



ANNUAL REPORT – 2024-25

Cholamandalam MS Risk Services Limited

DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in presenting the Thirtieth Annual Report of Cholamandalam MS Risk Services Limited ("**Company**") together with the Audited Financial Statements for the year ended March 31, 2025.

FINANCIAL HIGHLIGHTS

(Rs. in million)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income	831.97	712.75
Expenses	736.71	630.97
Profit Before Tax (PBT)	95.26	81.77
Profit After Tax	70.68	60.80
Other Comprehensive income / (loss)	(0.80)	(0.29)
Total Comprehensive Income	69.88	60.51
Add: Balance b/f from Previous Year	158.39	142.88
Total	228.27	203.39
Dividend-Equity	6.00	5.00
Transfer to Retained Earnings	40.00	40.00
Profit carried to Balance Sheet	182.27	158.39

OPERATIONS

The Company reported a total income of Rs.831.97 million, (Rs.712.75 million in the previous year) and profit before tax of Rs.95.26 million (Rs.81.77 million in the previous year). The Company has recorded around 16.73% increase in the total income.

The Company has further increased its order book with new orders amounting to Rs.1,242 million during the year. With the orders carried forward, the Company's total order book will be around Rs.1,918 million.

During the year, the Company broadened its service credentials by launching several long-term strategic projects focused on Cultural Transformation, Behavior-Based Safety, and other sustainability initiatives, and successfully executed projects in each of these areas.

The Company has established a presence at over 100 site locations across the country, with dedicated resources deployed at various client project sites. Currently,



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CIN : U74140TN1994PLC029257 / GSTIN : 33AABCC6610Q1ZL



approximately 145 construction safety professionals and 146 logistics safety specialists are engaged across multiple companies. During FY 2024-25, the Company successfully executed more than 440 assignments in process safety, over 200 in electrical safety, and more than 80 in environmental services. Additionally, the Company continues to operate over 75 driver management centers, providing monthly counseling to more than 40,000 drivers.

During the reporting year, the Company strengthened its partnerships with key allies like Inogen, Tonkin & Taylor, BPC and EIC-Dubai and strengthened ties with JV partner MS&AD. The Company also deployed digital EHs solution & took significant steps by developing six different EHS tools & modules as enhancement of our service offerings. The Company also revamped its training academy website, adding B2C capabilities. Additionally, it completed a year-long Young Leaders Program in collaboration with IIM Indore, aimed at developing young managers. The Company has also actively participated in various industry forums by presenting technical papers and made representation in panel discussions, as part of the efforts to strengthen brand presence and demonstrate technical excellence.

The Company continues to serve Cholamandalam MS General Insurance Company Limited and its clients through value-added services like Thermography, Safety Audits, Cargo Loss minimization studies and BRSR Reporting.

The Joint Venture Partner, Mitsui Sumitomo Insurance Company Limited, Japan, continues to support the Company by introducing Japanese Companies in the Indian market for risk management services.

The Company has around 450+ resources with a strong technical team of multidisciplinary and certified professionals having exposure to domestic and international markets.

During the year, the Company has contributed to CSR initiatives/ projects by undertaking 1) the cost of poison Centre specialists of Christian Medical College, Vellore, and 2) towards equipment for research projects to battery charging laboratory for sustainable and efficient power source to Indian Institute of Technology, Madras.

PLANNING FOR 2025-26 AND THEREAFTER

The Company enters FY 2025-26 with a strategic executable order book of about Rs.630 million, offering considerable revenue stability and forecasting visibility for the year ahead. The long-term contracts secured in FY 2024-25, in addition to providing stability pave the way for aggressive revenues and profits planned for FY 2025-26.

As part of its strategic growth roadmap, the Company will prioritize expansion by strengthening its presence in the Kingdom of Saudi Arabia through local partnerships and deepen presence in Middle East Market. Additionally, intended to increase the

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penetration in Northern India and explore further opportunities in Kuwait by securing KNPC registration, unlocking new avenues for growth.

In addition to geographical expansion, service offerings will be enhanced with new solutions including BESS-related studies, climate and water risk assessments, life cycle assessments, and contractor safety rating systems. Growth of Behavioral Science-Based Safety (BSBS) solutions will be accelerated. Strategic focus will shift towards scaling premium services like ESG strategy implementation, advancing sustainability capabilities through structured competency building and certifications, positioning Chola Mandalam MS Risk Services as a trusted partner in the evolving sustainability space.

The Company will continue to promote a structural and forward-looking capability-building program across all verticals with specific budget allocation on skill development, and aim to strengthen technical depth, delivery readiness, and future leadership across the organization.

DIVIDEND AND RESERVES

Your Directors are pleased to recommend a dividend of Rs.3 per equity share of Rs.10/- each resulting in a payment of Rs.6 million towards dividend for the FY 2024-25.

An amount of Rs.40 million has been transferred to General Reserve for the FY 2024-25.

SHARE CAPITAL

During the year under review, there was no change in the Authorized Capital as well as Paid-up Capital of the Company.

The Paid-up Capital as at March 31, 2025 was at Rs.20 million.

DIRECTORS

The following appointments / reappointments were approved by the shareholders at the Twenty ninth Annual General Meeting (AGM) of the Company held on July 26, 2024:

1. Mr. Naoki Takeda (DIN- 09524037) who was liable to retire by rotation, was re-appointed as Director;
2. Mr. Shyam C Raman (DIN: 06847718) was appointed as a Director, who shall be liable to retire by rotation;



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3. Mr. Venugopalan Srinivasan (DIN: 10379822) was appointed as a Director, who shall be liable to retire by rotation;
4. Mr. Osamu Akine (DIN: 10531445) was appointed as a Director, who shall be liable to retire by rotation.

During the year, the following changes occurred in the composition of Board of Directors of the Company:

1. Mr. Naoki Takeda (DIN- 09524037) resigned from the office of Director (Non-executive Director) with effect from the closing hours of March 31, 2025.
2. Mr. Osamu Akine (DIN: 10531445) resigned from the office of Director (Non-executive Director) with effect from the closing hours of March 31, 2025.

The Board places on record its deep appreciation and gratitude to Mr. Naoki Takeda and Mr. Osamu Akine for their guidance and valuable contributions to the Company during their tenure.

Mr. Tsutomu Aoki and Mr. Taketoshi Tarumoto were appointed as Additional Directors pursuant to the nomination of Mitsui Sumitomo Insurance Company Limited (MSI), Joint Venture partner, with effect from April 1, 2025.

Mr. V Suryanarayanan (DIN: 01416824), retires by rotation at the ensuing annual general meeting and being eligible, offers himself for re-appointment.

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. N V Subba Rao, Chief Executive, has superannuated from the services of the Company with effect from closing of business hours on June 30, 2024.

Your Directors place on record their deep appreciation for the contribution and support extended by Mr. N V Subba Rao during his long tenure of office.

Mr. Ramesh Ramalingam K, was appointed as Chief Executive of the Company with effect from July 01, 2024.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2025, are:

- Mr. Ramesh Ramalingam K, Chief Executive and
- Mr. M Sundar, Company Secretary



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Mr. M. Sundar resigned from the office of Company Secretary with effect from closing hours of business on March 31, 2025. Your Directors place on record their appreciation for the contribution and support extended by Mr. M Sundar during his tenure of office.

Ms. Ankita Sharma S was appointed as Company Secretary of the Company with effect from April 01, 2025.

BOARD MEETINGS

The Board of Directors meet at regular intervals with an annual calendar of meetings circulated at the beginning of the year to enable maximum attendance of Directors.

During the year, six (6) Board meetings were convened and held on the following dates: April 26, 2024, June 14, 2024, July 22, 2024, October 29, 2024, January 29, 2025 and March 20, 2025. The intervening gap between meetings did not exceed 120 days.

STATUTORY AUDITORS

The shareholders, at the twenty sixth AGM held on July 29, 2021, had re-appointed M/s Brahmayya & Co., Chartered Accountants, (Regn No. 000511S) as the Statutory Auditors of the Company to hold office for a period of five years commencing from the conclusion of the twenty sixth AGM till the conclusion of thirty first AGM. M/s Brahmayya & Co. have confirmed on satisfaction of the eligibility criteria prescribed under the Companies Act, 2013.

FRAUDS REPORTED BY AUDITORS

During the year under review, no fraud has been reported by the Statutory Auditor, under Section 143(12) of the Companies Act, 2013, against the Company by its officers or employees.

RELATED PARTY TRANSACTIONS

During the financial year ended March 31, 2025, all related party transactions that **were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.** In terms of Section 188 of the Companies Act, 2013, read with the Rules made thereunder, there are no significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Details of related party transactions, are dealt with in note 28 of the financial statements.



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SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Venture and Associate Company during the financial year under review in terms of Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

PUBLIC DEPOSITS

The Company has not accepted any public deposits during the year under review.

LOANS, GUARANTEES AND INVESTMENTS

During the year under preview, the Company had made investment in bonds of M/s. Cholamandalam Investment and Finance Company Ltd amounting to Rs.25.03 million. The Company has not extended any loans, guarantees during the year.

Investments made as per the provisions of Section 186 of the Companies Act, 2013, are given below:

Rs. million			
Description	As on March 31, 2024	Movement	As on March 31, 2025
Investments made by the Company	11.66	25.03	36.69

MAINTENANCE OF COST RECORDS

The provisions of Section 148 of the Companies Act, 2013, and Rules framed thereunder pertaining to maintenance of cost records as well as appointment of Cost Auditors are not applicable to the Company.

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board, while considering the Business plan every year, takes into account the business risks associated with it. No risk has been identified which would threaten the existence of the Company. The Company has in place internal control framework to provide reasonable assurance to ensure compliance with internal policies, regulatory matters and to safeguard reliability of financial reporting and its disclosures. The key observations, recommendations and compliance status of the previous key audit findings of internal auditors are presented to the Board at its quarterly meetings.



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CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has approved and adopted a Corporate Social Responsibility (CSR) Policy. Various CSR activities have been undertaken by the Company during the year under review in accordance with the CSR Policy.

The CSR Policy is available in the website of the Company at <https://cholarisk.com/company-policies/>

The CSR obligation for FY 2024-25 was Rs.16,34,543/- and the Company earmarked an amount of Rs.16,80,000/- towards CSR spend, and Rs.16,80,000 was spent towards CSR activities as approved by the Board.

