-	-	-	10,240	-	-	-	33	-
GT 27 OCT 2011	27-Oct-11	8,580	-	-	-	8,580	-	-	-	31	-
Total		**18,820**	**-**	**-**	**-**	**18,820**	**-**	**-**	**-**		

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31.03.2021	During the Year 2021-22 Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	Options outstanding As at 31.03.2022	Options vested but not exercised As at 31.03.2022	Options unvested As at 31.03.2022	Exercise Price	Weighted Average Remaining Contractual Life
GT25 JAN2017	25-Jan-17	16,64,690	-	-	-	6,01,040	10,63,650	10,63,650	-	202.00	-
GT30 JAN2018	30-Jan-18	2,04,085	-	-	-	14,845	1,89,240	1,89,240	-	261.90	-
GT30 JAN2018A	30-Jan-18	87,300	-	-	-	69,830	17,470	17,470	-	261.90	-
GT23 APR2018	23-Apr-18	26,940	-	-	-	-	26,940	13,470	13,470	312.50	0.06 years
GT26 JUL2018	26-Jul-18	47,360	-	-	-	-	47,360	47,360	-	299.50	-
GT26 JUL2018A	26-Jul-18	93,000	-	-	-	3,000	90,000	61,200	28,800	299.50	-
GT30 OCT2018	30-Oct-18	2,97,400	-	-	-	70,100	2,27,300	1,30,580	96,720	253.70	0.58 years
GT19 MAR2019	19-Mar-19	5,71,180	-	-	-	1,36,260	4,34,920	2,86,750	1,48,170	278.00	0.97 years
GT30 JUL2019	30-Jul-19	26,772	-	-	-	26,772	-	-	-	248.20	-
GT05 NOV2019	05-Nov-19	2,50,040	-	-	-	51,740	1,98,300	32,940	1,65,360	316.00	1.10 years
GT23 JAN2020	23-Jan-20	42,400	-	-	10,600	-	31,800	-	31,800	317.50	1.32 years
GT03 JUNE2020	03-Jun-20	2,11,900	-	-	-	42,380	1,69,520	-	1,69,520	157.90	1.30 years
GT03 JUNE2020A	03-Jun-20	1,905	-	-	-	1,905	-	-	-	157.90	1.30 years

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 ESOP DISCLOSURE (Contd.)

Employee Stock Option Plan 2016

		Options outstanding	During the Year 2021-22				Options outstanding	Options vested but not exercised	Options unvested		
Particulars	Date of Grant	As at 31.03.2021	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2022	As at 31.03.2022	As at 31.03.2022	Exercise Price	Weighted Average Remaining Contractual Life
GT07 MAY2021	07-May-21	-	-	10,66,600	-	-	10,66,600	-	10,66,600	580.30	1.80 years
GT30 JULY2021	30-Jul-21	-	-	24,700	-	-	24,700	-	24,700	487.20	2.03 years
GT29 OCT2021	29-Oct-21	-	-	8,05,600	-	-	8,05,600	-	8,05,600	609.00	2.28 years
GT29 OCT2021A	29-Oct-21	-	-	2,520	-	-	2,520	-	2,520	609.00	2.28 years
GT01 FEB2022	01-Feb-22	-	-	1,26,100	-	-	1,26,100	-	1,26,100	629.50	2.54 years
Total		**35,24,972**	**-**	**20,25,520**	**10,600**	**10,17,872**	**45,22,020**	**18,42,660**	**26,79,360**		

*Equity shares of face value of Rs 10/- have been split into face value of 2 per share on June 18, 2019 , pursuant to resolution passed through postal ballot on June 3, 2019

Note: Includes options (vested and unvested) issued employees of subsidiary as at March 31, 2022 - 11,276 options prior to share split (March 31, 2021 - 11,276 options)

The following tables list the inputs to the Black Scholes model used for the plans for the year ended March 31, 2023

ESOP 2007

		Variables					
Particulars	Date of Grant	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 (₹)	Fair Value of the Option (₹)
Gt 30 Jul 2007	30-Jul-07	7.10% - 7.56%	3-6 years	40.64% -43.16%	5.65%	193.40	61.42
Gt 24 Oct 2007	24-Oct-07	7.87% -7.98%	3-6 years	41.24% -43.84%	5.65%	149.90	44.25
Gt 25 Jan 2008	25-Jan-08	6.14% -7.10%	3-6 years	44.58% -47.63%	5.65%	262.20	78.15
Gt 25 Apr 2008	25-Apr-08	7.79% - 8.00%	2.5-5.5 years	45.78% - 53.39%	3.97%	191.80	76.74
Gt 30 Jul 2008	30-Jul-08	9.14% - 9.27%	2.5-5.5 years	46.52% - 53.14%	3.97%	105.00	39.22
GT24OCT2008	24-Oct-08	7.54% - 7.68%	2.5-5.5 years	48.2% - 55.48%	3.97%	37.70	14.01
GT 27 JAN 2011A	27-Jan-11	8%	4 years	59.50%	10%	187.60	94.82
GT 27 JAN 2011B	27-Jan-11	8%	3.4 years	61.63%	10%	187.60	90.62
GT 30 APR 2011	30-Apr-11	8%	4 years	59.40%	25%	162.55	73.07
GT28JUL2011	28-Jul-11	8%	4 years	58.64%	25%	175.35	79.17
GT 27 OCT 2011	27-Oct-11	8%	4 years	57.52%	25%	154.55	67.26

The shareholders of the Company, at the 34th Annual General Meeting held on July 30, 2012, authorised extension of exercise period from 3 years from the date of vesting to 6 years from the date of vesting. Accordingly, the Company has measured the fair value of the options using the Black Scholes model immediately before and after the date of modification to arrive at the incremental fair value arising due to the extension of the exercise period. The incremental fair value so calculated is recognised from the modification date over the vesting period in addition to the amount based on the grant date fair value of the stock options.

The incremental (benefit)/cost due to modification of the exercise period from 3 years to 6 years from the date of vesting for the year ended March 31, 2023 is ₹ Nil (March 31, 2022- ₹ Nil)

The fair value of the options has been calculated using the Black Scholes model on the date of modification.

The assumptions considered for the calculation of the fair value (on the date of modification) are as follows:

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 42 ESOP DISCLOSURE (Contd.)

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

ESOP 2016

Variables							
Particulars	Date of Grant	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 (₹)	Fair Value of the Option (₹)
GT25JAN2017	25-Jan-17	6.36% - 6.67%	3.5 -6.51 years	33.39% -34.47%	0.54%	1,010.00	401.29
GT30JAN2018	30-Jan-18	7.11%-7.45%	3.5 – 5.50 years	30.16%-31.46%	0.42%	1,309.70	496.82
GT30JAN2018A	30-Jan-18	7.11%-7.45%	3.5 – 5.50 years	30.16%-31.46%	0.42%	1,309.70	531.84
GT23APR2018	23-Apr-18	7.45%-7.81%	3.51 -6.51 years	30.33%-32.38%	0.42%	1,562.35	646.08
GT26JUL2018	26-Jul-18	7.71%-7.92%	3.51 -5.51 years	30.56%-31.83%	0.43%	1,497.30	586.32
GT30OCT2018	30-Oct-18	7.61%-7.85%	3.51 -6.51 years	32.34%-32.70%	0.51%	1,268.50	531.36
GT19MAR2019	19-Mar-19	6.91% - 7.25%	3.51 -6.51 years	32.19% -32.59%	0.47%	1,390.05	564.13
GT30JUL2019	30-Jul-19	6.15% - 6.27%	3.51 -4.51 years	32.21% -32.93%	0.52%	248.20	83.66*
GT05NOV2019	05-Nov-19	6.15% - 6.27%	3.51 -4.51 years	32.21% -32.93%	0.52%	316.00	112.09*
GT23JAN2020	23-Jan-20	6.15% - 6.27%	3.51 -4.51 years	32.21% -32.93%	0.52%	317.00	109.51*
GT03JUNE2020	03-Jun-20	5%	3.50 years	47.50%	1.33%	157.90	58.27*
GT07MAY2021	07-May-21	5.12% - 6.02%	3.5 -6.5 years	52.06% - 43.62%	0.34%	580.30	276.84
GT30JULY2021	30-Jul-21	5.25% - 6.20%	3.50 -6.51 years	52.06% - 43.65%	0.41%	487.15	232.48
GT29OCT2021	29-Oct-21	5.22% - 6.17%	3.50 -6.51 years	53.2% -43.93%	0.33%	609.00	293.95
GT01Feb2022	01-Feb-22	5.49% - 6.50%	3.50 -6.51 years	53.81% -44.42%	0.32%	629.50	309.23
GT05MAY2022	05-May-22	6.20% - 7.09%	2.5 -5.51 years	59.10% -47.09%	0.28%	712.15	336.08
GT29JUL2022	29-Jul-22	6.84% - 7.18%	3.51 -6.51 years	53.74% -45.29%	0.29%	690.10	351.99
GT29JUL2022A	29-Jul-22	6.84% - 7.1%	3.51 -5.51 years	53.74% -47.07%	0.29%	690.10	339.76
GT29JUL2022B	29-Jul-22	6.84%	3.51 years	53.74%	0.29%	690.10	311.94
GT24SEP2022	24-Sep-22	7.13% - 7.31%	3.51 -6.51 years	53.79% -45.27%	0.27%	738.50	379.33
GT24SEP2022A	24-Sep-22	7.13% - 7.28%	3.51 -5.51 years	53.79% -47.07%	0.27%	738.50	366.36
GT24SEP2022B	24-Sep-22	7.13%	3.51 years	53.79%	0.27%	738.50	336.74
GT01NOV2022	01-Nov-22	7.15% - 7.37%	3.51 -6.51 years	53.81% -45.25%	0.28%	709.35	364.52
GT31JAN2023	31-Jan-23	7.15% - 7.30%	3.51 -6.51 years	53.58% -45.23%	0.28%	710.75	364.41

Note : 43 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in crores

Particulars	April 01, 2022	Cash flows	Exchange Difference	Other	March 31, 2023
Debt Securities	13,321.10	6,065.37	-	295.94	19,682.41
Borrowings other than debt securities	52,004.52	20,957.74	(81.23)	305.16	73,186.19
Subordinated liabilities	3,847.88	642.00	-	(0.98)	4,488.90
Total	**69,173.50**	**27,665.11**	**(81.23)**	**600.12**	**97,357.50**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 43 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Contd.)

₹ in crores

Particulars	April 1, 2021	Cash flows	Exchange Difference	Other	March 31, 2022
Debt Securities	12,357.67	1,067.14	-	(103.71)	13,321.10
Borrowings other than debt securities	47,182.26	4,606.63	118.88	96.75	52,004.52
Subordinated liabilities	4,190.06	(327.70)	-	(14.48)	3,847.88
Total	**63,729.99**	**5,346.07**	**118.88**	**(21.44)**	**69,173.50**

(i) Others column represents the effect of interest accrued but not paid on borrowing, amortisation of processing fees etc

(ii) Liabilities represents of Debt securities, Borrowings (other than debt securities) and Subordinated Liabilities

Note : 44 MATURITY ANALYSIS

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

₹ in crores

Particulars	Amount	Maturity	
		Within 12 months	After 12 months
As on March 31, 2023			
Financial Assets			
Cash and Cash Equivalents	911.85	911.86	-
Bank balances Other than Cash and Cash Equivalents	2,095.25	1,176.46	918.78
Derivative financial instruments	272.86	13.73	259.13
Receivables			
i) Trade Receivables	99.13	99.13	-
ii) Other Receivables	103.21	103.21	-
Loans	1,04,809.65	27,863.56	76,946.10
Investments			
i) Associate	7.64	-	7.64
ii) Others	3,110.82	1,545.33	1,565.49
iii) Joint Venture	443.41	-	443.41
Other Financial Assets	298.62	80.70	217.92
Asset classified as held for sale (Investment)	22.57	-	22.57
Total Financial Assets	**1,12,175.01**	**31,793.98**	**80,381.04**
Non- Financial Assets			
Current tax assets (Net)	270.10	-	270.10
Deferred tax assets (Net)	611.49	-	611.49
Investment Property	0.13	-	0.13
Property, Plant and Equipment	374.69	-	374.69
Capital Work in Progress	35.74	-	35.74
Intangible assets under development	24.76	0.16	24.60
Other Intangible assets	27.86	-	27.86
Other Non-Financial Assets	107.12	13.68	93.44
Total Non- Financial Assets	**1,451.89**	**13.84**	**1,438.05**
Financial Liabilities			
Derivative financial instruments	134.27	17.62	116.65
Payables			
i) Trade Payables-Due to MSME	3.40	3.40	-
ii) Trade Payables-Other than MSME	168.21	168.21	
iii) Other Payables	1,064.21	1,064.18	0.03
Debt Securities	19,682.41	8,451.02	11,231.39
Borrowings(Other than Debt Securities)	73,186.19	25,128.94	48,057.25
Subordinated Liabilities	4,488.90	695.21	3,793.69
Other Financial Liabilities	363.41	212.18	151.23
Total Financial Liabilities	**99,091.00**	**35,740.76**	**63,350.24**
Non-Financial Liabilities			
Current tax liabilities	-	-	-
Deferred tax Liabilities	-	-	-
Provisions	142.22	22.38	119.85
Other Non-Financial Liabilities	47.58	40.11	7.46
Total Non-Financial Liabilities	**189.80**	**62.49**	**127.31**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 44 MATURITY ANALYSIS (Contd.)