The report on CSR activities in the prescribed format is attached as Annexure A and is forming part of this report.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:

The Company has put in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The Company has complied with the requirements of POSH Act relating to constitution of Internal Complaints Committee. All employees are covered under this policy. During the year under review, the Company has complied with the provisions of the above said Act.

During the calendar year ended December 31, 2024, the Company has received one complaint which was investigated and closed.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

ANNUAL RETURN

The annual return of the Company for the financial year ended March 31, 2024, in form MGT 7 is available on the website at <https://cholarisk.com/wp-content/uploads/2025/05/Final-Annual-Return-FY-2023-24.pdf>



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The draft annual return of the Company for the financial year ended March 31, 2025 in form MGT 7 is available on the website at https://cholarisk.com/wp-content/uploads/2025/06/draft_annual_returnfy_2024_25.pdf

PARTICULARS OF EMPLOYEES

The Company had 459 employees as on March 31, 2025. Details of remuneration as required to be provided pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are available for inspection at the registered office of the Company during the business hours on working days of the Company. If any member is interested in obtaining a copy, such member may write to the Company Secretary in this regard.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors accept the responsibility for the integrity and objectivity of the Statement of Profit & Loss for the year ended March 31, 2025 and the Balance Sheet as at that date ("financial statements") and confirm that:

- In the preparation of the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2025 and the Balance Sheet as at that date ("financial statements") applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- Proper and sufficient care has been taken 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. To ensure this, the Company has established internal control systems, consistent with the size and nature of operations, subject to the inherent limitations that should be recognized in weighing the assurance provided by any such system of internal controls;
- The financial statements have been prepared on a going concern basis; and
- Proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.



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CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required to be furnished in this report under Section 134(3) of the Companies Act, 2013, and the Rules made thereunder, relating to conservation of energy and technology absorption are not applicable for the year under review, and hence not furnished. The foreign exchange earnings and outgo during the year was at Rs.148.38 million and Rs.33.79 million respectively.

APPLICATION/PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under preview, there was no application/proceeding initiated or pending under Insolvency and Bankruptcy code, 2016.

VALUATION FOR SETTLEMENT OR LOAN TAKEN FROM BANKS OR FINANCIAL INSTITUTIONS

During the year under preview, there was no valuation done for any settlement or any valuation done for loan taken from bank or financial institutions.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

ACKNOWLEDGMENTS

Your Directors wish to thank the joint venture partners – Murugappa Group and Mitsui Sumitomo Insurance Company Limited, Japan, the clients, agents and other Government Agencies for their continued support.

Your Directors also place on record their appreciation for the unstinted support rendered by the employees of the Company at all levels as well as for their hard work, dedication and commitment provided to the company.

On behalf of the Board

Date: April 22, 2025
Place: Chennai

Tsutomu Aoki
Chairman
DIN: 09568125

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CHOLAMANDALAM MS RISK SERVICES LIMITED**ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2025**

1. Brief outline on CSR Policy of the Company.

The Company would be adopting a focused and a structured approach towards implementing its CSR initiatives. It has identified thematic and programme areas to guide the design, intent and approach of its CSR initiatives. These are broad thematic areas with focus on quality service delivery and empowerment. The programme areas are:

- Providing basic health care facilities to economically backward societies across geographical areas
- Improving access to education, including road safety awareness campaigns
- Eradicating hunger and poverty, through livelihood generation and skill development, setting up old age homes, day care centres and such other facilities for senior citizens
- Supporting environmental and ecological balance, conservation of natural resources and similar programmes.
- Rural Development
- Promotion of sports through training of sportspersons
- Promoting Arts & Culture
- Women Empowerment
- Disaster Relief & Management

2. Composition of CSR Committee: Not Applicable

3. The web-link of ~~CSR committee~~, CSR Policy and CSR projects approved by the board are disclosed on the website of the company at <https://cholarisk.com>

4. 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: Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of Section 135: Rs.8,17,27,154/-
(b) Two percent of average net profit of the company as per sub-section (5) of Section 135: Rs. 16,34,543/-
(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 [(b)+(c)-(d)]: Rs.16,34,543/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 16,80,000/-
 (b) Amount spent in Administrative Overheads: Nil
 (c) Amount spent on Impact Assessment, if applicable: Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 16,80,000/-
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
16,80,000	-	-	-	-	-

- (f) Excess amount for set-off, if any:

Sl.No	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	16,34,543
(ii)	Total amount spent for the Financial Year	16,80,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	45,457
(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)]	45,457

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(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	2023-24	Nil	Nil	Nil	Nil	-	Nil	Nil
2	2022-23	Nil	Nil	Nil	Nil	-	Nil	Nil
3	2021-22	Nil	Nil	Nil	Nil	-	Nil	Nil

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

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

On behalf of the Board

Tsutomu Aoki
Chairman
DIN: 09568125

Place: Chennai

Date: April 22, 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHOLAMANDALAM MS RISK SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Cholamandalam MS Risk Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
	<p>Contingent Liabilities:</p> <p>We have considered this as a key audit matter because the Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>Total contingent liabilities as at 31st March, 2025 is Rs.7,25,95,243/-.</p> <p>Refer Note No.29 of financial statements</p>	<p>In relation to this, our audit response included the following:</p> <ul style="list-style-type: none">• We have reviewed the details of pending tax demands as at 31st March, 2025.• We have involved our internal experts to consider legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions.• We have also reviewed Company's correspondence with tax authorities, legal counsels, grounds of appeal filed with appellate authorities.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, and Shareholder's Information, 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 during the course of our 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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.

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

- Identify and assess the risks of material misstatement of the standalone 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 financial controls 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 system 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.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 No. 29 of the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from share premium or any other sources or kind of funds) by the company 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, 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.
 - (b) The management has represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any persons or entities, 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. and
 - (c) Based on audit procedures that the we have considered reasonable and appropriate in the circumstances; nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) as specified above contain any material mis-statements.



- v. (a) As stated in Note 34(b) to the financial statements, The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination, which includes test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

The audit trail has been preserved by the company as per the statutory requirements for record retention.

Place: Chennai

Date: 22th April, 2025



For Brahmayya & Co.
Chartered Accountants
Firm Regn. No.000511S

P. Babu
Partner
Membership No. 203358
UDIN: 25203358BMINPT2412

CHOLAMANDALAM MS RISK SERVICES LIMITED
"ANNEXURE A" TO THE AUDITORS' REPORT REFERRED TO IN OUR
REPORT OF EVEN DATE

- i. a) 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
2. The Company has maintained proper records showing full particulars of intangible assets.
- b) Property, Plant and Equipment were physically verified by the management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the Property, Plant and Equipment. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) Based on our examination of records and according to the information and explanations given to us, the company does not own any immovable property.
- d) Based on our examination of records and according to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable
- b) The Company has not been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. Based on our examination of records and according to the information and explanations given to us, the company has not made investment and not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, in respect of which:



- a) The Company has not made any investment and not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to its Director(s) and has not made any investment, provided any guarantee or security as envisaged in Section 185 and Section 186 of the Companies Act, 2013, respectively.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the relevant rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. a) The Company is regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of these statutory dues outstanding as at March 31, 2025 for a period of more than six months from the date they became payable
- b) In our opinion and according to the information and explanations given to us, there are no dues of Goods and Service Tax which have not been deposited on account of any dispute. Dues in respect of Income tax which have not been deposited on account of dispute are as follows:

Nature of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	Rs.4,05,44,317/-	Assessment Year 2016-17 & 2017-18	Commissioner of Income Tax (Appeals)

- viii. According to the information and explanation given to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order does not arise.



- ix. a) Based on our examination of the records of the Company and according to the information and explanations give to us and, the company has not availed any loans or other borrowings during the year. Accordingly, reporting under clause 3(ix)(a) of the order does not arise.
- b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. Accordingly, reporting under clause 3(ix)(b) of the order does not arise.
- c) In our opinion and according to the information and explanations given to us, the company has not availed any term loan during the year. Accordingly, reporting under clause 3(ix)(c) of the order does not arise.
- d) On an overall examination of the standalone financial statements of the company and according to the information and explanations given to us, the Company did not raise any funds during the year. Accordingly, reporting under clause 3(ix)(d) of the order does not arise.
- e) On an overall examination of the standalone financial statements of the company and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(e) of the order does not arise.
- f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiary companies. Accordingly, reporting under clause 3(ix)(f) of the order does not arise.
- x. a) In our opinion and according to the information and explanations given to us, the Company has neither raised during the year any money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the order does not arise.
- b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares/ fully or partly or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order does not arise.
- xi. a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the course of our audit.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us, there are no whistle blower complaints received by the company during the year.



- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as per provisions of the Companies Act, 2013. Accordingly, reporting under clause 3(xii)(a), (b), (c) of the Order does not arise.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
b) We have considered the internal audit reports of the company, for the year under audit, issued till the date of this audit report.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting under clause 3(xv) of the order does not arise.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
b) In our opinion and based on the information and explanations given to us, there are two core investment companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. Based on our examination of the records and according to the information and explanation given to us, the Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the order does not arise.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) There is no unspent amount towards Corporate Social Responsibility (CSR) projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) There is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

Place: Chennai

Date: 22th April, 2025



For Brahmayya & Co.
Chartered Accountants
Firm Regn. No.000511S

P. Babu
Partner
Membership No.203358
UDIN: 25203358BMINPT2412

CHOLAMANDALAM MS RISK SERVICES LIMITED
"ANNEXURE B" TO THE AUDITORS' REPORT REFERRED IN OUR
REPORT OF EVEN DATE

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

We have audited the internal financial controls over financial reporting of Cholamandalam MS Risk Services Limited ("the Company") as of 31st March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion


In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai

Date: 22nd April, 2025



For Brahmayya & Co.
Chartered Accountants
Firm Regn. No.000511S


P. Babu
Partner
Membership No. 203358
UDIN: 25203358BMINPT2412

Cholamandalam MS Risk Services Limited
Balance Sheet as at March 31, 2025
All amounts are in INR Lakhs unless stated otherwise

	Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
I.	ASSETS			
	Non-current assets			
	Property, plant and equipment	3	195.95	239.98
	Right-of-use assets	3	-	16.45
	Intangible assets	3	51.47	21.49
	Intangible assets under development	3	-	5.60
	Financial assets			
	(i) Investments	4	266.84	116.58
	(ii) Bank Balances other than Cash and cash equivalents	5	-	263.00
	(iii) Others	13	2.95	-
	Deferred Tax assets (Net)	7	97.61	138.35
	Current Tax Assets (Net)	8	879.05	745.94
	Other non-current Assets	9	23.61	33.35
	Total non-current assets		1,517.48	1,580.74
	Current assets			
	Financial assets			
	(i) Investments	4	100.12	-
	(ii) Trade receivables	10	2,348.10	2,121.13
	(iii) Cash and Bank Balances	11	467.82	337.57
	(iii) Bank Balances other than (ii) above	12	895.00	905.00
	(iv) Others	13	893.25	658.05
	Other Current Assets	14	160.02	76.52
	Total current assets		4,864.31	4,098.27
	Total Assets		6,381.79	5,679.01
II.	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	15	200.00	200.00
	Other equity	16	4,722.68	4,083.91
	Non Current			
	Financial liabilities			
	(i) Lease liabilities	17	-	0.44
	(ii) Other financial liabilities	18	-	2.83
	Employee benefit obligation	20	73.80	132.59
	Total non-current liabilities		4,996.48	4,419.77
	Liabilities			
	Current liabilities			
	Financial liabilities			
	(i) Trade payables	19	225.72	262.50
	(ii) Lease liabilities	17	-	17.88
	(iii) Other financial liabilities	18	542.58	376.60
	Employee benefit obligation	20	378.95	420.03
	Other current liabilities	21	238.06	182.23
	Total current liabilities		1,385.31	1,259.24
	Total equity and liabilities		6,381.79	5,679.01
	Summary of material accounting Policies	2		

The notes referred to above form an integral part of the Financial statements
This is the Balance Sheet referred to in our report of even date



For Brahmaya & Co.
Chartered Accountants
Firm Registration No.000511S
P. Babu
Partner
Membership No.203358

Place: Chennai
Date: 22-April-2025

S Venugopalan
Director
DIN: 10379822

Ramesh Ramalingam
Chief Executive

Ankita Sharma S
Company Secretary
M.no: A60850

Shyam C Raman
Director
DIN:06847718

Tsutomu Aoki
Director
DIN:09568125

Cholamandalam MS Risk Services Limited
Statement of Profit and loss for the year ended March 31, 2025
All amounts are in INR Lakhs unless stated otherwise

	Particulars	Note No.	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
I.	Revenue from operations	22	8,012.15	6,914.14
II.	Other income	23	307.57	213.30
III.	Total Income (I + II)		8,319.72	7,127.44
IV.	Expenses:			
	Purchase of Stock in Trade		0.02	0.51
	Employee benefits expense	24	4,542.27	4,058.46
	Finance costs	25	4.71	10.52
	Depreciation and amortization expense	3	142.31	180.39
	Other expenses	26	2,677.82	2,059.83
	Total expenses		7,367.13	6,309.71
V.	Profit before exceptional and extraordinary items and tax (III-IV)		952.59	817.7
			11.45%	11.47%
VI.	Exceptional items			
VII.	Profit before extraordinary items and tax (V - VI)		952.59	817.73
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		952.59	817.73
X	Tax expense:			
	(1) Current tax	6	207.93	225.96
	(2) Tax - Earlier years		(2.89)	-
	(3) Deferred tax (Net)	7	40.74	(16.19)
XI	Profit for the Year from continuing operations (IX-X)		706.81	607.96
XII	Profit from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit for the period (XI + XIV)		706.81	607.96
XVI	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Actuarial (Gain)/Loss		10.74	3.82
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.70)	(0.96)
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Comprehensive Income for the year		698.77	605.10
XVI	Earnings per equity share: (in Rs.)			
	A. For Continuing Operations			
	(1) Basic & Diluted	27	34.94	30.26
	B. For Discontinuing Operations			
	(1) Basic & Diluted			
	C. For Discontinued & Continuing Operations			
	(1) Basic & Diluted		34.94	30.26
Summary of material accounting Policies		2		

The notes referred to above form an integral part of the Financial statements
This is the Statement of Profit & Loss referred to in our report of even date

For Brahmayya & Co.

Chartered Accountants

Firm Registration No.000511S



P. Babu

Partner

Membership No.203358

S Venugopalan
S Venugopalan
Director
DIN: 10379822

Ramesh Ramalingam
Ramesh Ramalingam
Chief Executive

Ankita Sharma S
Ankita Sharma S
Company Secretary
M.no: A60850

Shyam C Raman
Shyam C Raman
Director
DIN:06847718

Tsutomu Aoki
Tsutomu Aoki
Director
DIN:09568125

Place: Chennai
Date: 22-April-2025

Cholamandalam MS Risk Services Limited
Statement of Cash Flow for the year ended March 31, 2025
All amounts are in INR Lakhs unless stated otherwise

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
A. Cash Flow from Operating Activities		
Profit before Taxation	952.59	817.73
Non-cash adjustments and Non-Operating Items :		
Provision for Bad & Doubtful debts/ Advances	108.83	136.53
Depreciation and Amortisation	142.31	180.39
Provision no longer required written back	(173.91)	(78.37)
Profit on Sale of Investment	-	(2.50)
Gain on de-recognition of RoU asset	(0.39)	(12.41)
Interest income	(71.42)	(68.99)
Interest on bonds	(21.97)	(5.08)
(Profit)/Loss on Sale of Fixed Asset	4.04	(1.91)
Finance Cost	4.71	10.52
Actuarial Gain/(loss)	(8.04)	(2.86)
Unrealised (Gain)/loss	(3.49)	(4.71)
Operating Profit before working capital changes	933.26	968.34
Changes in Working Capital :		
Increase/(Decrease) in Short term Borrowings	-	-
Increase/(Decrease) in Long term employee benefits	(58.80)	(19.01)
Increase/(Decrease) in Short term employee benefits	(41.07)	37.51
Increase/(Decrease) in Trade Payables	(36.78)	23.02
Increase/(Decrease) in Financial Liabilities	163.15	29.80
Increase/(Decrease) in Other Current Liabilities	55.83	(9.70)
(Increase)/Decrease in Trade Receivables	(158.40)	(161.46)
(Increase)/Decrease in Short term Loans & Advances	-	-
(Increase)/Decrease in other Financial assets	(238.12)	(48.75)
(Increase)/Decrease in other Current/Non-Current Assets	(73.76)	(17.32)
Total Changes in Working Capital	(387.95)	(165.92)
Cash Generated from Operations	545.31	802.42
(Less)/Add : Taxes Paid	(338.16)	(448.44)
Net cash generated from operating activities	207.15	353.97
B. Cash flow from Investing Activities		
Proceeds from sale of Fixed Assets	21.39	4.93
Purchase of Fixed Assets	(135.19)	(168.18)
Purchase of Non Current- Investment	(150.26)	(100.12)
Purchase of Current Investment	-	-
Proceeds from sale of Current Investment	(100.12)	107.93
Fixed Deposit (made)/redeemed	273.00	(70.00)
Income from Interest on Fixed Deposits	71.42	68.99
Interest on bonds	21.96	5.08
Net Cash flow from Investing Activities	2.21	(151.37)
C. Cash flow from Financing Activities		
Repayment of Lease liability	(14.40)	(74.00)
Dividends Paid	(60.00)	(50.00)
Finance Cost	(4.71)	(10.52)
Net Cash flow (used)/ from Financing Activities	(79.11)	(134.52)
Net Increase/Decrease in Cash and Cash equivalents	130.25	68.08
Cash and Cash equivalents at the beginning of the year	337.57	269.49
Cash and Cash equivalents at the end of the year	467.82	337.57
Components of Cash & Cash equivalents		
Cash on hand	0.08	0.02
with bank		
- On Current account	95.69	102.55
- On Deposits account	372.05	235.00
Total Cash & Cash equivalents	467.82	337.57

This is the Statement of Cash Flow referred to in our report of even date

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No.000511S



P. Babu
Partner
Membership No.203358

Place: Chennai
Date: 22-April-2025

S Venugopalan
Director
DIN: 10379822

Ramesh Ramalingam
Chief Executive

Ankita Sharma S
Company Secretary
M.no: A60850

Shyam C Ramen
Director
DIN:06847718

Tsutomu Aoki
Director
DIN:09568125

Cholamandalam MS Risk Services Limited
Statement of changes in equity as at March 31, 2025
All amounts are in INR Lakhs unless stated otherwise

I) Equity Share Capital

	Amounts
Balance as at April 1, 2023	200.00
Changes in Equity Share Capital due to prior period errors	-
Changes in equity share capital during the year	-
Restated balance at the beginning of the current reporting period	200.00
Balance as at March 31, 2024	
Changes in equity share capital during the current year	-
Balance as at March 31, 2025	200.00

II) Other equity

	General reserve	Retained earnings	Actuarial Gain/(Loss) on Gratuity plan	Total
Balance as at April 1, 2023	2,100.00	1,428.81	-	3,528.81
Profit for the period	-	607.96	-	607.96
Other comprehensive income	-	-	(2.86)	(2.86)
Changes in accounting policy or prior period errors	-	-	-	-
Total Comprehensive Income	2,100.00	2,036.77	(2.86)	4,133.91
Transfer to Retained Earnings	-	-	2.86	2.86
Transfer From Retained Earnings	400.00	(400.00)	-	-
Transfer from Actuarial Gains/Loss on Gratuity plan	-	(2.86)	-	(2.86)
Less : Dividend @Rs.2.5 per share	-	(50.00)	-	(50.00)
Balance as at March 31, 2024	2,500.00	1,583.91	-	4,083.91
Profit for the period	-	706.81	-	706.81
Other comprehensive income	-	-	(8.04)	(8.04)
Changes in accounting policy or prior period errors	-	-	-	-
Total Comprehensive Income	2,500.00	2,290.72	(8.04)	4,782.68
Transfer to Retained Earnings	-	-	8.04	8.04
Transfer From Retained Earnings	400.00	(400.00)	-	-
Transfer from Actuarial Gains/Loss on Gratuity plan	-	(8.04)	-	(8.04)
Less : Dividend @Rs.3 per share	-	(60.00)	-	(60.00)
Balance as at March 31, 2025	2,900.00	1,822.68	-	4,722.68

This is the statement of changes to equity referred to in our report of even date



For Brahmayya & Co.
Chartered Accountants
Firm Registration No.000511S
P. Balu
Partner
Membership No.203358

S Venugopalan
Director
DIN: 10379822

Ramesh Ramalingam
Chief Executive

Ankita Sharma S
Company Secretary
M.no: A60850

Shyam C Raman
Director
DIN:06847718

Tsutomu Aoki
Director
DIN:09568125

Place: Chennai
Date: 22-April-2025

Notes to Financial Statements

1. Corporate Information

The financial statements of "Cholamandalam MS Risk Services Limited" ("the Company" or "Chola MS Risk") are for the year ended 31 March 2025. The Company is an unlisted public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is located at "Dare House", No.2, NSC Bose Road, Chennai - 600001.

1.1 Basis of Preparation

These financial statements for the year ended March 31, 2025 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended up to date.

The Company is a Joint Venture of Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited) and Mitsui Sumitomo Insurance Company Limited. Since Ind AS is applicable to the Joint Venture partner Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited), Ind AS becomes applicable to the Company w.e.f financial year ended March 31, 2019.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

The financial statements are presented in INR.

2. Summary of Material Accounting Policies

2.1 Presentation and Disclosure of Financial Statements:

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

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

A liability has been classified as current when it satisfies any of the following criteria:

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

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities have been classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.



2.2 Fair Value Measurement:

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 fair value related disclosures are given in the relevant notes.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 32).

2.3 Use of Estimates:

The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful trade receivables / advances / contingencies, useful life of Property, Plant and Equipment, revisions, provision for taxation, recognition of contract assets, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions,



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

2.4 Cash and Cash Equivalents:

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

2.5 Cash Flow Statement:

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

2.6 Property, Plant and Equipment and intangible assets:

Property, Plant and Equipment:

The Company has elected to continue with carrying value of Property, Plant and Equipment under the Indian GAAP, as the deemed cost for the purpose of transition to Ind AS.

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the Property, Plant and Equipment but excludes duties and taxes that are recoverable from tax authorities.

Subsequent cost/expenses related to an item of property, plant and equipment (PPE) are recognized in the carrying amount of PPE when the cost/expenses meet the recognition criteria, i.e., cost can be measured reliably and it is probable that the future benefits will flow to the Company.

Assets costing Rs. 5,000 and below are depreciated over a period of one year.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

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.

Intangible assets:

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

The Company amortises intangible assets with a limited useful life using the straight-line method



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2.7 **Revenue and Other Income:**

As per Ind AS 115, the Company recognizes revenue as and when, the Company satisfies the performance obligation by transferring a promised good or renderings the promised service to a customer.

At contract inception, the Company assesses the goods or services promised in a contract with a customer and identifies performance obligation as each promise to transfer to the customer.

Performance Obligations are measured as the services agreed with the customers for rendering in each contract.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

The change in contract asset between the reporting dates, is recognized as revenue in statement of profit and loss account.

Revenue from service-related activity is recognized as follows:

Fixed price contract is a contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output/Man-days, which in some cases is subject to cost escalation clauses.

The Company enters into fixed price contracts with the Customers. Contract revenue comprises

- (a) the initial amount of revenue agreed in the contract; and
- (b) variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

When the outcome of a contract can be estimated reliably, contract revenue and contract costs associated with the contract shall be recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

The recognition of revenue and expenses by reference to the stage of completion of a contract is referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.

The stage of completion of a contract is determined by a method that measures reliably the work performed.

Depending on the nature of the contract, the methods may include:

- (a) the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs; or (b) completion of a proportion of the contract work.

The Company follows the percentage of completion method on the basis of measurement of work actually completed, at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.



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The Stage / percentage of completion is determined with reference to the confirmation given by the Clients or/and on the billing schedule agreed with them for the value of work done during the year.

Service fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Good and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Interest Income: For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

2.8 Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be realised.

The company accrues for Export benefits under Service Export India Scheme for the eligible value of the grant on the net export realisation of foreign currency for the eligible years and when there is no uncertainty in receiving the same, at the expected fair value of the grant.

2.9 Employee Benefits:

I. Defined Contribution Plan

- a. **Superannuation:** The Company contributes a sum equivalent to 15% of the eligible employee's 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 annual contribution and recognizes such contributions as an expense in the year in which the services are rendered.
- b. **Provident Fund:** Contributions to Provident Fund are recognised as expense in the year in which the services are rendered. The Company has no obligation other than the contribution payable to the Regional Provident fund.
- c. **Employee State Insurance:** Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

Gratuity - The Company makes annual contribution to a Gratuity Fund administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains / 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 immediately recognised in the balance sheet with a corresponding debit or Credit in to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: -

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

III. Long Term Compensated Absences:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit Credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

IV. Short Term Employee Benefits:

Short term employee benefits include short term compensated absences which is recognized based on the eligible leave at Credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

2.10 Leases (Company as a lessee):

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The lease asset classes primarily consist of leases for a building. 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 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 right of use asset ("ROU") and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For



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these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease arrangement includes 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.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.11 Foreign Currency Transactions:

Initial recognition: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Measurement as at Balance Sheet date: Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at year end exchange rates. Non-monetary items carried at historical cost are accounted using the exchange rates at the dates of initial transactions.

Treatment of Exchange Differences: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.



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2.12 **Depreciation and Amortisation:**

Depreciation on fixed assets is provided on straight line method over the useful life of assets and in the manner as prescribed by Schedule II of the Companies Act, 2013 except for the assets which are depreciated at a higher rate based on their estimated useful life as under:

Particulars	Useful Life (in years)
Furniture and Fittings *	4 years
Vehicles *	4 Years
Office Equipment *	2 Years & 4 Years
Electrical Fittings *	4 Years
Plant & Machinery *	6 Years

*For this class of assets, based on internal assessment, the management believes that the useful life given above best represents the period over which the management expects to use these assets. Hence, the useful life of these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

Computer software includes cost of application software which is amortised over a period of 4 years.

Depreciation is provided pro-rata from the date of Capitalisation.

2.13 **Taxes on Income:**

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

Current 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.

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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



temporary differences, and the carry forward of unused tax Credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 reassessed 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 the Statement of profit and loss is recognised outside Statement of profit and 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 Company and the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

2.14 **Provisions and Contingencies:**

A provision is recognized when a Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.



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2.15 **Earnings Per Share:**

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

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

2.16 **Financial Instruments:**

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

A. Financial Assets:

- I. **Initial Recognition and Measurement:** All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
- II. **Subsequent Measurement:** For purposes of subsequent measurement, financial assets are classified in three categories:
 - a. Financial assets at amortised cost
 - b. Financial assets measured at fair value through profit or loss (FVTPL)
 - c. Financial assets measured at fair value through other comprehensive income FVTOCI.

Financial assets carried at amortized cost: At Amortised Cost a 'debt instrument' is measured at the amortised cost if both the following conditions are met: -

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

Financial asset at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the Criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

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



2.17 Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit risk exposure: -

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR.

When estimating the cash flows, the Company is required to consider: -

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in Credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.



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B. Financial Liabilities:

- i. **Initial Recognition and Measurement:** All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.
- ii. **Subsequent Measurement:** The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own Credit risks are recognized in OCI.

These gains / losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. Loans and Borrowings After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2.18 **Inventories:**

The Company trades telematics devices and stock-in-trade are valued at lower of weighted average cost and estimated net realisable value. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.19 **Significant Accounting Judgements, Estimates and Assumptions:**

The preparation of the Company's financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

- a. **Judgements:** In the process of applying the company's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the standalone Financial Statements.
- b. **Estimates and Assumptions:** The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of



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causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group.

Such changes are reflected in the assumptions when they occur.

- i. **Employee Benefits:** The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 35.



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Note 3

(A) Property, plant and equipment for the Year ended March 31, 2025

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2024	Additions	Deletions/ Adjustments	As at March 31, 2025	Transfer to retained earnings	Provided for the year ended March 2025	Up to March 31, 2025	As at March 31, 2025
Owned Assets								
1 Plant and Machinery	28.86	16.95	-	45.81	21.07	4.36	25.43	20.39
2 Furniture and Fixtures	66.25	2.63	-	68.88	4.10	30.88	34.98	33.90
3 Vehicles	114.95	27.12	36.65	105.43	51.32	19.35	51.59	53.84
4 Office Equipment	61.53	5.88	-	67.40	39.78	11.50	51.29	16.12
5 Electrical & Fittings	22.66	-	-	22.66	3.57	4.89	8.45	14.21
6 Computers	199.99	37.48	-	237.46	134.43	43.29	177.72	59.74
Total	494.24	90.06	36.65	547.65	254.26	114.26	351.70	195.95

(B) Right of use assets for the Year ended March 31, 2025

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2024	Additions	Deletions/ Adjustments	As at March 31, 2025	Transfer to retained earnings	Provided for the year ended March 2025	Up to March 31, 2025	As at March 31, 2025
1 Buildings	63.43	-	13.64	49.79	46.98	12.91	49.79	-
Total	63.43	-	13.64	49.79	46.98	12.91	49.79	16.45

(C) Intangible assets for the Year ended March 31, 2025

DESCRIPTION	GROSS BLOCK			AMORTIZATION			NET BLOCK	
	As at April 1, 2024	Additions	Deletions/ Adjustments	As at March 31, 2025	Transfer to retained earnings	Provided for the year ended March 2025	Up to March 31, 2025	As at March 31, 2025
1 Software	141.45	45.13	-	186.57	119.96	15.14	135.10	51.47
TOTAL	141.45	45.13	-	186.57	119.96	15.14	135.10	51.47
Grand Total	699.11	135.19	50.25	784.02	421.21	142.31	536.59	247.43



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Cholanandam MS Risk Services Limited

Notes forming part of the financial statements for the year ended March 31, 2025

All amounts are in INR Lakhs unless stated otherwise

(A) Property, plant and equipment for the Year ended March 31, 2024

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at April 1, 2023	Additions	Deletions/Adjustments	As at March 31, 2024	As at April 1, 2023	Transfer to retained earnings	Provided for the year ended March 2024	Up to March 31, 2024	As at March 31, 2024
Owned Assets									
1 Plant and Machinery	28.86	-	-	28.86	17.71		3.36	21.07	7.79
2 Furniture and Fixtures	2.88	64.16	0.80	66.25	1.76		3.13	4.10	62.15
3 Vehicles	95.11	27.15	7.31	114.95	39.24		19.38	51.32	63.63
4 Office Equipment	60.66	5.98	5.12	61.53	30.02		13.63	39.78	21.74
5 Electrical & Fittings	5.81	19.54	2.69	22.66	4.22		1.06	3.57	19.10
6 Computers	174.90	42.25	17.16	199.99	104.09		46.69	134.43	65.56
Total	358.23	159.08	33.07	494.24	197.05	-	87.26	254.26	239.98