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

Particulars	Amount	Maturity Within 12 months	Maturity After 12 months
As on March 31, 2022			
Financial Assets			
Cash and Cash Equivalents	2,698.84	2,698.84	-
Bank balances Other than Cash and Cash Equivalents	1,603.00	1,431.54	171.46
Derivative financial instruments	186.53	75.54	110.99
Receivables			
i) Trade Receivables	71.31	71.31	-
ii) Other Receivables	89.64	89.64	-
Loans	74,144.71	21,123.08	53,021.63
Investments			
i) Associate	33.03	-	33.03
ii) Others	1,576.43	9.09	1,567.34
iii) Joint Venture	445.59	-	445.59
Other Financial Assets	335.22	88.48	246.74
Total Financial Assets	**81,184.30**	**25,587.52**	**55,596.78**
Non - Financial Assets			
Current tax assets (Net)	252.00	-	252.00
Deferred tax assets (Net)	674.91	-	674.91
Investment Property	0.13	-	0.13
Property, Plant and Equipment	242.15	-	242.15
Capital Work in Progress	23.03	-	23.03
Intangible assets under development	14.32	0.37	13.95
Other Intangible assets	16.32	-	16.32
Other Non-Financial Assets	71.52	12.66	58.86
Total Non-Financial Assets	**1,294.38**	**13.03**	**1,281.35**
Financial Liabilities			
Derivative financial instruments	169.56	21.65	147.91
Payables			
i) Trade Payables-Due to MSME	3.06	3.06	-
ii) Trade Payables-Other than MSME	124.53	124.53	-
iii) Other Payables	720.00	720.00	-
Debt Securities	13,321.10	5,981.92	7,339.18
Borrowings(Other than Debt Securities)	52,004.52	18,516.20	33,488.32
Subordinated Liabilities	3,847.88	506.04	3,341.84
Other Financial Liabilities	339.52	209.92	129.60
Total Financial Liabilities	**70,530.17**	**26,083.32**	**44,446.85**
Non-Financial Liabilities			
Current tax liabilities	-	-	-
Deferred tax Liabilities	0.65	-	0.65
Provisions	119.68	0.02	119.66
Other Non-Financial Liabilities	59.18	45.91	13.27
Total Non-Financial Liabilities	**179.51**	**45.93**	**133.58**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 45.1 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), 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.

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 requirements prescribed by RBI over the reported period. The Capital adequacy ratio as of March 31, 2023 is 17.13% (March 31, 2022- 19.62%) as against the regulatory requirement of 15%.

45.2 FINANCIAL RISK MANAGEMENT

The key financial risks faced by the Group are credit and market risks comprising liquidity risk, interest rate risk and foreign currency risks.

45.2.1 Credit Risk

Credit risk arises when a borrower is unable to meet his financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in his future earning potential. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

45.2.1.1 Assessment Methodology

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 has a robust online application underwriting model to assess the credit worthiness of the borrower for underwriting decisions for its vehicle finance, Loan Against Property and home loan business. The Group also has a well- developed model for the vehicle finance portfolio, to help business teams plan volume with adequate pricing of risk for different segments of the portfolio.

45.2.1.2 Risk Management and Portfolio Review

The Group has a robust portfolio review mechanism. Key metrics like early delinquency, default rates are tracked, monitored and reviewed daily. Business teams review key trends in these Key Risk Indicators and location level strategies are adopted.

45.2.1.3 ECL Methodology

The Group records allowance for expected credit losses for all financial assets including loan commitments, other than those measured at FVTPL. Equity instruments carried at cost are not subject to impairment under the ECL methodology.

45.2.1.4 Assumptions and Estimation techniques

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. ECL is computed on collective basis. The portfolio is segmented based on shared risk characteristics for the computation of ECL.

The key elements of the ECL are summarised below:

45.2.1.4(a) 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. While computing probability of default, significant outlier events are suitably handled to ensure it does not skew the outcomes.

A 12M marginal PD is computed by creating cohorts of accounts starting in Stage 1 at the beginning of the year and subsequently moving to Stage 3 at any point in time during the year.

A conditional average probability of default is computed by taking cohort of which were in Stage 2 at the beginning the year and subsequently moved to Stage 3 anytime in each subsequent year

45.2.1.4(b) 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.

45.2.1.4(c) 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. The recoveries are discounted back to the default date using customer IRR. This present value of recovery is used for LGD computation. A recovery rate (RR) computed as the ratio of present value of recovery to the EAD (1 – RR), gives the LGD.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 45 CAPITAL MANAGEMENT (Contd.)

45.2.1.5 Mechanics of the ECL method

Stage 1:

All loans (other than purchased credit impaired asset) are categorised as Stage 1 on initial recognition.The 12months ECL 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 12monthsECL 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 EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

Loans which are past due for more than 30 days are categorised as 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:

Loans which are past due for more than 90 days are categorised as 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%

Restructured loans are categorised as Stage 3 on the date of restructuring and remain so for a period of one year. Post this, regular staging criteria applies.

Loans which have been renegotiated or modified in accordance with RBI Notifications for COVID-19 related stress has been classified as Stage 2 due to significant increase in credit risk.

The Post Implementation Staging of Loans restructured under Covid Resolution framework shall follow the Days Past Due of respective loan agreements.

In respect of new lending products introduced during the year, the Group follows simplified matrix approach for determining impairment allowance based on industry practise in the absence of historical information. These loans constitutes less than 1% of the total loan book.

Loan Movement across stages during the year is given in a note 9.1

Loan commitment:

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

Other Financial assets:

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

Based on Management's assessment of ECL on trade receivables/ other financial assets, the provisions are not material to financial statements (Nil as at March 31, 2022).

45.2.1.6 Incorporation of forward looking statements in ECL model

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

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

Annual data from 2010 to 2026 (including forecasts for 5 years) were obtained from World Economic Outlook, October 2021 published by International Monetary Fund (IMF). IMF provides historical and forecasted data for important economic indicators country-wise. The data provided for India is used for the analysis. Macro variables that were compared against default rates at segment level to determine the key variables having correlation with the default rates using appropriate statistical techniques. Vasiceks model has been incorporated to find the Point in Time (PIT) PD. The Group has formulated the methodology for creation of macro-economic scenarios under the premise of economic baseline, upside and downside condition. A final PIT PD is arrived as the scenario weighted PIT PD under different macroeconomic scenarios.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 45 CAPITAL MANAGEMENT (Contd.)

45.2.1.7 Macro economic variables

Segment	Macro-Economic Variables correlated for each segment	
Heavy Commercial Vehicle	Gross national savings	Volume of imports of goods and services
Light Commercial Vehicle	Gross national savings	Volume of imports of goods and services
Car & MUV	Gross domestic product, current prices USD	General government total expenditure
Mini Light Commercial Vehicle	Gross national savings	Volume of imports of goods and services
Used Vehicles	Gross domestic product per capita, current prices USD	Inflation, end of period consumer prices
Shubh	Gross national savings	Volume of imports of goods and services
Tractor	Gross national savings	Volume of exports of goods and services
Construction Equipment	Gross domestic product per capita, current prices USD	Volume of imports of goods and services
Loan Against Property	General government total expenditure	Gross domestic product per capita, current prices USD
Home Loan	Gross domestic product, current prices USD	General government total expenditure

Since the company has used Gross Domestic Product (GDP) as a predominant macro economic variable the sensitivity around the same is given below

₹ in crores

Year ended	Increase/(Decrease) of GDP	Impact on Expected Credit Losses (ECL)-Increase/(Decrease)
March 31, 2023	Decrease by 5%	(33.30)
March 31, 2023	Increase by 5%	33.54

45.2.1.8 Concentration of credit risk and Collateral and Credit Enhancements

45.2.1.8(a) Concentration of credit risk

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 is uniformly affected by changes in economic, political or other conditions. The Group is in 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 63% of the loan book of the Group as of March 31, 2023 (69% as of March 31, 2022). 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 Multi 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 8% and 7% leading to well diversified sub product mix.

Loan Against Property 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 20% of the lending book of the Group as of March 31, 2023 (22% as of March 31, 2022). Portfolio is concentrated in North 30% with small presence in East 5%.South has 40% and West contributes 25% of the overall exposure of the Group.

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 sub-segments as of March 31, 2022.

45.2.1.8(b) Collateral and 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 45 CAPITAL MANAGEMENT (Contd.)

The Group obtains first and exclusive charge on all collateral that it obtains for the loans given. Vehicle Finance and Loan Against Property 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 Loan Against Property loans, the value of the property at the time of origination will be arrived by obtaining two valuation reports from Group's empanelled valuers.

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 Loan Against Property. 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 Loan Against Property and pledge is created in favour for the Group for loan against securities.

99% of the Group's term loan are secured by way of tangible Collateral.

In respect of some unsecured lending, the Group obtains First Loss Default Guarantee or similar arrangement from external service providers as partial cover against potential credit default.

Fair value of collateral held against credit impaired assets - March 31, 2023

₹ in crores

Maximum exposure to credit risk (a)	Vehicles (b)	Loan against property (c)	Other loans (d)	Net exposure (e)=(a-b-c-d)	Associated ECL
3,221.59	2,307.55	1,894.35	209.23	(1,189.54)	1,425.94

Fair value of collateral held against credit impaired assets - March 31, 2022

₹ in crores

Maximum exposure to credit risk (a)	Vehicles (b)	Loan against property (c)	Other loans (d)	Net exposure (e)=(a-b-c-d)	Associated ECL
3,305.32	2,330.24	2,409.87	238.23	(1,673.02)	1,266.50

Note: Column (b), (c), (d) of the above table, represents fair value of collateral

Valuation of Collateral:

a)Vehicles including construction equipment and tractors are valued at original cost less 20%depreciation per year on WDV

b)Immovable property is valued based on the amount as per the valuation report at the time of sanctioning of loan

c)Other loans – Book debts at Cost or Securities at market value

45.2.2 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. The Group's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The Group is exposed to interest rate risk and liquidity risk, if the same is not managed properly. 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. In addition, the Group has put in an Asset Liability Management (ALM) support group which meets frequently to review the liquidity position of the Group.

45.2.2.1 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. 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. These are reviewed by the Asset Liability Committee (ALCO) on a monthly basis. The ALCO provides strategic direction and guidance on liquidity risk management. A sub-committee of the ALCO, comprising members

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 45 CAPITAL MANAGEMENT (Contd.)

from the Treasury and Risk functions, monitor liquidity risks on a weekly basis and decisions are taken on the funding plan and levels of investible surplus, from the ALM perspective. This sets the boundaries for daily cash flow management.

Analysis of Financial assets and Financial liabilities by remaining contractual maturities given in note -47.

45.2.2.2 Interest Rate Risk

The Group being in the business of lending raises money from diversified sources like market borrowings, term Loan from banks and financial institutions, foreign currency borrowings etc. Financial assets and liabilities constitute significant portion, changes in market interest rates can adversely affect the financial condition. The fluctuations in interest rates can be due to internal and external factors. Internal factors include the composition of assets and liabilities across maturities, existing rates and re-pricing of various sources of borrowings. External factors include macro-economic developments, competitive pressures, regulatory developments and global factors. The movement in interest rates (upward / downward) will impact the Net Interest Income depending upon rate sensitivity of the asset or liability. The Group uses traditional gap analysis report to determine the vulnerability to movements in interest rates. The Gap is the difference between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) for each time bucket. A positive gap indicates that the Group can benefit from rising interest rates while a negative gap indicates that the Group can benefit from declining interest rates. Based on market conditions, the Group enters into interest rate swap to mitigate interest rate risk.

₹ in crores

Year ended	Increase/(Decrease)	Impact on Profit beforex Tax
March 31, 2023	Increase by 100 bps	(96.50)
March 31, 2023	Decrease by 100 bps	96.50

Year ended	Increase/(Decrease)	Impact on Profit before Tax
March 31, 2022	Increase by 100 bps	(143.40)
March 31, 2022	Decrease by 100 bps	143.40

45.2.2.3 Foreign Currency Risk

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 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 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.

45.2.2.4 Hedging Policy

The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment and hence the hedge ratio is 1:1.