(B) Right of use assets for the Year ended March 31, 2024

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at April 1, 2023	Additions	Deletions/Adjustments	As at March 31, 2024	As at April 1, 2023	Transfer to retained earnings	Provided for the year ended March 2024	Up to March 31, 2024	As at March 31, 2024
1 Buildings	322.81	-	259.39	63.43	184.54		68.70	46.98	16.45
Total	322.81	-	259.39	63.43	184.54	-	68.70	46.98	16.45

(C) Intangible assets for the Year ended March 31, 2024

DESCRIPTION	GROSS BLOCK				AMORTIZATION			NET BLOCK	
	As at April 1, 2023	Additions	Deletions/Adjustments	As at March 31, 2024	As at April 1, 2023	Transfer to retained earnings	Provided for the year ended March 2024	Up to March 31, 2024	As at March 31, 2024
1 Software	137.95	3.50	-	141.45	95.50		24.45	119.95	21.49
TOTAL	137.95	3.50	-	141.45	95.50	-	24.45	119.95	21.49
Grand Total	828.99	162.58	292.46	699.11	477.09	-	180.40	401.20	277.92

(D) Intangible assets under development for the Year ended March 31, 2024

DESCRIPTION	Less than 1 year
1 Software	5.60



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Note 4

Particulars	As at March 31, 2025	As at March 31, 2024
Investments - Non current		
Investments- FVOCI		
Equity Shares - Unquoted		
Inogen Environmental Alliance Inc.	16.46	16.46
500,000 shares of USD 0.5 each		
Investments- Amortised cost		
Investment in bonds	250.38	100.12
March 31, 2025 - 250 units of Rs. 100,000 each		
March 31, 2024 - 10,000 units of Rs. 1,000 each		
Investments- non current	266.84	116.58
Aggregate book value	266.84	116.58
Investments - Current		
Investments- Amortised cost		
Investment in bonds	100.12	-
March 31, 2025 - 10,000 units of Rs. 1,000 each		
Investments- current	100.12	-
Aggregate book value	100.12	-

Particulars	As at March 31, 2025	As at March 31, 2024
Note 5		
Bank Balances other than Cash and cash equivalents		
Fixed Deposits with original maturity for more than 12 months	-	263.00
Total other financial assets- non current	-	263.00



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6 Income Tax Expense

The major components of income tax expense for the years ended 31st March 2025 and 31st March 2024 are:

Statement of Profit and Loss

Particulars	As at March 31, 2025	As at March 31, 2024
Current Tax:		
Current income tax charge	207.93	225.96
Adjustments in respect of current income tax of previous years	(2.89)	-
Deferred Tax:		
Relating to the origination and reversal of temporary differences	40.74	(16.19)
Income Tax Expense reported in the Statement of Profit and Loss	245.78	209.77
Other Comprehensive Income (OCI)		
Tax effect on		
Re-measurement Loss on Defined Benefit Obligations	(2.70)	(0.96)
Income Tax charged to OCI	(2.70)	(0.96)

Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for 31st March 2025 and 31st March 2024:

The tax on the Company's profit before tax differs from the theoretical amount that would arise on using the standard rate of corporation tax in India as follows:

Accounting Profit before income tax

Particulars	As at March 31, 2025	As at March 31, 2024
Profit before Income Tax multiplied by Standard Rate of Corporate Tax in India of March 31, 2025 - 25.168% & March 31, 2024 - 25.168%	237.04	204.85
Effects of:		
Other Disallowances	6.04	3.96
Reversal of provision with respect to prior years	-	-
Net Effective Income Tax	243.08	208.81

7 Deferred tax assets

The balance comprises temporary differences attributable to:

	As at March 31, 2025	As at March 31, 2024
Depreciation	28.00	15.48
Provision for employee benefits	27.67	63.11
Provision for doubtful debts	41.94	58.33
Others	-	1.43
Total Deferred Tax assets	97.61	138.35

Movement in deferred tax assets

	Depreciation	Provision for employee benefits	Provision for doubtful debts	Others	Total
At April 1, 2024	15.48	63.11	58.33	1.43	138.35
(Charged)/credited:					
- to profit or loss	12.52	(35.44)	(16.39)	(1.43)	(40.74)
At March 31, 2025	28.00	27.67	41.94	-	97.61



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Cholamandlam MS Risk Services Limited
Notes forming part of the financial statements for the year ended March 31, 2025
All amounts are in INR Lakhs unless stated otherwise

Particulars	As at March 31, 2025	As at March 31, 2024
Note 8		
Current Tax Assets (Net)		
Tax receivable (Tax deducted at source receivable, Advance tax paid)	2,482.10	2,400.76
Less: Provision for Taxation	1,603.05	1,654.82
Total Current Tax Assets (Net)	879.05	745.94

Note 9		
Other non-current assets		
Prepaid Expenses	23.61	33.35
Total other non-current Assets	23.61	33.35

Note 10		
Trade receivables		
(i) Undisputed Trade receivables – considered good	2,348.10	2,121.13
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	125.11	209.83
(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	-	-
Less: Provision for doubtful debts	125.11	209.83
Net Trade Receivables	2,348.10	2,121.13

As at March 31 2025 Rs.

Particulars	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	2,259.34	88.76	-	-	-	2,348.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	62.02	40.18	17.69	5.22	125.11
(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	2,259.34	150.78	40.18	17.69	5.22	2,473.21
Less: Provision for doubtful debts	-	62.02	40.18	17.69	5.22	125.11
Net Trade Receivables	2,259.34	88.76	-	-	-	2,348.10

As at March 31 2024 Rs.

Particulars	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	2,006.17	114.96	-	-	-	2,121.13
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	32.59	67.73	24.17	85.34	209.83
(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	2,006.17	147.55	67.73	24.17	85.34	2,330.96
Less: Provision for doubtful debts	-	32.59	67.73	24.17	85.34	209.83
Net Trade Receivables	2,006.17	114.96	-	-	-	2,121.13



Cholamandalam MS Risk Services Limited
Notes forming part of the financial statements for the year ended March 31, 2025
All amounts are in INR Lakhs unless stated otherwise

Particulars	As at March 31, 2025	As at March 31, 2024
Note 11		
Cash and bank balances		
Cash in Hand	0.08	0.02
Balance with banks		
On current accounts	95.69	102.55
Fixed Deposits with maturity for less than 3 months	372.05	235.00
Total Cash and Bank Balances	467.82	337.57

Note 12		
Bank Balances other than Cash and cash equivalents		
Fixed Deposits with maturity for less than 12 months	895.00	905.00
Total Bank Balances other than Cash and Cash equivalents	895.00	905.00

* Includes Fixed Deposits placed on lien with Banks 285.00 285.00

Note 13		
Others -Financial Assets - Current		
Unsecured and considered good		
Unbilled Revenue *	617.27	419.51
SEIS claim receivables	-	16.98
Rent deposits	38.79	35.84
Security deposits	192.93	161.85
Employee related advances	12.79	8.78
Earnest Money Deposit	5.35	1.18
Interest accrued on fixed Deposits and bonds	26.12	13.91
Total other financial assets - current	893.25	658.05
Others -Financial Assets - Non-Current		
Unsecured and considered good		
Earnest Money Deposit	2.95	-
Unsecured and considered doubtful		
Earnest Money Deposit - Doubtful	2.05	2.05
Less : Provision for doubtful loans and advances	2.05	2.05
Security Deposit - Doubtful	39.50	19.88
Less : Provision for Security Deposit	39.50	19.88
Total other financial assets- non-current	2.95	-

* Ageing of the total outstanding unbilled revenue is less than 6 months from the date of transaction.

Note 14		
Other Current Assets		
Prepaid Expenses	156.62	74.94
Advance paid to Vendors	3.40	1.58
Total other current assets	160.02	76.52



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Cholamandalam MS Risk Services Limited
Notes forming part of the financial statements for the year ended March 31, 2025
All amounts are in INR Lakhs unless stated otherwise

Note 15

Equity share capital

Authorised equity share capital	Number of shares	Amount
As at 1 April 2024	20,00,000	200.00
Increase during the year		
As at 31 March 2025	20,00,000	200.00

(i) Movements in equity share capital

	Number of shares	Equity share capital (per value)
As at 1 April 2024	20,00,000	200.00
As at 31 March 2025	20,00,000	200.00

Terms and rights attached to equity shares:

The Company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Shares of the company held by holding / ultimate holding company

	March 31, 2025	March 31, 2024
	Number of shares	Amount
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited)	9,89,979	99.00
Mitsui Sumitomo Insurance Company Limited	10,00,000	100.00
Total	19,89,979	199.00

(iii) Details of shareholders holding more than 5% shares in the company

	March 31, 2025	March 31, 2024
	Number of shares	% holding
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited)	9,89,979	49.50%
Mitsui Sumitomo Insurance Company Limited	10,00,000	50.00%
Total	19,89,979	99.50%

iv) Shares held by promoters at the end of the year

	March 31, 2025	March 31, 2024
	Number of shares	% holding
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited)	9,89,979	49.50%
Mitsui Sumitomo Insurance Company Limited	10,00,000	50.00%
Chola Insurance Distribution Services Pvt. Ltd.	2	0.00%
Ambadi Investments Ltd.	2	0.00%
Ambadi enterprises Ltd.	1	0.00%
Chola Business Services Ltd.	1	0.00%
Kanjak Investments Trust Ltd.	10015	0.50%
Total	20,00,000	100.00%



Cholamandalam MS Risk Services Limited

Notes forming part of the financial statements for the year ended March 31, 2025

All amounts are in INR Lakhs unless stated otherwise

Note 16**Other Equity****Reserves and surplus**

	As at March 31, 2025	As at March 31, 2024
General reserve	2,900.00	2,500.00
Retained earnings	1,822.68	1,583.91
Total reserves and surplus	4,722.68	4,083.91

a) General reserve	As at March 31, 2025	As at March 31, 2024
Opening balance	2,500.00	2,100.00
Additions during the year	400.00	400.00
Deductions/Adjustments during the year	-	-
Closing balance	2,900.00	2,500.00

b) Retained earnings	As at March 31, 2025	As at March 31, 2024
Opening balance	1,583.91	1,428.81
Net profit for the period	706.81	607.96
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	8.04	2.86
Less: Dividends	60.00	50.00
Less: Transfer to General reserve	400.00	400.00
Closing balance	1,822.68	1,583.91