45.3 Disclosure of Effects of Hedge Accounting

Cash flow Hedge

As at March 31, 2023								
Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in crore)		Maturity Date	Changes in Fair value of Hedging Instrument (₹ in crore)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in crore)	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cash Flow Hedge								
Cross Currency Interest rate swap	2	-	147.42	-	May 15, 2023 to July 19, 2025	(147.41)	136.39	Borrowings
Overnight Index Swaps	1	1	2.72	5.59	March 8, 2024 to March 31, 2028	2.87	-	Borrowings
Forward contracts	1	1	120.71	128.68	June 20,2023 to June 20,2028	7.97	123.56	Borrowings
Fair Value Hedge								
Interest rate swaps	1	-	2.02	-	October 7, 2023	(2.02)	-	Borrowings

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 45 CAPITAL MANAGEMENT (Contd.)

Year ended March 31, 2023				
Cash flow Hedge	**Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in crore)**	**Hedge Effectiveness recognised in profit and loss (₹ in crore)**	**Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss (₹ in crore)**	**Line item affected in Statement of Profit and Loss because of the Reclassification**
Foreign exchange risk and Interest rate risk	45.64	2.02	-	NA

As at March 31, 2022

As at March 31, 2022								
Foreign Exchange Risk on Cash Flow Hedge	**Nominal Value of Hedging Instruments (No. of Contracts)**		**Carrying Value of Hedging Instruments (₹ in crore)**		**Maturity Date**	**Changes in Fair value of Hedging Instrument (₹ in crore)**	**Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in crore)**	**Line item in Balance sheet**
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	6	0	108.09	-	June 27, 2022 to June 20, 2028	90.89	164.19	Borrowings
Overnight Index Swaps	0	2	-	2.82	October 23, 2022 to March 20,2024	(2.82)	-	Borrowings
Forward contracts	0	3	78.44	166.74	June 27, 2022 to June 20, 2028	10.45	14.53	Borrowings

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in crore)	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	161.97	-	-	NA

Note 46 : (i) INVESTMENT IN JOINT VENTURE

The Group has acquired equity shares of Payswiff Technologies Private Limited (Payswiff), from its founders and other existing shareholders towards strategic investment in the equity shares of Payswiff up to a sum not exceeding ₹ 450 Crores in one or more tranches. This will result in the Group holding up to 73.82% of the equity capital of Payswiff. Payswiff is engaged in the business of enabling online payment gateway services for e-commerce businesses and provides e-commerce solutions. Payswiff is an omni channel payment transaction solution that lets business owners accept payments from their customers in-store, at home deliveries, online, and on-the-go using mPOS and POS solution

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investment in Joint Venture	456.83	450.01
Less: Cumulative Share of Loss of from Joint venture	(13.42)	(4.42)
Closing value of Investment	**443.41**	**445.59**

Even though, the Group holds 73.82% of the paid up equity capital of payswiff, however, in view of founder reserved matters and dispute resolution mechanism envisaged in the shareholder agreement executed between the Group and founders of payswiff, the Group is considered to have joint control over the entity as per Ind AS 28 read with IND AS 110. Hence it is classified as investment in Joint venture

₹ in crores

Particulars	March 31, 2023	March 31, 2022
Current assets	43.69	40.25
Non-current assets	78.67	50.33
Current liabilities	(53.99)	(52.39)
Non-current liabilities	(57.98)	(1.52)
Equity	**10.39**	**36.67**
Proportion of the Group's ownership	74.82%	73.82%
Group's share in the Equity of the associate	7.77	27.07

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 46 (ii) INVESTMENT IN AN ASSOCIATES

a) The Group had recognised the value of investment in associate - White Data Systems India Private Limited (WDSI) at fair value on the date of loss of control and the same is carried at cost as at reporting date.

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investment in Subsidiary on the date of loss of control	25.54	25.54
Less: Cumulative Share of Loss of from Associate	(2.97)	(1.52)
Closing value of Investment	**22.57**	**24.02**

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:

₹ in crores

Particulars	March 31, 2023	March 31, 2022
Current assets	10.03	19.54
Non-current assets	25.96	24.22
Current liabilities	(6.38)	(9.21)
Non-current liabilities	(1.68)	(0.60)
Equity	**27.93**	**33.95**
Proportion of the Group's ownership	30.87%	30.87%
Group's share in the Equity of the associate	8.62	10.48

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers	4.66	4.61
Other Income	0.59	2.00
Depreciation & amortization	3.83	1.90
Finance cost	0.20	0.23
Employee benefit	2.91	1.42
Other expense	2.74	2.78
Profit before tax	**(4.43)**	**0.28**
Deferred tax reversal	(0.98)	0.08
Profit for the year (continuing operations)	(5.41)	0.36
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	(0.01)	(0.05)
Total comprehensive income for the year (continuing operations)	**(5.42)**	**0.31**
Group's share of profit for the year	**(1.67)**	**0.11**
Adjustment relating to prior periods	**-**	**(0.33)**
Group's share of loss considered in the consolidated statement of Profit and loss for the year ended March 31, 2023	**(1.67)**	**(0.22)**

The associate has no contingent liabilities or capital commitments as at March 31, 2023 and March 31, 2022.

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

b) Vishwakarma Payments Privatet Limited (VPPL) is a consortium of 7 entities formed for the purpose of applying to the Reserve Bank of India (RBI) for an NUE (New Umbrella Entity) license within the framework of RBI circular. The licensed NUE is to focus on retail payment systems by developing interoperable infrastructure which will cater to banks and non-banks and enable innovative use-cases to solve the diversity, depth and width of consumers and small businesses in India. VPPL is incorporated with an equity capital of Rs 1 lakh and its networth as March 31, 2022 is ₹ 1 lakh. It can commence operations only on receipt of license from RBI. The Group holds 21% stake in VPPL.

c) The Group had recognised the value of investment in associate - Paytail Commerce Private Limited (Paytail) at amortised Cost. The Group has acquired 16.29% of the Equity Share Capital of Paytail Commerce Private Limited in September 2021. By virtue of the voting and other rights as per the share purchase agreement, Paytail Commerce Private Limited has been assessed as an associate of the Group.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 46 INVESTMENT IN AN ASSOCIATE (Contd.)

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Value of investment in Associate	9.75	9.75
Less: Cumulative Share of Loss of from Associate	(1.89)	(0.74)
Closing value of Investment	**7.86**	**9.01**

Particulars	March 31, 2023	March 31, 2022
Current assets	17.72	3.30
Non-current assets	6.33	4.70
Current liabilities	(8.91)	-
Non-current liabilities	(15.00)	(0.07)
Equity	**0.14**	**7.93**
Proportion of the Group's ownership	16.29%	16.29%
Group's share in the Equity of the associate	0.02	1.29

₹ in crores

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Operating Income	23.41	2.56
Expenses	30.48	7.67
Profit before tax	**(7.07)**	**(5.11)**
Income tax expense	-	-
Profit for the year (continuing operations)	(7.07)	(5.11)
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	-	-
Total comprehensive income for the year (continuing operations)	**(7.07)**	**(5.11)**
Group's share of loss for the year	**(1.15)**	**(0.74)**
Adjustment relating to prior periods	**-**	**-**
Group's share of loss considered in the consolidated statement of Profit and loss for the year ended March 31, 2023	**(1.15)**	**(0.74)**

Note : 47

Note : 47.1 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.