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Particulars	As at March 31, 2025	As at March 31, 2024
Note 17		
Lease liabilities - Non Current		
Finance Lease obligation	-	0.44
Total - Non Current		0.44
Lease liabilities - Current		
Finance Lease obligation	-	17.88
Total - Current		17.88
Total Lease liabilities		18.32

The following is the movement in lease liabilities during the year:

Balance at the beginning	18.32	155.45
Additions	-	-
Deletions	(3.91)	(63.10)
Finance cost accrued during the period	0.52	10.50
Payment of lease liabilities	(14.93)	(84.53)
Balance at the end	-	18.32

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 and March 31, 2024 on an undiscounted basis

Less than one year	160.63	116.74
One to five years	-	1.87
More than five years	-	-
Total	160.63	118.60

Note 18

Other Financial Liabilities- Non Current		
Advance from customers	-	2.83
Total other Financial Liabilities- Non Current		2.83
Other Financial Liabilities- Current		
Expenses payable	209.34	166.21
Employee related payables	200.72	172.33
Unearned Revenue	132.52	38.06
Total Other Financial Liabilities- Current	542.58	376.60

Note 19

Trade payables						
As at March 31 2025						
Particulars	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	34.27	-	-	-	-	34.27
(ii) Others	182.91	0.99	7.55	-	-	191.45
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	217.18	0.99	7.55	-	-	225.72
As at March 31 2024						
Particulars	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	19.98	-	-	-	-	19.98
(ii) Others	240.15	2.35	0.02	-	-	242.51
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	260.13	2.35	0.02	-	-	262.50

Particulars	As at March 31, 2025	As at March 31, 2024
Note 20		
Employee benefit obligation-Non- Current		
Provision for Leave encashment	73.80	132.59
Total - Non current - Employee benefit obligation	73.80	132.59
Employee benefit obligation- Current		
Provision for Incentive	286.48	257.83
Provision for gratuity	56.34	44.04
Provision for Leave encashment	36.13	118.16
Total - Current - Employee benefit obligation	378.95	420.03

Note 21		
Other current liabilities		
Statutory related payables	238.06	182.23
Total Current liabilities	238.06	182.23



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Cholamandalam MS Risk Services Limited
Notes forming part of the financial statements for the year ended March 31, 2025
All amounts are in INR Lakhs unless stated otherwise

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Note 22		
Revenue from operations		
Fee Income from Services		
Domestic	6,480.00	5,799.98
Overseas	1,483.81	1,100.87
Other Operating Income - Training Services	45.51	12.77
Sale of telematics devices	-	-
Service income from telematics device	2.83	0.52
Total Revenue from Operations	8,012.15	6,914.14

Disclosures pursuant to Indian Accounting Standard (Ind AS)
Disaggregation of Revenue:

Following table covers the revenue segregation in to Operating Segments and Geographical areas.

Particulars	Revenue as per Ind AS 115			Total as per Profit or Loss and Segment Reporting
	Domestic	Foreign	Total	
Segment				
Consultancy Services	6,525.51	1,483.81	8,009.32	8,009.32
Trading activities	2.83	-	2.83	2.83
Total	6,528.34	1,483.81	8,012.15	8,012.15
a. Revenue recognised based on performance obligations satisfied over a period of time	6,525.51	1,483.81	8,009.32	8,009.32
b. Revenue recognised based on performance obligations satisfied at a point in time	2.83	-	2.83	2.83

Movement in Expected credit loss during the year

Particulars	Trade receivables covered under Ind AS 115	
	2024-25	2023-24
Opening balance	209.83	151.67
Changes in loss allowance:		
Loss allowance based on Expected credit loss	89.22	136.53
Bad Debts Written off	(125.68)	-
Addition/(reversal) of Loss allowance - net	(48.26)	(78.37)
Closing balance	125.11	209.83

Contract balances:

Following table covers the movement in contract asset balances during the year.

Particulars	2024-25	2023-24
Opening balance (A)	419.51	316.20
Add/(Less): Revenue recognised during the year	617.27	419.51
Add/(Less): Progress Bills raised/reversed during the year	(419.51)	(316.20)
Closing balance (B)	617.27	419.51



Cholamandalam MS Risk Services Limited**Notes forming part of the financial statements for the year ended March 31, 2025***All amounts are in INR Lakhs unless stated otherwise***Reconciliation of contracted price with revenue during the year**

Particulars	2024-25	2023-24
Opening contracted price of orders at the start of the year (including full value of partially executed contracts)	11,218.79	11,489.52
Changes during the year on account of:		
Add: Fresh orders received	12,620.72	7,702.59
Add: Scope Change	2,676.42	(1,280.21)
Less: Orders completed fully	(12,264.84)	(6,693.12)
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts)	14,251.09	11,218.79

Particulars	2024-25	2023-24
Revenue recognised during the year	7,963.81	6,900.85
Out of orders completed during the year	4,921.24	4,522.66
Out of continuing orders at the end of the year (I)	3,042.57	2,378.19
Revenue recognised up to previous year (towards continuing orders at the end of the year) (II)	214.64	2,084.41
Balance revenue to be recognised in future (III)	10,993.88	6,756.18
Total Gross work Order value	14,251.09	11,218.79

Remaining performance obligations: Following table covers the aggregate amount of transaction price allocated to remaining performance obligations and when company expects to convert the same into revenue.

31-Mar-25				
Particulars	Total	Likely conversion in revenue		
		Up to 1 Year	1 to 2 years	More than 2 years
Orders allocated to the remaining performance obligation	10,993.88	6,276.75	3,301.99	1,415.14
31-Mar-24				
Particulars	Total	Likely conversion in revenue		
		Up to 1 Year	1 to 2 years	More than 2 years
Orders allocated to the remaining performance obligation	6,756.18	3,378.09	2,702.47	675.62

Qualitative Disclosure**Performance Obligation:**

The Company recognizes revenue as and when, the Company satisfies the performance obligation by transferring a promised good or renderings the promised service to a customer.

At contract inception, the Company assesses the goods or services promised in a contract with a customer and identifies performance obligation as each promise to transfer to the customer.

Performance Obligations are measured as the services agreed with the customers for rendering in each contract. Revenue from fixed price contracts are recognised, where the performance obligations were satisfied over time and where there is no uncertainty as to measure or collectability of consideration.

Significant Payment Terms:

Progressive billing as per the milestone agreed with the Customers.

Significant Judgement:

The Company has adopted the input method to measure the performance obligation in case of consultancy service income. This method appropriately depicts the progress achieved by the Company in satisfying the performance obligation. The transaction price is the consideration as promised in the contract with the customers and company recognizes revenue as and when, the Company satisfies the performance obligation by transferring a promised good or renderings the promised service to a customer.



Cholamandalam MS Risk Services Limited**Notes forming part of the financial statements for the year ended March 31, 2025***All amounts are in INR Lakhs unless stated otherwise*

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
-------------	--------------------------------------	--------------------------------------

Note 23

Other income		
Foreign Exchange Gain	30.08	25.93
Export Benefit incentives	3.93	15.04
Miscellaneous Income	0.15	0.33
Provision no longer required written back	173.91	78.37
Gain on de-recognition of RoU asset	0.39	12.41
Interest income :	-	-
Bank fixed deposits	71.42	68.99
Interest income on bonds	21.97	5.08
Interest income from IT refund	5.09	-
Others	0.63	2.74
Investment income:	-	-
Profit on sale of mutual funds	-	2.50
Profit on sale of fixed assets	-	1.91
Total Other Income	307.57	213.30

Note 24

Employee benefits expense		
Salaries	4,040.43	3,663.39
Contribution to provident and other funds	192.49	176.53
Gratuity & long term compensated absence	56.18	41.71
Staff welfare	253.17	176.83
Total employee benefits expense	4,542.27	4,058.46

Note 25

Finance Costs		
Interest Cost to MSME	-	-
Interest Cost - Others	4.71	10.52
Total Finance Cost	4.71	10.52

Note 26

Other expenses		
Operating expenses		
Recruitment Expenses	27.41	29.46
Travelling & conveyance	696.23	566.34
Communication	11.45	13.01
Consultants Outsourcing fees	979.63	905.23
Less : Reimbursement of Expenses	(143.68)	(135.34)
Project Related Expenses	249.17	124.03
	1,820.21	1,502.73
Business Development Cost		
Business Development and Advisory Cost	20.27	21.55
	20.27	21.55



Cholamandalam MS Risk Services Limited**Notes forming part of the financial statements for the year ended March 31, 2025***All amounts are in INR Lakhs unless stated otherwise*

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
General & administration expenses		
Power	20.45	15.65
Rent	144.21	27.71
Rates & taxes	13.69	7.74
Repairs & maintenance	51.28	33.61
Printing & stationery	14.53	14.82
Postage Expenses	8.26	6.71
Sitting fees	2.70	2.55
Insurance	12.63	12.99
Bank Charges	29.15	19.00
Bad & Doubtful Debts Written off	125.68	-
IT Expenses	140.50	101.32
Legal and Professional charges	47.63	45.75
Provision for bad & doubtful debts	89.21	136.53
Provision for doubtful loans and advances	19.62	16.14
Auditor's remuneration (Details given below)	8.50	7.09
Tender Fees	1.74	3.07
Loss on sale of asset	4.04	-
Training Expenses	43.50	27.71
Membership and Subscription Fees	41.27	44.25
Corporate Social Responsibility expenses	16.80	12.70
Miscellaneous expenses	1.95	0.21
	837.34	535.55
Total other expenses	2,677.82	2,059.83
Payment to Auditor		
Audit fee (excluding GST)	6.50	5.28
Tax audit fee (excluding GST)	0.75	0.66
Certification Fees (excluding GST)	1.10	1.00
Reimbursement of expenses	0.15	0.15
Note 27		
Earnings per share		
Net profit after taxes	698.77	605.10
Equity shares outstanding as at the year end (in Nos.)	20,00,000	20,00,000
Nominal value per equity share - Rs	10.00	10.00
Weighted average number of shares	20,00,000	20,00,000
Earnings per share - Basic - Rs	34.94	30.26
Earnings per share - Diluted - Rs	34.94	30.26

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Cholamandalam MS Risk Services Limited**Notes forming part of the financial statements for the year ended March 31, 2025***All amounts are in INR Lakhs unless stated otherwise***Note 28****List of Related parties****a. Companies having substantial interest in voting rights:**

1. Cholamandalam Financial Holdings Ltd (Formerly known as TI Financial Holdings Ltd)
2. Mitsui Sumitomo Insurance Company Limited, Japan

b. Companies under same management:

1. Cholamandalam MS General Insurance Company Ltd
2. Cholamandalam Investment and Finance Company Limited

c. Key Managerial Personnel:

1. N.V. Subba Rao – Designation: Chief Executive (April 1, 2024 - June 30, 2024)
2. Ramesh Ramalingam – Designation: Chief Executive (July 1, 2024 - March 31, 2025)

Details of Related Party Transactions:

Transactions	Related Party	2024-25	2023-24
Rendering of Services (Income)	Cholamandalam MS General Insurance Co Ltd	230.53	251.05
	Cholamandalam Financials Holdings Limited	4.50	4.25
	Cholamandalam Investment and Finance Company Limited	0.86	-
Availment of Services (Expense)	Cholamandalam MS General Insurance Co Ltd	128.13	74.57
	Cholamandalam Investment and Finance Company Limited	-	-
Reimbursement - Employee Insurance	Cholamandalam MS General Insurance Co Ltd	104.55	16.14
Sitting Fees	A) Mitsui Sumitomo Insurance Company Limited	2.70	2.10
Dividend Paid	A) Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited)	29.70	24.75
	B) Mitsui Sumitomo Insurance Company Ltd	30.00	25.00
Recovery of Expenses	Cholamandalam MS General Insurance Co Ltd	0.53	2.93
Investments in bonds during the year	Cholamandalam Investment and Finance Company Limited	250.38	100.12
Closing balances Dr/(Cr)	Cholamandalam MS General Insurance Co Ltd	53.42	71.72
	Cholamandalam Financial Holdings Limited	-	2.51
	Cholamandalam Investment and Finance Company Limited	350.50	100.12
Remuneration to Key Managerial Personnel	A) N V Subba Rao, Chief Executive (April 1, 2024 - June 30, 2024)	193.46	196.03
	B) Ramesh Ramalingam, Chief Executive (July 1, 2024 - March 31, 2025)	92.95	-



Note 29**Contingent Liability**

Assessment Year	Particulars	As at March 31, 2025	As at March 31, 2024
	Contested Liabilities Not provided for in respect of Tax matters pending before Appellate Authorities		
	Income Tax Matters:		
2016-17	In respect of disallowance of payments made towards Business Promotion and Referral charges paid	262.67	262.67
2017-18	In respect of disallowance of payments made towards Business Promotion and Referral charges paid	142.77	142.77
2018-19	In respect of disallowance of remittances to non-residents for not withholding tax at source.	320.51	-

AY 2016-17 and 2017-18:

The Company is on appeal against the disallowance of payments made towards Business Promotion and Referral charges paid in accordance with the Preferred Partner Tie up Agreement entered into. For AY 2015-16, the assessment was ordered in favour of the Company at CIT appeals and the Company is expecting the same opinion in the subsequent year assessments as well and confident of winning the appeal before the appellate forum.

AY 2018-19

Disallowance is made towards remittances to non-residents for not withholding tax at source. The Company is in the process of preferring appeal with CIT Appeals and confident of winning the appeal before the appellate forum.

Note 30

Capital Commitment	Particulars	As at March 31, 2025	As at March 31, 2024
Software	Happay Travel software	8.00	8.00

Note 31

Ratios	Particulars	As at March 31, 2025	As at March 31, 2024	Reasons for variance
a) Current ratio	Current Assets / Current liabilities	3.51	3.25	NA*
b) Debt-Equity ratio	Total Debts/ Total Equity	-	0.00	Repayment of lease liability
c) Return on equity ratio	Profit after tax/Shareholder's Equity	14.36%	14.19%	NA*
d) Trade receivables turnover	Total Trade receivables *365 Days/ Revenue from Operations	107	112	NA*
e) Trade payables turnover ratio	Total Trade Payables *365 Days/ Other Expenses	31	47	Due to payment
f) Net capital turnover ratio	Net annual sales / Working capital	2.30	2.44	NA*
g) Net profit ratio	Profit before tax/Revenue from Operations	12%	12%	NA*
h) Return on capital employed	Profit after tax/Total Capital employed	14%	14%	NA*

* The reason for Variance is not required to be given for any change in the ratio by less than 25% as compared to the preceeding year.



Note 32**Fair value measurements****Financial instruments by category**

	Level	As at March 31, 2025			As at March 31, 2024		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	3	-	16.46	-	-	16.46	-
- Debt instruments	3	-	-	350.50	-	100.12	-
Trade receivables	3	-	-	2,348.10	-	-	2,121.13
Cash and cash equivalents		-	-	467.82	-	-	337.57
Bank Balances other than (ii) above		-	-	895.00	-	-	1,168.00
Loans	3	-	-	-	-	-	-
Others	3	-	-	893.25	-	-	658.05
Total financial assets		-	16.46	4,954.67	-	116.58	4,284.75
Financial liabilities							
Trade payables	3	-	-	225.72	-	-	262.50
Lease liabilities	3	-	-	-	-	-	18.32
Other financial liabilities	3	-	-	542.58	-	-	379.43
Total financial liabilities		-	-	768.30	-	-	660.25

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value (Level 3)

Specific valuation techniques used to value financial instruments at level 3 is determined using discounted cash flow analysis.

(iii) Valuation Process

The finance department of the Company includes the team that perform valuation of financial assets and liabilities. This team reports to the CFO and the Board on the valuation process and results.

(iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balance other than cash equivalents, other financial assets (current) and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for other financial assets (non current) were calculated based on cash flows discounted using a risk adjusted discount rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



(Signature)

Cholamandalam MS Risk Services Limited

Notes forming part of the financial statements for the year ended March 31, 2025

All amounts are in INR Lakhs unless stated otherwise

Financial instruments and risk management (contd.)

Note 33

Financial risk management

Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The board of directors meets regularly to approve any commercial, regulatory and organisational requirements of the Company and frame policies that define the Company's identification of risk and its interpretation, limit its structure to ensure the appropriate quality and diversification of assets to align to the corporate goals, and specify reporting requirements.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

For all financial assets of the Company, management assesses and manages credit risk based on internal credit assessment of the parties. Internal credit assessment is performed on a group basis for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk. The Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

(i) Trade receivables:

Customer credit risk is managed by each business unit under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on this evaluation, credit limit and credit terms are decided. Exposure on customer receivables are regularly monitored and managed through credit lock and release.

The impairment is based on expected credit loss model considering the historical data and financial position of individual customer at each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company does not hold any collateral as security. The Company has low concentration of risk with respect to trade receivables, as its customers are widely spread and belong to diversified industries and operate in largely independent markets.



Cholamandalam MS Risk Services Limited

Notes forming part of the financial statements for the year ended March 31, 2025

All amounts are in INR Lakhs unless stated otherwise

Financial instruments and risk management (contd.)**Note 33****Financial risk management****(ii) Financial Instruments and cash deposits:**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made for short-term in liquid funds of rated mutual funds and deposits with banks. The Investment limits are set out per Mutual fund and the value of total fixed deposit in Banks to minimise the concentration risk. Investments are reviewed by the Board of Directors on a quarterly basis.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 365 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 1 year of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(iii) Provision for expected credit losses

The company provides for expected credit loss based on the following:

(a) Expected credit loss for trade receivables under simplified approach.**Year ended 31 March 2025:**

Ageing	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	Total
Gross carrying amount	2,259.34	150.78	40.18	17.69	5.22	2,473.20
Expected loss rate	0%	41.1%	100%	100%	100%	5%
Expected credit losses (Loss allowance provision)	-	62.02	40.18	17.69	5.22	125.10
Carrying amount of trade receivables (net of impairment)	2,259.34	88.76	-	-	-	2,348.10

Year ended 31 March 2024:

Ageing	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	Total
Gross carrying amount	2,006.17	147.55	67.73	24.17	85.34	2,330.95
Expected loss rate	0%	22%	100%	100%	100%	9%
Expected credit losses (Loss allowance provision)	-	32.59	67.73	24.17	85.34	209.82
Carrying amount of trade receivables (net of impairment)	2,006.17	114.96	-	-	-	2,121.13

(iv) Reconciliation of loss allowance provision – Trade receivables

Loss allowance on 1 April 2024	209.82
Changes in loss allowance	(84.72)
Loss allowance on 31 March 2025	125.10



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Cholamandalam MS Risk Services Limited**Notes forming part of the financial statements for the year ended March 31, 2025**

All amounts are in INR Lakhs unless stated otherwise

Financial instruments and risk management (contd.)**Note 33****Financial risk management****(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the group. The Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Floating rate	31 March, 2025	31 March, 2024
Expiring within one year (cash credit facility)	210.00	210.00

The Cash Credit facilities may be drawn at any time required by the Company under the drawing limits set by the Bank

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

31 March 2025	Less than 12 months	More than 1 year	Total
Non-derivatives			
Trade payables	225.72	-	225.72
Lease liabilities	-	-	-
Other financial liabilities	542.58	-	542.58
Total non-derivative liabilities	768.30	-	768.30
31 March 2024	Less than 12 months	More than 1 year	Total
Non-derivatives			
Trade payables	262.50	-	262.50
Lease liabilities	17.88	0.44	18.32
Other financial liabilities	376.60	2.83	379.43
Total non-derivative liabilities	656.98	3.27	660.25



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Note 33**Financial instruments and risk management (contd.)****(C) Market risk****(i) Foreign currency risk**

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the receivable in foreign currency and payables in foreign currency. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	31 March 2025				
	AED	GBP	Euro	USD	KwD
<u>Financial assets</u>					
Trade receivables	-	29.45	-	391.05	230.96
<u>Financial liabilities</u>					
Trade payables	-	-	36.70	-	-
Net exposure to foreign currency risk	-	29.45	(36.70)	391.05	230.96