₹ in crores

Particulars	March 31, 2023		March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents	911.85	911.85	2,698.84	2,698.84
Bank balances Other than Cash and Cash Equivalents	2,095.25	2,095.25	1,603.00	1,603.00
Receivables				
i) Trade Receivables	99.13	99.13	71.31	71.31
ii) Other Receivables	103.21	103.21	89.64	89.64
Loans	1,04,809.65	1,04,848.01	74,144.71	75,164.53
Investments in Government Securities	1,541.34	1,396.97	1,543.48	1,426.65
Investment in Treasury Bill	1,536.27	1,532.99	-	-
Investment in Convertible notes	10.92	10.92	-	-
Investment other than associates and Joint venture	22.29	22.29	-	-
Other Financial Assets	298.62	298.62	335.22	367.48
Total Financial Assets	**1,11,428.53**	**1,11,319.24**	**80,486.20**	**81,421.45**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 47.1 FAIR VALUE OF FINANCIAL INSTRUMENTS (Contd.)

₹ in crores

Particulars	March 31, 2023 Carrying Value	March 31, 2023 Fair Value	March 31, 2022 Carrying Value	March 31, 2022 Fair Value
Financial Liabilities				
Payables				
i) Trade Payables - Due to MSME	3.40	3.40	3.06	3.06
ii) Trade Payables - Other than MSME	168.21	168.21	124.53	124.53
iii) Other Payables	1,064.21	1,064.21	720.00	722.12
Debt Securities	19,682.41	19,740.72	13,321.10	13,325.60
Borrowings(Other than Debt Securities)	73,186.19	73,532.82	52,004.52	52,484.54
Subordinated Liabilities	4,488.90	4,505.87	3,847.88	3,868.58
Other Financial Liabilities	363.41	363.41	339.52	339.51
Total Financial Liabilities	**98,956.73**	**99,378.64**	**70,360.61**	**70,867.94**

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.

Note 47.2 Fair value hierarchy

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities disclosed under level 2 category.

i) Derivatives are fair valued using market observable rates and publishing prices

ii) The fair value of loans have 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 estimated by discounting expected future cash flows discounting 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.

v) The fair value of investment in Government securities are derived from rate near to the reporting date of the comparable product.

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2023

₹ in crores

Particulars	Carrying Value	Fair value measurement using: 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	15.77	15.77	-	-
FVTPL Equity Instruments	6.52	-	-	6.52
Derivative financial instruments	272.86	-	272.86	-
Assets for which fair values are disclosed				
Loans	1,04,809.65	-		1,04,848.01
Investments in Government Securities	1,541.34	1,396.97	-	-
Investments in T Bill	1,536.27	1,532.99	-	
Investment in Convertible notes*	10.92			10.92
Investment Properties *	0.13	-	-	3.20

There have been no transfers between different levels during the period.

* Fair value of investment in convertible note, investment property is calculated based on valuation given by external independent valuer.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 47.2 FAIR VALUE HIERARCHY (Contd.)

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2023

₹ in crores

Particulars	Carrying Value	Fair value measurement using 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	134.27	-	134.27	-
Liabilities for which fair values are disclosed				
Debt Securities	19,682.41	-	19,740.72	-
Borrowings(Other than Debt Securities)	73,186.19	-	73,532.82	-
Subordinated Liabilities	4,488.90	-	4,505.87	-

There have been no transfers between different levels during the period.

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2022

₹ in crores

Particulars	Carrying Value	Fair value measurement using 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	26.88	26.88		-
Derivative financial instruments	6.00	-		6.00
Derivative financial instruments	186.53	-	186.53	-
Assets for which fair values are disclosed				
Loans	74,144.71	-		75,164.53
Investment in Government Securities	1,576.43	1,469.05	-	
Investment Properties *	0.13	-	-	3.04

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, 2022

₹ in crores

Particulars	Carrying Value	Fair value measurement using 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	169.56	-	169.56	-
Liabilities for which fair values are disclosed				
Debt Securities	13,321.10	-	13,325.60	-
Borrowings(Other than Debt Securities)	52,004.52	-	52,484.54	-
Subordinated Liabilities	3,847.88	-	3,868.58	-

There have been no transfers between different levels during the period.

Note 47.3 Summary of Financial assets and liabilities which are recognised at amortised cost

₹ in crores

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets		
Cash and Cash Equivalents	911.85	2,698.84
Bank balances other than Cash and Cash Equivalents	2,095.25	1,603.00
Loans	1,04,809.65	74,144.71
Investments in Government Securities	1,541.34	1,543.48
Investment in Treasury Bill	1,536.27	-
Other Financial Assets	298.62	335.22
Financial Liabilities		
Debt Securities	19,682.41	13,321.10
Borrowings(Other than Debt Securities)	73,186.19	52,004.52
Subordinated Liabilities	4,488.90	3,847.88
Other Financial liabilities	363.41	339.52

47.4 Refer Note 15 for sensitivity analysis for investment property, whose fair value is disclosed under the level 3 category.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 48 ANALYSIS OF FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES

As at March 31, 2023 ₹ in crores

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 Liabilities								
Derivative financial instruments	-	3.80	4.24	9.58	48.90	55.30	12.45	**134.27**
Payables								
(I) Trade Payables								
i) Total outstanding dues of micro and small enterprises	3.40	-	-	-	-	-	-	**3.40**
ii) Total outstanding dues of creditors other than micro and small enterprises	178.35	-	-	-	-	-	-	**178.35**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	1,071.26	-	-	-	3.00	-	-	**1,074.26**
Debt Securities	698.83	2,582.24	3,909.11	2,305.45	10,795.73	2,062.44	-	**22,353.80**
Borrowings (Other than Debt Securities)	3,883.85	4,790.80	8,681.40	12,577.35	40,659.09	12,613.03	518.87	**83,724.39**
Subordinated Liabilities	5.40	83.46	157.27	924.69	997.14	1,818.53	18,549.02	**22,535.51**
Other Financial Liabilities	167.39	11.97	17.90	33.89	92.14	28.18	29.47	**380.94**
Total Undiscounted financial liabilities	**6,008.48**	**7,472.27**	**12,769.92**	**15,850.96**	**52,596.00**	**16,577.48**	**19,109.81**	**1,30,384.92**