	31 March 2024				
	AED	GBP	Euro	USD	KwD
<u>Financial assets</u>					
Trade receivables	-	10.82	-	221.95	207.54
<u>Financial liabilities</u>					
Trade payables	-	-	-	3.54	-
Net exposure to foreign currency risk	-	10.82	-	218.40	207.54

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit after tax	
	31 March 2025	31 March 2024
<u>USD sensitivity</u>		
INR/USD Increases by 10%	39.10	21.84
INR/USD Decreases by 10%	(39.10)	(21.84)
<u>KWD sensitivity</u>		
INR/KWD Increases by 10%	23.10	20.75
INR/KWD Decreases by 10%	(23.10)	(20.75)
<u>Euro sensitivity</u>		
INR/Euro Increases by 10%	(3.67)	-
INR/Euro Decreases by 10%	3.67	-
<u>GBP sensitivity</u>		
INR/GBP Increases by 10%	2.95	1.08
INR/GBP Decreases by 10%	(2.95)	(1.08)



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Cholamandalam MS Risk Services Limited**Notes forming part of the financial statements for the year ended March 31, 2025**

All amounts are in INR Lakhs unless stated otherwise

Note 34**Capital management****(a) Risk management**

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

	March 31, 2025	March 31, 2024
Net debt	-	3.27
Total equity	4,922.68	4,283.91
Net debt to equity ratio	-	0.00

(b) Dividends

	FY 2024-25	FY 2023-24
<i>(i) Equity shares</i>		
Final dividend for the year ended March 31, 2024 of Rs. 3.00 per fully paid up share (March 31, 2023 of Rs. 2.50 per fully paid up share)	60.00	50.00

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs.3 per fully paid equity share for the year ended March 31, 2025. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.



Note 35

Employee Benefit Obligations

Fair valuation of investments in Equity and Debt Instruments

Under Ind AS financial assets designated at fair value through other comprehensive income (FVTOCI) are fair valued at each reporting date with changes in fair value (net of deferred taxes) recognised directly in other comprehensive income.

Re-measurements of post-employment benefit obligations

Under Ind AS, the actuarial gains and losses form part of re-measurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'Other Comprehensive Income' includes re-measurements of defined benefit plans and diminution in value of investments. The concept of other Comprehensive Income did not exist under previous GAAP.

Retirement benefit plans

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, gratuity and compensated absences.

Defined Contribution Plan

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the employees' salary. The Group's contribution to provident fund is charged as expenses as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump-sum payment to vested employees at retirement, death, and while in employment or on termination of employment of an amount equivalent to 26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions to a funded gratuity scheme administered by the Life Insurance Corporation of India.

2.4.3. Long Term Compensated absences

A provision for leave encashment which is a defined benefit plan is made based on actuarial valuation. Actuarial gains and losses of defined benefit plans and long term compensated absences are recognized in the profit & loss account in the year of occurrence.

Company's liability towards gratuity (funded), other retirement benefits and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



Note 35
Employee Benefit Obligations

2.4.4. The principle assumptions used for the purposes of actuarial valuations were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity		
Discount Rate	6.46%	6.97%
Expected rate of salary increase	7.50%	7.00%
Attrition Rate	14.00%	14.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

Amounts recognised in total comprehensive income in respect of these define benefit plans are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity		
Current service cost	38.04	32.26
Interest expense on DBO	16.03	15.42
Interest (income) on plan assets	(14.30)	(13.63)
Remeasurement on the net defined benefit liability comprising:		
Actuarial(gain)/loss arising from changes in financial assumptions	12.72	(2.75)
Changes in demographic assumptions		
Actuarial(gain)/loss arising from experience adjustments	(5.89)	3.79
Actuarial(gain)/loss on plan assets	3.91	2.78
(Return) on plan assets (excluding interest income)		
Total	50.52	37.87
Defined benefit cost included in P&L	39.78	34.05
Total remeasurements included in OCI	10.74	3.82

The amount included in the balance sheet arising from the Company's obligation in respect of the defined benefit is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity		
Present value of defined benefit obligation	269.96	251.05
Fair value of plan assets	213.62	207.02
Net liability arising from defined benefit obligation (funded)	56.34	44.04

Movements in the present value of defined benefit obligation in the current year were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity		
Opening defined benefit obligation	251.05	229.12
Current service cost	38.04	32.26
Interest cost	16.03	15.42
Actuarial(gain)/loss arising from changes in financial assumptions	12.72	(2.75)
Actuarial(gain)/loss arising from change in demographic assumptions	-	-
Actuarial(gain)/loss arising from experience adjustments	(5.89)	3.79
Benefits paid	(41.99)	(26.79)
Closing defined benefit obligation	269.96	251.05



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Note 35

Employee Benefit Obligations

Movement in the fair value of plan assets in the current year was as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity		
b) Reconciliation of Opening and Closing balances of fair value of plan assets		
Fair value of Plan assets at beginning of the year	207.02	185.09
Expected return on plan assets	14.30	13.63
Actuarial (gain)/loss	(3.91)	(2.78)
Employer contribution	38.21	37.87
Benefits Paid	(41.99)	(26.79)
Fair value of Plan assets at Year end	213.62	207.02

The Company funds the cost of gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India which manages the plan assets.

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and expected salary increase (inflation rate). The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

Particulars	As at March 31, 2025	As at March 31, 2024
Discount Rate		
Discount rate + 0.5% basis points	6.96%	7.47%
Discount rate - 0.5% basis points	5.96%	6.47%
obligation would:		
decrease by	(7.07)	(5.62)
increase by	7.45	5.91
Escalation rate		
increase by 0.5% basis points	8.00%	7.50%
decrease by 0.5% basis points	7.00%	6.50%
obligation would:		
increase by	5.74	4.89
decrease by	(5.77)	(4.82)

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated since the project unit credit method at the end of each reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year



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Note 36**Segment information****(a) Description of segments and principal activities**

The Company's Chief operations decision maker (CODM) examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

The CODM primarily uses a measure of segments results (net of segment revenue and expenses) to assess the performance of the operating segments.

(b) Segment results

	Consulting Income		Trading Income	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Total segment result				
External sales	8,009.32	6,913.62	2.83	0.52
Unallocable Corporate Income	307.57	213.30	-	-
Total Revenue	8,316.89	7,126.92	2.83	0.52
Purchase of Stock-in-Trade	-	-	0.02	0.51
Employee benefits expense	4,542.27	4,058.46	-	-
Unallocated Finance Costs	4.71	10.52	-	-
Unallocated Other expenses	2,677.82	2,059.83	-	-
Depreciation	142.31	179.79	-	-
Profit before income tax	949.78	818.82	2.81	0.01

(c) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

	Consulting Income		Trading Income	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
India	6,525.51	5,812.75	2.83	0.52
Kuwait	532.16	484.84	-	-
Others	951.65	616.03	-	-
Total segment revenue	8,009.32	6,913.62	2.83	0.52

Disclosure of revenue with single customer more than 3%

Customers	Consulting Income		Trading Income	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Bharat Heavy Electricals Limited	461.21	562.75	-	-
Hindustan Unilever Limited	465.07	454.36	-	-
The Kuwait Oil Company	282.72	357.75	-	-
Vedanta Limited	232.09	331.66	-	-
Antea USA	319.98	306.28	-	-
Dr. Reddys Laboratories Limited	309.26	172.56	-	-
Indian Oil Corporation Ltd	293.40	-	-	-
Cholamandalam MS General Insurance Company Ltd	230.53	251.05	-	-

(d) Segment assets

Segment assets are measured in the same

Segment Name	March 31, 2025		March 31, 2024	
	Current assets	Non current assets	Current assets	Non current assets
Consulting	4,764.19	273.98	4,098.27	579.87
Trading	-	-	-	-
Total segment assets	4,764.19	273.98	4,098.27	579.87
Unallocated:				
Investments	100.12	266.84	-	116.58
Deferred tax assets	-	97.61	-	138.35
Current Tax	-	879.05	-	745.94
Total assets as per the balance sheet	4,864.31	1,517.48	4,098.27	1,580.74

* Other than deferred taxes and current taxes assets

Investments held by the company are not considered to be segment assets.



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Note 36**Segment information****(c) Segment liabilities**

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

Segment Name	March 31, 2025		March 31, 2023	
	Segment liabilities	Non current liabilities	Segment liabilities	Non current liabilities
Consulting	1,385.31	73.80	1,256.41	135.86
Trading	-	-	2.83	-
Total liabilities as per the balance sheet	1,385.31	73.80	1,259.24	135.86

Note 37**Corporate social responsibility (CSR)**

As per Section 135 of the Companies Act, 2013 ("the Act"), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit computed as mandated by the Act for the immediately preceding three financial years on CSR activities. The areas of CSR activities that we have chosen to spend on are the areas of sustainable mobility; promoting healthcare including preventive healthcare. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Act. The gross amount required to be spent by the Company during the year is 16.35 Lakhs - and there was no amount unspent during the year.

Amount spent during the year on : 2024-25

Particulars	In cash	Yet to be paid in cash
1. Construction /acquisition of any asset	-	-
2. On purposes other than (1) above	16.80	-

Amount spent during the year on : 2023-24

Particulars	In cash	Yet to be paid in cash
1. Construction /acquisition of any asset	-	-
2. On purposes other than (1) above	12.70	-



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Cholamandalam MS Risk Services Limited

Notes forming part of the financial statements for the year ended March 31, 2025

All amounts are in INR Lakhs unless stated otherwise

Note 38

Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has no borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. 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
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. 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
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(xi) Loans and advances

The company has not granted any loans in the nature of loans or advances in the nature of loans to Promoters,



Cholamandalam MS Risk Services Limited

Notes forming part of the financial statements for the year ended March 31, 2025

All amounts are in INR Lakhs unless stated otherwise

Directors, Key Managerial Personnel and related parties, that are payable on demand or without specifying any terms or period of repayment.

Note 39:

Comparative figures

Comparative figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Note 40: Rounding off

All figures in the financial statements and related notes are rounded off to nearest lakh.

For Brahmayya & Co.

Chartered Accountants

Firm Registration No.000511S



P. Babu

Partner

Membership No.203358

S Venugopalan

Director

DIN: 10379822

Ramesh Ramalingam

Chief Executive

Shyam C Raman

Director

DIN:06847718

Tsutomu Aoki

Director

DIN:09568125

Place: Chennai

Date: 22-April-2025

Ankita Sharma S

Company Secretary

M.no: A60850