As at March 31, 2022 ₹ in crores

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 Liabilities								
Derivative financial instruments	-	4.81	5.93	10.93	55.41	58.62	33.87	**169.57**
Payables								
(I) Trade Payables								
i) Total outstanding dues of micro and small enterprises	3.06	-	-	-	-	-	-	**3.06**
ii) Total outstanding dues of creditors other than micro and small enterprises	130.43	-	-	-	-	-	-	**130.43**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	**-**
ii) Total outstanding dues of creditors other than micro and small enterprises	719.97	-	-	-	0.03	-	-	**720.00**
Debt Securities	833.27	1,356.20	1,485.33	2,744.80	6,851.41	1,188.28	-	**14,459.29**
Borrowings (Other than Debt Securities)	1,629.33	4,289.98	6,073.71	8,856.78	26,256.80	9,793.35	704.01	**57,603.96**
Subordinated Liabilities	2.74	67.88	240.79	446.04	1,375.11	675.62	14,370.12	**17,178.30**
Other Financial Liabilities	229.01	9.69	13.81	23.04	66.03	14.56	-	**356.14**
Total Undiscounted financial liabilities	**3,547.81**	**5,728.56**	**7,819.57**	**12,081.59**	**34,604.79**	**11,730.43**	**15,108.00**	**90,620.75**

Note : 49 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:

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 49 DISCLOSURES IN CONNECTION WITH IND AS 116 - LEASES (Contd.)

Other Disclosures

(i) Movement in the carrying value of the Right to Use Asset

₹ in crores

Particulars - Buildings	As on March 31, 2023	As on March 31, 2022
Opening Balance	99.66	79.22
Depreciation charge for the Period	(55.59)	(44.70)
Additions during the Period	103.39	70.41
Adjustment/Deletion	(0.27)	(5.27)
Closing Balance	**147.19**	**99.66**

(ii) Classification of current and non current liabilities of the lease liabilities

Particulars	As on March 31, 2023	As on March 31, 2022
Current liablities	104.46	47.09
Non Current Liabilities	63.43	63.27
Total Lease liabilities	**167.89**	**110.36**

(iii) Movement in the carrying value of the Lease Liability

Particulars	As on March 31, 2023	As on March 31, 2022
Opening Balance	110.36	92.53
Interest Expense	12.40	8.84
Lease Payments [Total Cash Outflow]	(57.60)	(54.70)
Short term rent concession	-	(1.12)
Additions during the year	103.39	70.41
Adjustment/Deletion	(0.27)	(5.60)
Closing Balance	**168.28**	**110.36**

(iv) Contractual Maturities of Lease liability outstanding

Particulars	As on March 31, 2023	As on March 31, 2022
Less than one year	105.92	50.13
One to five Years	157.52	76.91
Total	**263.44**	**127.04**

(v) The following are the amount recognised in the Profit or Loss statement

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation expense of right-of-use assets	55.59	44.70
Interest expense on lease liabilities	12.40	8.84
Expense relating to short-term leases (included in other expenses)	2.60	(1.12)
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	**70.59**	**52.42**

Lease expenses relating to short term leases aggregated to ₹ 2.60 crores during the year ended March 31, 2023

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.

The Group has not defaulted in its lease obligations

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

NOTE 50: 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 AND FOR THE YEAR ENDED MARCH 31, 2023 AND MARCH 31, 2022

As at March 31, 2023

₹ in crores

Name of the entities	Net Assets (i.e total assets less total liabilities)		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
I. Parent								
Cholamandalam Investment and Finance Company Limited	96%	13,753.30	100%	2,664	142%	34	100%	2,698
II. Subsidiaries								
Cholamandalam Securities Limited	0%	50.72	0%	7	-38%	(9)	0%	(2)
Cholamandalam Home Finance Limited	0%	68.07	0%	6	-4%	(1)	0%	5
Minority Interests in all subsidiaries	0%	0	0%	0	0%	0	0%	-
III. Joint Venture (Investment as per equity method)								
Payswiff Technologies Private Limited	3%	443	0%	(9)	0%	0	0%	(9)
IV. Associates (Investment as per equity method)								
White Data Systems India Private Limited	0%	23	0%	(2)	0%	0	0%	(2)
Vishvakarma Payments Private Limited	0%	0	0%	0	0%	0	0%	0
Paytail Commerce Private :Limited	0%	8	0%	(1)	0%	0	0%	(1)
	100%	**14,346**	**100%**	**2,665**	**100%**	**24**	**100%**	**2,689**

As at March 31, 2022

Name of the entities	Net Assets (i.e total assets less total liabilities)		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
I. Parent								
Cholamandalam Investment and Finance Company Limited	95%	11,167.52	100%	2,145.22	89%	121.23	99%	2,266.45
II. Subsidiaries								
Cholamandalam Securities Limited	0%	57.62	0%	5.48	10%	13.36	1%	18.84
Cholamandalam Home Finance Limited	1%	62.23	0%	8.19	1%	1.68	0%	9.87
Minority Interests in all subsidiaries	0%	-	0%	-	0%	-	0%	-
III. Joint Venture (Investment as per equity method)		-						
Payswiff Technologies Private Limited	4%	445.60	0%	(4.41)	0%	-	0%	(4.41)
IV. Associates (Investment as per equity method)								
White Data Systems India Private Limited	0%	27.02	0%	(0.22)	0%	-	0%	(0.22)
Vishvakarma Payments Private Limited	0%	-	0%	-	0%	-	0%	-
Paytail Commerce Private :Limited	0%	9.01	0%	(0.75)	0%	-	0%	(0.75)
	100%	**11,769.00**	**100%**	**2,153.51**	**100%**	**136.27**	**100%**	**2,289.78**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 51 ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III

Part 1 - Ageing Analysis

A. Trade Receivables ageing schedule as on March 31,2023

₹ in crores

Particulars	Outstanding for following periods from due date of transaction					
	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	85.91	7.28	5.94	-	-	99.13
(ii) Undisputed Trade Receivables –which have significant increasein credit risk						-
(iii) Undisputed Trade Receivables –credit impaired						
(iv) Disputed Trade Receivables–considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk					-	
(vi) Disputed Trade Receivables – credit impaired						-
Total	**85.91**	**7.28**	**5.94**	**-**	**-**	**99.13**

B. Trade Receivables ageing schedule as on March 31, 2022

₹ in crores

Particulars	Outstanding for following periods from due date of transcation					
	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	70.05	0.54	0.01	0.23	-	70.83
(ii) Undisputed Trade Receivables - which have significant increasein credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	0.02	0.05	0.04	0.05	0.32	0.48
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**70.07**	**0.59**	**0.05**	**0.28**	**0.32**	**71.31**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 51 ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III (Contd.)

C. CWIP ageing schedule as on March 31,2023

₹ in crores

Capital-work-in-progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	12.71	23.03	-	-	35.74
Projects Temporarily Suspended	-	-	-	-	-

D. CWIP ageing schedule as on March 31,2022

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	23.03	-	-	-	23.03
Projects Temporarily Suspended	-	-	-	-	-

E. Intangible assets under development ageing schedule as on March 31, 2023

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	13.48	8.09	3.19	-	24.76
Projects Temporarily Suspended	-	-	-	-	-

F. Intangible assets under development ageing schedule as on March 31, 2022

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	10.17	2.84	0.85	0.46	14.32
Projects Temporarily Suspended	-	-	-	-	-

G. Trade Payables ageing schedule as on March 31, 2023

Particulars	Outstanding for following periods from due date of Transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3.40	-	-	-	3.40
(ii) Others	158.91	4.07	4.83	0.40	168.21
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**162.31**	**4.07**	**4.83**	**0.40**	**171.61**

H. Trade Payables ageing schedule as on March 31, 2022

Particulars	Outstanding for following periods from due date of Transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3.06	-	-	-	3.06
(ii) Others	124.02	0.05	0.07	0.39	124.53
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**127.08**	**0.05**	**0.07**	**0.39**	**127.59**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2023

Note : 51 ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III

Part - II - Other Disclosures
No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
As per the information available, the Group has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.
The Group being an non-banking finance company, as part of its normal business, grants loans and advances to its customers, other entities and persons ensuring adherence to all regulatory requirements. Further, the company has also borrowed funds from banks, financial institutions in compliance with regulatory requirements in the ordinary course of business. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
Group has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2023

Note : 52 EVENTS AFTER REPORTING DATE

On April 25, 2023, the company made a public issue of secured, rated, listed redeemable non-convertible debentures of the face value of ₹ 1,000 each ("NCDs") with a base Issue size of ₹ 500 crores with an option to retain any oversubscription up to ₹ 500 crores, aggregating up to ₹ 1,000 crores within the shelf limit of ₹ 5,000 crore ("Tranche I Issue").

There have been no other events after the reporting date apart from above that require disclosure in the financial statements

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

A.J. Shaikh
Partner
Membership No. : 221268

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

S. Usha
Partner
Membership No. : **211785**

Date : May 3, 2023
Place : Chennai

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
President & Chief Financial Officer

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

₹ in crores

Name of the subsidiary	Cholamandalam Home Finance Limited	Cholamandalam Securities Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2023	March 31, 2023
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
Share capital	42.40	22.50
Reserves & surplus	24.21	28.22
Total assets	78.34	169.56
Total Liabilities	11.73	118.84
Investments	13.77	8.50
Turnover	81.88	51.54
Profit/(Loss) before taxation	7.66	8.68
Provision for taxation	2.11	2.32
Profit/(Loss) after taxation	5.55	6.36
Proposed Dividend	-	-
% of shareholding	100.00%	100.00%
Names of subsidiaries which are yet to commence operations	Not applicable	Not applicable
Names of subsidiaries which have been liquidated or sold during the year.	Not applicable	Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates	White Data Systems India Private Limited	Vishvakarma Payments Private Limited	Paytail Commerce Private Limited	Payswiff Technologies Private Limited
Latest Balance Sheet Date	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
Shares of Associate/Joint Ventures held by the company on the year end				
No.	12,75,917	2,100	27,482	28,16,117
Amount of Investment in Associates/Joint Venture (Rs in crores)	8.00	0*	9.75	456.82
Extend of Holding %	30.93%	21.00%	16.29%	74.89%
Description of how there is significant influence	By way of shareholding	By way of shareholding	By way of shareholding and rights in share holding agreement	By way of shareholding and rights in share holding agreement
Reason why the associate/joint venture is not consolidated	Not applicable	Not applicable	Not applicable	Not applicable
Networth attributable to Shareholding as per latest Balance Sheet	8.64	0.01	0.02	7.78
Profit / (Loss) for the year - Rs. in crores	(5.42)	0*	(7.07)	(11.49)
Considered in Consolidation - Rs. in crores	(1.67)	0*	(1.15)	(8.60)
Not Considered in Consolidation – Rs. in crores	(3.75)	0*	(5.92)	(2.89)
Names of associates or joint ventures which are yet to commence operations	Not applicable	Not applicable	Not applicable	Not applicable
Names of associates or joint ventures which have been liquidated or sold during the year.	Not applicable	Not applicable	Not applicable	Not applicable

*represents amount less than ₹ 1 crore.

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

Date : May 3, 2023
Place : Chennai

Vellayan Subbiah
Chairman

Ravindra Kumar Kundu
Executive Director

D. Arul Selvan
President & Chief Financial Officer

P. Sujatha
Company Secretary

GLOSSARY

A. TERMS

Assets Under Management (AUM)	Business AUM and Investments
Business AUM	On - Balance sheet Business assets and Off - Balance sheet Business assets
Business AUM(Net)	Business AUM less Expected Credit Losses(ECL) provisions
Net credit Losses (NCL)	Loan losses and ECL provision

B. PERFORMANCE RATIOS

Operating Expenses to Assets	Total Expenses (Less: Finance Costs & Impairment of Financial Instruments)/Average of Closing Assets
Loan Losses %	Impairment of Financial instruments/Average of Closing Assets
PBT-ROTA	Profit Before Tax/Average of Closing Assets
Prot Before Tax to Income	Profit Before Tax/Total Income
Return on Total Assets - PAT	Profit After Tax/Average of Closing Assets
Return on Equity - PAT	Profit After Tax/Average of Shareholder's funds

Closing assets Represents Business AUM for Respective Business and represents on-balance sheet business assets and Investment at Company’s level for computing ratios

C. INVESTOR RATIOS

Earnings per Equity share	Profit After Tax/Weighted Average number of shares
Book value per Equity share	Networth/Total Number of Shares
Dividend per Equity share	Interim Dividend paid & Final Dividend proposed per Equity share
CAR (Capital Adequacy Ratio)	Tier I & Tier II Capital/Risk Weighted Assets

Notes:

Notes:

murugappa

Cholamandalam Investment and Finance Company Limited

Registered Office: "Dare House", No.2, NSC Bose Road, Chennai - 600001.

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